



	Corn	Bean	Chi. Wheat	Meal	Oil
FI Est. Managed Money F&O	(248)	17	(4)	(28)	10

### Weather

#### **MARKET WEATHER MENTALITY FOR CORN AND SOYBEANS:**

Relief to dryness came to some of Brazil's Safrinha corn production area during the weekend while U.S. weather was mixed with some field progress occurring around showers and thunderstorms. Canola planting and emergence conditions improved in Western Australia while northwestern Europe failed to get much moisture in key rapeseed areas. Northwestern Europe will continue to dry out for the next ten days.

Rain in the Black Sea region was good for summer crops while dryness in the eastern New Lands could prove stressful for sunseed. Additional rain in the Black Sea countries will further reduce concern over soil moisture and near term crop development.

Argentina dryness is good for harvesting summer crops and improved U.S. weather late this week and into next week will help get more fieldwork completed for its corn and soybean crop.

India's monsoon may start erratically, especially if a tropical cyclone evolves in the Arabian Sea late in the coming weekend or early next week as advertised.

Recent rainfall in southeastern Europe has improved summer grain and oilseed production potentials and the same is expected in a part of Russia's Southern Region and portions of Ukraine.

Overall, weather today will likely produce a mixed influence on market mentality.

**MARKET WEATHER MENTALITY FOR WHEAT:** Concern about Black Sea and eastern CIS New Lands' dryness continues to ease today. The only areas that will experience serious dryness will be in Kazakhstan and the lower Volga River Valley, although some areas in the southeastern New Lands will also experience some crop moisture stress until greater rain evolves.

Northwestern Europe's dry bias remains a concern for some of its small grain crops and a close watch on the situation is warranted. Little to no rain is expected in the U.K., northern France and Germany for at least another week. Rain in Eastern Europe and the western CIS will be great for their small grains.

Rain in Western Australia, South Australia and Victoria during the weekend improved small grain prospects at least some and a few additional showers will impact some of these areas over the coming week. South Africa still needs rain and parts of western Argentina are considered too dry.

Some wheat damage may have occurred from flooding rain in interior southern Brazil late last week, but the lighter rain in Sao Paulo, Paraguay and Mato Grosso do Sul during the weekend was very good for those crops. Conditions are expected to improve in southern Brazil.

China's winter wheat crop is still poised to perform well with dryness occurring now expected to spur on fast crop maturation and eventual harvesting. Spring grains in northeastern China have benefited greatly from recent rain and crop conditions have improved.

Canada's Prairies have become too wet in the west and a little too dry in portions of the central and east. Changes in Canada are at least a full week away with rising crop stress in the dry areas of Saskatchewan and west-central Manitoba. Ontario and Quebec are experiencing better wheat development conditions.

Heat and dryness are now slated for the western U.S. high Plains region through the next week to ten days. This will stress immature crops that are unirrigated resulting in some lower yield and grain quality. The more mature crops will be sped faster to full maturity by the heat. Recent rain in Nebraska and northern Kansas was good for wheat development and yield.

U.S. spring wheat planting and establishment is advancing well. Some rain would be welcome, but the drier areas may not get much until late next week.

Overall, weather today may provide a mixed bias to market mentality.

