

Afternoon Market Information Friday, December 14, 2018

CORN

Corn finished the session quietly today, gaining a ½ cent but CH lost 1 cent this week. Funds were buyers of 4,000 contracts by mid-session and hold an estimated long position of 50,000 contracts. The S&D report came and went on Tuesday with only a 50 mln. bu. reduction in corn usage for ethanol standing out – and not unexpected. Weekly grind for ethanol at 107.6 mln. bu. Weekly export sales on Thursday were an unexciting 36 mln. bu. but YTD commitments of 1.089 bln. bu. are 16% ahead of last year, which is the one bright spot in our export arena. 125 tmt of corn sold to Japan overnight for 18/19 delivery. Talk still circulates that China will buy U.S. corn with 3 MMT's being discussed this week. Informa released a 2019 corn acreage estimate of 91.4 mln. acres – a bit below the working number the trade had been using. With trend yield and this acreage, 19/20 ending stocks would line up with current 18/19 ending stocks.

Wheat closed 6 cents lower today but WH was only 1 cent lower this week. Ideas Russia will slow wheat exports and world fob wheat offers climbing helped support futures this week. Weekly export sales of 27.7 mln. bu. bring YTD commitments to 601 mln. bu., 9% below last year. We need to see the export pace improve for additional strength in futures. Funds remain defensive with an estimated short position of 20,000 contracts.

Basis Update: CIF corn firmed this week but was outpaced by higher barge freight, so it felt as though CIF strength was tied to attempting to keep up with freight. PNW values quiet – trade will watch for strength to indicate Chinese buying interest. Undelivered export commitments at 470 mln. bu. Processor values were steady/weaker from less river competition where applicable. Rail values for the most part had a steady to slightly weaker tone. Producer selling picked up a bit this week. The 6-10 day forecast is warm and dry for the U.S. – should be conducive to wrapping up remaining harvest.

Spread Update: CH/CK traded to -7¾ today before settling unchanged. The spread is a ¼ cent weaker this week. CK/CN at -6½ is unchanged this week. CN/CU at a 1¼ cent carry remains intriguing.

BEANS

Soybeans closed 6+ cents lower today and SF lost 16 cents this week – classic buy the rumor sell the fact. Funds were even at mid-day and hold an estimated short position of 20,000 contracts. China picked up 300 tmt of U.S. beans overnight with another 130 tmt sold to unknown destinations. Announced soybean sales to China this week are 1.43 MMT with the trade expecting 5-8 MMT when all is said and done, and the lack of bigger sales this week weighed on futures. The S&D report made few changes and already seems forgotten. Weekly export sales were 29.1 mln bu. and bring YTD commitments to 916 mln. bu., 34% behind last year. YTD commitments to the western hemisphere are 145 mln. bu. ahead of last year (yay Mexico, Argentina, and Canada) and 770 mln. bu. behind to China (not counting this week's announcements.) Informa released a 2019 bean acreage estimate of 85 mln. acres. The huge carryout for 18/19 hangs over balance sheet projections for next year no matter the acres. A few dry weather issues popping up in central Brazil but overall a good crop still on the way.

Basis Update: CIF values firmed sharply this week, partly to keep up with higher barge freight but also to cover bushels that were destined for STL being diverted to the PNW. Unshipped export commitments at 390 mln. bu. PNW values up sharply this week but values trading are ill-defined. Processor values steady. Producer selling a bit more active but he still awaits definitive news on the second aid payment before jumping into more aggressive selling.

Spread Update: Spreads were mixed today but widened this week. SF/SH lost 1 cent this week, SH/SK lost a ½ cent, and SK/SN lost a ¼ cent. SF/SH at 80% of full carry and 88% of full storage carry. Additional export business or not, huge carryout in the U.S. and a lack of concern over S. American production keeps a lid on spreads.

CZ	CH	CK	CN	SF	SH	SK	SN
3.76 ¾	3.84 ¾	3.92 ¼	3.98 ¾	9.00 ½	9.13 ¾	9.27	9.38 ¾
Corn Spreads	Settle	Change		Soybean Spreads	Settle	Change	
CZ/CH	- 8	+ ¾		SF/SH	- 13 ¼	+ ¼	
CH/CK	- 7 ½	+ 0		SH/SK	- 13 ¼	- ½	
CK/CN	- 6 ½	+ 0		SK/SN	- 11 ¾	+ 0	
	December	January	February	Wheat Spreads			
CIF Corn	+45/+46 H	+ 48 H	+ 51 H	WZ/WH	- 2 ¼	+ 6	
CIF Beans	+27 F	+29 F	+ 20 H	WH/WK	- 6 ½	- ¾	
IL River Freight %	500/450	400	390	The information contained in this report is believed to be reliable but is not guaranteed to accuracy or completeness by MID-CO COMMODITIES, INC. or GROWMARK, Inc. This report is provided for informational purposes only and is not furnished for the purpose of, nor intended to be relied upon for specific trading in commodities herein named. This is not independent research and is provided as a service. As such, this is considered a solicitation.			
Mid. Miss.	-	-	-				
St. Louis	350/325	290	270				