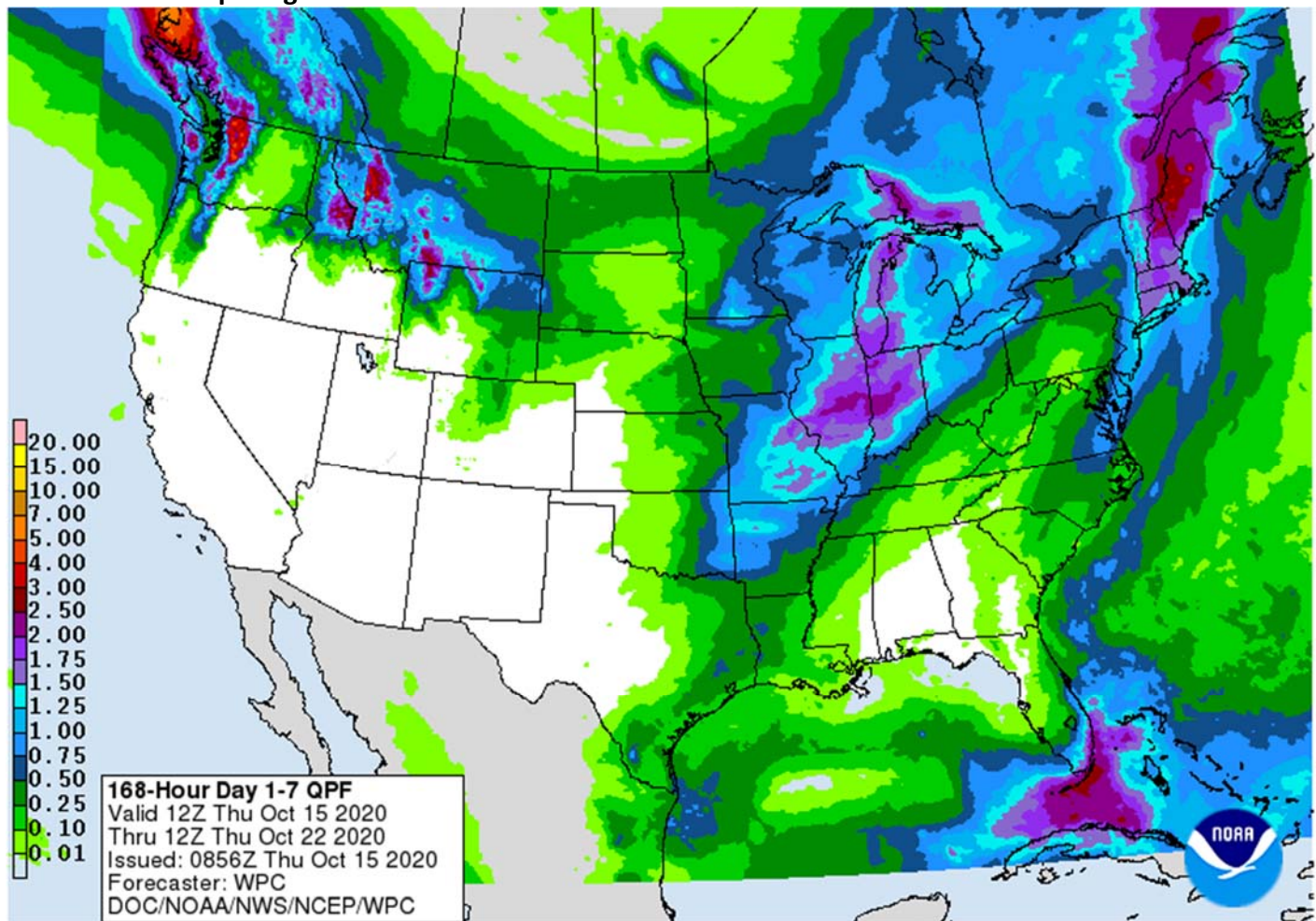




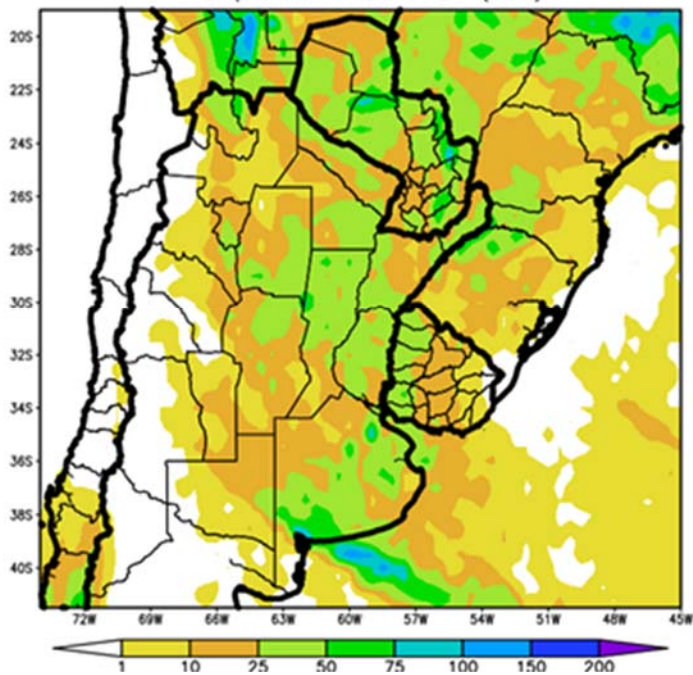
*Fresh highs set in corn and Chicago wheat. USDA announced 261,000 tons of soybean to China. Soybean meal and wheat made impressive gains today on global weather problems. US meal basis firmed today.*

	Corn	Bean	Chi. Wheat	Meal	Oil
FI Est. Managed Money F&O	196	251	47	89	83

### Weather and Crop Progress



Perspectiva Climatica del 15 al 21 de Octubre de 2020  
Precipitacion Acumulada (mm)



#### MORNING WEATHER MODEL COMMENTS

##### NORTH AMERICA

- Some increase in U.S. rainfall was suggested by the GFS model run overnight
  - The change matches that of the European model of the past couple of days, although the European model is a little less intensive with its rain suggested for the period relative to Wednesday
- GFS increased rainfall from northern Illinois to northern Ohio and southern Michigan for Wednesday through Friday of next week
  - The increase was overdone
- GFS reduced rain from eastern U.S. hard red winter wheat areas of Kansas and north-central Oklahoma for late next week
  - Some reduction was needed
- GFS increased precipitation from the Dakotas through Iowa to the Ohio and Tennessee River Basin Oct. 28-30
  - This event is overdone
- GFS reduced rain in New Mexico and western Texas as well as southeastern Colorado and southwestern Kansas Oct. 29-30, but it increased rain from Oklahoma into central and southwestern Texas and a part of the Delta Oct. 29-30
  - The reduction in rainfall was needed for West Texas and New Mexico, but the increase in rainfall was not likely to verify

Three waves of cool air will occur in the central and eastern United States over the next two weeks each bringing a chance for rain to the Midwest. The moisture will improve field conditions for winter wheat in the lower Midwest, but the precipitation will briefly disrupt farming activity occasionally. The first frontal system is in the eastern Midwest today and will produce the least amount of rain. A second frontal system is expected in the Midwest Sunday and Monday and will be swift moving to limit rain delays. The last frontal system comes along Oct 22-24, but its precipitation is overdone. Temperatures will trend cooler during the coming ten days in the Plains and Midwest.