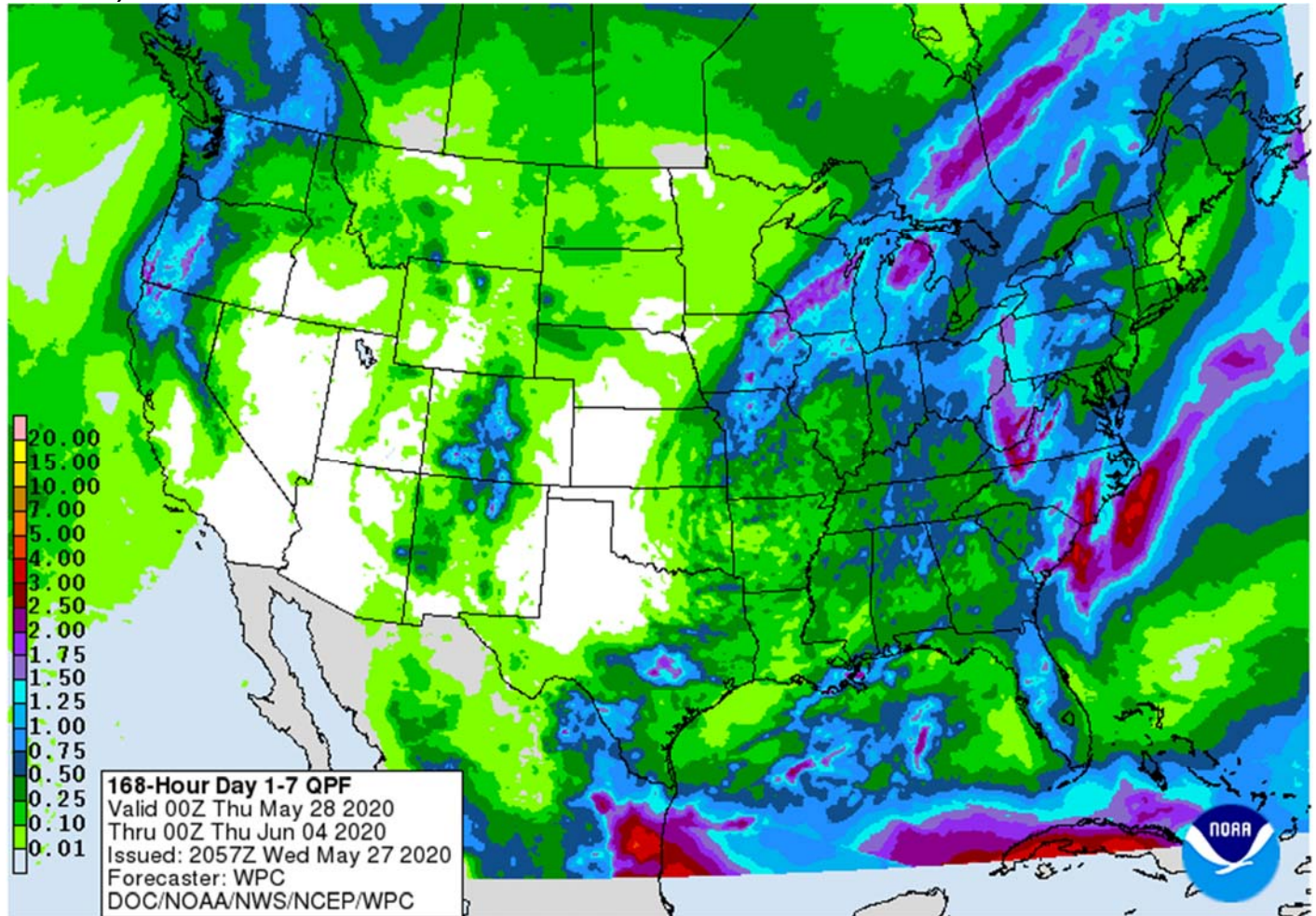
**Terry Reilly** Grain Research

Futures International | 190 S. LaSalle St., Suite 410 | Chicago, IL 60603

W: 312.604.1366 | [treilly@futures-int.com](mailto:treilly@futures-int.com)

Source: World Weather Inc. and FI

### Seven-day outlook:



### Bloomberg Ag Calendar

#### WEDNESDAY, May 27:

- AmSpec, Intertek release Malaysia's palm oil export data for May 1-25
- EARNINGS: Nordzucker, IOI Corp
- HOLIDAY: Pakistan

#### THURSDAY, May 28:

- EIA U.S. weekly ethanol inventories, production, 11:00am
- International Grains Council monthly report
- Port of Rouen data on French grain exports
- Poland crop plantings report
- EARNINGS: Sanderson Farms

