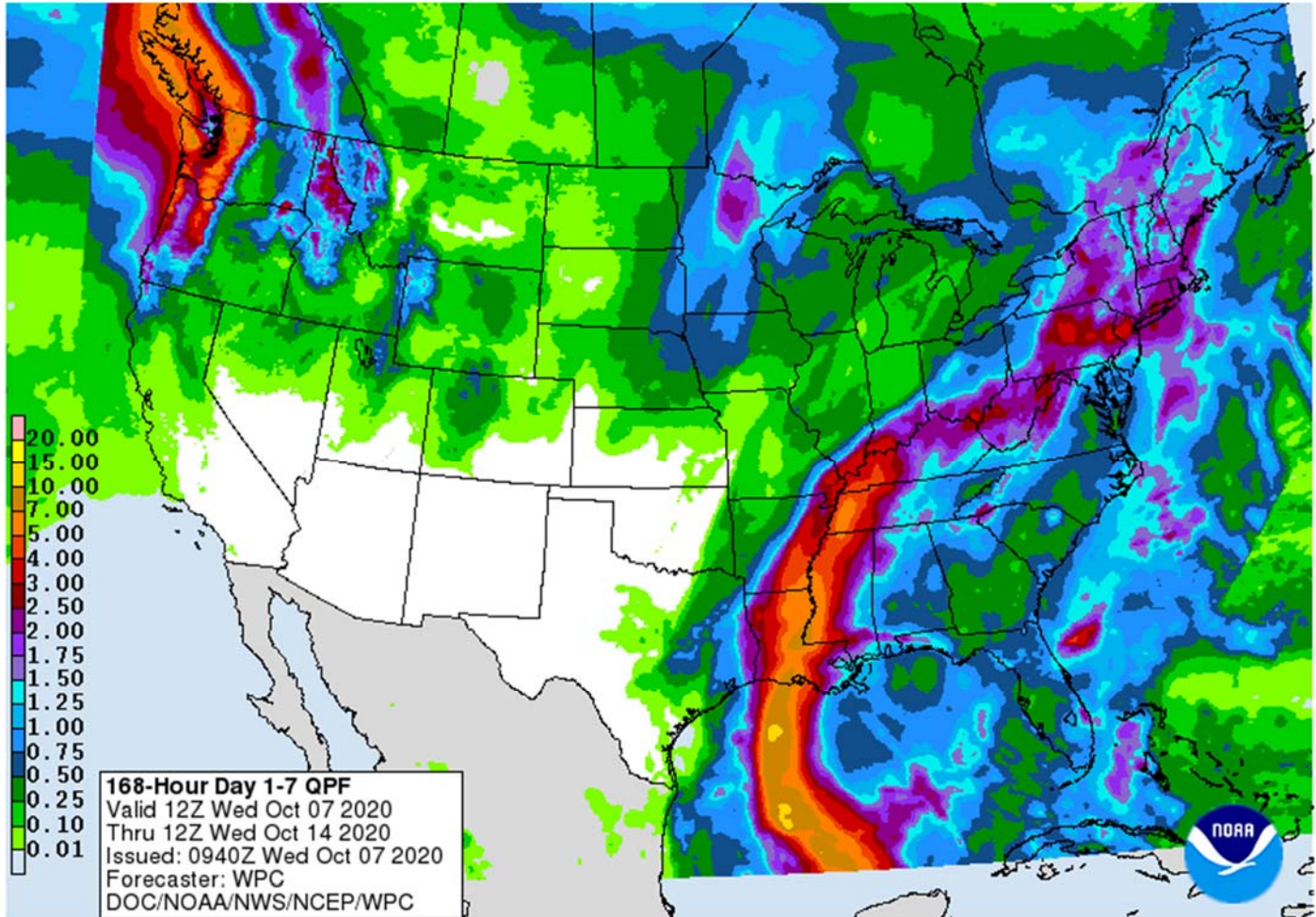




USDA reported additional 24-hour sales this morning. USDA Attaché issued a bullish China corn S&D.

|                           | Corn | Bean | Chi. Wheat | Meal | Oil |
|---------------------------|------|------|------------|------|-----|
| FI Est. Managed Money F&O | 205  | 282  | 63         | 102  | 97  |

### Weather and Crop Progress



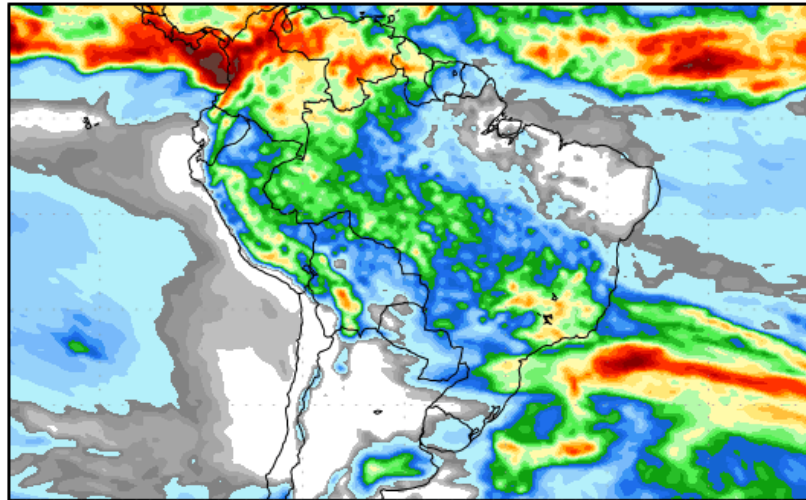
## Precipitation Forecasts

Precipitation (mm)  
during the period:

Wed, 07 OCT 2020 at 00Z

-to-

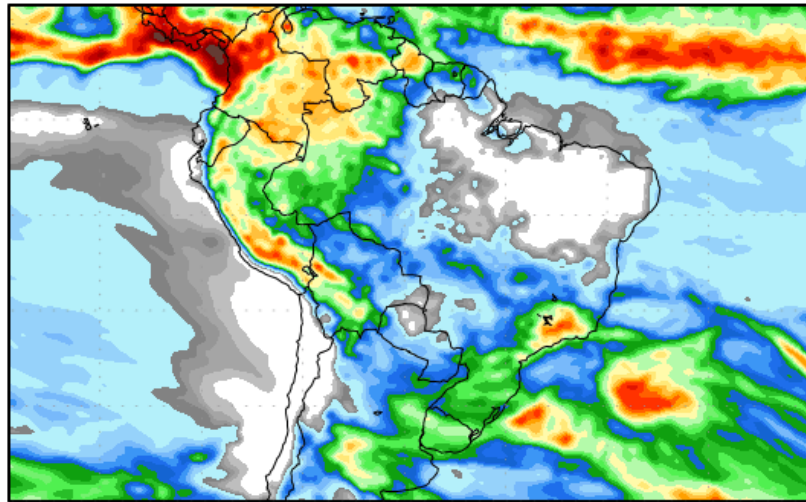
Thu, 15 OCT 2020 at 00Z



Thu, 15 OCT 2020 at 00Z

-to-

Fri, 23 OCT 2020 at 00Z

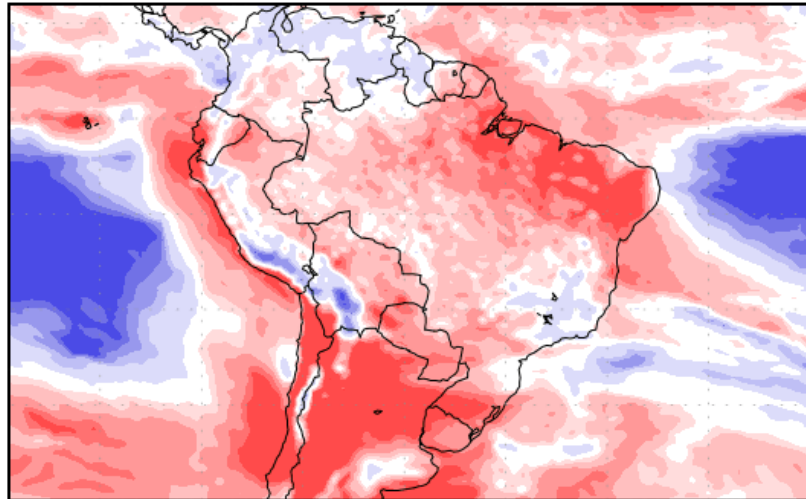
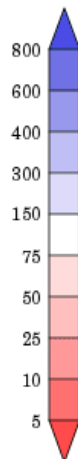


Precipitation (% of normal)  
during the first period:

Wed, 07 OCT 2020 at 00Z

-to-

Thu, 15 OCT 2020 at 00Z



Precipitation forecasts from the National Centers for Environmental Prediction.  
Normal rainfall derived from Xie-Arkin (CMAP) Monthly Climatology for 1979-2003.  
Forecast Initialization Time: 00Z07OCT2020

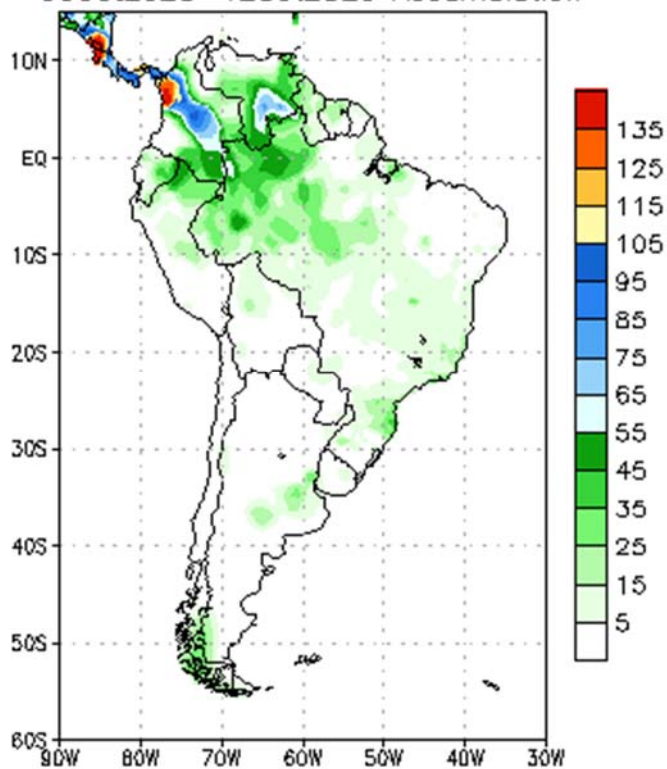
GrADS/COLA

**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)

NCEP GFS Ensemble Forecast 1–7 Day Precipitation (mm)  
 from: 06Oct2020  
 06Oct2020–12Oct2020 Accumulation



Bias correction based on last 30-day forecast error

#### NORTH AMERICA

- GFS model removed much of the rain previously advertised from hard red winter wheat country during the next ten days, although a few showers remained
  - Some of the reduction was needed
- European model has greater rain in northern and eastern portions of hard red winter wheat areas, as well as eastern Colorado leaving the southwest half of the region mostly dry
  - European model is a little too wet in Colorado, Nebraska and northwestern Kansas
- European model has greater rain for the western and central Midwest next week while the GFS has limited rainfall in the region
  - The lighter and more limited rainfall outlook is correct, although the region may not be completely dry
- GFS model rain was increased in the lower and eastern Midwest mostly from the Ohio River Valley because of Hurricane Delta
  - This change was needed
- European model run was wetter over a larger part of the central and eastern Midwest from the hurricane and a mid-latitude frontal system that follows
  - The model is too wet

Overall, the bottom line today is rain in **hard red winter wheat is expected to be restricted during the next ten days to two weeks** as was the official World Weather earlier this week. The models have been periodically overdoing rainfall in the region and today's GFS model run is preferred, although additional changes are probable. The

**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)

**European model is too wet for the Midwest over the next ten days**, but World Weather, Inc. agrees with bringing moisture from **Hurricane Delta farther north into the lower Midwest** than advertised Tuesday.

#### SOUTH AMERICA

- GFS model outlook has not changed greatly for **center west into center south Brazil for next week with rain expected in many areas**
- **Restricted rainfall occurs in Mato Grosso do Sul, western Parana and western Sao Paulo**, although a little more rain falls in these areas than advertised Tuesday morning
- Rain in Brazil's **center south and center west crop areas is restricted from Friday of next week through October 21**, although a few sporadic showers are expected – net drying is expected
- Far southern Brazil is still advertised to see a good mix of rain and sunshine during the next ten days to two weeks favoring crops and fieldwork
- No changes were noted in Argentina for the first ten days of the outlook with Buenos Aires and eastern La Pampa getting most of the nation's significant rain – most of which occurs Saturday into Sunday of this week
- Argentina rainfall was advertised to increase Oct. 18-21, but the latest model run reduced rain in San Luis, La Pampa and western Cordoba relative to the 00z model run
  - Some of this reduction was needed

The generalities of the South America outlook have not changed much today relative to the previous model run or the overall outlook suggested Tuesday. Argentina is not likely to see much rain for ten days except in Buenos Aires and eastern La Pampa where some rain will fall this weekend to maintain a good outlook for crops in that region. In Brazil, a period of beneficial moisture will impact center west and center south crop areas next week; although portions of Mato Grosso do Sul and western and northern Parana as well as western Sao Paulo may not get much rain and will need more soon.

#### EUROPE/BLACK SEA REGION

- Some rain fell in western Ukraine overnight with amounts to 0.75 and local totals to 1.34 inches, but this moisture did not reach into eastern areas
- No significant theme changes occurred overnight
  - Rain will fall in most of Europe over the coming week to ten days to two weeks
    - Areas from the Adriatic Sea region to southeastern Germany, western and southern Poland and parts of western Europe will be wettest
  - Eastern Ukraine will continue to receive little to no
  - Kazakhstan. The middle and lower Volga River Basin and Russia's Southern Region will continue very dry

#### CHINA

- No general theme changes noted overnight
  - Northeastern China may not get rain every day, but its frequency will still be high enough along with seasonably milder temperatures to slow the region's needed drying and further delaying some of the region's summer crop maturation and harvest progress
  - A good mix of rain and sunshine in the Yellow River Basin and North China Plain will be perfect for wheat planting, germination and emergence while allowing some of the region's summer crops to mature and be harvested
  - Frequent rain near and south of the Yangtze River will slow farming activity and maintain some concern over crop conditions

China still needs drier weather in most areas in the nation to promote summer crop maturation and harvesting and to support early season wheat and other winter crop planting. The northeastern Provinces are still much too wet, although the region has seen a little less frequent and less significant rainfall recently.

## INDIA

- No general theme changes were noted overnight
  - A better mix of rain and sunshine will occur in northeastern China during the next two weeks allowing for better harvest progress
  - The best weather will continue in the Yellow River Basin and North China Plain where a favorable mix of rain and sunshine is expected to support winter crop planting and summer crop harvest progress

## AUSTRALIA

- No big changes were noted overnight in the coming ten days
  - Western Australia is still not advertised to receive much significant rain
    - Only a few showers near the southern and lower western coasts are expected
  - Rain will fall often enough in Victoria, South Australia and southern New South Wales to maintain a very good crop outlook
- Rain was increased in southeastern Queensland and northeastern New South Wales after October 18 and through Oct. 21
  - Some of this increase was needed, but it might also be a little overdone

Limited rainfall in Western Australia continues to raise worry over potential wheat, barley and canola yields in unirrigated areas away from the coasts where reproduction might occur without sufficient moisture to support the best yields. There is still time for improved rain, although none is expected for the next two weeks. Rain in southeastern Queensland and northeastern New South Wales should translate into favorable sorghum and cotton planting conditions, but the event is still more than ten days away which warrants a little caution since changes can still occur over time.

Source: World Weather Inc.