##### SOUTH AMERICA

**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)

- No theme changes were noted overnight
  - Argentina rainfall will be mostly in north today and in the northeast Saturday and early Sunday
  - Much of Argentina will receive rain starting late this weekend in the southwest and advancing northeast early next week
    - Sufficient rainfall is expected to bolster topsoil moisture and improve early corn and sunseed planting and establishment conditions
      - Rainfall will be highly variable with most of the driest areas getting 0.25 to 0.85 inch with local totals to 1.50 inches; greater rain will occur in other areas
    - Cordoba, Santiago del Estero and Santa Fe's drier biased areas will get rain to ease long term dryness
  - Argentina follow up rainfall potentials are best for Oct. 23-24 when scattered showers occur across the nation again with lighter resulting rainfall
    - Rain may return again Oct. 27-28, but confidence is low on its expected distribution
  - Brazil rainfall is expected to be scattered erratically over the coming week with Mato Grosso expecting the least significant rainfall and will struggle for enough moisture to support planting and development
    - Follow up rain will be very important
  - Brazil rainfall in this first week will be greatest in Minas Gerais and immediate neighboring areas in Sao Paulo and Goias with lighter rainfall in Parana and Mato Grosso do Sul
    - The precipitation will be beneficial and increased planting of grain and oilseeds is likely while there is support for coffee and citrus flowering as well as sugarcane development
  - Center west and center south Brazil's greatest rainfall boost is expected October 24-30

Overall, the next couple of weeks seem to provide a little moisture for both Argentina and Brazil. However, Mato Grosso will not do well with rainfall for this first week of the outlook and neither will some of the immediate neighboring areas. Rain will improve in interior southern Brazil and a portion of center south Brazil soil moisture and crop potentials. Rain will also evolve in Argentina early next week to bring relief to persistent dryness, but frequent follow up rain is needed. Today's outlook for Argentina does offer a little follow up rain event Oct. 23-24 and again Oct. 27-28, but confidence in the significance of these follow up rain events is a little low.

#### BLACK SEA REGION

- GFS model reduced rain potentials to eastern Ukraine, Russia's Southern Region and Kazakhstan for the coming two weeks
  - The changes were needed after the evening model run last night was too wet
- Showers are still expected in a narrow band in Russia's Southern region briefly Monday into Tuesday
- A follow up rain event is possible Oct. 25-27
- Moisture totals from these two events will vary from 0.10 to 0.60 inch except in that narrow band expected in Russia's Southern region where a few locations could receive locally more
- European model run keeps the precipitation events very light

Overall, the rain advertised for eastern Ukraine, Kazakhstan and Russia's Southern region early next week and again Oct. 24-26 will be welcome, but much of it is expected to be brief and light leaving a limited response by crops in the region. A developing ridge of high pressure that will follow these rain events will bring back another period of dry weather leaving winter crops poorly established into early November.

#### CHINA

- No general theme changes were noted overnight
  - Restricted rainfall is expected in northeastern China and in the northern Yellow River Basin as well as the North China Plain where summer crop harvest progress and winter crop planting and establishment will advance favorably

- Rain will continue periodically over the coming week in the Yangtze River Basin and southwestern crop areas in the nation
  - Net drying is advertised for much of eastern China during the second week of the forecast

#### INDIA

- No general theme changes were noted overnight
  - Rain is expected to occur in central, southern and eastern India through early next week
    - Sufficient amounts of rain will fall to stall summer crop maturation and harvest progress in central India while raising some crop quality issues for cotton, soybeans, pulse crops and some rice
  - The rain will retreat to the south again during the second half of next week bringing back some improving weather

#### AUSTRALIA

- No big changes were noted overnight in the coming ten days to two weeks
  - GFS model continues to attempt to bring rain to southern parts of Western Australia during mid-week next week and again October 23-24 with one more event near the end of this month
    - Confidence in these advertised rain events remains low because of drier biased conditions advertised by the European and Canadian model runs
- Eastern Australia rainfall is still advertised to steadily increase as time moves along with the second week of the outlook wettest.

There is only a low potential for rain in a few of Western Australia's winter crop areas during the coming ten days. Rain farther to the east will be good for spring planting as well as maintaining good winter crop conditions in the southeast.

Source: World Weather Inc.

### Bloomberg Ag Calendar

Thursday, Oct. 15:

- **NOPA Crush**
- Malaysia Oct. 1-15 palm oil export data
- Port of Rouen data on French grain exports
- **EIA U.S. weekly ethanol inventories, production, 10:30am**
- Global Food Forum, Australia, day 2
- Leman China Swine Conference, Chongqing, day 2
- European Cocoa Association grindings

Friday, Oct. 16:

- **USDA weekly crop net-export sales for corn, soybeans, wheat, cotton, pork, beef, 8:30am**
- 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
- FranceAgriMer weekly update on crop conditions
- Asia 3Q cocoa grinds
- Cocoa Association of Asia's webinar on Asian cocoa demand
- Leman China Swine Conference, Chongqing, day 3

Source: 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 10/15/20 2:45 PM

	Month	Price	Change
USD	Index	93.82	0.438
EUR/USD	Spot	1.1701	(0.005)
USD/BRL	Bid	5.608	0.017
BITCOIN	BTCc1	\$11,590	\$180
WTI Crude	NOV0	40.99	(0.050)
Brent	DEC0	43.19	(0.130)
Nat Gas	NOV0	2.780	0.144
DJ Mini	DEC0	28394	(20)
US 10-Yr	DEC0	139 4/32	- 4/32
Gold	NOV0	1907.7	4.600

Source: FI and Reuters

US DoE Crude Oil Inventories (W/W) 09-Oct: -3818K (est -2100K; prev 501K)

- Distillate Inventories (W/W): -7245K (est -1687K; prev -962K)

- Cushing OK Crude Inventories (W/W): 2906K (prev 470K)

- Gasoline Inventories (W/W): -1626K (est 1300K; prev -1435K)

- Refinery Utilization (W/W): -2.00% (est -0.90%; prev 1.30%)

US Initial Jobless Claims Oct-10: 898K (exp 825K; R prev 845K)

- Continuing Claims Oct-3: 10018K (exp 10550K; R prev 11183K)

livesquawk US Empire Manufacturing Oct: 10.5 (exp 14.0; prev 17.0)