#### FRIDAY, May 29:

- ICE Futures Europe weekly commitments of traders report on coffee, cocoa, sugar positions
- CFTC commitments of traders weekly report on positions for various U.S. futures and options, 3:30pm
- FranceAgriMer weekly update on crop conditions
- USDA weekly crop net-export sales for corn, soybeans, wheat, cotton, 8:30am
- U.S. Agricultural prices paid, received, 3pm

**Terry Reilly** Grain Research

Futures International | 190 S. LaSalle St., Suite 410 | Chicago, IL 60603

W: 312.604.1366 | [treilly@futures-int.com](mailto:treilly@futures-int.com)

- Vietnam's General Statistics Office releases data on coffee, rice, rubber exports in May
- Shanghai exchange's weekly commodities inventory

Source: Bloomberg and FI

### Corn.

- Corn futures traded higher basis the nearby contracts on a weaker USD. Light frost risk for Brazil's second corn crop overnight is seen supportive. We think second corn crop damage was already widely realized from loss of yields from dry weather of over 10 percent from last year.
- Funds bought an estimated net 5,000 corn contracts.
- July corn support is seen at \$3.15.
- River terminal corn basis firmed again at Davenport IA, by 3 cents to 2 under. It was also up at Savana IL by 2 cents to 6 under.
- Zambia corn production was estimated at 3.4 million tons, up from 2 million previous year.
- South Africa's CEC updated their corn production estimate to 15.589 million tons, up from 15.221 million tons previous (April), and well above 11.275 million tons year ago. Broken down, 9.075 million tons is of white corn and 6.515 million tons of yellow corn.

### Corn Export Developments

- Results awaited: Syria seeks 50,000 tons of soymeal and 50,000 tons of corn on May 24, for delivery within four months of purchase.
- China plans to sell 4 million tons of corn from state reserves on May 28. This would be the first auction of the season. 3.66 million tons of corn is from 2015.

## US Weekly Petroleum Status Report - Ethanol

	Ethanol Production		Change		Ethanol Stocks		Change		Days of Ethanol
	FI Production Est.	Mbbl	Last Week	Last Year	FI Stocks Est.	Mbbl	Last Week	Last Year	
4/3/2020		672	-168	-32.9%		27,091	1374	16.8%	38.3
4/10/2020		570	-102	-43.9%		27,469	378	21.1%	47.5
4/17/2020		563	-7	-46.3%		27,689	220	21.7%	48.8
4/24/2020		537	-26	-47.6%		26,337	-1352	16.0%	51.6
5/1/2020		598	61	-42.3%		25,612	-725	14.0%	44.0
5/8/2020		617	19	-41.3%		24,190	-1422	8.7%	41.5
5/15/2020		663	46	-38.1%		23,626	-564	0.9%	36.5
5/22/2020	▲	+15			▲	-75			

Source: EIA and FI

Corn	Change	Oats	Change	Ethanol	Settle			
JUL0	320.50	1.50	JUL0	327.50	(3.75)	JUN0	1.15	Spot DDGS IL
SEPO	325.25	1.25	SEPO	289.00	(3.50)	JUL0	1.11	Cash & CBOT
DECO	334.50	0.50	DECO	277.00	(3.50)	AUG0	1.12	Corn + Ethanol
MAR1	346.75	0.25	MAR1	283.50	(3.50)	SEPO	1.12	Crush
MAY1	353.75	(0.25)	MAY1	286.50	(3.50)	OCT0	1.12	1.31
JUL1	359.00	(0.25)	JUL1	286.50	(3.50)	NOV0	1.12	

Soybean/Corn	Ratio	Spread	Change	Wheat/Corn	Ratio	Spread	Change	
JUL0	JUL0	2.65	528.75	0.75	JUL0	1.58	184.50	(3.25)
SEPO	SEPO	2.61	525.25	(0.50)	SEPO	1.56	183.00	(3.50)
NOV0	DECO	2.56	521.00	0.00	DECO	1.55	182.50	(3.25)
MAR1	MAR1	2.47	509.00	1.00	MAR1	1.52	179.00	(2.25)
MAY1	MAY1	2.42	501.50	2.00	MAY1	1.49	174.25	(2.75)
JUL1	JUL1	2.40	503.75	1.75	JUL1	1.46	166.75	(2.75)