## Bloomberg Ag Calendar

### WEDNESDAY, Oct. 7:

- EIA U.S. weekly ethanol inventories, production, 10:30am
- HOLIDAY: China

### THURSDAY, Oct. 8:

- USDA weekly crop net-export sales for corn, soybeans, wheat, cotton, pork, beef, 8:30am
- UN FAO World Food Price Index
- India SEA-Globoil webinar with Dorab Mistry, Thomas Mielke and James Fry
- Brazil's Conab releases first report on 2020-21 planted area, output and yield of soy and corn
- Port of Rouen data on French grain exports
- EARNINGS: Suedzucker, Agrana
- HOLIDAY: China

### FRIDAY, Oct. 9:

- USDA's WASDE report with world supply/demand crops update, stockpiles noon
- ICE Futures Europe weekly commitments of traders report, 1:30pm (6:30pm London)
- CFTC commitments of traders weekly report on positions for various U.S. futures and options, 3:30pm
- China's CNGOIC to publish monthly soy and corn reports
- China agriculture ministry (CASDE) to release its monthly data on supply and demand
- FranceAgriMer weekly update on crop conditions
- Brazil Unica cane crush, sugar production (tentative)
- HOLIDAY: Korea

Source: Bloomberg and FI

## Reuters poll for US Production

PREDICTING USDA FOR 2019-20 US PRODUCTION AND YIELD:

|                        | Corn   |       |         | Soybeans |       |         |
|------------------------|--------|-------|---------|----------|-------|---------|
|                        | Output | Yield | Harvest | Output   | Yield | Harvest |
| Average trade estimate | 14.808 | 177.7 | 83.321  | 4.282    | 51.6  | 82.922  |
| Highest trade estimate | 14.963 | 179.2 | 83.723  | 4.350    | 52.4  | 83.020  |
| Lowest trade estimate  | 14.604 | 174.8 | 82.700  | 4.192    | 50.5  | 82.500  |
| USDA September         | 14.900 | 178.5 | 83.473  | 4.313    | 51.9  | 83.020  |
| Futures International  | 14.823 | 177.7 | 83.418  | 4.321    | 52.1  | 82.945  |

Source: Reuters, USDA and FI

## Reuters poll for US Ending Stocks

PREDICTING USDA FOR 2020-21:

|                        | 2020/21 |       |       |
|------------------------|---------|-------|-------|
|                        | Wheat   | Corn  | Soy   |
| Average trade estimate | 0.887   | 2.113 | 0.369 |
| Highest trade estimate | 0.917   | 2.333 | 0.460 |
| Lowest trade estimate  | 0.830   | 1.859 | 0.285 |
| USDA September         | 0.925   | 2.503 | 0.460 |
| Futures International  | 0.912   | 2.294 | 0.436 |

Source: Reuters, USDA and FI

## Reuters poll for USDA October world crop end stocks

PREDICTING USDA FOR 2020-21:

|                        | 2020/21 |       |      |
|------------------------|---------|-------|------|
|                        | Wheat   | Corn  | Soy  |
| Average trade estimate | 317.2   | 300.1 | 91.4 |
| Highest trade estimate | 322.0   | 305.0 | 94.1 |
| Lowest trade estimate  | 310.9   | 291.3 | 88.1 |
| USDA September         | 319.4   | 306.8 | 93.6 |
| Futures International  | 315.0   | 299.0 | 89.0 |

Source: Reuters, USDA and FI

## USDA US Export Sales Projections in 000 Metric Tons

|              |           | Trade Estimates* | FI Estimates | Last Week |        | Year Ago  |       |
|--------------|-----------|------------------|--------------|-----------|--------|-----------|-------|
|              |           | 10/1/2020        | 10/1/2020    | Last Week |        | 10/3/2019 |       |
| <b>Beans</b> | 2020-21   | 1500-2500        | 1500-2000    | 2020-21   | 2591.2 | 2092.5    |       |
| <b>Meal</b>  | 2019-20   | -50 to +50       | -50 to +25   | Sales     | 13.6   | Sales     | 364.7 |
|              | 2020-21   | 150-500          | 300-500      |           | 523.1  |           | 0.0   |
|              | Shipments | NA               | 125-225      | Shipments | 135.8  | Shipments | 77.1  |
| <b>Oil</b>   | 2019-20   | 0-5              | 0-5          | Sales     | 6.3    | Sales     | 1.2   |
|              | 2020-21   | 0-30             | 0-10         |           | 0.6    |           | 0.0   |
|              | Shipments | NA               | 10-20        | Shipments | 31.0   | Shipments | 4.5   |
| <b>Corn</b>  | 2020-21   | 700-1500         | 700-1200     | 2020-21   | 2027.1 | 284.5     |       |
| <b>Wheat</b> | 2020-21   | 250-600          | 350-550      | 2020-21   | 506.3  | 521.9     |       |

Source: FI & USDA \*Reuters estimates

n/c= New Crop

## Conab Brazil Supply / Estimates

|                                     |                       |                 |                 |              |              |
|-------------------------------------|-----------------------|-----------------|-----------------|--------------|--------------|
| <b>Soybeans</b>                     | <b>Bloomberg Est.</b> | <b>Low-High</b> | <b>FI 20/21</b> | <b>19/20</b> | <b>18/19</b> |
| <b>Est. Production (Million MT)</b> | 132.1                 | 130.0-136.2     | 130.00          | 124.84       | 115.03       |
| Est. Yield (000 Kg/Hectare)         | 3.473                 | 3.401-3.564     | 3.401           | 3.379        | 3.206        |
| Est. Area (Million Hectares)        | 38.07                 | 37.80-38.23     | 38.225          | 36.950       | 35.874       |
| <b>Corn</b>                         | <b>Bloomberg Est.</b> | <b>Low-High</b> | <b>FI 20/21</b> | <b>19/20</b> | <b>18/19</b> |
| <b>Est. Production (MMT)</b>        | 111.7                 | 105.8-115.5     | 105.75          | 102.50       | 100.04       |
| Est. Yield (000 Kg/Hectare)         | 5.766                 | 5.551-5.923     | 5.551           | 5.533        | 5.719        |
| Est. Area (Million Hectares)        | 19.37                 | 19.05-19.58     | 19.050          | 18.530       | 17.493       |

Source: Conab, Bloomberg and FI

## Macros

**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)

Prices as 10/7/20 3:52 PM

|                        | Month | Price     | Change   |
|------------------------|-------|-----------|----------|
| USD                    | Index | 93.624    | (0.062)  |
| EUR/USD                | Spot  | 1.1763    | 0.003    |
| USD/BRL                | Bid   | 5.6106    | 0.018    |
| BITCOIN                | BTCc1 | \$10,740  | \$110    |
| WTI Crude              | NOV0  | 40.00     | (0.670)  |
| Brent                  | DEC0  | 42.1      | (0.550)  |
| Nat Gas                | NOV0  | 2.590     | 0.070    |
| DJ Mini                | DEC0  | 28197     | 497      |
| US 10-Yr               | DEC0  | 138 23/32 | - 11/32  |
| Gold                   | NOV0  | 1887.6    | (17.200) |
| Source: FI and Reuters |       |           |          |

US DoE Crude Oil Inventories (W/W) 02-Oct: 501K (est -1200K; prev -1980K)

- Distillate Inventories (W/W): -962K (est -1100K; prev -3184K)

- Cushing Inventories (W/W): 470K (prev 1785K)

- Gasoline Inventories (W/W): -1435K (est -500K; prev 683K)

- Refinery Utilization (W/W): 1.30% (est 0.10%; prev 1.00%)

#### Corn.

- CBOT corn was higher Wednesday on technical buying and sharply higher wheat. December corn is at its highest level since January 2020. USDA Attaché issued a bullish China corn S&D earlier.
- Funds bought an estimated net 15,000 corn contracts.
- Producers in parts of the Delta are bracing for another large tropical storm this week. Much of the corn down there had been collected but late planted summer crops may not fair to well.
- China bought \$10.7 billion of US agriculture and related products during the first eight months of 2020. Yet the US trade deficit is at a 14-year high.
- China feedgrains update. The USDA Attaché sees 2020-21 China corn production at a low 250 million tons, well below 260 million tons for USDA's official forecast and below 260.77 million tons in 2019-20. On the demand side, they see corn for feed at 190 million tons, up from 187 million in 2019-20 and 184 Million previous season.

<https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Grain%20and%20Feed%20Update%20Beijing%20China%20-%20Peoples%20Republic%20of%2009-27-2019>

| Corn<br>Market Year Begins<br>China | 2018/2019     |          | 2019/2020     |          | 2020/2021     |          |
|-------------------------------------|---------------|----------|---------------|----------|---------------|----------|
|                                     | Oct 2018      |          | Oct 2019      |          | Oct 2020      |          |
|                                     | USDA Official | New Post | USDA Official | New Post | USDA Official | New Post |
| Area Harvested (1000 HA)            | 42129         | 42129    | 41280         | 41280    | 42000         | 41200    |
| Beginning Stocks (1000 MT)          | 222525        | 222525   | 210319        | 217319   | 201069        | 213069   |
| Production (1000 MT)                | 257330        | 257330   | 260770        | 260770   | 260000        | 250000   |
| MY Imports (1000 MT)                | 4483          | 4483     | 7000          | 7000     | 7000          | 7000     |
| TY Imports (1000 MT)                | 4483          | 4483     | 7000          | 7000     | 7000          | 7000     |
| TY Imp. from U.S. (1000 MT)         | 319           | 319      | 0             | 0        | 0             | 0        |
| Total Supply (1000 MT)              | 484338        | 484338   | 478089        | 485089   | 468069        | 470069   |
| MY Exports (1000 MT)                | 19            | 19       | 20            | 20       | 20            | 20       |
| TY Exports (1000 MT)                | 19            | 19       | 20            | 20       | 20            | 20       |
| Feed and Residual (1000 MT)         | 191000        | 184000   | 192000        | 187000   | 192000        | 190000   |
| FSI Consumption (1000 MT)           | 83000         | 83000    | 85000         | 85000    | 87000         | 87000    |
| Total Consumption (1000 MT)         | 274000        | 267000   | 277000        | 272000   | 279000        | 277000   |
| Ending Stocks (1000 MT)             | 210319        | 217319   | 201069        | 213069   | 189049        | 193049   |
| Total Distribution (1000 MT)        | 484338        | 484338   | 478089        | 485089   | 468069        | 470069   |
| Yield (MT/HA)                       | 6.1081        | 6.1081   | 6.3171        | 6.3171   | 6.1905        | 6.068    |

(1000 HA) ,(1000 MT) ,(MT/HA)

MY = Marketing Year, begins with the month listed at the top of each column

TY = Trade Year, which for Corn begins in October for all countries. TY 2020/2021 = October 2020 - September 2021

- Brazil domestic corn prices reached record highs for some locations, according to Sao Paulo university price index.
- Germany ASF: 49 cases since September 10

Weekly US ethanol production increased 42,000 barrels to 923,000, highest weekly rate since early September. Stocks decreased 19,000 barrels to 19.672 million. A Bloomberg poll looked for ethanol production to be up 14,000 and stocks down 42,000 barrels. Production is still well down from a year ago. September through October 2 ethanol production is averaging 7.4 percent the same period a year ago. Gasoline stocks fell 1.4 million barrels to 226.7 million. The ethanol blend rate fell to 90% from 90.4% previous week, lowest blend since Aug 14. Implied corn use would be 5.05 billion bushels if weekly production increases slightly and averages about 925 million for the rest of the crop year.

## US Weekly Petroleum Status Report - Ethanol

|           | Ethanol Production |           | Change    |  | Ethanol Stocks |           | Change    |  | Days of<br>Ethanol |
|-----------|--------------------|-----------|-----------|--|----------------|-----------|-----------|--|--------------------|
|           | Mbbl               | Last Week | Last Year |  | Mbbl           | Last Week | Last Year |  |                    |
| 8/14/2020 | 926                | 8         | -9.5%     |  | 20,270         | 520       | -13.3%    |  | 21.3               |
| 8/21/2020 | 931                | 5         | -10.3%    |  | 20,409         | 139       | -11.2%    |  | 21.8               |
| 8/28/2020 | 922                | (9)       | -9.0%     |  | 20,882         | 473       | -12.3%    |  | 22.1               |
| 9/4/2020  | 941                | 19        | -8.0%     |  | 19,993         | (889)     | -11.1%    |  | 22.2               |
| 9/11/2020 | 926                | (15)      | -7.7%     |  | 19,798         | (195)     | -14.8%    |  | 21.6               |
| 9/18/2020 | 906                | (20)      | -3.9%     |  | 19,997         | 199       | -11.1%    |  | 21.9               |
| 9/25/2020 | 881                | (25)      | -8.0%     |  | 19,691         | (306)     | -15.2%    |  | 22.7               |
| 10/2/2020 | 923                | 42        | -4.2%     |  | 19,672         | (19)      | -7.3%     |  | 21.3               |

Source: EIA and FI

**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)

## US Weekly Ethanol By PADD

| Ethanol Stocks    | 2-Oct<br>2020 | 25-Sep<br>2020 | Change | Weekly<br>Percent | 4-Week<br>Percent | YOY<br>Percent |
|-------------------|---------------|----------------|--------|-------------------|-------------------|----------------|
| Total Stocks      | 19672         | 19691          | (19)   | -0.1%             | -0.6%             | -7.3%          |
| East Coast PADD 1 | 6487          | 6129           | 358    | 5.8%              | 2.6%              | -5.9%          |
| Midwest PADD 2    | 6539          | 6199           | 340    | 5.5%              | 2.1%              | -2.0%          |
| Gulf Coast PADD 3 | 3089          | 3767           | (678)  | -18.0%            | -11.8%            | -27.8%         |
| Rocky Mt. PADD 4  | 390           | 396            | (6)    | -1.5%             | -2.3%             | 15.7%          |
| West Coast PADD 5 | 3167          | 3200           | (33)   | -1.0%             | -0.1%             | 3.9%           |
| Plant Production  | 2-Oct<br>2020 | 25-Sep<br>2020 | Change | Weekly<br>Percent | 4-Week<br>Percent | YOY<br>Percent |
| Total Production  | 923           | 881            | 42     | 4.8%              | -0.3%             | -4.2%          |
| East Coast PADD 1 | 6             | 13             | (7)    | -53.8%            | -53.8%            |                |
| Midwest PADD 2    | 881           | 835            | 46     | 5.5%              | 0.2%              | -1.0%          |
| Gulf Coast PADD 3 | 17            | 14             | 3      | 21.4%             | 0.0%              |                |
| Rocky Mt. PADD 4  | 10            | 10             | 0      | 0.0%              | 0.0%              |                |
| West Coast PADD 5 | 9             | 9              | 0      | 0.0%              | 12.5%             |                |

Source: EIA and FI

### Corn Export Developments

- SK's NOFI bought 59,000 tons of soybean meal at \$451.49/ton c&f for Dec shipment and 206,000 tons of corn, expected to be from South America, at \$239.80/ton c&f for LH No/FH Dec shipment.

| Corn         |        | Change | Oats   |        | Change | Ethanol    | Settle |                |        |
|--------------|--------|--------|--------|--------|--------|------------|--------|----------------|--------|
| DEC0         | 389.25 | 4.25   | DEC0   | 294.00 | 3.25   | NOV0       | 1.38   | Spot DDGS IL   |        |
| MAR1         | 397.50 | 3.25   | MAR1   | 294.25 | 3.00   | DEC0       | 1.36   | Cash & CBOT    |        |
| MAY1         | 402.25 | 3.00   | MAY1   | 292.50 | 3.00   | JAN1       | 1.34   | Corn + Ethanol |        |
| JUL1         | 405.00 | 2.25   | JUL1   | 292.75 | 2.75   | FEB1       | 1.34   | Crush          |        |
| SEP1         | 392.00 | 0.25   | SEP1   | 290.00 | 0.00   | MAR1       | 1.34   | 1.32           |        |
| DEC1         | 395.50 | 0.50   | DEC1   | 299.75 | 0.00   | APR1       | 1.36   |                |        |
| Soybean/Corn |        | Ratio  | Spread |        | Change | Wheat/Corn | Ratio  | Spread         | Change |
| NOV0         | DEC0   | 2.70   | 660.25 | 1.25   | DEC0   | 1.56       | 219.00 | 11.25          |        |
| MAR1         | MAR1   | 2.59   | 632.50 | (8.50) | MAR1   | 1.54       | 212.75 | 8.75           |        |
| MAY1         | MAY1   | 2.54   | 621.00 | (9.75) | MAY1   | 1.52       | 209.25 | 7.00           |        |
| JUL1         | JUL1   | 2.53   | 618.75 | (9.25) | JUL1   | 1.49       | 200.00 | 6.25           |        |
| SEP1         | SEP1   | 2.52   | 597.50 | (6.25) | SEP1   | 1.55       | 215.75 | 7.75           |        |
| NOV1         | DEC1   | 2.44   | 569.50 | (8.00) | DEC1   | 1.55       | 218.50 | 6.75           |        |

### US Corn Basis & Barge Freight

| Gulf Corn  | BRAZIL Corn Basis          | Chicago                             | +20 z up7     |
|--|----------------------------|-------------------------------------|---------------|
| OCT +67 / 70 z unch/up1  | NOV +120 / 140 z unch      | Toledo                              | -17 z unch    |
| NOV +70 / 72 z up2/up1   | DEC +133 / 150 z up13/up10 | Decatur                             | -10 z unch    |
| DEC 36 up1/unch  | JLY +60 / 75 n up10/unch   | Dayton                              | +10 z unch    |
| JAN +68 / 71 h up3/up2   | AUG +60 / 65 u up10/up2    | Cedar Rapi                          | -2 z up6      |
| FEB +67 / 72 h up1/up2   |                            | Burns Harb                          | -15 z unch    |
| USD/ton: Ukraine Odessa \$ 194.00                                      |                            | Memphis-Cairo Barge Freight (offer) |               |
| US Gulf 3YC Fob Gulf Seller (RTRS) 212.7 212.7 212.3 211.6 207.7 203.7 |                            | BrgF MTCT OCT                       | 420 unchanged |
| China 2YC Maize Cif Dalian (DCE) 354.6 357.5 360.0 361.8 362.8 364.3   |                            | BrgF MTCT NOV                       | 340 unchanged |
| Argentina Yellow Maize Fob UpRiver 206.7 206.7 207.9 - - -             |                            | BrgF MTCT DEC                       | 275 unchanged |