US Philadelphia Fed Business Outlook Oct: 32.3 (exp 14.8; prev 15.0)

US Import Price Index (M/M) Sep: 0.3% (exp 0.3%; prev 0.9%)

- Import Price Index Ex-Petroleum (M/M) Sep: 0.7% (exp 0.5%; prev 0.7%)

- Import Price Index (Y/Y) Sep: -1.1% (exp -1.2%; prev -1.4%)

- Export Price Index (M/M) Sep: 0.6% (exp 0.3%; prev 0.5%)

- Export Price Index (Y/Y) Sep: -1.8% (prev -2.8%)

Canadian ADP Nonfarm Payrolls Sep: -240.8K (R prev -770.6K)

## Corn.

- Corn ended higher (14-month high) following a sharply higher US wheat futures market and improvement in US ethanol production. December corn was up 7.25 cents and march up 5.50 cents. Corn was down earlier on macroeconomic concerns and ongoing South Korean buying of South American corn. News was light. USD was up 47 by 2:00 pm CT.
- Funds bought an estimated net 24,000 contracts. Note on October 6<sup>th</sup> they bought 40,000.
- Strategie Grains lowered their estimate for EU and British corn production to 62.7 million tons from 64.9 million last month.
- Argentina's Rosario grains exchange left their corn production estimate unchanged at 48 million tons.
- Anec sees Brazilian corn exports during October to reach a record 5.237 million tons, up 670,000 tons from their previous estimate, and compares to 5.51 million tons from a year ago.
- China corn futures traded lower Thursday after establishing a record high of 2,595 yuan per ton on Wednesday.
- Germany ASF: 65 cases since September 10
- The USDA Broiler Report showed broiler-type eggs set in the United States up 2 percent and chicks placed down 3 percent. Cumulative placements from the week ending January 4, 2020 through

October 10, 2020 for the United States were 7.61 billion. Cumulative placements were down 1 percent from the same period a year earlier.

- Weekly US ethanol production increased a more than expected 14,000 to 937,000 barrels, highest since early September and stocks were also up a more than expected 336,000 barrels to 20.008 million. A Bloomberg poll looked for weekly US ethanol production to be up 6,000 and stocks to be up 124,000 barrels. Sep 1 to date production is down 6.5 percent compared to the same period year ago.

## US Weekly Petroleum Status Report - Ethanol

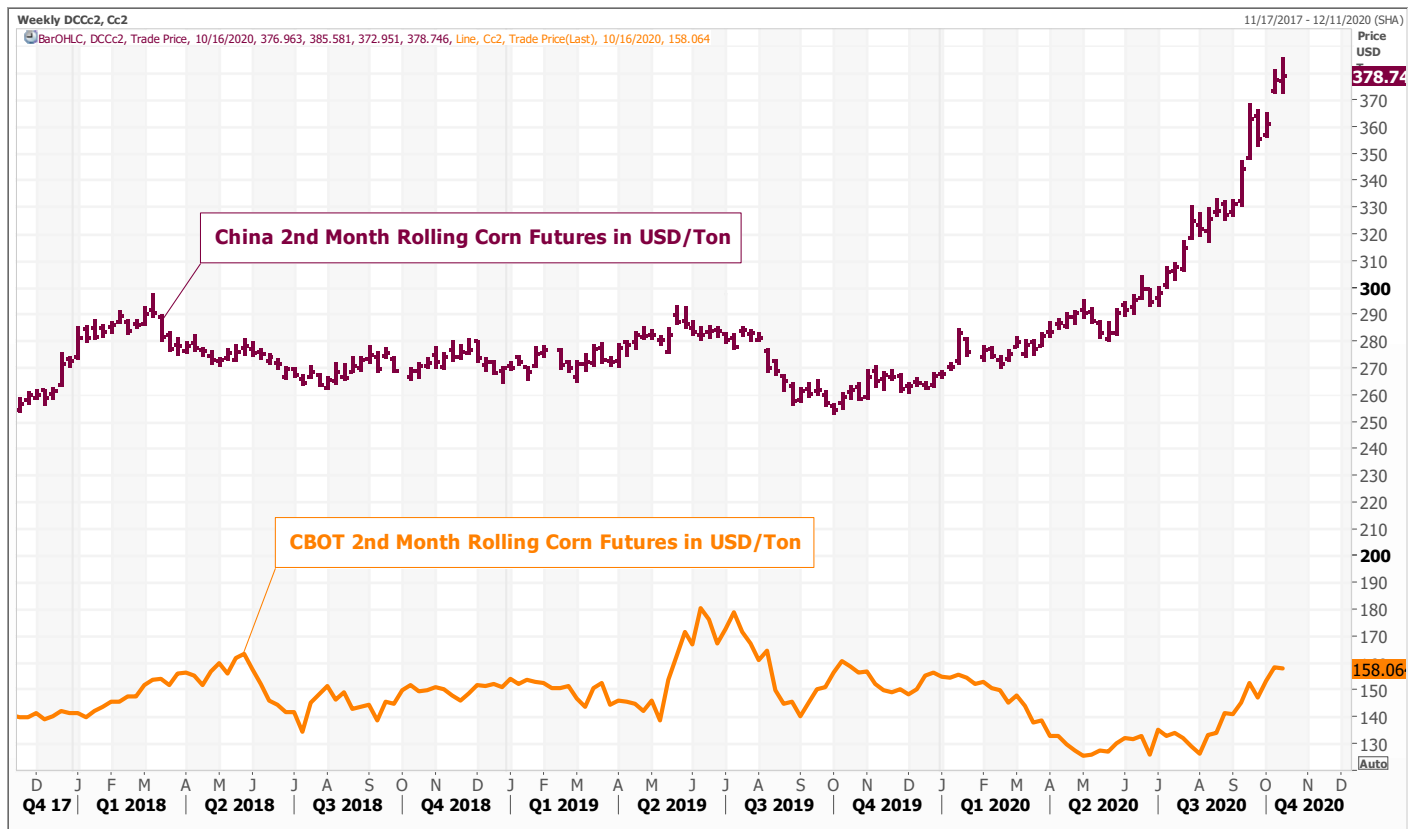
	Ethanol Production			Change			Ethanol Stocks			Change			Days of Ethanol
	Mbbl	Last Week	Last Year				Mbbl	Last Week	Last Year				
8/21/2020	931	5	-10.3%				20,409	139	-11.2%				21.8
8/28/2020	922	(9)	-9.0%				20,882	473	-12.3%				22.1
9/4/2020	941	19	-8.0%				19,993	(889)	-11.1%				22.2
9/11/2020	926	(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
10/9/2020	937	14	-3.5%				20,008	336	-9.3%				21.0