US Corn Basis & Barge Freight									
Gulf Corn		BRAZIL Corn Basis			Chicago			jly price unch	
MAY	+49 n unch	JLY	+65 / 70 n	unch	Toledo	-8 n unch			
JUNE	+46 / 53 n unch/dn2	AUG	+56 / 70 n	unch	Decatur	+5 n unch			
JULY	36 unch	SEP	+55 / 65 n	unch	Dayton	+10 unch			
AUG	+41 / 45 u up2/up1	OCT	+50 / 60 z	unch	Cedar Rapi	-14 n unch			
SEPT	+45 / 51 u up1/up1				Burns Harb	-15 n unch			
USD/ton:	Ukraine Odessa \$	172.00	Memphis-Cairo Barge Freight (offer)						
US Gulf 3YC Fob Gulf Seller (RTRS)	155.0	153.7	152.6	153.6	155.6	157.2	BrgF MTCT MAY	190	unchanged
China 2YC Maize Cif Dalian (DCE)	277.9	280.8	283.3	285.5	287.3	288.8	BrgF MTCT JUN	190	unchanged
Argentine Yellow Maize Fob UpRiver	-139.4	141.3	140.5	-	-		BrgF MTCT JUL	205	unchanged

Source: FI, DJ, Reuters & various trade sources

### Updated 5/21/20

- July corn is seen in a \$3.00 and \$3.35 range. December lows could reach \$2.90 if US weather cooperates.

### Soybean complex

- Soybeans traded higher on follow through buying from higher outside markets and weaker USD. Palm oil, after two days of holiday, rallied more than 5 percent overnight in part to comment that the countries relations with India is improving. Traders will continue to monitor US-China tensions. Soybean meal fell on product spreading.
- Funds bought an estimated net 2,000 soybeans, sold 2,000 soybean meal and bought an estimated net 3,000 soybean oil.
- Selected COVID cases discovered at Brazilian ports are slowing soybean loadings. Meanwhile one berth was reopened Tuesday into Wednesday. <https://af.reuters.com/article/commoditiesNews/idAFL1N2D82PB>
- China is still buying Brazilian soybeans for September shipment. At least 6 cargoes were bought by Cofco.
- We heard the US sold more soybean meal to the Philippines.
- US soybean meal basis was largely unchanged except Council Bluffs, IA, where offers fell by \$5.00/short ton to option.
- Traders are still assessing the US-China tension over Hong Kong. Bloomberg noted as estimated 38 billion USD in trade between Hong Kong and the US could be jeopardized. Hong Kong is very important for the US as companies use the financial hub to access mainland China.

**Terry Reilly** Grain Research

Futures International | 190 S. LaSalle St., Suite 410 | Chicago, IL 60603

W: 312.604.1366 | [treilly@futures-int.com](mailto:treilly@futures-int.com)

- SGS – Malaysian palm oil May 1-25 exports increased 5.1 percent to 1.014MMT versus 965,025 tons previous April 1-25. AmSpec showed a 9.8% increase to 1.035MMT.

#### *Oilseeds Export Developments*

- USDA seeks 12,500 tons of packaged vegetable oil on June 2 for July shipment.
- Under the 24-hour reporting system, private exporters reported to the U.S. Department of Agriculture changes in destination of 138,000 metric tons of soybean cake and meal from unknown destinations to the Philippines during the 2019/2020 marketing year.

