



John Stewart AND ASSOCIATES

March 7, 2024

www.jpsi.com

Corn

Corn rallied today to mark the largest daily gain we've seen since November. May futures pushed thru the 20-day moving average to settle 9 ¼ cents higher at \$4.38. Not much came across headlines to change the fundamental picture, but the push thru the 20 day might be an indicator that we've worked thru a lot of the bearish sentiment and speculative short covering is taking place before tomorrow's March WASDE. Resistant now sits at the 50 day, at \$4.51. Weekly sales of corn were on the upper end of expectations at 1.11 million metric tonnes. Japan and Mexico led the list of destinations, with China absent from the list again. Year to date, sales total 1.544 billion bushels, up 28% from a year ago and up 26% from the USDA forecast. Current USDA forecast total for exports sits at 2.1 billion bushels. Tomorrow is the March WASDE report. US Corn ending stocks are expected at 2.155 billion bushels, down from 2.172 bbu on February's WASDE. World ending stocks average estimate is 320.9 million metric tonnes, slightly lower from February's 322.06 mmt. The trade is also keeping a close eye on the changes the USDA will make to South American crop size. Argentina corn was estimated at 55 mmt in February and estimates are expecting 55.1 on this report. February's USDA estimate of the Brazilian corn crop at 124 mmt is expected to be trimmed to 122.4 mmt.

Beans

Strong performance in the soy complex today with SK up 18 cents, MK up \$4, and BOK up 103 ticks. Today was saw a meaningful chart close with SK closing above the 20 DMA for the first time since November 22 and in the process notching the highest close since February 20th at \$11.66 ¼. Next resistance is near the long-term downtrend line off the November high near \$12. The products each saw strong closes as well, with meal and oil both closing above their respective 20 DMA. Better than expected exports across the complex, along with short covering ahead of tomorrow's WASDE was the theme in the trade today. Soybean sales came in at 614k tonnes, which was above expectations and a 7-week high. Cumulative sales are still running 19% behind last year with the USDA's February estimate 13.5% below last year. It will be interesting to see if the USDA slashes their export estimate in tomorrow's report given the slow pace and lack of new sales. Meanwhile, soybean oil sales of 29,200 tonnes were a marketing year high as bargain buying in the vegoil space is starting to take place with soybean oil price near 3-year lows. Customs data shows Chinese soybean imports at 13 mmt for the first two months of the year, which is down 9% from last year and the lowest since 2019. Total China imports have leveled off around the 100 mmt plateau the last few years, with some now estimating this year's imports below 100 mmt. Brazil's February exports at 6.6 mmt were a record for the month, up 32% from last year, with March exports estimated to reach 12.8 mmt. South American production will likely draw the most attention in tomorrow's WASDE with the average estimate calling Argentina's crop at 50.23 tonnes (Feb USDA 50.0) and Brazil at 152.28 tonnes (Feb USDA 156.0). US ending stocks are expected to grow minimally with the average trade guess at 319 mbu (Feb USDA 315).

Wheat

Wheat markets finished mixed, as USDA morning announcement of China cancelling 130.0 TMT of SRW confirmed rumor from yesterday. SRW spread selling & class re-alignment continued today. WK4 lost 2 ½ cents settling @ \$5.28 ½, KWK4 gained 18 ½ cents @ \$5.74 ¾, & MWK4 rallied 9 ½ cents @ \$6.54 ¾. Using 2/8 FEB WASDE as barometer May SRW down \$0.65 ½, HRW down \$0.24 ¾, & HRS down \$0.29. There's is still (~45.0 MBU) 1.218 MMT of SRW outstanding to China, (after today's announcement) which feels like a large % of it could be in jeopardy of getting cancelled/rolled. Export sales were only 271.1 TMT (10.0 MBU), YTD sales 677.3 (includes China?) vs 639.4 MBU a year ago; YTD Shipments showing 469.5 vs 525.0 MBU with only 13 weeks left in the marketing year. Class-by-Class breakdown of today's sales had HRS @ 143.3, SRW 35.3 (4.2 TMT were sold to China ???) & HRW @ 18.6 TMT. US shipped 59.2 TMT of SRW to China in today's report. Back-of-envelope calculation has shipments through FEB using Commerce Department data trailing by ~95.0 MBU. Commerce reported JAN exports @ 53.3 MBU vs 55.7 MBU in DEC & vs 65.7 MBU a year ago. Egypt passed on this morning's tender, as export offers looked somewhat expensive to recent biz; perhaps exporter concerns over fulfillment of payment, as Egyptian pound weakened to 51 from 30.8 pounds to \$1 US in past 24 hours. WASDE report Friday has average trade guess for US stocks @ 567 down 1 MBU, & World stocks 259.12 vs 259.44 MMT in FEB.

CASH BASIS BIDS	Nearby	Apr
Corn Cif Nola	49+K	52+K
Truck Hennepin	05-K	01+K
Truck St Louis	17+K	20+K
Columbus CSX	15-K	13-K
Fort Wayne NS	25-K	15-K
Divd Hereford	130+K	118+K
Divd PNW	165+K	138+K
Nebraska Grp 3	04+K	05+K
Divd Decatur	02-K	02+K
Beans Cif Nola	62+K	56+K
Truck Hennepin	02+K	01-K
Truck St Louis	26+K	22+K
Divd Decatur	08+K	10+K
Divd Des Moines	12-K	22-K
IL R Barge Frt.	360	340
BNSF Shuttle Frt.	\$1700+	\$450+