Source: FI, DJ, Reuters & various trade sources

**Terry Reilly** Grain Research

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

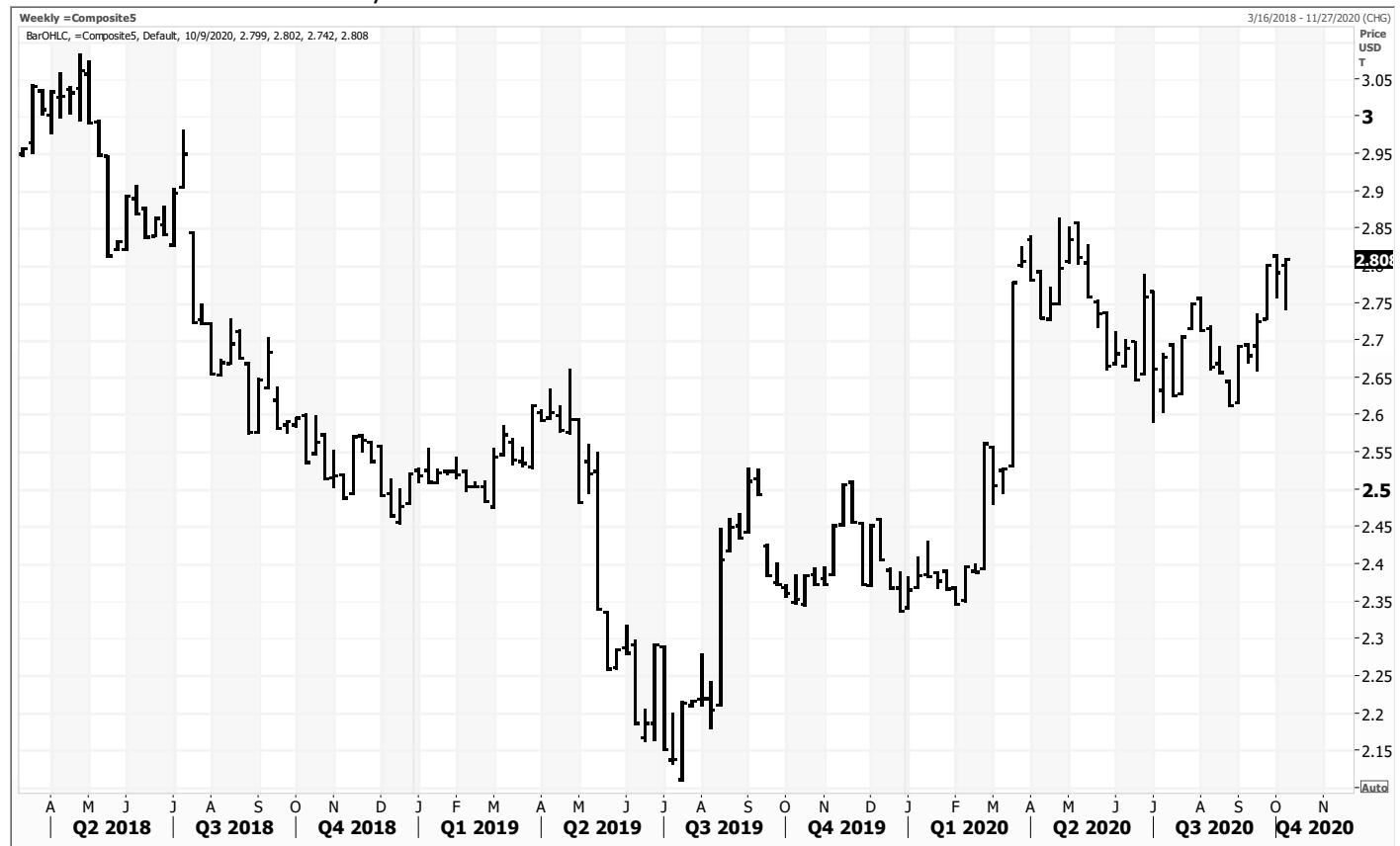
W: 312.604.1366 | treilly@futures-int.com

Updated 9/30/20

- December corn is seen in a \$3.60-\$4.00 range. 2020-21 to average \$3.75 for corn and \$2.85 for oats.

### Soybean complex.

- China demand dominated the trade in soybeans today. Soybean oil was under pressure from bull spreading in soybean oil. China September soybean imports were estimated at 7.1 million tons, down 32 percent from a month ago, with 5.5 million tons originating from Brazil, according to Refinitiv. They pegged October imports at 8.4 million tons, including 3.4 million tons from the US. We look for the bulk of the 17.5 million tons that are sitting on the US sales book will be import by China through early February. This is the main reason soybean bull spreading took off today.
- Soybeans started higher in all month through 2021 but by afternoon trading, bull spreading dominated the market, keeping November and January sharply higher and back months lower. November settled 7.0 cents higher, Jan 5 higher and March 2.75 cents lower. New lows were established for the back months near or during the modified session.
- Funds bought an estimated net 6,000 soybean contracts, bought 6,000 soybean meal and sold 1,000 soybean oil.
- 900 SX/SH traded in late afternoon trading at 16 to 18.5. The spread went out +21.50.
- Soybean meal prices have rallied for several reasons, including slowing Brazil and Argentina exports, surge in DDGS prices at the Gulf (up 21% since July), and soybean meal/corn relationship (ratio converted to tons below)



**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)

- Malaysian palm oil prices appreciated for the third straight day, up 54 ringgit or nearly 2% to 2,872/ton. Traders are looking for Sep MPOB palm production to increase 3.1% from Aug. Report will be out October 12.
- Brazil's Parana state soybean plantings have seen their slowest start in five years.
- There was talk of disappointing yield results across selected Midwest locations on Tuesday.
- Traders are now expecting a friendly USDA S&D update with lower US yield and possible increase in US exports due to planting delays in Brazil.
- CBOT soybean open interest hit a record 1,023,637 contracts on Tuesday +7,987.
- Egypt: Vegetable oil reserves are sitting at a 6-month high after buying 86k tons on Tuesday.

#### Oilseeds Export Developments

- Under the 24-hour announcement system, private exporters reported to the U.S. Department of Agriculture the following activity:
  - Export sales of 132,000 metric tons of soybeans for delivery to China during the 2020/2021 marketing year
  - Export sales of 120,000 metric tons of soybeans for delivery to unknown destinations during the 2020/2021 marketing year

#### USDA 24-hour

| Date reported | Value (tonnes) | Commodity | Destination | Year    |
|---------------|----------------|-----------|-------------|---------|
| 7-Oct         | 132,000        | Soybeans  | China       | 2020-21 |
| 7-Oct         | 120,000        | Soybeans  | Unknown     | 2020-21 |
| 6-Oct         | 154,400        | Soybeans  | Unknown     | 2020-21 |
| 5-Oct         | 160,020        | Corn      | Mexico      | 2020-21 |
| 2-Oct         | 264,000        | Soybeans  | China       | 2020-21 |
| 2-Oct         | 252,000        | Soybeans  | Unknown     | 2020-21 |
| 1-Oct         | 120,000        | Soybeans  | Egypt       | 2020-21 |
| 30-Sep        | 215,000        | Soybeans  | Unknown     | 2020-21 |
| 29-Sep        | 100,000        | Soybeans  | Mexico      | 2020-21 |
| 28-Sep        | 218,300        | Soybeans  | Unknown     | 2020-21 |
| 28-Sep        | 110,800        | Corn      | Japan       | 2020-21 |
| 28-Sep        | 207,140        | Corn      | Unknown     | 2020-21 |

- SK's NOFI bought 59,000 tons of soybean meal at \$451.49/ton c&f for Dec shipment and 206,000 tons of corn, expected to be from South America, at \$239.80/ton c&f for LH No/FH Dec shipment.
- Syria seeks 50,000 tons of soybean meal and 50,000 tons of corn on October 26 for delivery within four months of contract.

#### Malaysian MPOB palm S&D Reuters Poll (volumes in tonnes)

|         | Sep 2020 poll | Range               | Aug-20    | Jul-20    | Sep-19    |
|---------|---------------|---------------------|-----------|-----------|-----------|
| Output  | 1,953,350     | 1,830,000-2,011,999 | 1,862,962 | 1,807,397 | 1,842,433 |
| Stocks  | 1,720,666     | 1,659,960-1,800,000 | 1,699,106 | 1,698,036 | 2,448,272 |
| Exports | 1,679,500     | 1,581,000-1,739,788 | 1,581,612 | 1,783,284 | 1,409,945 |
| Imports | 37,500        | 0-65,000            | 32,311    | 52,691    | 71,112    |

Source: Reuters and FI

| Soybeans |         |  | Change | Soybean Meal |        |  | Change | Soybean Oil |       |  | Change |
|----------|---------|--|--------|--------------|--------|--|--------|-------------|-------|--|--------|
| NOV0     | 1049.50 |  | 5.50   | OCT0         | 361.00 |  | 6.70   | OCT0        | 33.31 |  | 0.02   |
| JAN1     | 1049.75 |  | 4.25   | DEC0         | 361.70 |  | 6.20   | DEC0        | 33.00 |  | (0.09) |
| MAR1     | 1030.00 |  | (5.25) | JAN1         | 357.30 |  | 4.70   | JAN1        | 32.98 |  | (0.12) |
| MAY1     | 1023.25 |  | (6.75) | MAR1         | 348.90 |  | 0.50   | MAR1        | 32.98 |  | (0.19) |
| JUL1     | 1023.75 |  | (7.00) | MAY1         | 343.50 |  | (0.50) | MAY1        | 32.90 |  | (0.35) |
| AUG1     | 1016.00 |  | (6.50) | JUL1         | 341.90 |  | (0.40) | JUL1        | 32.92 |  | (0.38) |
| SEP1     | 989.50  |  | (6.00) | AUG1         | 337.80 |  | (0.40) | AUG1        | 32.84 |  | (0.38) |

| Soybeans | Spread | Change | SoyMeal | Spread | Change | SoyOil  | Spread | Change |
|----------|--------|--------|---------|--------|--------|---------|--------|--------|
| Nov/Jan  | 0.25   | (1.25) | Dec/Jan | -4.40  | (1.50) | Dec/Jan | -0.02  | (0.03) |

| Electronic Beans Crush |        |  | Oil as %    | Meal/Oil \$ | Meal   | Oil    |
|------------------------|--------|--|-------------|-------------|--------|--------|
| Month                  | Margin |  | of Oil&Meal | Con. Value  | Value  | Value  |
| OCT0/NOV0              | 111.11 |  | OCT0 31.57% | \$ 16,114   | 794.20 | 366.41 |
| NOV0/DEC0              | 109.24 |  | DEC0 31.33% | \$ 16,370   | 795.74 | 363.00 |
| JAN1                   | 99.09  |  | JAN1 31.58% | \$ 15,942   | 786.06 | 362.78 |
| MAR1                   | 100.36 |  | MAR1 32.09% | \$ 15,102   | 767.58 | 362.78 |
| MAY1                   | 94.35  |  | MAY1 32.38% | \$ 14,610   | 755.70 | 361.90 |
| JUL1                   | 90.55  |  | JUL1 32.50% | \$ 14,438   | 752.18 | 362.12 |
| AUG1                   | 88.40  |  | AUG1 32.71% | \$ 14,076   | 743.16 | 361.24 |
| SEP1                   | 99.94  |  | SEP1 32.98% | \$ 13,594   | 730.18 | 359.26 |
| NOV1/DEC1              | 100.46 |  | OCT1 33.16% | \$ 13,130   | 713.90 | 354.20 |
| JAN2                   | 99.98  |  | DEC1 33.10% | \$ 13,164   | 712.80 | 352.66 |

#### US Soybean Complex Basis

|       |                     |              |               |           |            |
|-------|---------------------|--------------|---------------|-----------|------------|
| OCT   | +74 / 79 x up2/up1  |              |               | DECATUR   | +5 x unch  |
| NOV   | +80 / 82 x up2/dn1  | IL SBM       | Z-13 9/1/2020 | SIDNEY    | -20 x unch |
| DEC   | +78 / 83 f unch/up2 | CIF Meal     | Z+24 9/1/2020 | CHICAGO   | -10 x up5  |
| JAN   | +77 / 85 f up1/unch | Oil FOB NOLA | 500 9/25/2020 | TOLEDO    | -18 x unch |
| 0-Jan |                     | Decatur Oil  | 75 9/25/2020  | BRNS HRBR | -10 x unch |
|       |                     |              |               | C. RAPIDS | -20 x unch |

| Brazil Soybeans Paranagua fob |     |      | Brazil Meal Paranagua |             |      | Brazil Oil Paranagua |               |           |
|-------------------------------|-----|------|-----------------------|-------------|------|----------------------|---------------|-----------|
| NOV+200 / +280 x dn15/unch    |     |      | OCT                   | +18 / +22 v | unch | OCT                  | +500 / +700 u | up70/unch |
| FEB +107 / +115 f up7/up7     |     |      | NOV                   | +18 / +22 x | unch | NOV                  | +500 / +700 v | up70/unch |
| MCH +75 / +78 h up10/up3      |     |      | DEC                   | +18 / +22 z | unch | DEC                  | +500 / +700 z | up70/unch |
| APR +61 / +70 k up3/up6       |     |      | JAN                   | +18 / +23 f | unch | JAN                  | +260 / +700 f | dn50/unch |
| MAY +66 / +72 k up2/up3       |     |      | FEB                   | +13 / +17 f | unch | FEB                  | +220 / +700 f | dn30/unch |
| Argentina meal                | 375 | 13.8 | Argentina oil         | Spot fob    |      |                      | 36.9          | 3.88      |

Source: FI, DJ, Reuters & various trade sources

Updated 10/6/20

- November soybeans are seen in a \$10.00-\$11.00 range; \$9.60 average for 2020-21
- December soybean meal is seen in a \$340-\$380 range. \$305 average for 2020-21
- December soybean oil is seen in a 31.50-34.70 range. 34.00 cents average for 2020-21

#### Wheat

- US wheat futures traded sharply higher on talk of persistent dryness across the US southern Great Plains, Argentina and Black Sea region. Traders need to be cautious with the recent appreciation in US wheat futures. One good soaking for the US and/or Black Sea region will allow producers to rapidly plant their crops. Note Russia is nearly three quarters complete on plantings.

**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)

- Funds bought an estimated 12,000 SRW wheat contracts.
- March/July Chicago wheat remains inverted on ideas global supplies will tighten during first half 2021 before northern hemisphere harvesting replenishes supplies.
- Morning GFS model removed much of the rain previously advertised from hard red winter wheat country during the next ten days, although a few showers remained.
- Russia plans to introduce grain export quotas for the January through June period. Russia will remain in a drier bias pattern through FH October.
- Russia's Deputy Prime Minister projected Russian grain exports may reach 50 million tons for 2020-21, up from 45 million previously. For the Jan-Aug period, nearly 20 million tons of wheat was exported.
- 70 percent of Russia's winter grain planting is complete as of October 5.
- Second week of the US weather outlook was a little wetter for the Midwest but the Great Plains will remain drier bias.
- ProAgro: Ukraine 2020 grain production 69.44MMT, down from previous 71.34MMT, with corn at 31.74MMT from 34.02 last month.
- Paris (Matif) December wheat was 0.50 higher at 200.50 euros.

#### *Export Developments.*

- Pakistan bought 330,000 tons of wheat at \$278.50/ton c&f, optional origin, for arrival by Jan 15.
- Jordan passed on 120,000 tons of wheat, optional origin.
- Japan is in for food wheat, 118,000 tons, including 61,985 from the US, 25,790 tons from Canada and 30,653 ton from Australia.
- Turkey seeks 135,000 tons of 12.5% and 13.5% wheat on October 9 for oct 16 and Nov 2 shipment.
- Jordan seeks 120,000 tons of wheat on October 13, optional origin, for Jan -late Feb shipment.
- Ethiopia seeks 400,000 tons of wheat by October 13.
- (new 9/15) Ethiopia seeks about 200,000 tons of milling wheat on October 15.