Source: EIA and FI

## US Weekly Ethanol By PADD

	9-Oct	2-Oct		Weekly	4-Week	YOY
Ethanol Stocks	2020	2020	Change	Percent	Percent	Percent
Total Stocks	20008	19672	336	1.7%	0.1%	-9.3%
East Coast PADD 1	6393	6487	(94)	-1.4%	-0.6%	-9.0%
Midwest PADD 2	6333	6539	(206)	-3.2%	-0.8%	-8.1%
Gulf Coast PADD 3	3626	3089	537	17.4%	1.3%	-20.4%
Rocky Mt. PADD 4	381	390	(9)	-2.3%	-4.3%	7.0%
West Coast PADD 5	3274	3167	107	3.4%	2.2%	1.1%
Plant Production	9-Oct	2-Oct		Weekly	4-Week	YOY
	2020	2020	Change	Percent	Percent	Percent
Total Production	937	923	14	1.5%	3.4%	-3.5%
East Coast PADD 1	10	6	4	66.7%	-16.7%	
Midwest PADD 2	900	881	19	2.2%	4.0%	-0.6%
Gulf Coast PADD 3	9	17	(8)	-47.1%	-18.2%	
Rocky Mt. PADD 4	10	10	0	0.0%	25.0%	
West Coast PADD 5	8	9	(1)	-11.1%	-11.1%	

Source: EIA and FI



### USDA Attaché: Brazil Corn Ethanol Boom

<https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Corn%20Ethanol%20Production%20Booms%20in%20Brazil%20 Brasilia Brazil 10-04-2020>

### Corn Export Developments

- Iran passed on 200,000 tons of barley.
- South Korea's KOCOPIA group bought 60,000 tons of corn at \$251.82/ton from Brazil for arrival by Jan 20.
- South Korea's NOFI bought 13,000 tons of feed barley at \$248.15/ton c&f for arrival around February 1. Yesterday KFA paid \$247.69/ton for arrival around Jan 20.
- Results awaited: Algeria seeks 30,000 tons of feed corn and 25,000 tons of feed barley on October 15.
- Iran opened a new tender for 200,000 tons of barley, set to close October 21.

Corn		Change	Oats		Change	Ethanol	Settle	
DECO	403.75	7.25	DECO	293.00	5.25	NOVO	1.43	Spot DDGS IL
MAR1	407.75	5.25	MAR1	294.25	3.75	DECO	1.41	Cash & CBOT
MAY1	409.25	4.25	MAY1	296.25	2.50	JAN1	1.39	Corn + Ethanol
JUL1	409.25	3.00	JUL1	296.75	(2.00)	FEB1	1.39	Crush
SEP1	394.50	2.00	SEP1	288.00	(2.00)	MAR1	1.39	1.39
DEC1	395.00	1.25	DEC1	287.25	(2.00)	APR1	1.41	
Soybean/Corn		Ratio	Spread	Change	Wheat/Corn	Ratio	Spread	Change
NOVO	DECO	2.63	658.00	(1.75)	DECO	1.53	215.50	15.25
MAR1	MAR1	2.56	637.00	(3.00)	MAR1	1.52	212.25	14.00
MAY1	MAY1	2.54	629.50	(5.00)	MAY1	1.51	209.25	12.25
JUL1	JUL1	2.54	631.50	(4.25)	JUL1	1.48	197.50	8.75
SEP1	SEP1	2.53	605.50	(4.50)	SEP1	1.54	214.50	8.50
NOV1	DEC1	2.46	578.00	(4.25)	DEC1	1.56	220.00	7.50
US Corn Basis & Barge Freight								
Gulf Corn			BRAZIL Corn Basis			Chicago		+30 z dn10
	OCT	+76 / 82 z up1/up3		NOV	+125 / 145 z	dn5/dn5	Toledo	-17 z unch
	NOV	+74 / 80 z up1/up2		DEC	+145 / 165 z	up5/unch	Decatur	-5 z unch
	DEC	36 up1/up2		JLY	+70 / 85 n	up10/unch	Dayton	+10 z up10
	JAN	+73 / 77 h unch		AUG	+63 / 73 u	up11/unch	Cedar Rapids	-5 z unch
	FEB	+74 / 77 h dn1/unch					Burns Harbor	-15 z unch
USD/ton: Ukraine Odessa \$ 210.00			Memphis-Cairo Barge Freight (offer)					
US Gulf	3YC Fob Gulf Seller (RTRS)	231.4	226.7	221.9	216.4	209.7	205.8	BrgF MTCT OCT 550 +50
China	2YC Maize Cif Dalian (DCE)	375.2	377.5	379.3	380.5	381.0	381.8	BrgF MTCT NOV 475 +100
Argentina	Yellow Maize Fob UpRiver	208.1	210.0	213.2	-	-	-	BrgF MTCT DEC 325 +35
Source: FJ, DJ, Reuters & various trade sources								

Source: FI, DJ, Reuters & various trade sources

## Updated 10/15/20

**December corn is seen in a \$3.90-\$4.20 range (up 15 cents for the top end of the range)**

*China could easily change the global balance sheet if they boost corn imports above 15 million tons in 2021.*

## Soybeans

- A sharply higher trade in soybean meal futures led by the front months supported the three front month soybean contracts. November soybeans, in a wide trading range, finished 6.0 cents higher and March 3.0 higher, while July fell 1 cent. Soybean meal basis December ended \$8.50 higher and March was up \$4.80. Soybean oil traded 66-71 points lower on lower outside markets and weakness in energy markets amid macroeconomic headwind concerns Malaysian palm oil traded lower from a slowdown in October palm exports. Demand reignited from month buying in soybeans today after USDA announced 261,000 tons of soybeans were sold to China.
- Funds bought 6,000 soybeans and bought 7,000 soybean meal. They sold 6,000 soybean oil.
- Both September NOPA crush and soybean oil stocks came in slightly above expectations, but soybean meal exports were very good and supportive for meal futures.
- We were hearing China was quiet today after picking up a few Brazilian cargoes overnight. They might be about 75 percent covered for January and also 75 percent covered for February, but that would not include additional buying by the government, if any. Note China imported 51 million tons of soybeans during the March through August 2020 period, including 43.7 million tons from Brazil. They have a long way to go to cover needs during that period.

**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)



- Brazil soybean premiums for March through June positions were up about 5-11 cents.
- Argentina's Rosario grains exchange left their soybean production estimate unchanged at 50 million tons.
- IL soybean meal firmed by \$3.00 to 5 over the December and Gulf was unch/up \$2.00 to +22/+30 over the December.
- Strategie Grains increased the EU (+ Britain ) soft wheat production to 129.5 million tons from 129.3 million last month. Then they increased 2020-21 soft wheat exports outside the EU and Britain by 2 million tons to 25.0 million tons from 23.0 million in September.
- Malaysian palm oil traded lower from a slowdown in October palm exports.
- AmSpec reported Malaysian palm exports for first half October at 763,772 tons, down 2.1 percent from the same period last month. ITS reported October 1-15 palm exports at 760,082 tons, down 2.5 percent.