#### **USDA 24-hour**

Date reported	Value (tonnes)	Commodity	Destination	Year
26-May	60,000	Soybeans	China	2019/20
26-May	198,000	Soybeans	China	2020/21
26-May	216,000	Soybean cake and meal	Philippines	2019/20
14-May	132,000	Soybeans	China	2019/20
14-May	66,000	Soybeans	China	2020/21
14-May	20,000	Soybean oil	China	2019/20
13-May	198,000	Soybeans	China	2019/20
13-May	198,000	Soybeans	China	2020/21
12-May	136,000	Soybeans	China	2019/20
8-May	120,000	Soybeans	Unknown	2019/20
7-May	371,000	Corn	China	2019/20
7-May	315,000	Corn	China	2020/21
5-May	136,000	Soybeans	China	2019/20
5-May	242,000	Soybeans	China	2020/21
5-May	45,220	Corn	Mexico	2019/20
5-May	63,915	Corn	Mexico	2020/21
4-May	115,800	Corn	Unknown	2019/20
1-May	132,000	Soybeans	China	2019/20
1-May	132,000	Soybeans	China	2020/21

Soybeans			Soybean Meal			Soybean Oil		
		Change			Change			Change
JUL0	849.25	2.25	JUL0	282.40	(1.50)	JUL0	27.56	0.29
AUG0	850.50	1.75	AUG0	284.80	(1.20)	AUG0	27.77	0.32
SEPO	850.50	0.75	SEPO	287.00	(0.90)	SEPO	27.94	0.32
NOVO	855.50	0.50	OCT0	288.80	(0.60)	OCT0	28.10	0.31
JAN1	859.25	0.75	DECO	292.40	(0.40)	DECO	28.44	0.29
MAR1	855.75	1.25	JAN1	293.30	(0.40)	JAN1	28.62	0.28
MAY1	855.25	1.75	MAR1	291.70	(0.20)	MAR1	28.75	0.28

Soybeans	Spread	Change	SoyMeal	Spread	Change	SoyOil	Spread	Change
May/Jul	1.25	(0.50)	May/Jul	2.40	0.30	May/Jul	0.21	0.03

Electronic Beans Crush		Oil as %	Meal/Oil \$	Meal	Oil		
Month	Margin	of Oil&Meal	Con. Value	Value	Value		
JUL0	75.19	JUL0 32.79%	\$ 11,704	621.28	303.16		
AUG0	81.53	AUG0 32.77%	\$ 11,818	626.56	305.47	EUR/USD	1.0990
SEPO	88.24	SEPO 32.74%	\$ 11,936	631.40	307.34	Brazil Real	5.2907
NOVO/DECO	100.62	OCT0 32.73%	\$ 12,020	635.36	309.10	Malaysia Bid	4.3480
JAN1	100.83	DECO 32.72%	\$ 12,176	643.28	312.84	China RMB	7.1681
MAR1	102.24	JAN1 32.79%	\$ 12,158	645.26	314.82	AUD	0.6603
MAY1	102.08	MAR1 33.01%	\$ 11,920	641.74	316.25	CME Bitcoin	9155
JUL1	102.17	MAY1 33.20%	\$ 11,736	639.54	317.79	3M Libor	0.3625
AUG1	103.28	JUL1 33.17%	\$ 11,850	644.82	320.10	Prime rate	3.2500
SEP1	108.94	AUG1 33.19%	\$ 11,870	646.58	321.20		

US Soybean Complex Basis							
MAY	+53 / 58 n	up1/up1				DECATUR	+3 n unch
JUNE	+55 / 61 n	up1/up3	IL SBM	N-10	5/19/2020	SIDNEY	+18 n unch
JULY	+58 / 63 n	unch/dn2	CIF Meal	N +5	5/19/2020	CHICAGO	-10 n unch
AUG	+59 / 66 q	up6/unch	Oil FOB NOLA	170	5/15/2020	TOLEDO	-10 n unch
SEP	+59 / 63 x	up1/unch	Decatur Oil	-50	5/15/2020	BRNS HRBR	-15 n unch
						C. RAPIDS	-7 n unch