#### **Rice/Other**

- The Philippines seek 300,000 tons of rice, a day after reports they were mulling over ideas to curb imports to prop up domestic prices. The Philippines may halt rice imports for a couple months to help support domestic prices.
- Mauritius seeks 5,500 tons of white rice on October 20 for Dec 15-Mar 15, 2021 delivery.
- (Bloomberg) -- U.S. 2020-21 cotton ending stocks seen at 6.79m bales, 411,000 less than USDA's previous est., according to the avg in a Bloomberg survey of nine analysts.
  - U.S. production seen at 16.74m bales vs 17.06m in September
  - Global ending stocks seen 103,000 bales lower at 103.74m

| Chicago Wheat  |        |                 | Change | KC Wheat       |           |                        | Change | MN Wheat     |                                 |  | Settle | Change     |
|----------------|--------|-----------------|--------|----------------|-----------|------------------------|--------|--------------|---------------------------------|--|--------|------------|
| DEC0           | 608.25 |                 | 15.50  | DEC0           | 545.50    |                        | 11.25  | DEC0         | 549.25                          |  |        | 11.00      |
| MAR1           | 610.25 |                 | 12.00  | MAR1           | 553.50    |                        | 10.50  | MAR1         | 562.25                          |  |        | 10.75      |
| MAY1           | 611.50 |                 | 10.00  | MAY1           | 559.75    |                        | 10.50  | MAY1         | 571.00                          |  |        | 11.00      |
| JUL1           | 605.00 |                 | 8.50   | JUL1           | 563.00    |                        | 9.25   | JUL1         | 579.25                          |  |        | 10.75      |
| SEP1           | 607.75 |                 | 8.00   | SEP1           | 569.00    |                        | 9.00   | SEP1         | 583.50                          |  |        | 8.50       |
| DEC1           | 614.00 |                 | 7.25   | DEC1           | 577.25    |                        | 8.50   | DEC1         | 591.00                          |  |        | 6.75       |
| MAR2           | 618.00 |                 | 7.25   | MAR2           | 583.25    |                        | 8.00   | MAR2         | 596.00                          |  |        | 4.75       |
| Chicago Rice   |        |                 | Change |                |           |                        |        |              |                                 |  |        |            |
| NOV0           | 12.71  |                 | 0.080  | JAN1           | 12.89     |                        | 0.080  | MAR1         | 12.95                           |  |        | 0.030      |
| US Wheat Basis |        |                 |        |                |           |                        |        |              |                                 |  |        |            |
| Gulf SRW Wheat |        |                 |        | Gulf HRW Wheat |           |                        |        | Chicago mill |                                 |  |        | -10 z unch |
|                | OCT    | +60 / z unch    |        |                | OCT       | 168 / z dn4            |        |              | Toledo                          |  |        | -10 z unch |
|                | NOV    | +65 / z unch    |        |                | NOV       | 168 / z dn3            |        |              | PNW US Soft White 10.5% protein |  |        |            |
|                | DEC    | +70 / z unch    |        |                | DEC       | 168 / z dn3            |        |              | PNW Oct                         |  | NA     |            |
|                | JAN    | +65 / 68 h unch |        |                | JAN       | 155 / h unch           |        |              | PNW Nov                         |  | 595    | +5.00      |
|                | 0-Jan  |                 |        |                | FEB       | 155 / h unch           |        |              | PNW Dec                         |  | 595    | +5.00      |
| Paris Wheat    |        |                 | Change | OI             | OI Change | World Prices \$/ton    |        |              | Change                          |  |        |            |
| DEC0           | 200.50 |                 | 0.50   | 223,360        | 778       | US SRW FOB             |        | \$267.40     |                                 |  | \$3.20 |            |
| MAR1           | 200.00 |                 | 1.00   | 97,222         | 6,260     | US HRW FOB             |        | \$269.70     |                                 |  | \$3.60 |            |
| MAY1           | 198.00 |                 | 0.75   | 50,454         | 2,142     | Rouen FOB 11%          |        | \$238.47     |                                 |  | \$2.75 |            |
| SEP1           | 190.00 |                 | 1.00   | 22,456         | 2,281     | Russia FOB 12%         |        | \$235.00     |                                 |  | \$1.50 |            |
| EUR            | 1.1762 |                 |        |                |           | Ukr. FOB feed (Odessa) |        | \$218.50     |                                 |  | \$0.00 |            |
|                |        |                 |        |                |           | Arg. Bread FOB 12%     |        | \$254.26     |                                 |  | \$0.00 |            |

Source: FI, DJ, Reuters & various trade sources

Updated 10/6/20

- December Chicago wheat is seen in a \$5.60-\$6.25 range. Chicago 2020-21 average \$5.55
- December KC wheat is seen in a \$5.00-\$5.60 range. KC 2020-21 average \$5.05.
- December MN wheat is seen in a \$5.30-\$5.55 range. MN 2020-21 average \$5.45

# US Weekly Petroleum Status Report

|            | Ethanol Production<br>000 Barrels Per Day | Change from<br>Last Week | Change from<br>Last Month | Change from<br>Last Year | Ethanol Stocks<br>000 Barrels | Change from<br>Last Week | Change from<br>Last Month | Change from<br>Last Year | Days of<br>Ethanol<br>Inventory |
|------------|---|--------------------------|---------------------------|--------------------------|-------------------------------|--------------------------|---------------------------|--------------------------|---------------------------------|
| 9/6/2019   | 1023                                      | 10                       | -2.1%                     | 0.3%                     | 22,499                        | (1302)                   | -5.8%                     | -1.7%                    | 23.3                            |
| 9/13/2019  | 1003                                      | (20)                     | -2.0%                     | -4.6%                    | 23,238                        | 739                      | -0.6%                     | 2.2%                     | 22.4                            |
| 9/20/2019  | 943                                       | (60)                     | -9.2%                     | -9.0%                    | 22,500                        | (738)                    | -2.1%                     | -0.6%                    | 24.6                            |
| 9/27/2019  | 958                                       | 15                       | -5.4%                     | -5.6%                    | 23,219                        | 719                      | -2.4%                     | -1.0%                    | 23.5                            |
| 10/4/2019  | 963                                       | 5                        | -5.9%                     | -7.4%                    | 21,224                        | (1995)                   | -5.7%                     | -11.6%                   | 24.1                            |
| 10/11/2019 | 971                                       | 8                        | -3.2%                     | -4.0%                    | 22,061                        | 837                      | -5.1%                     | -8.6%                    | 21.9                            |
| 10/18/2019 | 996                                       | 25                       | 5.6%                      | -2.7%                    | 21,364                        | (697)                    | -5.0%                     | -10.6%                   | 22.1                            |
| 10/25/2019 | 1004                                      | 8                        | 4.8%                      | -5.2%                    | 21,099                        | (265)                    | -9.1%                     | -7.2%                    | 21.3                            |
| 11/1/2019  | 1014                                      | 10                       | 5.3%                      | -5.1%                    | 21,874                        | 775                      | 3.1%                      | -5.5%                    | 20.8                            |
| 11/8/2019  | 1030                                      | 16                       | 6.1%                      | -3.5%                    | 20,985                        | (889)                    | -4.9%                     | -10.8%                   | 21.2                            |
| 11/15/2019 | 1033                                      | 3                        | 3.7%                      | -0.9%                    | 20,514                        | (471)                    | -4.0%                     | -10.0%                   | 20.3                            |
| 11/22/2019 | 1059                                      | 26                       | 5.5%                      | 1.0%                     | 20,277                        | (237)                    | -3.9%                     | -11.6%                   | 19.4                            |
| 11/29/2019 | 1060                                      | 1                        | 4.5%                      | -0.8%                    | 20,639                        | 362                      | -5.6%                     | -10.4%                   | 19.1                            |
| 12/6/2019  | 1072                                      | 12                       | 4.1%                      | 2.5%                     | 21,815                        | 1176                     | 4.0%                      | -4.7%                    | 19.3                            |
| 12/13/2019 | 1064                                      | (8)                      | 3.0%                      | 1.7%                     | 21,798                        | (17)                     | 6.3%                      | -8.7%                    | 20.5                            |
| 12/20/2019 | 1083                                      | 19                       | 2.3%                      | 3.9%                     | 21,469                        | (329)                    | 5.9%                      | -7.2%                    | 20.1                            |
| 12/27/2019 | 1066                                      | (17)                     | 0.6%                      | 5.4%                     | 21,034                        | (435)                    | 1.9%                      | -9.2%                    | 20.1                            |
| 1/3/2020   | 1062                                      | (4)                      | -0.9%                     | 6.2%                     | 22,462                        | 1428                     | 3.0%                      | -3.4%                    | 19.8                            |
| 1/10/2020  | 1095                                      | 33                       | 2.9%                      | 4.2%                     | 23,006                        | 544                      | 5.5%                      | -1.5%                    | 20.5                            |
| 1/17/2020  | 1049                                      | (46)                     | -3.1%                     | 1.7%                     | 24,031                        | 1025                     | 11.9%                     | 2.3%                     | 21.9                            |
| 1/24/2020  | 1029                                      | (20)                     | -3.5%                     | 1.7%                     | 24,244                        | 213                      | 15.3%                     | 1.1%                     | 23.4                            |
| 1/31/2020  | 1081                                      | 52                       | 1.8%                      | 11.8%                    | 23,474                        | (770)                    | 4.5%                      | -2.0%                    | 22.4                            |
| 2/7/2020   | 1033                                      | (48)                     | -5.7%                     | 0.4%                     | 24,358                        | 884                      | 5.9%                      | 3.8%                     | 22.7                            |
| 2/14/2020  | 1040                                      | 7                        | -0.9%                     | 4.4%                     | 24,781                        | 423                      | 3.1%                      | 3.6%                     | 23.4                            |
| 2/21/2020  | 1054                                      | 14                       | 2.4%                      | 2.5%                     | 24,718                        | (63)                     | 2.0%                      | 4.3%                     | 23.5                            |
| 2/28/2020  | 1079                                      | 25                       | -0.2%                     | 5.4%                     | 24,964                        | 246                      | 6.3%                      | 2.9%                     | 22.9                            |
| 3/6/2020   | 1044                                      | (35)                     | 1.1%                      | 3.9%                     | 24,334                        | (630)                    | -0.1%                     | 2.5%                     | 23.9                            |
| 3/13/2020  | 1035                                      | (9)                      | -0.5%                     | 3.1%                     | 24,598                        | 264                      | -0.7%                     | 0.8%                     | 23.5                            |
| 3/20/2020  | 1005                                      | (30)                     | -4.6%                     | 3.1%                     | 24,140                        | (458)                    | -2.3%                     | -1.3%                    | 24.5                            |
| 3/27/2020  | 840                                       | (165)                    | -22.2%                    | -15.9%                   | 25,717                        | 1577                     | 3.0%                      | 7.2%                     | 28.7                            |
| 4/3/2020   | 672                                       | (168)                    | -35.6%                    | -32.9%                   | 27,091                        | 1374                     | 11.3%                     | 16.8%                    | 38.3                            |
| 4/10/2020  | 570                                       | (102)                    | -44.9%                    | -43.9%                   | 27,469                        | 378                      | 11.7%                     | 21.1%                    | 47.5                            |
| 4/17/2020  | 563                                       | (7)                      | -44.0%                    | -46.3%                   | 27,689                        | 220                      | 14.7%                     | 21.7%                    | 48.8                            |
| 4/24/2020  | 537                                       | (26)                     | -36.1%                    | -47.6%                   | 26,337                        | (1352)                   | 2.4%                      | 16.0%                    | 51.6                            |
| 5/1/2020   | 598                                       | 61                       | -11.0%                    | -42.3%                   | 25,612                        | (725)                    | -5.5%                     | 14.0%                    | 44.0                            |
| 5/8/2020   | 617                                       | 19                       | 8.2%                      | -41.3%                   | 24,190                        | (1422)                   | -11.9%                    | 8.7%                     | 41.5                            |
| 5/15/2020  | 663                                       | 46                       | 17.8%                     | -38.1%                   | 23,626                        | (564)                    | -14.7%                    | 0.9%                     | 36.5                            |
| 5/22/2020  | 724                                       | 61                       | 34.8%                     | -31.5%                   | 23,176                        | (450)                    | -12.0%                    | 2.4%                     | 32.6                            |
| 5/29/2020  | 765                                       | 41                       | 27.9%                     | -26.7%                   | 22,476                        | (700)                    | -12.2%                    | -0.3%                    | 30.3                            |
| 6/5/2020   | 837                                       | 72                       | 35.7%                     | -23.6%                   | 21,802                        | (674)                    | -9.9%                     | 0.0%                     | 26.9                            |
| 6/12/2020  | 841                                       | 4                        | 26.8%                     | -22.2%                   | 21,346                        | (456)                    | -9.7%                     | -1.2%                    | 25.9                            |
| 6/19/2020  | 893                                       | 52                       | 23.3%                     | -16.7%                   | 21,034                        | (312)                    | -9.2%                     | -2.5%                    | 23.9                            |
| 6/26/2020  | 900                                       | 7                        | 17.6%                     | -16.7%                   | 20,164                        | (870)                    | -10.3%                    | -11.7%                   | 23.4                            |
| 7/3/2020   | 914                                       | 14                       | 9.2%                      | -12.7%                   | 20,620                        | 456                      | -5.4%                     | -10.4%                   | 22.1                            |
| 7/10/2020  | 931                                       | 17                       | 10.7%                     | -12.7%                   | 20,608                        | (12)                     | -3.5%                     | -11.8%                   | 22.1                            |
| 7/17/2020  | 908                                       | (23)                     | 1.7%                      | -12.6%                   | 19,801                        | (807)                    | -5.9%                     | -16.4%                   | 22.7                            |
| 7/24/2020  | 958                                       | 50                       | 6.4%                      | -7.1%                    | 20,272                        | 471                      | 0.5%                      | -17.1%                   | 20.7                            |
| 7/31/2020  | 931                                       | (27)                     | 1.9%                      | -10.5%                   | 20,346                        | 74                       | -1.3%                     | -12.0%                   | 21.8                            |
| 8/7/2020   | 918                                       | (13)                     | -1.4%                     | -12.2%                   | 19,750                        | (596)                    | -4.2%                     | -17.3%                   | 22.2                            |
| 8/14/2020  | 926                                       | 8                        | 2.0%                      | -9.5%                    | 20,270                        | 520                      | 2.4%                      | -13.3%                   | 21.3                            |
| 8/21/2020  | 931                                       | 5                        | -2.8%                     | -10.3%                   | 20,409                        | 139                      | 0.7%                      | -11.2%                   | 21.8                            |
| 8/28/2020  | 922                                       | (9)                      | -1.0%                     | -9.0%                    | 20,882                        | 473                      | 2.6%                      | -12.3%                   | 22.1                            |
| 9/4/2020   | 941                                       | 19                       | 2.5%                      | -8.0%                    | 19,993                        | (889)                    | 1.2%                      | -11.1%                   | 22.2                            |
| 9/11/2020  | 926                                       | (15)                     | 0.0%                      | -7.7%                    | 19,798                        | (195)                    | -2.3%                     | -14.8%                   | 21.6                            |
| 9/18/2020  | 906                                       | (20)                     | -2.7%                     | -3.9%                    | 19,997                        | 199                      | -2.0%                     | -11.1%                   | 21.9                            |
| 9/25/2020  | 881                                       | (25)                     | -4.4%                     | -8.0%                    | 19,691                        | (306)                    | -5.7%                     | -15.2%                   | 22.7                            |
| 10/2/2020  | 923                                       | 42                       | -1.9%                     | -4.2%                    | 19,672                        | (19)                     | -1.6%                     | -7.3%                    | 21.3                            |

4-week average change:

-5

4-week average change:

