
Monday, March 18, 2024

Good afternoon. CBOT markets were mixed to kick-off the new week; soybean futures sagged, wheat futures were higher, and corn was caught in the middle. Ukraine export capability has again come into question following an uptick in Russian missile strikes on the Odessa port area. Up to this point, Ukraine has found a way to get grain out of the country, so time will tell whether the latest development causes significant disruptions or not.

CK closed Monday at 4.36, down 3/4 of a cent. CZ was unchanged at 4.70 3/4. SK was 10 1/2 cents lower at 11.87 3/4. Again traded over \$12, and again rejected it. SX closed at 11.80 1/2, down 10 1/4. WK finished at 5.42 3/4, up 14 1/4. WK also closed above the 10-day for the first time since the end of February. Products were lower, May bean meal was down \$2.80/ton at 331.90, and May bean oil was down 72 points at 48.70. Livestock markets were mostly higher, April live cattle closed at 188.57, up \$1.32, April feeders closed at 255.10, up \$2.97, and April hogs closed at 86.82, down 10 cents. Outside markets are higher, crude oil futures are up \$1.40-1.90/bbl, the Dow Jones index is up 50 points, and the US\$ index is up 20 points.

Spreads were mostly lower on Monday; corn spreads were down 1/4 cent to 3/4 cent, and soybean spreads were unchanged to down 1/4 cent. SK/SN again traded to a new low Monday of -15.

Ag trade continues to be generally two-sided as newswires digest, and redigest, the news stories of recent weeks. USDA and Conab continue to see a wide difference in their crop estimates, but there is no answer today as to who is right, nor will there be in the near future. Private estimates continue to be mostly below both groups, but are closer to that of Conab. At a minimum, debate will be ongoing through April, with it being likely a definitive solution

could come as late as Fall. In another 10 days, attention begins to become more squarely focused on the US 2024 planting campaign.

Technically, markets are in a little bit of no-man's-land. May corn sees resistance this week at last week's high of 4.45. Support is seen at the 20-day moving average, which comes in at 4.30 1/2 today. Soybeans are in a similar boat, as the market has failed to be able to take out \$12 resistance in recent days. This, along with last week's high at 12.17 1/2 will be resistance this week, while support is seen at the 20-day moving average at 11.66.

This morning's weekly export inspections report showed corn sales at the upper end of trader expectations, soybean sales in the middle of expectations, and wheat sales at the lower end of expectations. Corn inspections were seen at 1.239 mmt's, compared with guesses of 900k-1.25 mil mt's. YTD inspections are currently 31% ahead of last year. Soybean inspections were seen at 686,181 mt's, compared with expectations of 300k-1.15 mil mt's. YTD inspections are currently down 19% vs last year. And wheat inspections were seen at 302,302 mt's, compared with expectations of 300k-500k mt's. YTD wheat inspections are currently 16% ahead of last year. USDA this morning did not announce any new sales or cancelations on the daily reporting system to start the new week.

S&P Global, formerly Informa, updated their estimates for US spring planted acres in a monthly report out Monday; the group sees soybean acres at 85.9 mil, and corn acres at 92.8 mil. Corn acres were down 200,000 from their January estimate, while soybean acres were up 400,000 from the January estimate. USDA currently predicts 94.6 mil corn acres, and 83.6 mil soybean acres. The group also sees all wheat acres at 47.2 mil, which would be up 10,000 acres from the January estimate, and compares to the USDA at 49.6 mil.

In outside markets, crude oil futures have been led higher Monday in part because of increased attacks on Russian oil refineries by Ukraine. As of Sunday, Ukrainian long-range attack drones had successfully hit 12 Russian oil refineries, with latest incident coming over the weekend at the Slavyansk oil refinery, located in Southern Russia. These 12 facilities represent around 7% of Russian refining capacity. Elsewhere, cocoa futures again made new contract highs today before closing towards the middle of the day's range. And coffee futures put in an outside day lower, but have not traded below support levels.

Confidence is growing in coming Brazilian rainfall, as corn futures on Brazil's B3 exchange have given back part of last week's gains. Dry areas of Mato Grosso see a boost in moisture the end of this week, which will be welcome.

Areas of Southern Brazil into NE Argentina are beginning to border on too wet, after recent heavy rains have caused flooding and logistics issues which are delaying harvest. Longer range forecasts show a drier pattern for the South and a wetter pattern for the North, which would be just what the doctor ordered.

US Midwest sees generally cooler temps over the next week, with 2-week forecasts showing a return to warmer temps after the first of April. Moisture will be limited to scattered showers for most of the corn belt, with a possible late-season winter snow storm possible in the plains and West over the next week. Otherwise, forecast is mostly the same as recent runs. The South and Southeast see the best chances at moisture over the next week.

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