Brazil Soybeans Paranagua fob		Brazil Meal Paranagua		Brazil Oil Paranagua				
JUNE	+85 / +95 n	up10/up10	JUNE	+2 / +6 n	unch	JUNE	+130 / +250 n	unch/up50
JULY	100 / +105 n	up4/up5	JLY	-2 / +1 n	dn3/dn1	JLY	+30 / +100 n	unch/up10
AUG	-110 / +115 q	up10/up5	AUG	-7 / +2 q	dn2/unch	AUG	+30 / +50 q	unch/up10
SEPT	-110 / +115 u	up8/unch	SEP	-7 / +2 u	dn2/unch	SEP	+30 / +50 u	unch/up10
FEB	+48 / +68 f	up1/up13	OCT	-5 / +2 v	unch	OCT	+10 / +50 v	unch
	Argentina meal	290	5.4	Argentina oil	Spot fob	28.1	0.35	

Source: FI, DJ, Reuters & various trade sources

Updated 5/21/20

- July soybeans are seen in a \$8.15-\$8.65 range.
- July soybean meal is seen in a \$270 to \$305 range.
- July soybean oil range is now seen in a 26.00 to 28.50 range.

### Wheat

- US wheat futures traded lower basis Chicago, higher KC and lower MN. The morning session opened in the opposite direction for KC and Chicago. Lack of direction should be noted. After the close USDA showed an increase in US wheat conditions. Global weather is improving.
- Funds sold an estimated net 3,000 Chicago wheat contracts.
- July Chicago wheat dropped below a \$5.0550 support level.

**Terry Reilly** Grain Research

Futures International | 190 S. LaSalle St., Suite 410 | Chicago, IL 60603

W: 312.604.1366 | [treilly@futures-int.com](mailto:treilly@futures-int.com)

- The Black Sea region is slated to get rain this week, but eastern Ukraine and parts of southern Russia remain in question if those areas will see less frequent rainfall. That should be monitored. Eastern Europe will see scattered rainfall. Other areas of Europe may see limited precipitation.

#### *Export Developments.*

- Japan bought 220 tons of feed barley and passed on feed wheat. They were in for 80k feed wheat and 120k barley. -SBS
- Japan seeks 112,109 tons of food wheat from the US, Canada and Australia on Thursday.
- Jordan seeks 120,000 tons of wheat on May 25 for October through November shipment.
- Japan seeks 80,000 tons of feed wheat and 100,000 tons of feed barley to be loaded by August 31 and arrive in Japan by October 29, in its weekly (SBS) tender system, on May 27.
- Syria looks to sell 100,000 tons of feed barley. Offers are due June 23.

#### **Rice/Other**

- The Philippines seeks 300,000 tons of rice on June 8.
- South Korea plans to donate 50,000 tons of rice to Africa and the Middle East.

Chicago Wheat			KC Wheat			MN Wheat		
		Change			Change	Settle		Change
JUL0	505.00	(1.75)	JUL0	452.00	4.75	JUL0	513.25	(4.50)
SEPO	508.25	(2.25)	SEPO	458.00	4.00	SEPO	524.50	(4.25)
DECO	517.00	(2.75)	DECO	470.00	4.00	DECO	537.75	(3.75)
MAR1	525.75	(2.00)	MAR1	481.00	3.75	MAR1	550.50	(2.75)
MAY1	528.00	(3.00)	MAY1	488.25	3.50	MAY1	558.75	(2.00)
JUL1	525.75	(3.00)	JUL1	490.25	3.00	JUL1	563.75	(2.00)
SEP1	529.50	(2.50)	SEP1	496.50	2.25	SEP1	566.00	(2.00)

Chicago Rice			NOVO		
		Change			Change
JUL0	16.35	0.110	SEPO	12.13	0.065

US Wheat Basis					
Gulf SRW Wheat			Gulf HRW Wheat		Chicago mill
MAY	+60 n unch		MAY	130 / n unch	Toledo
JUNE	+55 n unch		JUNE	131 / n unch	PNW US Soft White 10.5% protein
JULY	+53 n unch		JULY	134 / n unch	PNW May
AUG	+53 u unch		0-Jan		PNW Jun
SEP	+53 u unch		0-Jan		PNW Jul
					PNW Aug
					+5 n unch
					jly price unch
					605 unchanged
					605 unchanged
					605 unchanged
					595 unchanged