-80

YOY Δ

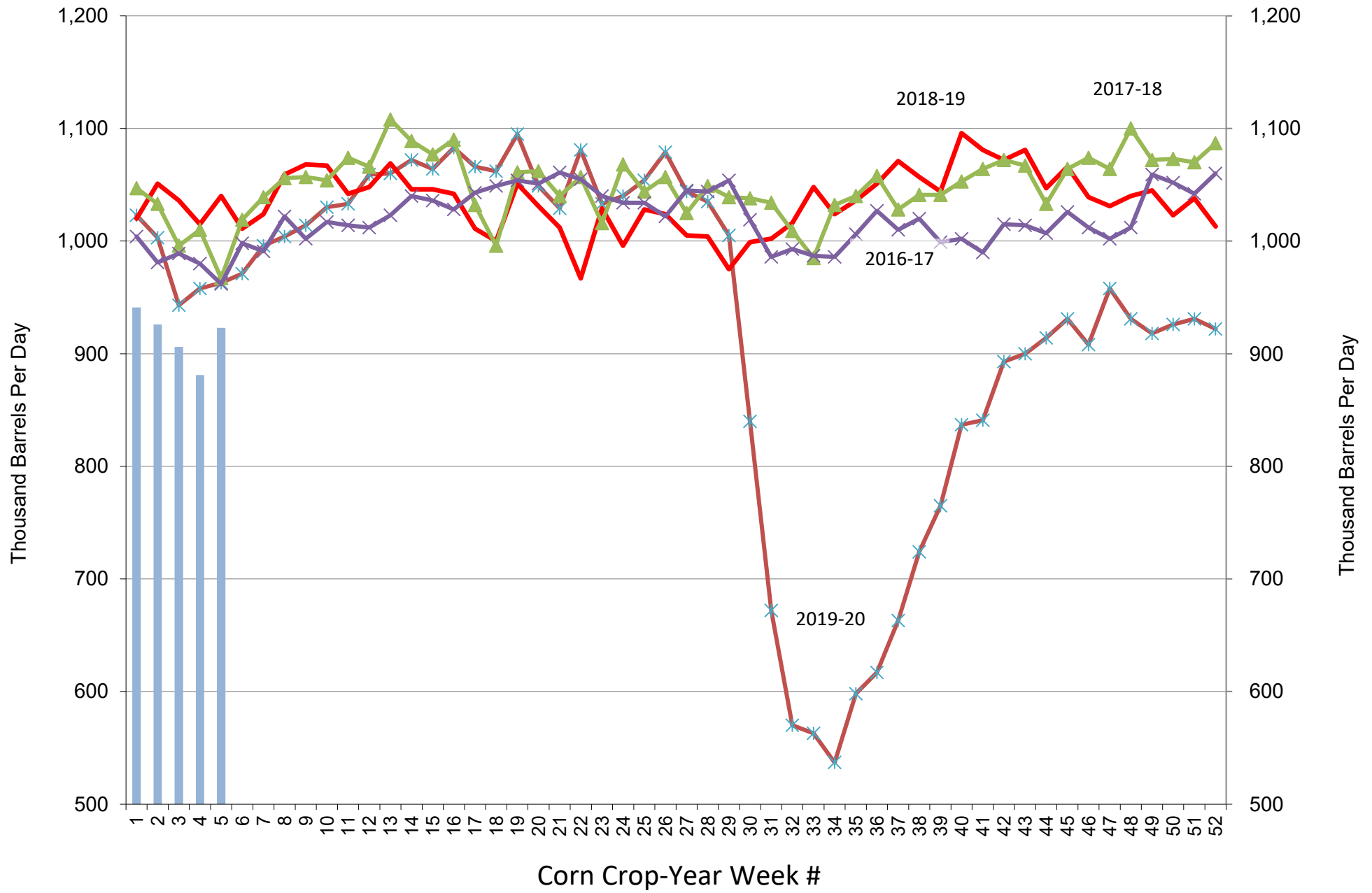
CY to Date:

929 2019-20 season average

-10.3%

Source: Reuters, EIA, FI

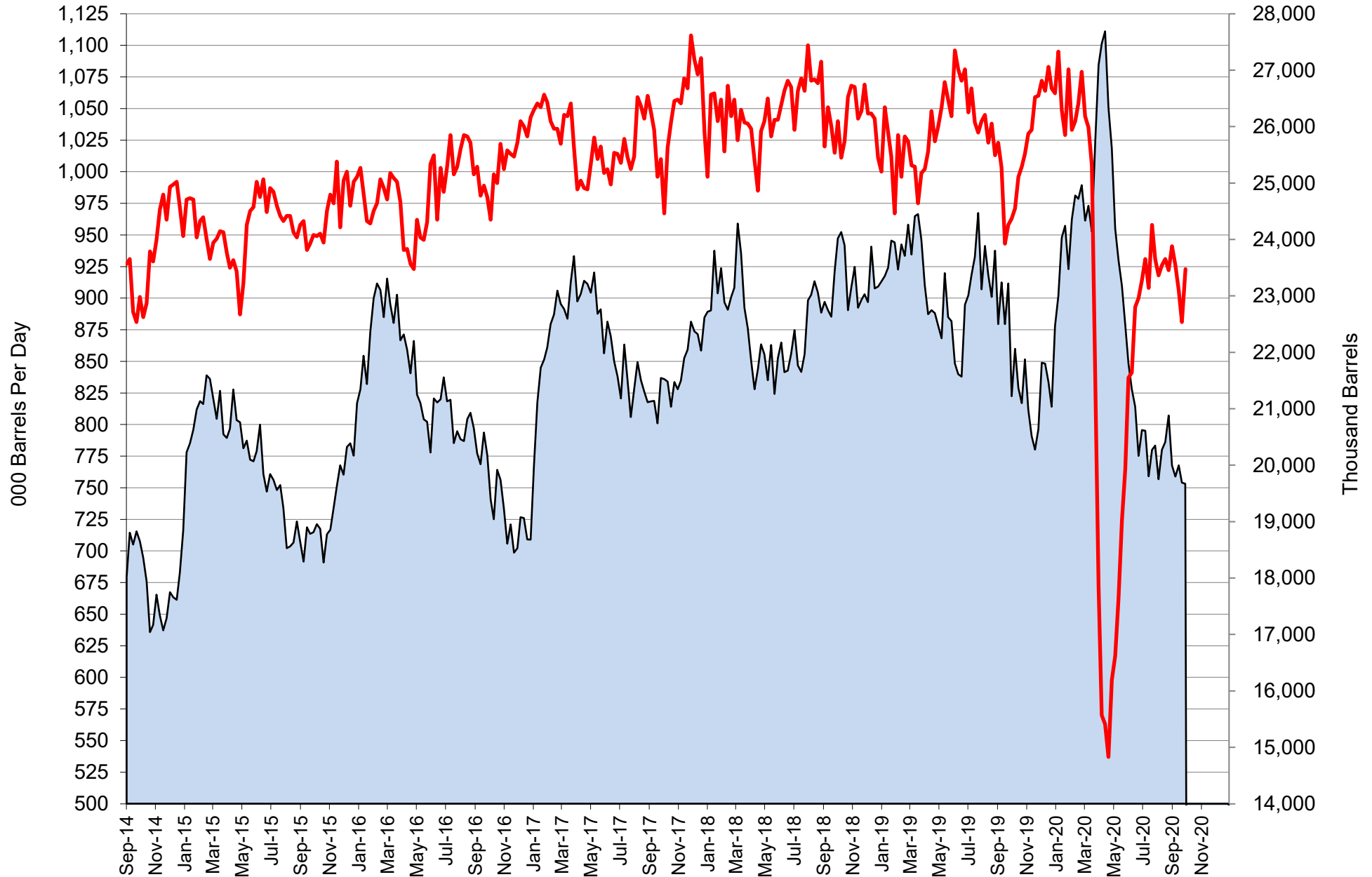
# US Weekly Ethanol Production



Source: EIA & FI

2020-21 2019-20 2018-19 2017-18 2016-17

# US Weekly Ethanol Production and Stocks

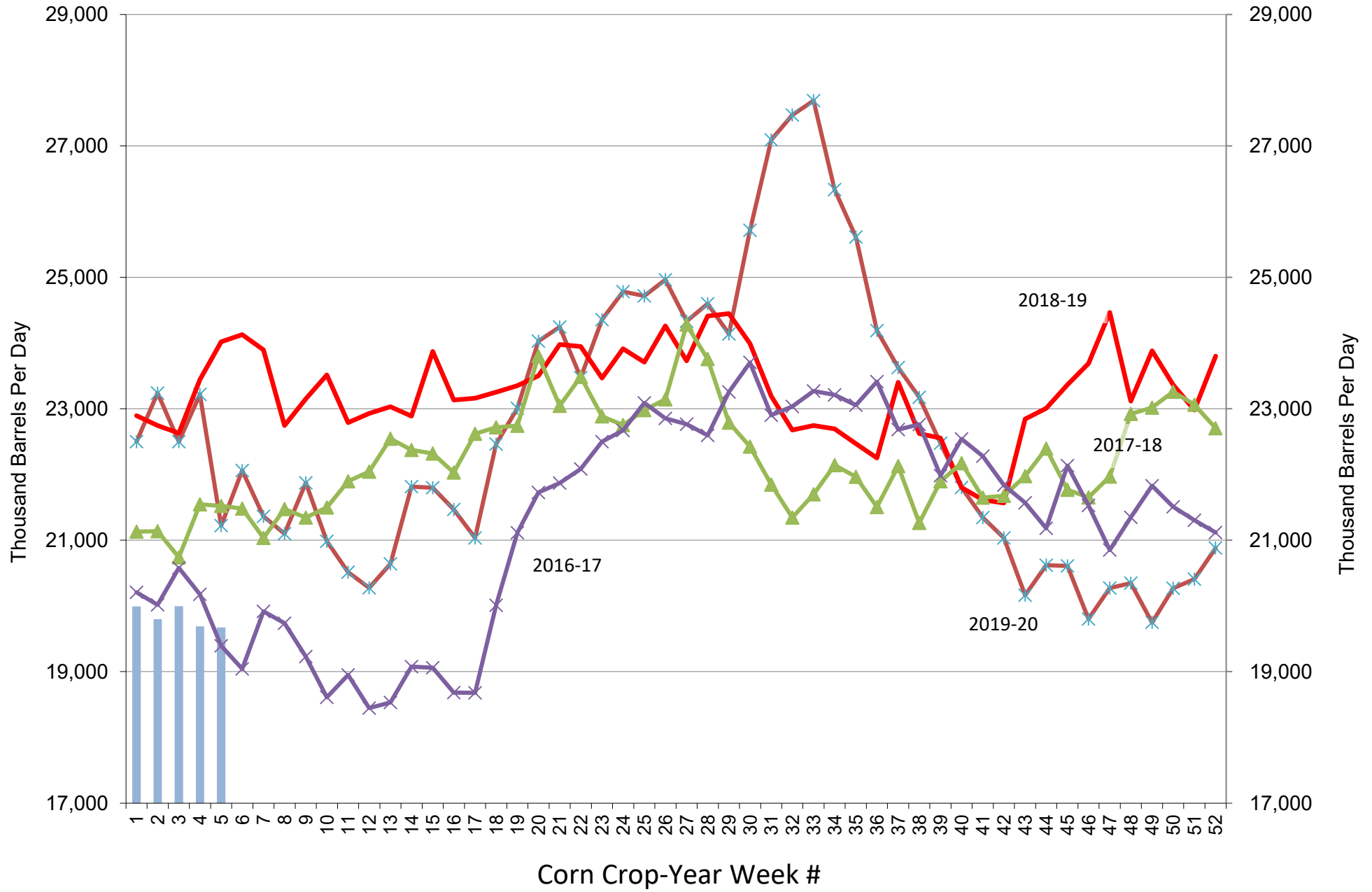


Source: EIA & FI

Stocks (1000bd)

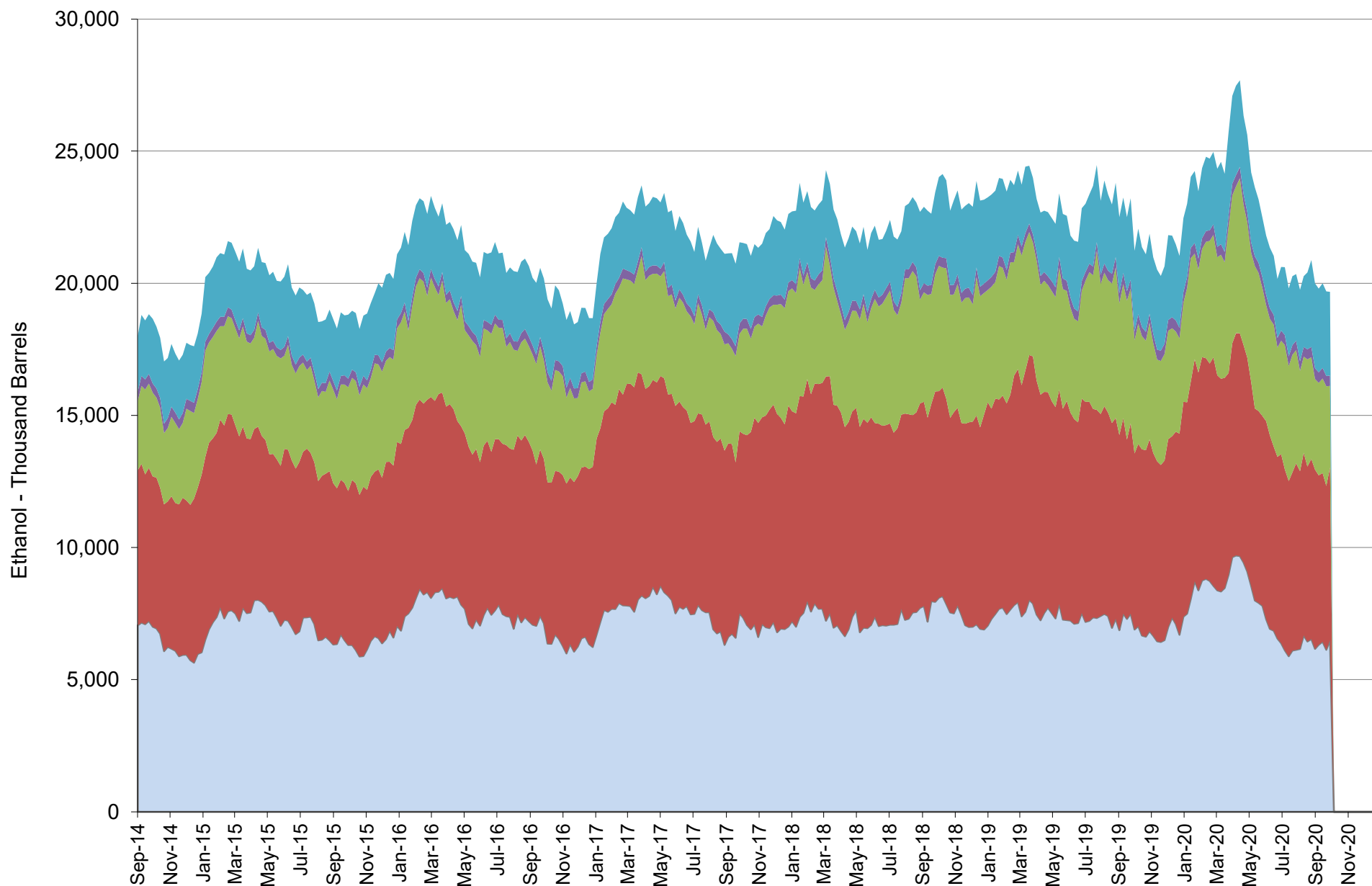
Production (1000bd)