The September US NOPA crush came in at 161.5 million bushels, 2.2 percent below August and up 5.8 percent from 152.6 million last year. On a daily adjusted basis, the September crush improved 1.1 percent from the August rate to 5.38 bushels per day, and well up from 5.08 million bushels per day for September 2019. The September crush was 0.7 million above trade expectations. Soybean oil stocks declined to 1.433 billion pounds, 21 million above an average trade guess. Soybean meal exports were excellent at 991,000 short tons, a record for the month and well above 755,000 during August. This was seen bullish for soybean meal. 2019-20 US soybean meal exports came in 9.1 percent above 2018-19.

#### NOPA CRUSH REPORT

	Actual Sep-20	Trade Est*	Act- Trade*	Aug-20	Jul-20	FI Sep-19	FI Sep-20
Crush- mil bu	161.5	0.7	160.8	165.1	172.8	152.6	162.5
Oil Stocks-mil lbs	1433	21	1412	1519	1619	1442	1430
Oil Yield -lbs/bu	11.60	na	na	11.60	11.60	11.86	
Meal Exports -000 tons	991	na	na	755	876	845	
Meal Yield -lbs/bu	46.92	na	na	47.06	47.22	46.88	

Sources: NOPA, and FI \*(Reuters range 155.2-167.0; 1250-1525) (Bloomberg ave. 160.5, 1399)

#### Oilseeds Export Developments

- USDA announced private exporters sold: 261,000 tons of soybeans for delivery to China during the 2020/2021 marketing year

### USDA 24-hour

Date reported	Value (tonnes)	Commodity	Destination	Year
15-Oct	261,000	Soybeans	China	2020-21
14-Oct	420,000	Corn	China	2020-21
14-Oct	264,000	Soybeans	China	2020-21
13-Oct	110,000	Corn	Mexico	2020-21
8-Oct	374,000	Soybeans	China	2020-21
8-Oct	152,404	Soybeans	Mexico	2020-21
8-Oct	132,000	Soybeans	Unknown	2020-21
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

- Results awaited: Iran's SLAL seeks 200,000 tons of soybean meal and 200,000 tons of barley on October 14 for OND 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.

### NOPA CRUSH REPORT

	Actual Sep-20	Trade Est*	Act- Trade*	Aug-20	Jul-20	Sep-19	FI Sep-20
Crush- mil bu		na	<b>160.8</b>	165.1	172.8	152.6	162.5
Oil Stocks-mil lbs		na	<b>1412</b>	1519	1619	1442	1430
Oil Yield -lbs/bu		na	na	11.60	11.60	11.86	
Meal Exports -000 tons		na	na	755	876	845	
Meal Yield -lbs/bu		na	na	47.06	47.22	46.88	

Sources: NOPA, and FI \*(Reuters range 155.2-167.0; 1250-1525) (Bloomberg ave. 160.5, 1399)

Soybeans			Change	Soybean Meal			Change	Soybean Oil			Change
NOV0	1061.75	5.50		DEC0	371.60	8.00		DEC0	33.16	(0.72)	
JAN1	1061.00	3.75		JAN1	366.60	6.60		JAN1	33.11	(0.74)	
MAR1	1044.75	2.25		MAR1	357.30	4.90		MAR1	33.07	(0.72)	
MAY1	1038.75	(0.75)		MAY1	351.50	4.50		MAY1	33.06	(0.69)	
JUL1	1040.75	(1.25)		JUL1	349.70	3.90		JUL1	33.06	(0.68)	
AUG1	1032.00	(1.50)		AUG1	344.50	3.30		AUG1	32.94	(0.65)	
SEP1	1000.00	(2.50)		SEP1	336.20	2.30		SEP1	32.68	(0.65)	

Soybeans	Spread	Change	SoyMeal	Spread	Change	SoyOil	Spread	Change
Nov/Jan	-0.75	(1.75)	Dec/Jan	-9.30	(1.70)	Dec/Jan	-0.04	0.02

Electronic Beans Crush			Oil as %	Meal/Oil \$	Meal	Oil			
Month	Margin		of Oil&Meal	Con. Value	Value	Value			
OCT0/NOV0	120.53		DEC0 30.85%	\$ 17,264	817.52	364.76			
NOV0/DEC0	108.98		JAN1 31.11%	\$ 16,794	806.52	364.21	EUR/USD	1.1702	
JAN1	88.83		MAR1 31.64%	\$ 15,888	786.06	363.77	Brazil Real	5.6077	
MAR1	92.21		MAY1 31.99%	\$ 15,314	773.30	363.66	Malaysia Bid	4.1530	
MAY1	94.25		JUL1 32.10%	\$ 15,134	769.34	363.66	China RMB	6.7233	
JUL1	79.49		AUG1 32.34%	\$ 14,686	757.90	362.34	AUD	0.7095	
AUG1	67.12		SEP1 32.71%	\$ 14,012	739.64	359.48	CME Bitcoin	11520	
SEP1	73.71		OCT1 33.14%	\$ 13,220	717.86	355.85	3M Libor	0.21775	
NOV1/DEC1	95.43		DEC1 33.16%	\$ 13,170	716.10	355.30	Prime rate	3.2500	
JAN2	78.29		JAN2 33.22%	\$ 13,068	713.46	354.97			

US Soybean Complex Basis									
OCT	+82 / 85 x up4/up3					DECATUR	-5 x unch		
NOV	+85 / 89 x up3/up4	IL SBM	Z-3	10/13/2020		SIDNEY	-15 x up5		
DEC	+81 / f up6	CIF Meal	Z+24	10/13/2020		CHICAGO	-5 x unch		
JAN	+85 / 88 f up4/up3	Oil FOB NOLA	475	10/9/2020		TOLEDO	-18 x unch		
FEB	+75 / h unch	Decatur Oil	75	10/9/2020		BRNS HRBR	-15 x unch		
						C. RAPIDS	-30 x dn10		

Brazil Soybeans Paranagua fob			Brazil Meal Paranagua			Brazil Oil Paranagua		
NOV	+210 / +300 x up10/unch		OCT	+27 / +29 v up2/up1		OCT	+600 / +900 u unch	
FEB	+120 / +130 f up13/up10		NOV	+27 / +29 x up2/up1		NOV	+600 / +900 v unch	
MCH	+90 / +95 h up10/up9		DEC	+27 / +29 z up2/up1		DEC	+600 / +900 z unch	
APR	+74 / +80 k up10/up6		JAN	+25 / +28 f unch		JAN	+450 / +600 f up50/up10	
MAY	+77 / +85 k up6/up5		FEB	+16 / +17 f up3/unch		FEB	+320 / +580 f up20/dn10	
	Argentina meal	386 19.8		Argentina oil	Spot fob		37.7 4.58	

Source: FI, DJ, Reuters & various trade sources

Updated 10/12/20

November soybeans are seen in a \$10.25-\$11.10 range

December soybean meal is seen in a \$345-\$385 range

December soybean oil is seen in a 32.50-35.00 range

## Wheat

- On a rolling monthly chart, US Chicago wheat futures hit its highest level since December 2014. US wheat futures started mixed but found buying amid global weather concerns and very good global demand supported all three US markets and the Paris futures. The front month contracts led the rally. December Chicago was up 21.50 cents, December KC up 22.75 cents and December MN up 12.75 cents. We see Ukraine and Russia slowing wheat exports starting around January 2021, and global demand

**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)

shifting to Argentina, Australia and the Northern Hemisphere. With that said, we believe higher futures prices might entice US spring and durum producers to expand their area by roughly 6 percent from 2020. This increase may be at the higher end of trade expectations, but the landscape has changed over the past month with major importers seeking out high protein wheat.

