



Friday, April 26, 2024

Good afternoon. Happy Friday. Quiet end to the week at the CBOT as traders do not want new risk heading into the weekend. Corn futures managed a 3 3/4 cent trading range for the entirety of the day session, with illustrates the lack of interest to wrap up the week. Ag markets next week will look to garner direction from the planting progress update on Monday, as well as macro considerations from the next FOMC meeting; plus the biofuels side of the trade will be anxious to see if next Tuesday's alleged announcement regarding SFA tax credits actually comes to fruition.

CK ended the week at 4.40, down a penny. CZ was down 2 3/4 at 4.73 1/2. SK finished at 11.59 1/2, down 3 1/4. SX was down 3/4 of a cent at 11.74 3/4. Inside day for both old and new crop beans. WK closed at 6.03 1/4, up a penny. Products were mixed, May bean meal closed at 340.0, down \$3.90/ton, and May bean oil closed at 44.93, up 11 points. Livestock markets were mixed to end the week, June live cattle closed at 178.57, up 77 cents, May feeders closed at 248.70, up \$2.45, and June hogs closed at 102.47, down \$2.52. Cattle made new highs for the week on Friday, while hogs made new lows for the week. Outside markets are higher, crude oil futures are trading 40-50 cents/bl higher, the Dow Jones index is up 200 points, and the US\$ index is up 40 points. The \$ index had an outside day higher to end the week.

Spreads were mixed, corn spreads were 3/4 to a penny and 3/4 stronger, while soybean spreads were down 3/4 to 2 1/2 cents. CK/CN ended the week at -10, while SK/SN closed at -17 3/4. New low was -18.

For the week: May corn was up 6 1/2 cents, Dec corn was up 7 1/4 cents, May beans were up 9 cents, Nov beans were up 13 3/4 cents, and May Chicago wheat was up 53 cents.

Front month Chicago wheat futures managed to 'bat 1.000' this week, as they closed higher in every session. Going back to last week, they've closed higher for six consecutive sessions now as managed money traders cover shorts over fears of weather problems in both the US and Russia. Front month Chicago futures also traded above the 200-day moving average Friday for the first time since last summer when the Black Sea grain deal was terminated. May options also expired today, with first notice day on May futures next Tuesday.

This afternoon's COT report showed that for the week ending April 23rd, managed money was a pretty big buyer of corn and wheat contracts. Fund traders bought back 41,023 contracts of corn futures/options, and are now seen short 238,546 contracts. In wheat, funds bought back 20,218 futures/options contracts, and are now seen short 76,184 contracts. Funds were also buyers of 18,861 combined contracts of soybean futures/options contracts, and are now seen short 149,014 contracts. In soy products, funds bought over 30,000 contracts of meal and are now net long 19,681 contracts, and also bought nearly 4,000 contracts of soybean oil and are now short 49,528 contracts. This is first time managed money has been net-long soybean meal since January.

Otherwise, fundamental news was mostly unchanged throughout the past week. Two weeks from today looks to be the next major data day for the ag markets, as this will be the first look at the upcoming new crop year balance sheets. Until then, price direction will mostly be a product of planting progress/weather and fund positioning. Things have quieted down for now in the Middle East, but will likely ramp back up following the ending of the Passover holiday next week. Though not daily headline news of late, global tensions remain heightened and don't look to subside any time soon.

Stock index futures traded higher to end the week, despite inflation data this morning that came in slightly higher than economists had forecast for the month of March. PCE inflation was up 0.3% in March at 2.7%, while the core PCE reading was also up 0.3% at 2.8%. Markets had anticipated a 2.6% reading for both. The data likely does little to alter the results of next week's Fed meeting, where rates are likely to remain unchanged for a 6th consecutive meeting.

Not a lot of change to mid-day weather with most of the mid-section of the US slated to receive rain today into Sunday. Heaviest totals are seen for E OK/KS into MO and IA. An area from W Nebraska to E Illinois and from Minnesota to Texas is expected to get between 0.5 and 2" between Friday and Sunday night. Temps will warm up for the Eastern US into this weekend, and remain seasonably above average through next week. Models are continuing to see one more low

pressure system coming off the East coast in the first week of May, though there is model disagreement on its exact location. Long range forecasts continue to see a more mild second half of May.

Uruguay and surrounding areas in S Brazil/N Argentina will continue to see heavy rainfall over the next 10 days, with local flooding likely. The rest of Brazil will be hot and dry, which looks to add stress to pollinating safrinha corn. Key will be how much of the second corn crop has already made it through pollination, and how much area received enough moisture in the past month to get the crop to the finish line.

Planting progress looks to be stymied over the weekend, with some drier weather on the horizon for next week. Have a good weekend!

Bloomington, IL

800-322-9371

Des Moines, IA

800-422-0896

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