# US Weekly Ethanol Stocks (corn crop year)



Source: EIA & FI

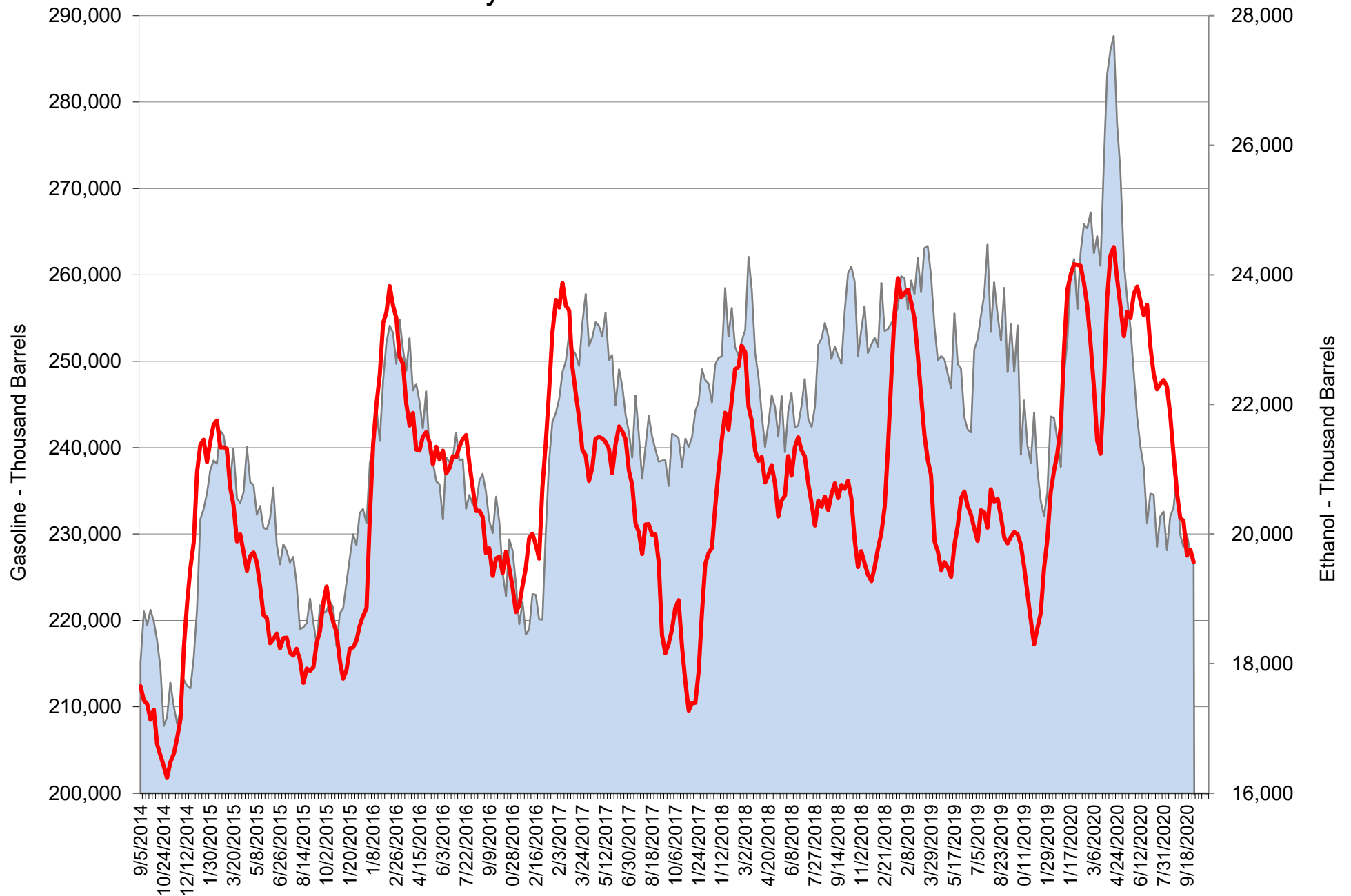
# US Weekly Ethanol Stocks by PADD



Source: EIA & FI

■ PADD1 ■ PADD2 ■ PADD3 ■ PADD4 ■ PADD5

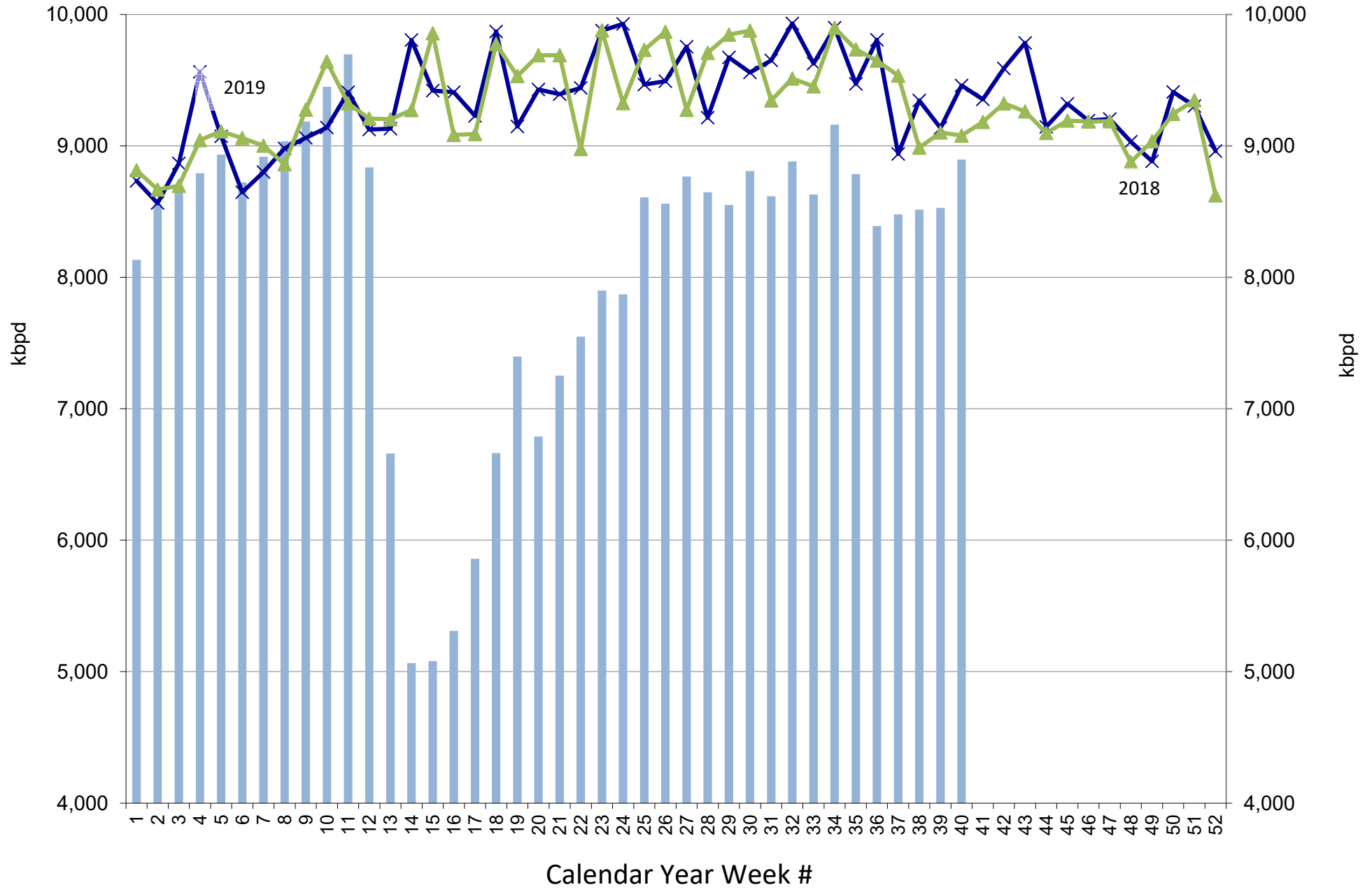
# US Weekly Gasoline and Ethanol Stocks



Source: EIA & FI

Stocks (1000bd) US Gasoline Ending Stocks (thousand barrels)

# US Weekly Gasoline Product Supplied



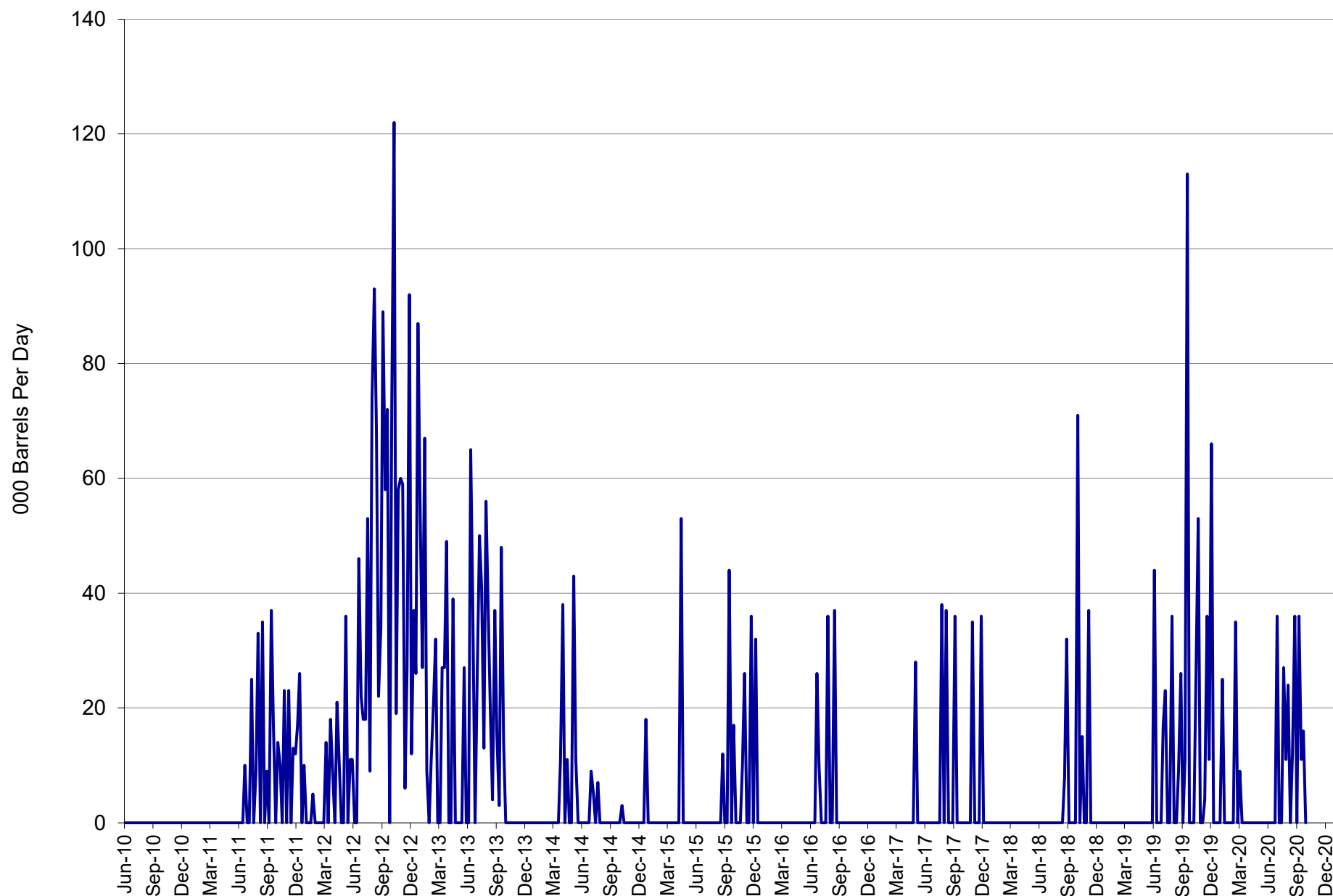
Source: EIA & FI

Gasoline Product Supplied (kbpd)

2019

2018

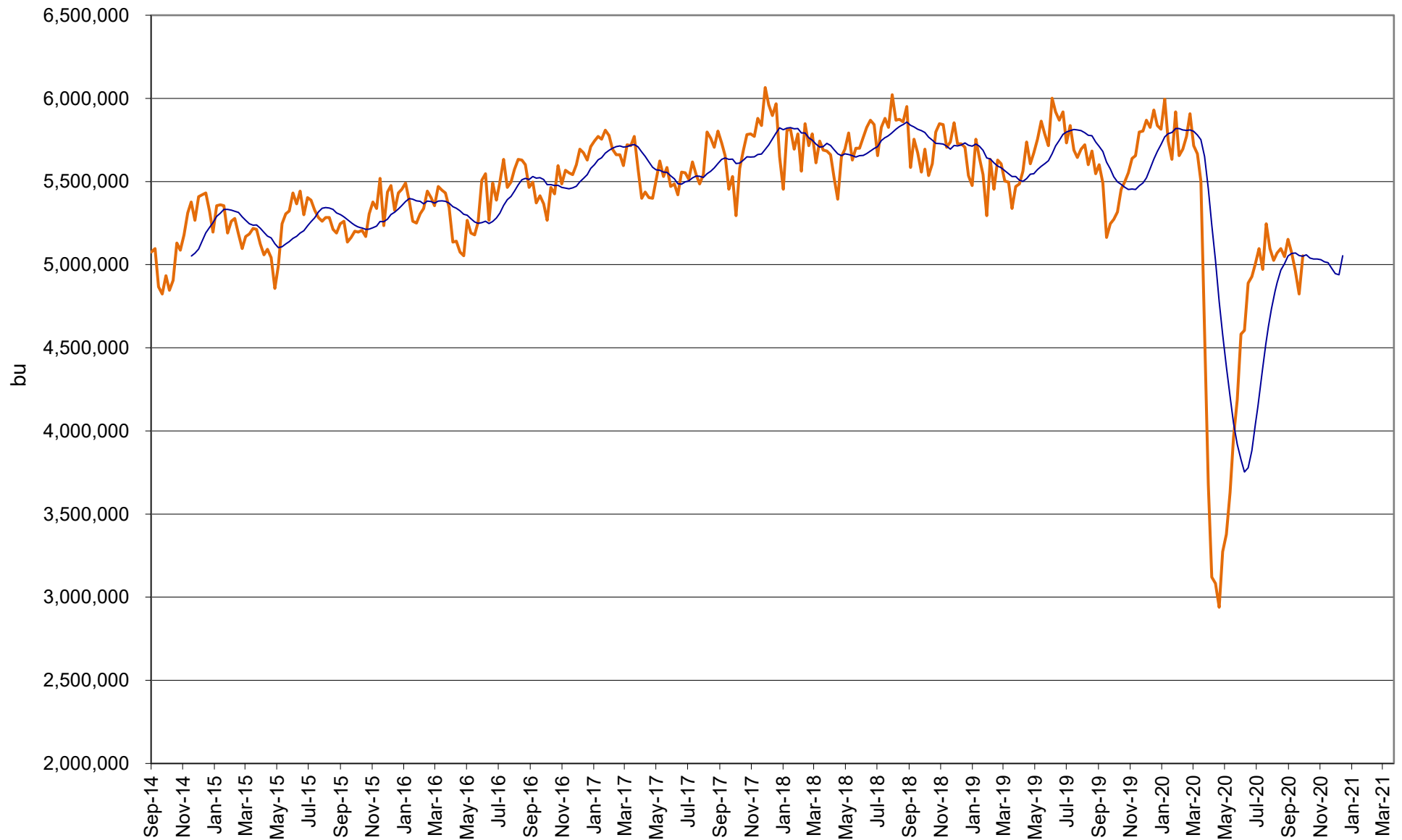
# US Weekly Ethanol Imports



Source: EIA & FI

— Imports (BPD)