- Funds bought an estimated net 15,000 SRW wheat contracts, largest daily net buy since the day of USDA's Grain Stocks report.
- There was talk some Asian importers were buying US wheat futures. Recall yesterday Gulf fob offers were up sharply.
- Argentina's Rosario grains exchange cut their estimate for the Argentina wheat production by 1 million tons to 17 million tons for 2020-21, citing dryness and frosts.
- Strategie Grains increased the EU (+ Britain ) soft wheat production to 129.5 million tons from 129.3 million last month. Then they increased 2020-21 soft wheat exports outside the EU and Britain by 2 million tons to 25.0 million tons from 23.0 million in September.
- Paris (Matif) December wheat was 3.25 higher at 206.75 euros.
- French soft-wheat sales to China have tripled so far this season - FranceAgriMer.
- CPI food inflation index for China increased 7.9% from the previous year thanks to tightening meat supplies while nonfood inflation was unchanged.

#### *Export Developments.*

- Jordan issued a new tender for 120,000 tons of wheat set to close October 21.
- Japan bought 87,110 tons of food wheat from Canada (25k) and rest from the US.
- Japan seeks 80,000 tons of feed wheat and 100,000 tons of feed barley on October 21 for arrival by February 25.
- Awaited: Offers around \$284/ton - Pakistan seeks 300,000 tons of wheat on October 14 for arrival by end of January.
- Awaited: 5 participants - Ethiopia seeks 400,000 tons of wheat by October 13.
- Awaited: (new 9/15) Ethiopia seeks about 200,000 tons of milling wheat on October 15.
- Turkey seeks 175,000 tons of wheat on October 22 for shipment between November 9 and November 24.

#### **Rice/Other**

- Mauritius seeks 5,500 tons of white rice on October 20 for Dec 15-Mar 15, 2021 delivery.

Chicago Wheat			Change	KC Wheat			Change	MN Wheat			Settle	Change
DEC0	619.25		22.50	DEC0	559.50		24.25	DEC0	558.75			12.75
MAR1	620.00		19.25	MAR1	568.00		23.75	MAR1	571.50			12.50
MAY1	618.50		16.50	MAY1	573.75		23.00	MAY1	579.25			11.50
JUL1	606.75		11.75	JUL1	578.00		21.25	JUL1	586.75			10.25
SEP1	609.00		10.50	SEP1	582.50		18.75	SEP1	590.00			7.25
DEC1	615.00		8.75	DEC1	591.00		17.50	DEC1	597.50			4.75
MAR2	618.00		8.25	MAR2	596.00		16.25	MAR2	600.50			2.00

Chicago Rice			Change									
NOV0	12.56		0.130	JAN1	12.76		0.135	MAR1	12.84			0.090

US Wheat Basis						
Gulf SRW Wheat		Gulf HRW Wheat		Chicago mill		-10 z unch
OCT	+65 / 73 z up2/unch	OCT	160 / z unch	Toledo	-10 z unch	
NOV	+65 / 77 z unch/up4	NOV	162 / z unch	PNW US Soft White 10.5% protein		
DEC	+75 / 83 z unch	DEC	162 / z unch	PNW Jan	590	unchanged
JAN	+65 / 68 h unch	JAN	156 / h unch	PNW Feb	595	+3.50
0-Jan		FEB	156 / h unch			

Paris Wheat			Change	OI	OI Change	World Prices \$/ton			Change
DEC0	207.00		3.50	230,075	6,696	US SRW FOB	\$268.80		\$1.00
MAR1	205.50		3.25	116,872	2,591	US HRW FOB	\$269.40		\$1.50
MAY1	204.25		3.25	52,424	1,211	Rouen FOB 11%	\$239.62		\$1.75
SEP1	191.25		1.50	25,548	(86)	Russia FOB 12%	\$239.00		\$4.00
EUR	1.1703					Ukr. FOB feed (Odessa)	\$218.50		\$0.00
						Arg. Bread FOB 12%	\$254.26		\$0.00

Source: FI, DJ, Reuters & various trade sources

Updated 10/9/20

December Chicago wheat is seen in a \$5.70-\$6.30 range

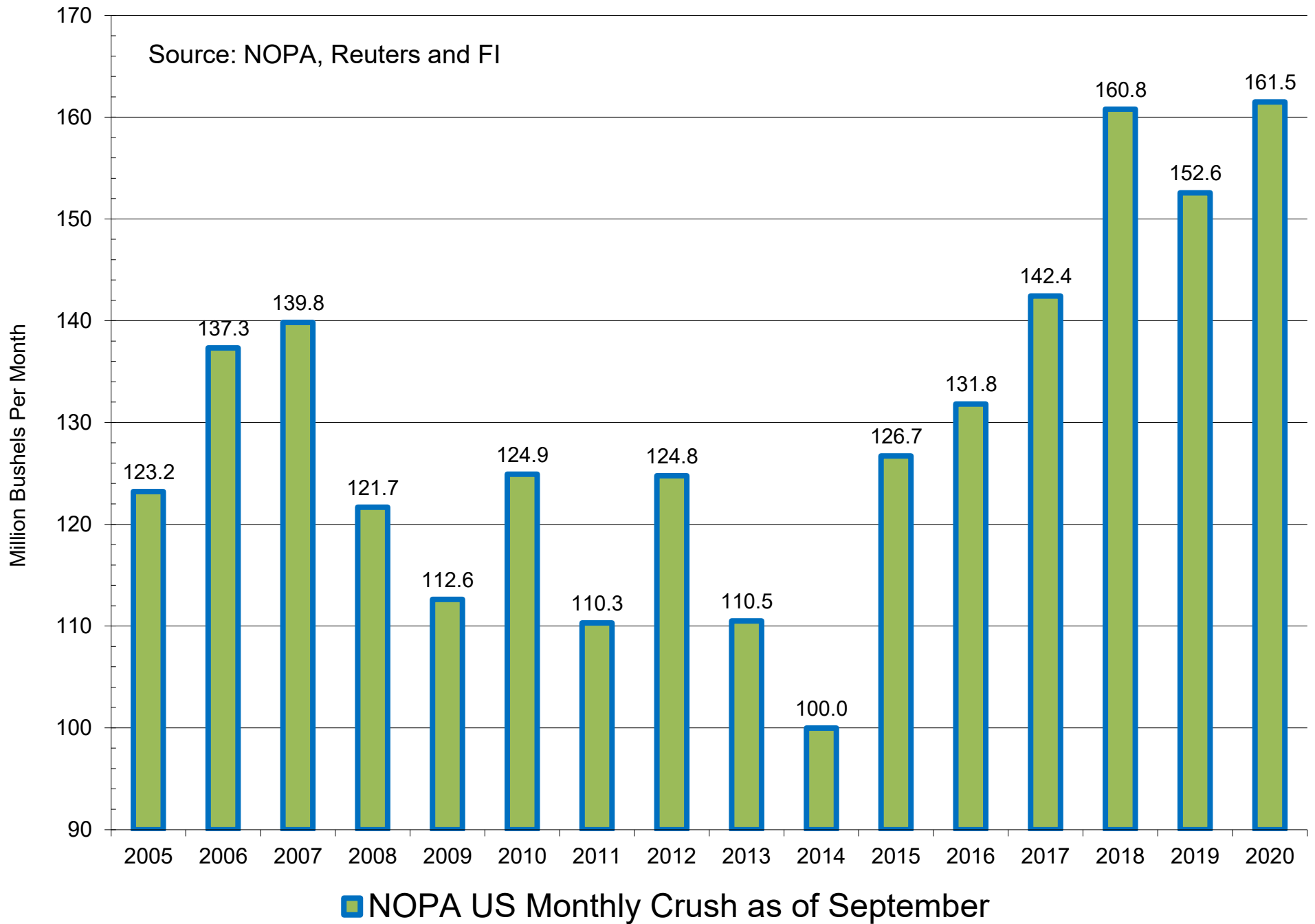
December KC wheat is seen in a \$5.20-\$5.70 range

