



John Stewart AND ASSOCIATES

April 5, 2021

Corn

Corn saw a new contract high for CZ and contract high close with CK 6 ½ cents lower at 5.53 1/4, which is 32 cents below last Thursday's contract high. Managed money was long 388,000 futures contracts as of last week's COT report, presumably mostly CK. The river is quickly opening up with the Mid-Miss last week and MN soon to follow. Weekly exports were in the range of estimates at 1.91 mmt with 503,000 to China. China needs to soon get to 1 mmt per week to achieve shipping that which they have purchased for this crop year, yet there is some first-time discussion that some of Chinese purchases may be rolled. Lastly there is talk China was active over the Easter holiday with indications they bought 1 to 1.5 mmt of US new crop corn. Last week had stories of China buying Ukraine and Bulgaria new crop corn, which combined with today's is an impressive start on new crop purchases. All of which could be a contributor to today's spread action. The two-week forecast is offering a mainly dry forecast for S Brazil encompassing about 50% of their second corn crop. T-storm is reporting 75% of the 2nd corn region has received less than 50% of normal rainfall the last two weeks and 50% of the corn growing region has received less than 50% of normal rainfall the last 30 days.

Beans

Looking at today's settlements most observers would conclude nothing more than some fund buying in soy complex, and meal/oil flipping after 2 day run from NASS Report. SK21 settles 10 ¾ higher @ \$14.12 ¾, SMK21 down \$3.90 @ \$406.30, and BOK21 up 68 @ 52.81. Market saw a massive move in spot crush margins today (all old crop crush margins down today), as K trades 79 cents this morning, and had a low of 61 ¼, and settles @ \$0.62 ¼, down 11 cents. Recall NASS report of 1.564 BLN BU for 3/1, suggested NASS might have underestimated the soybean crop, giving industry an extra ~40 MBU (extra bean supplies usually supportive for crush margins). NASS shocker was low beans acres, and new crop crush margins have not budged. Overnight, June Palm Oil gained 1 ringgits, settling 3798. Last Friday, CFTC reported Managed \$ long 133.8K beans, selling 17.8K; long 57.4K soy meal buying 624, and long 79.4K soy oil selling 12.8K. Soybean export inspections were 298.3 TMT (11.0 MBU), featuring Mexico taking 94.2 TMT, Egypt 68.8, and China 28.1 TMT. Plenty of rumors...1-2 cargos of Brazil beans into East Coast, 2-3 cargos of Argie soy meal sold into SE; unfortunately, nothing can be substantiated as of this writing.

Wheat

Cgo firmer today as it was supported by sales report. WK closed 7c firmer as the inverse to WN increased to 4 ½ c. KC closed down 2c after a 12c trading range with MPLS up 7 ¾ c. The USDA reported 130,000 mt of SRW in their daily reporting service and the trade is trying to figure out the destination. The bulls are hoping it is China. Export inspections were almost 22 mil bu which puts YTD at 768 mil bu with a USDA goal of 985 mil bu. The largest destination for wheat was China at 7.36 mil bu. HRS was the largest class with 4.88 mil bu destined for China. Russian wheat values were down as much as \$12/ton last week with reports for FOB values at \$245 – 248 / ton. Saudi Arabia bought 295,000 mt at \$271.05 from the EU, Australia, and Black Sea. Egypt tendered over the weekend for August shipment with results tomorrow. Informa out today with production increases across the board as they raised world production to 788 mmt crop vs 777 LY. They increased Russia's crop 2 mmt to 77 mmt, the EU 1 mmt to 150 mmt, Ukraine up 1.5 mmt to 27 and Australis up 2 mmt to 25 mmt.

CASH BASIS BIDS	Nearby	May
Corn Cif Nola	71+K	66+K
Truck Hennepin	18+K	15+K
Truck St Louis	41+K	37+K
Iowa Interior UP	1+K	1+K
Columbus CSX		
Fort Wayne NS		
Dlvd Hereford	110+K	107+K
Dlvd PNW	124+K	125+K
KC RAIL	30+K	30+K
Nebraska Grp 3	5+K	4+K
Dlvd Decatur	20+K	24+K
Wheat Cif Nola	100+K	90+K
Beans Cif Nola	58+K	66+K
Truck Hennepin	0+K	9+K
Truck St Louis	24+K	33+K
Dlvd Decatur	30+K	30+K
Dlvd Des Moines	5+K	10+K
IL R Barge Frt.	350	340
BNSF Shuttle Frt.	\$350	-\$100