## US Annualized Implied Corn Use

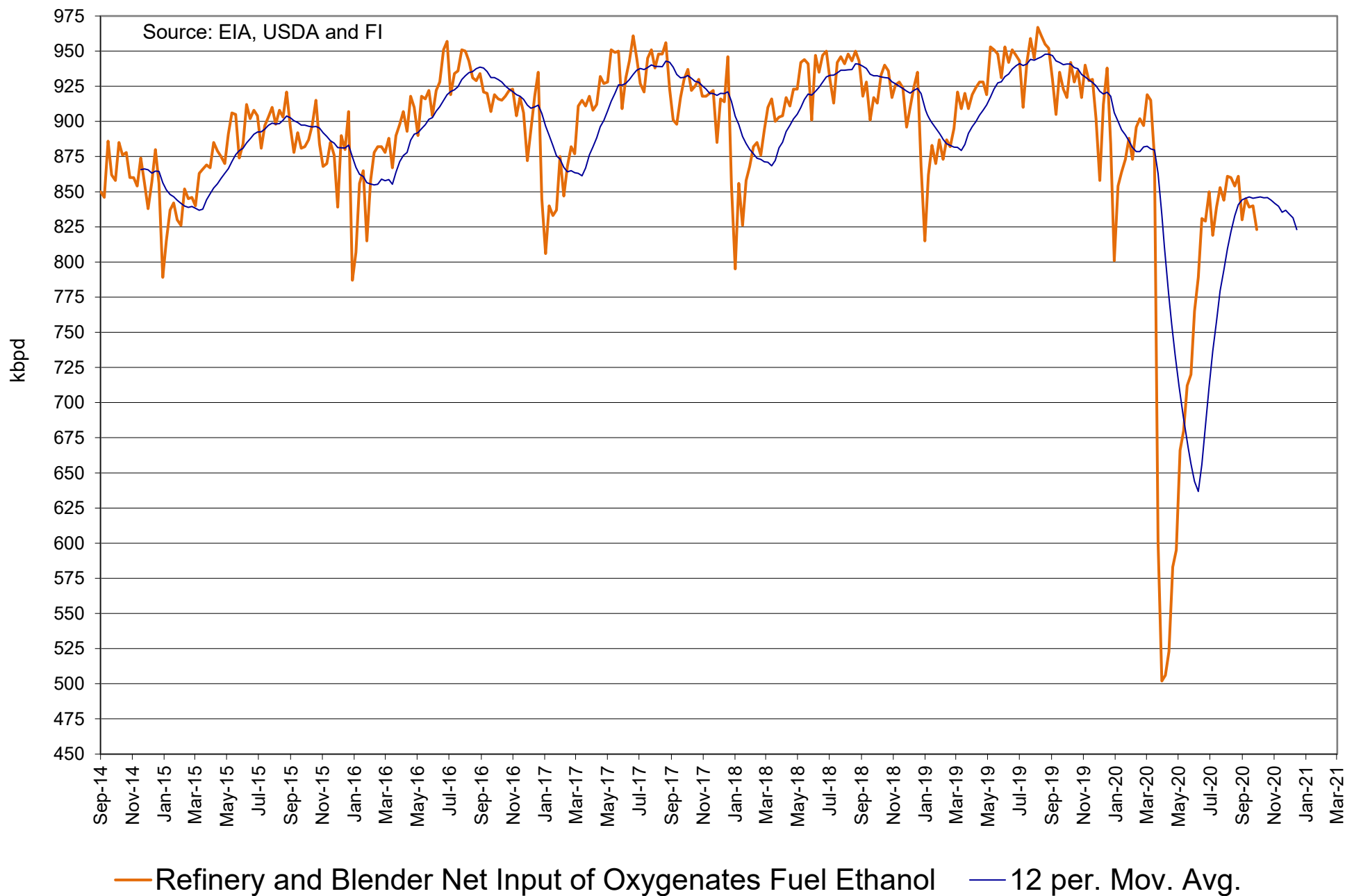


Source: EIA, USDA and FI

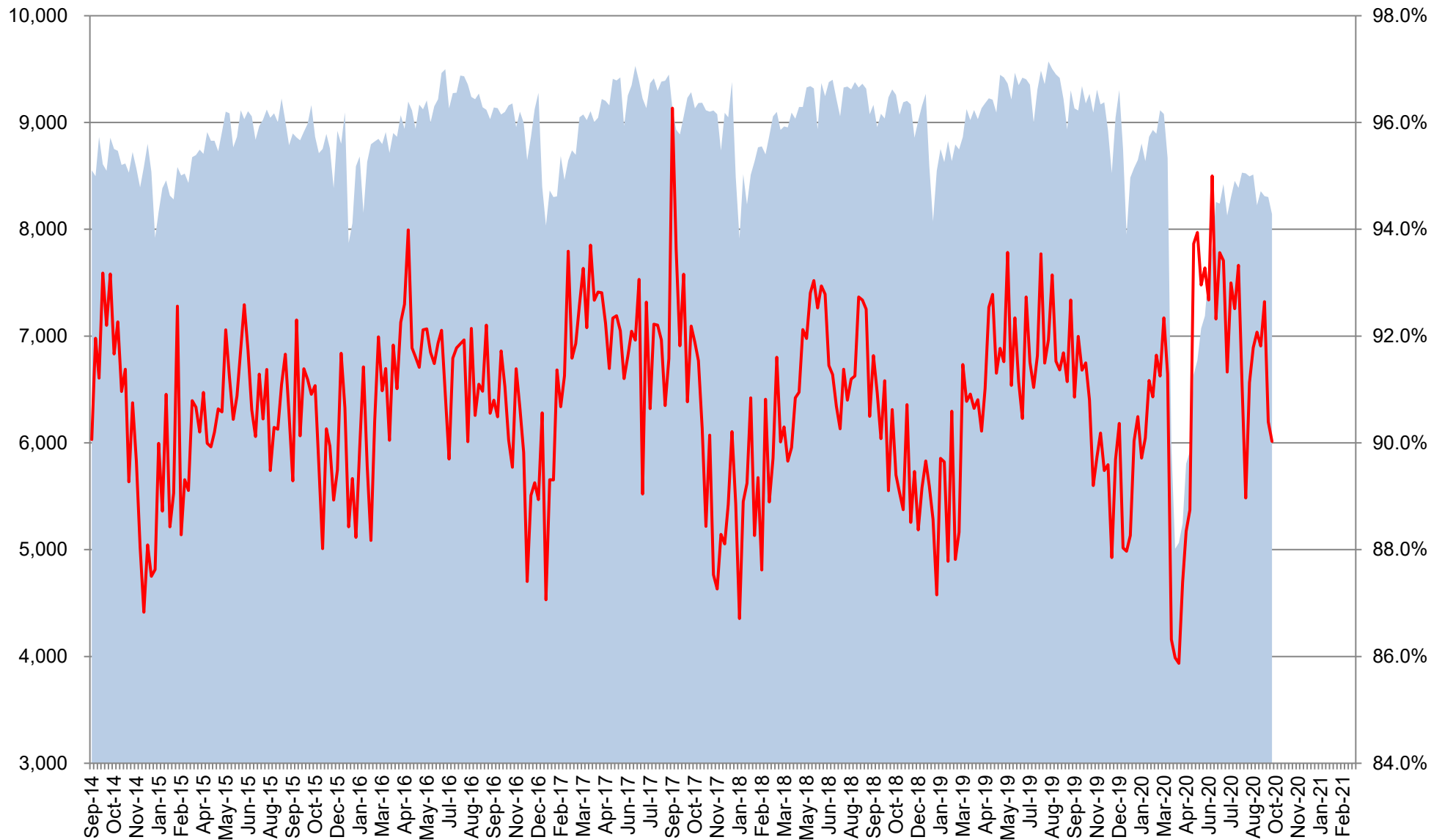
— US

— 12 per. Mov. Avg. (US)

# Refinery and Blender Net Input of Oxygenates Fuel Ethanol



# US Net Blender Input of Fuel Ethanol and % Blend of Net Production of Finished Motor Gasoline

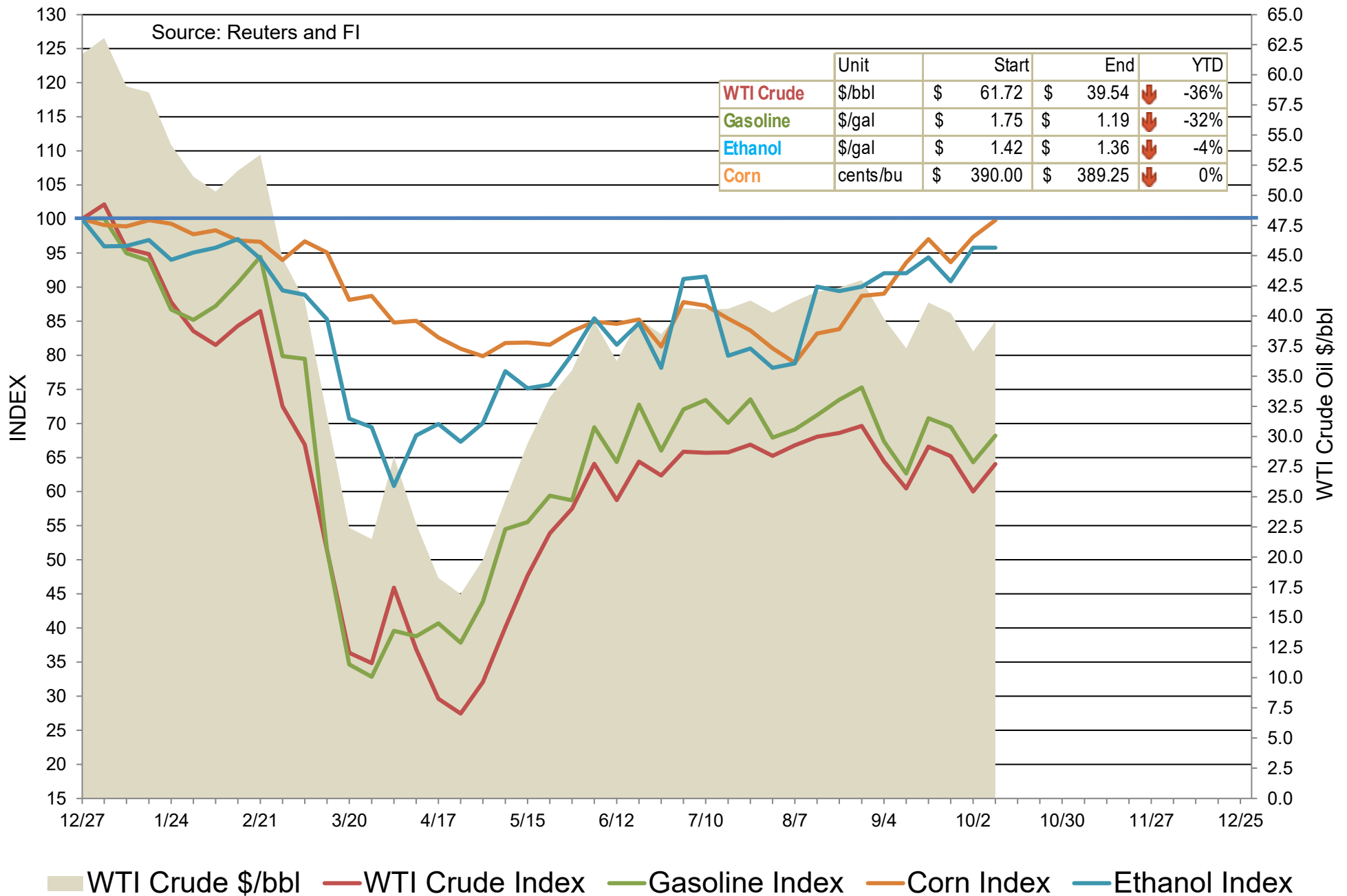


Source: EIA, USDA and FI

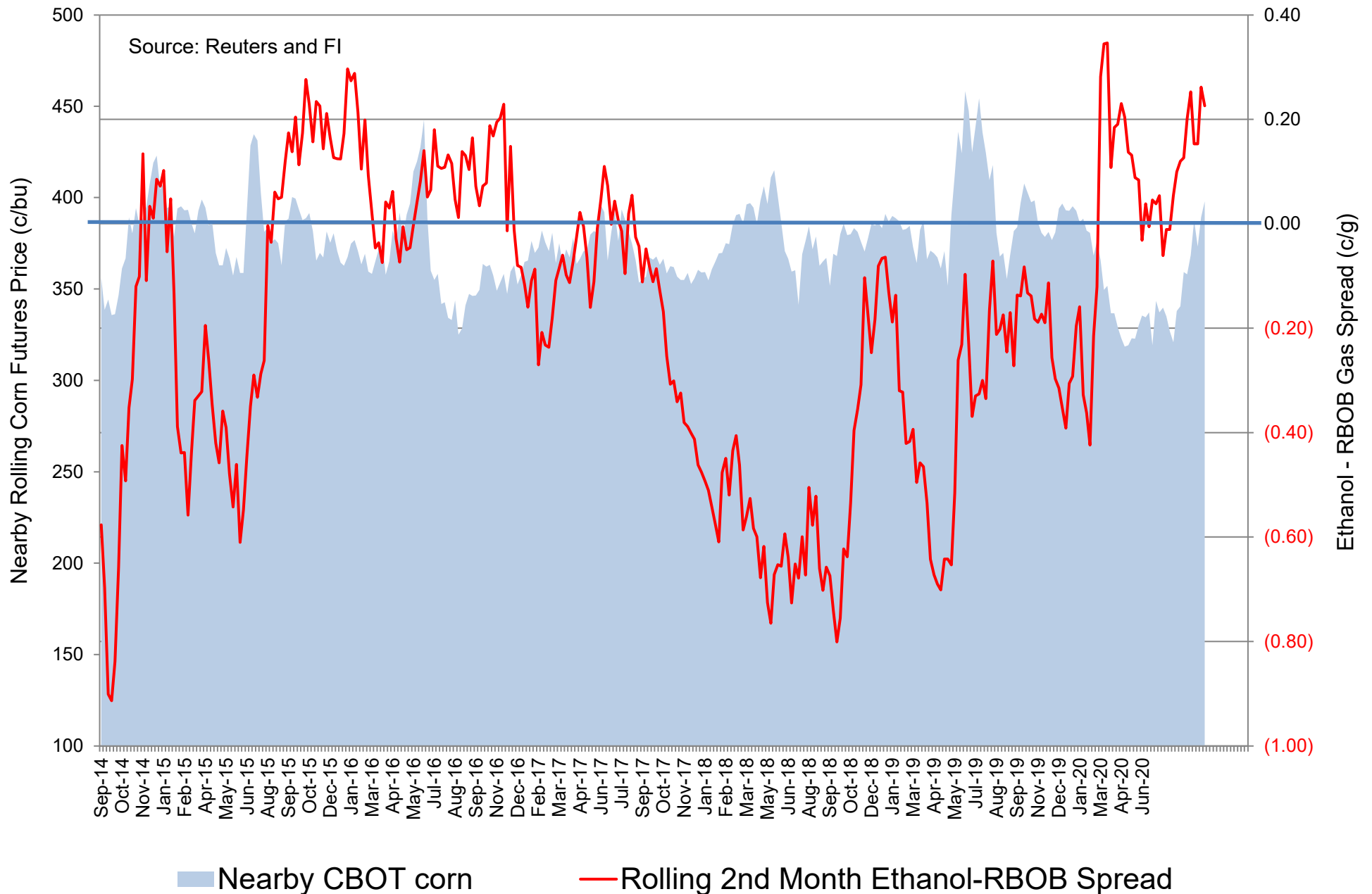
■ Total Blend Etoh

— Etoh Blend %

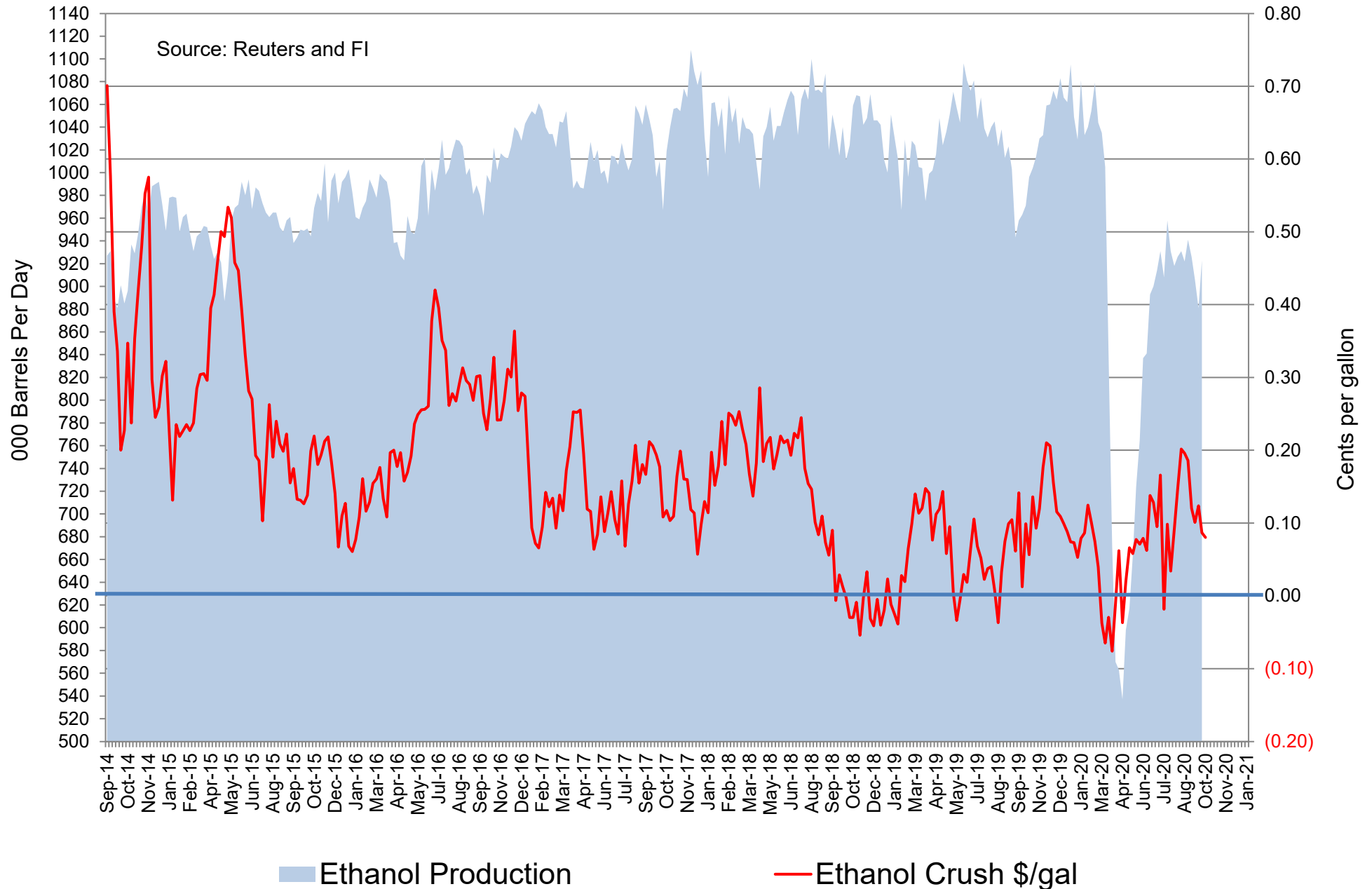
# Indexed Commodity Prices Starting January 2020 versus WTI Crude Nearby Futures