December MN wheat is seen in a \$5.35-\$5.60 range



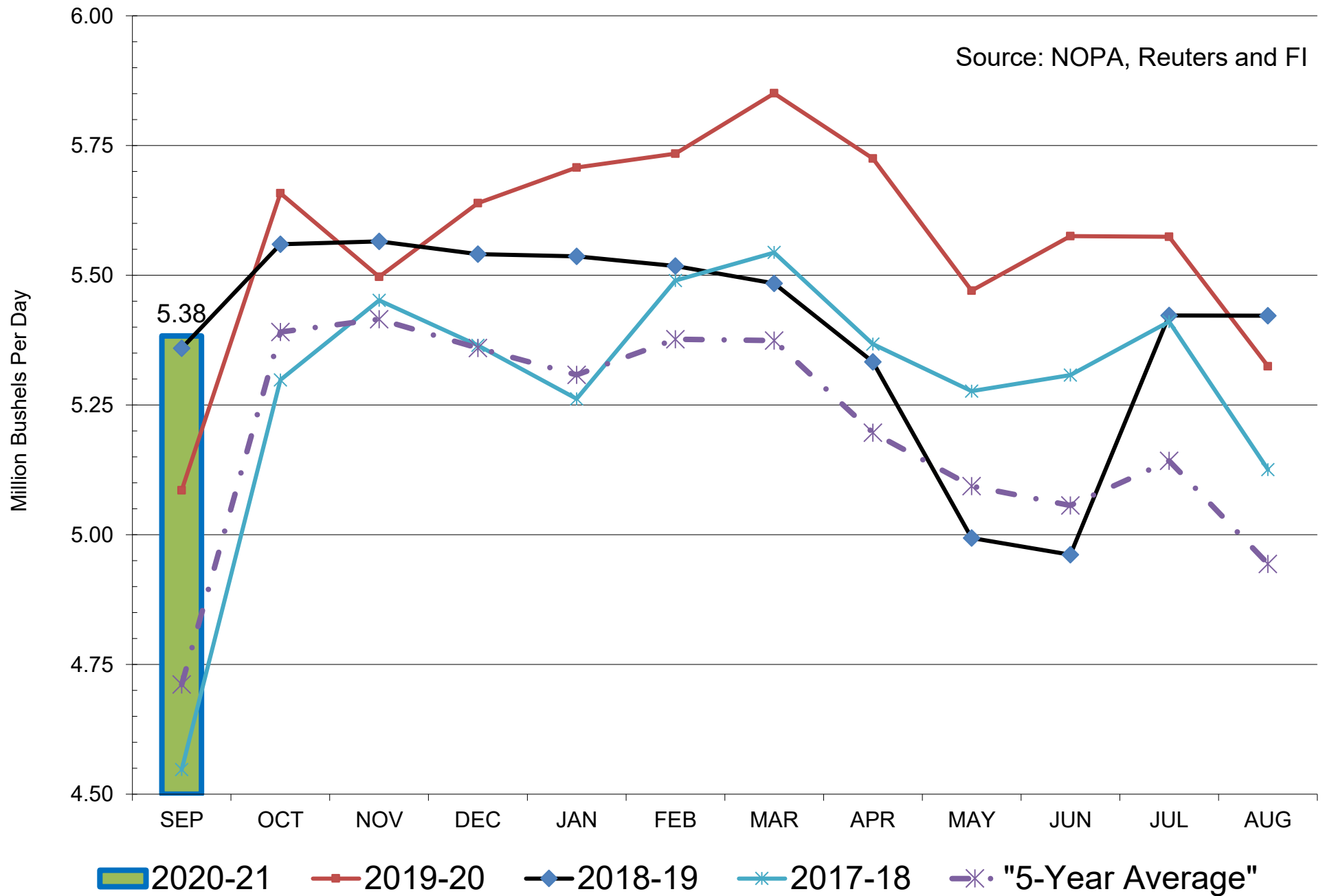
# NOPA US Monthly Crush

Source: NOPA, Reuters and FI



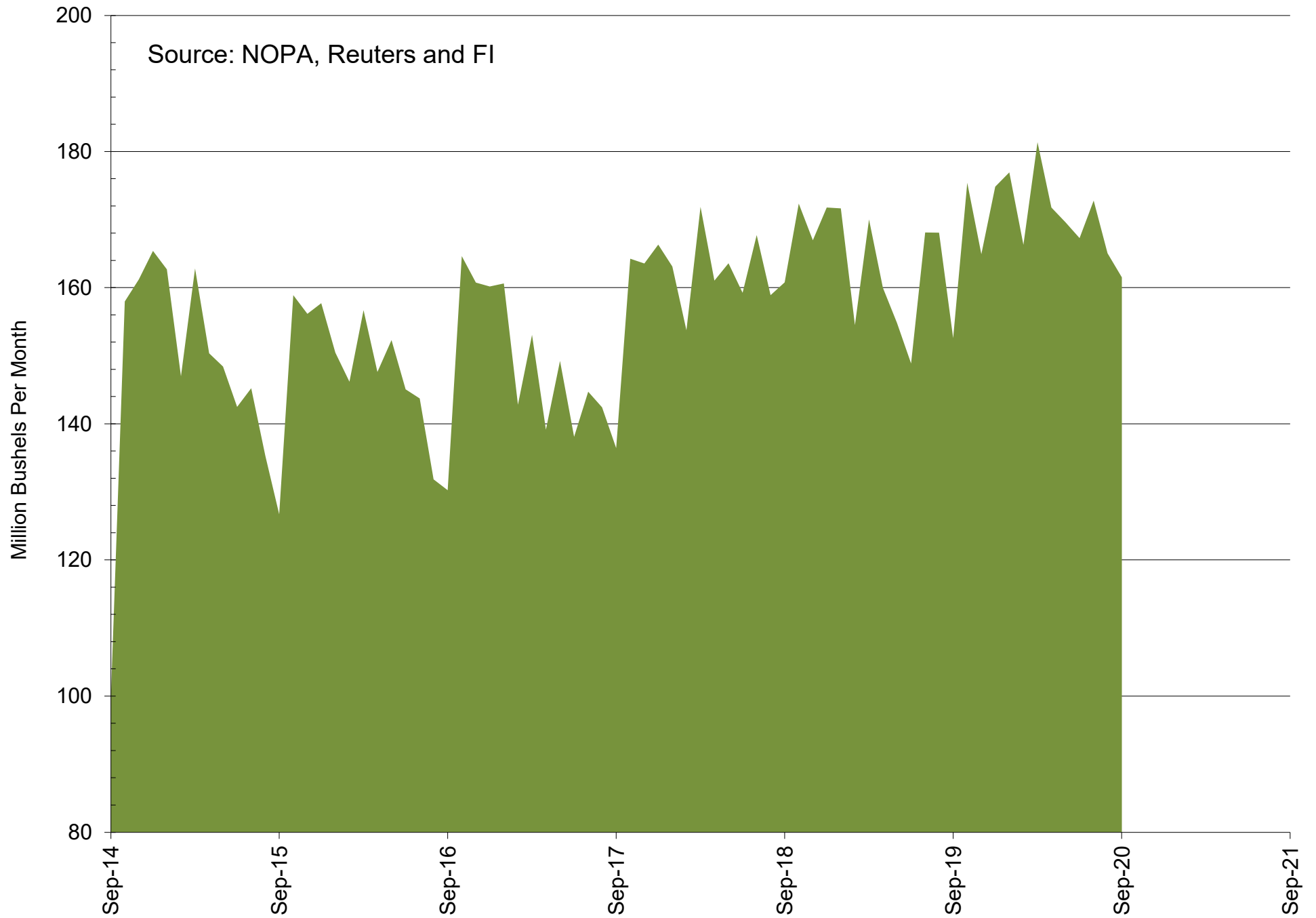