Euronext EU Wheat		Change	OI	OI Change	World Prices \$/ton		Change
SEPO	186.25	(1.50)	128,293	3,708	US SRW FOB	\$213.04	\$0.36
DECO	188.75	(1.25)	165,228	867	US HRW FOB	\$221.30	\$1.10
MAR1	190.50	(1.50)	18,577	761	Rouen FOB 11%	\$207.16	\$1.00
MAY1	192.00	(1.50)	9,586	(13)	Russia FOB 12%	\$0.00	\$0.00
EUR	1.0990				Ukr. FOB feed (Odessa)	\$217.50	\$0.00
					Arg. Bread FOB 12%	\$259.68	\$1.28

Source: FI, DJ, Reuters & various trade sources

Updated 5/21/20

- Chicago July is seen in a \$5.00-\$5.31 range
- KC July \$4.40-\$4.70
- MN July \$5.05-\$5.30



## USDA Export Sales Estimates/Results in 000 tons

	ESTIMATED 5/21/2020			5/14/2020 Last Week			5/23/2019 Year Ago		
<b>Beans</b>	19/20	650-900		19/20	1,205.0		18/19	455.8	
	n/c	200-500		n/c	464.0		n/c	22.0	
					Sales to China	737.4		Sales to China	135.7
			Shipped			Shipped			Shipped
<b>Meal</b>	19-20	100-200	100-200	19/20	198.8	208.9	18/19	183.9	243.1
	n/c	0-50			0.0		n/c	65.0	
			Shipped			Shipped			Shipped
<b>Oil</b>	19-20	15-30	10-20	19/20	62.1	11.7	18/19	35.1	18.9
	n/c	0-5			0.5		n/c	0.0	
			Shipped		Sales to China	20.0		Sales to China	0.0
<b>Corn</b>	19/20	700-1050		19/20	884.2		18/19	906.8	
	n/c	50-150		n/c	(29.3)		n/c	76.5	
			Shipped		Sales to China	3.6		Sales to China	(2.3)
<b>Wheat</b>	19/20	50-150		19/20	175.8		18/19	153.0	
	n/c	100-300		n/c	252.4		n/c	411.8	

o/c=Old Crop, n/c= New Crop

Source: Futures International and USDA

# Disclaimer

TO CLIENTS/PROSPECTS OF FUTURES INTERNATIONAL, SEE RISK DISCLOSURE BELOW:

THIS COMMUNICATION IS CONVEYED AS A SOLICITATION FOR ENTERING INTO A DERIVATIVES TRANSACTION.

Any trading recommendations and market or other information to Customer by Futures International (FI), although based upon information obtained from sources believed by FI to be reliable may not be accurate and may be changed without notice to customer. FI makes no guarantee as to the accuracy or completeness of any of the information or recommendations furnished to Customer. Customer understands that FI, its managers, employees and/or affiliates may have a position in commodity futures, options or other derivatives which may not be consistent with the recommendations furnished by FI to Customer.

The risk of trading futures and options and other derivatives involves a substantial risk of loss and is not suitable for all persons. In purchasing an option, the risk is limited to the premium paid, and all commissions and fees involved with the trade. When an option is shorted or written, the writer of the option has unlimited risk with respect to the option written. The use of options strategies such as a straddles and strangles involve multiple option positions and may substantially increase the amount of commissions and fees paid to execute the strategy. Option prices do not necessarily move in tandem with cash or futures prices. Each person must consider whether a particular trade, combination of trades or strategy is suitable for that person's financial means and objectives.

This material may include discussions of seasonal patterns, however, futures prices have already factored in the seasonal aspects of supply and demand, and seasonal patterns are no indication of future market trends. Finally, past performance is not indicative of future results.

This communication may contain links to third party websites which are not under the control of FI and FI is not responsible for their content. Products and services are offered only in jurisdictions where solicitation and sale are lawful, and in accordance with applicable laws and regulations in each such jurisdiction.