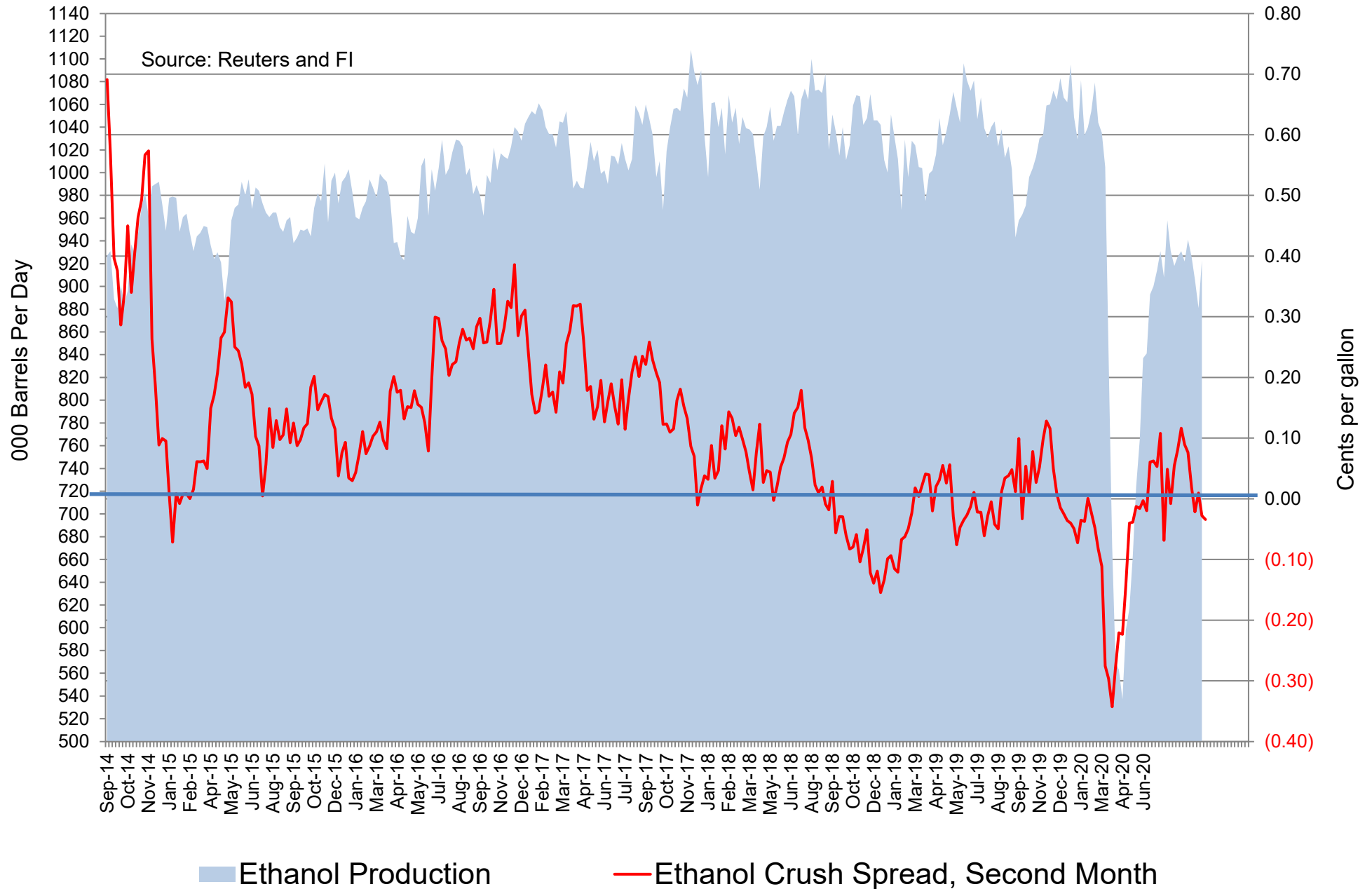
# CBOT Second Month Corn Futures versus Second Month Ethanol - RBOB Futures Spread



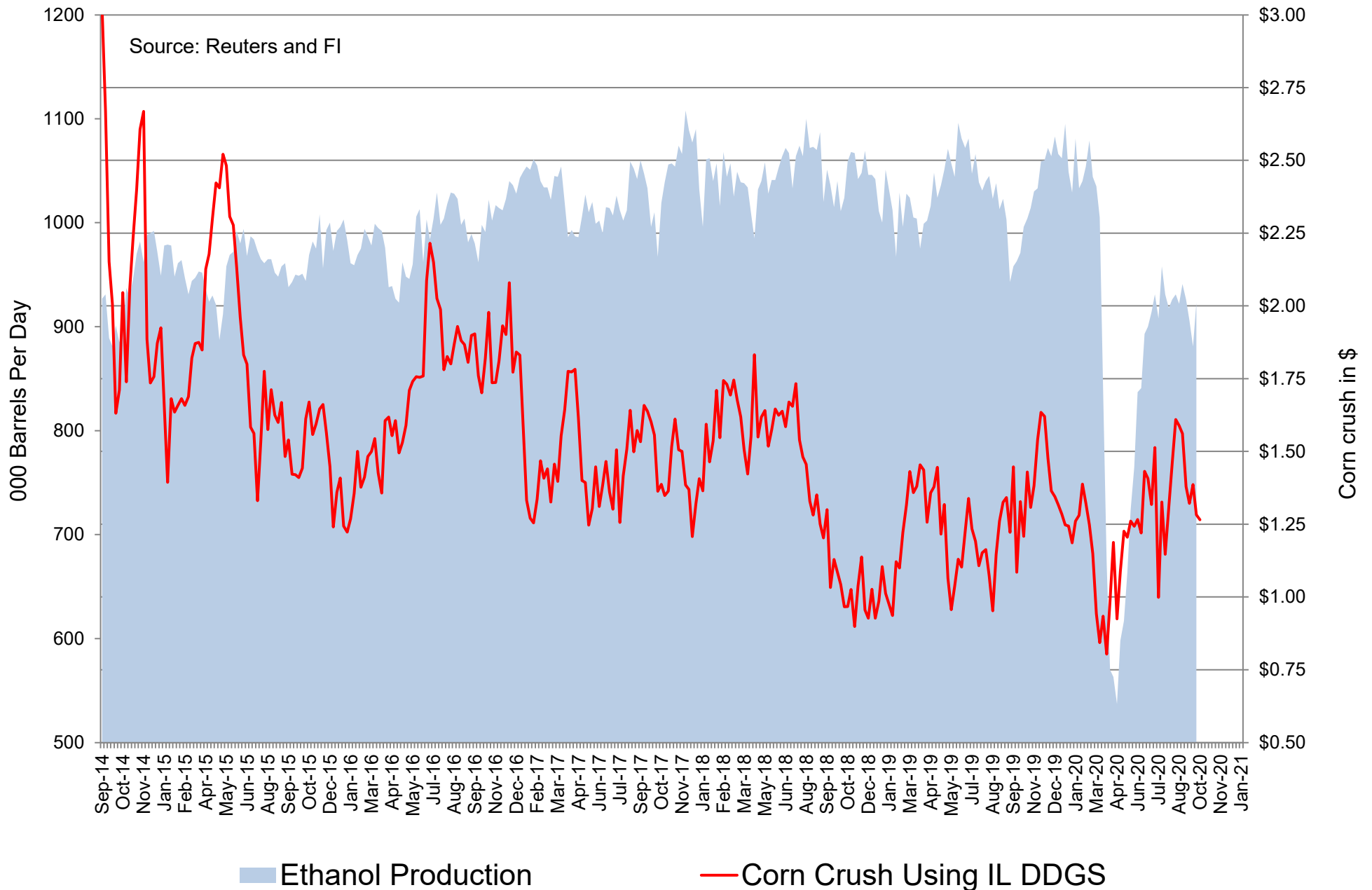
# CBOT Second Month Corn Crush Spread versus Weekly Ethanol Production (uses Chicago ethanol and IL DDGS w/ implied costs)



# Chicago Platts Second Month Corn Crush Spread versus Weekly Ethanol Production (Straight Calculation)

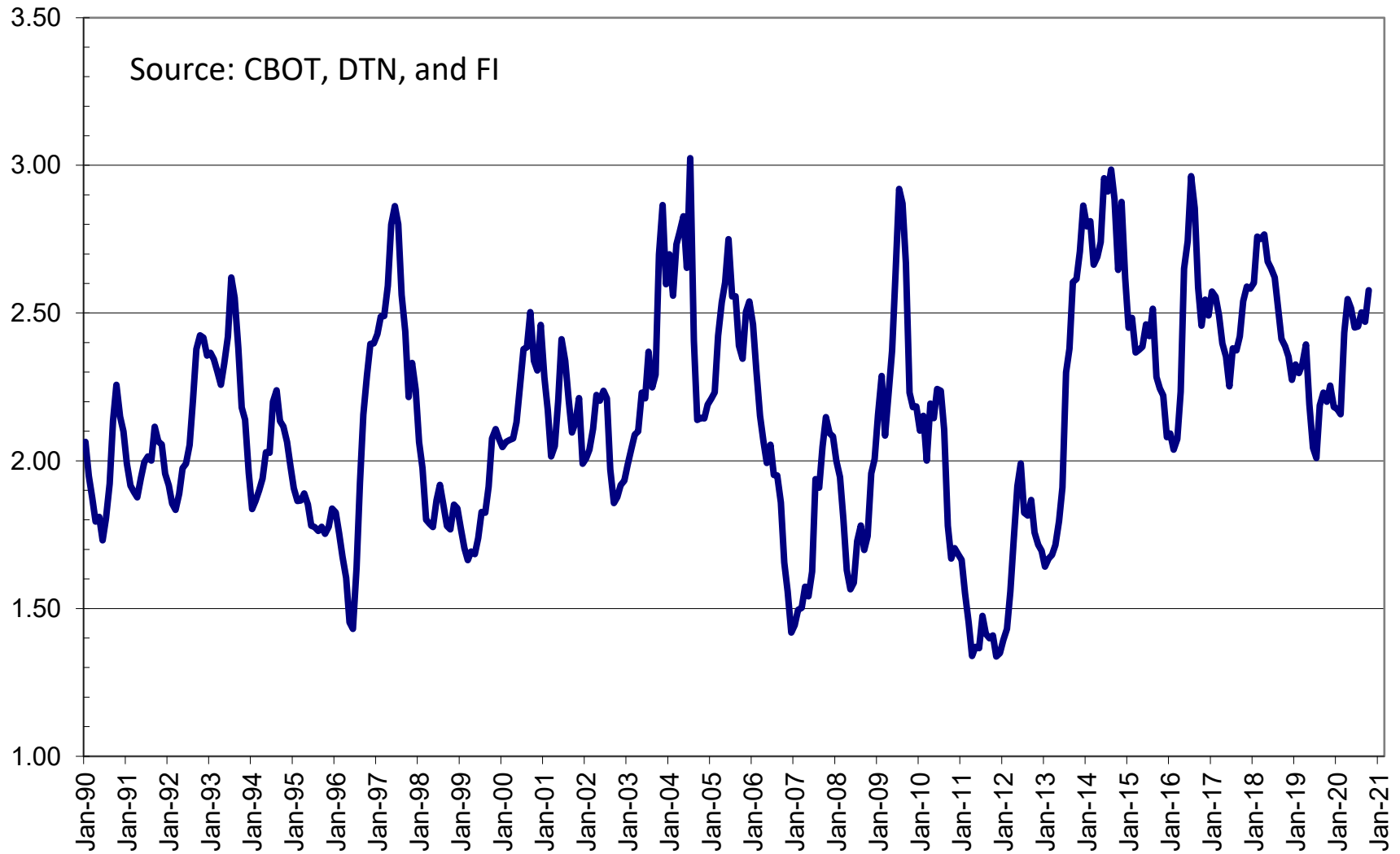


# CBOT Second Month Corn Crush Spread with IL DDGS versus Weekly Ethanol Production (straight 3-commodity calculation)



## Soybean Meal / Corn Monthly Nearby Futures Price Ratio

(Prices converted to \$/MT)



## USDA Export Sales Estimates/Results in 000 tons

|              | ESTIMATED<br>10/1/2020 |            |         | 9/24/2020<br>Last Week |                        |       | 10/3/2019<br>Year Ago |                        |      |
|--------------|------------------------|------------|---------|------------------------|------------------------|-------|-----------------------|------------------------|------|
| <b>Beans</b> | 20/21                  | 1500-2000  |         | 20/21                  | 2,591.2                |       | 19/20                 | 2,092.5                |      |
|              |                        |            |         |                        |                        |       | n/c                   | 3.0                    |      |
|              |                        |            |         |                        | Sales to China 1,328.7 |       |                       | Sales to China 1,177.7 |      |
| <b>Meal</b>  |                        | Shipped    |         |                        | Shipped                |       |                       | Shipped                |      |
|              | 19/20                  | -50 to +25 | 125-225 | 19/20                  | 13.6                   | 135.8 | 18/19                 | 364.7                  | 77.1 |
|              | n/c                    | 300-500    |         | n/c                    | 523.1                  |       | n/c                   | 0.0                    |      |
| <b>Oil</b>   |                        | Shipped    |         |                        | Shipped                |       |                       | Shipped                |      |
|              | 19/20                  | 0-5        | 10-20   | 19/20                  | 6.3                    | 31.0  | 18/19                 | 1.2                    | 4.5  |
|              | n/c                    | 0-10       |         | n/c                    | 0.6                    |       | n/c                   | 0.0                    |      |
| <b>Corn</b>  |                        |            |         |                        | Sales to China (8.6)   |       |                       | Sales to China 0.0     |      |
|              | 20/21                  | 700-1200   |         | 20/21                  | 2,027.1                |       | 19/20                 | 284.5                  |      |
|              |                        |            |         |                        |                        |       | n/c                   | 0.0                    |      |
| <b>Wheat</b> |                        |            |         |                        | Sales to China 149.9   |       |                       | Sales to China (0.7)   |      |
|              | 20/21                  | 350-550    |         | 20/21                  | 506.3                  |       | 19/20                 | 521.9                  |      |
|              |                        |            |         |                        |                        |       | n/c                   | 0.0                    |      |

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

Source: Futures International and USDA

## Traditional Daily Estimate of Funds 10/6/20

(Neg)-"Short" Pos-"Long"

|   | Corn                 | Bean                 | Chi. Wheat           | Meal               | Oil                 |
|---|----------------------|----------------------|----------------------|--------------------|---------------------|
| <b>Est.</b>                             | <b>264.9</b>         | <b>286.9</b>         | <b>65.4</b>          | <b>118.4</b>       | <b>128.2</b>        |
| 7-Oct                                   | 15.0                 | 6.0                  | 12.0                 | 6.0                | (1.0)               |
| 8-Oct                                   |                      |                      |                      |                    |                     |
| 9-Oct                                   |                      |                      |                      |                    |                     |
| 12-Oct                                  |                      |                      |                      |                    |                     |
| 13-Oct                                  |                      |                      |                      |                    |                     |
| <b>FI Est. of Futures Only 10/6/20</b>  | <b>279.9</b>         | <b>292.9</b>         | <b>77.4</b>          | <b>124.4</b>       | <b>127.2</b>        |
| <b>FI Est. Futures &amp; Options</b>    | <b>307.2</b>         | <b>304.6</b>         | <b>74.8</b>          | <b>123.8</b>       | <b>119.3</b>        |
| Futures only record long                | 498.2<br>2/1/2011    | 260.4<br>6/27/2017   | 86.5<br>8/7/2018     | 167.5<br>5/1/2018  | 160.2<br>11/1/2016  |
| Futures only record short               | (235.0)<br>6/9/2020  | (118.3)<br>4/30/2019 | (130.0)<br>4/25/2017 | (49.5)<br>3/1/2016 | (69.8)<br>9/18/2018 |
| Futures and options<br>record net long  | 458.5<br>9/28/2010   | 259.8<br>5/1/2012    | 64.8<br>8/7/2012     | 132.1<br>5/1/2018  | 159.2<br>1/1/2016   |
| Futures and options<br>record net short | (270.6)<br>4/26/2019 | (132.0)<br>4/30/2019 | (143.3)<br>4/25/2017 | (64.1)<br>3/1/2016 | (77.8)<br>9/18/2018 |

## Managed Money Daily Estimate of Funds 10/6/20

|                           | Corn  | Bean  | Chi. Wheat | Meal | Oil  |
|---------------------------|-------|-------|------------|------|------|
| Latest CFTC Fut. Only     | 84.7  | 224.9 | 10.2       | 71.2 | 93.9 |
| Latest CFTC F&O           | 106.8 | 229.0 | 12.4       | 73.0 | 94.1 |
| FI Est. Managed Money F&O | 205   | 282   | 63         | 102  | 97   |

## Index Funds Latest Positions (as of last Tuesday)

|                           |       |       |       |    |       |
|---------------------------|-------|-------|-------|----|-------|
| Index Futures & Options   | 336.0 | 203.2 | 138.5 | NA | 117.2 |
| Change From Previous Week | (8.9) | 4.6   | 1.7   | NA | 1.7   |

Source: Reuters, CFTC & FI (FI est. are noted with latest date)

# 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.