# NOPA US Monthly Crush, Daily Adjusted

Source: NOPA, Reuters and FI



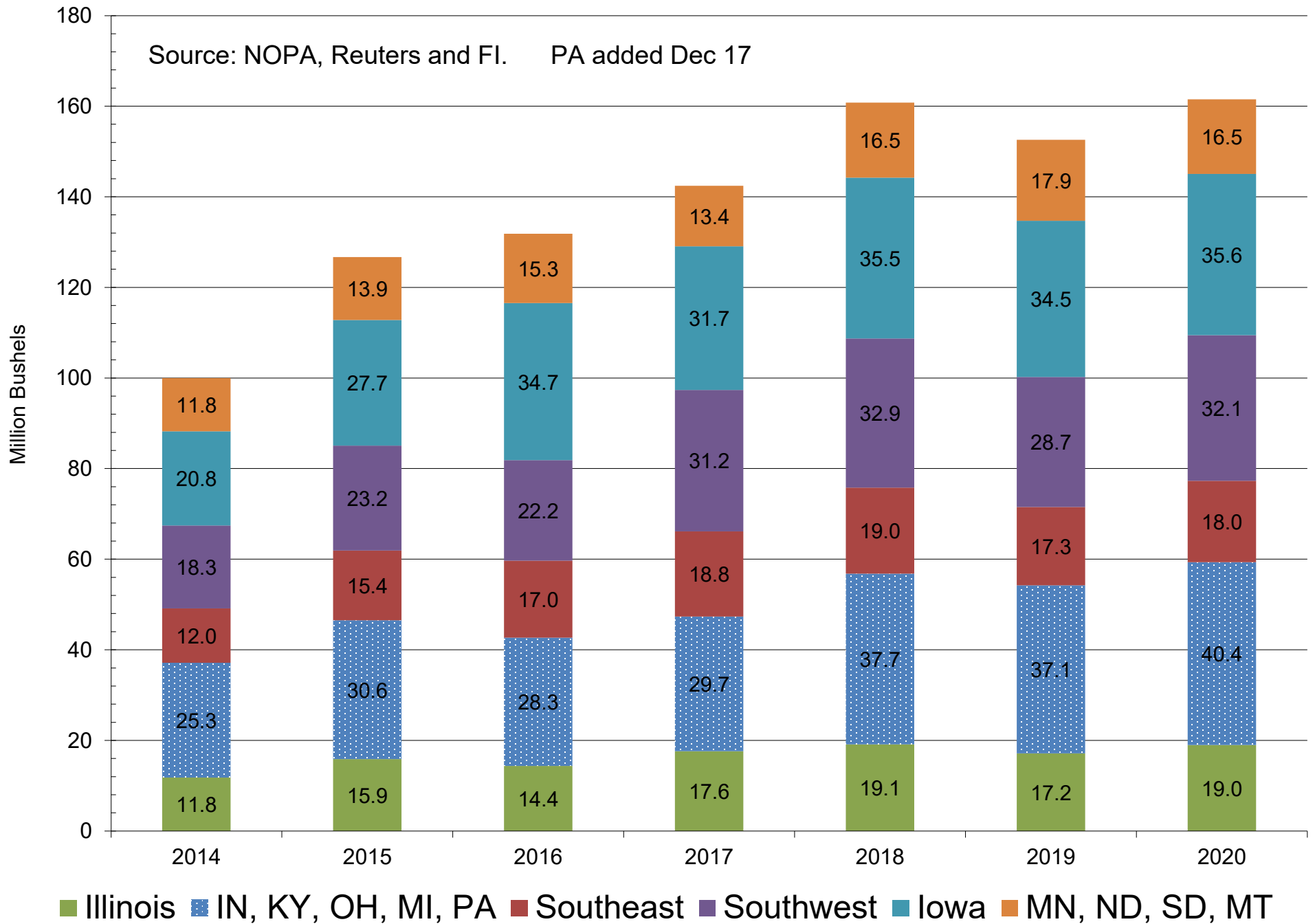
# NOPA US Monthly Crush

Source: NOPA, Reuters and FI



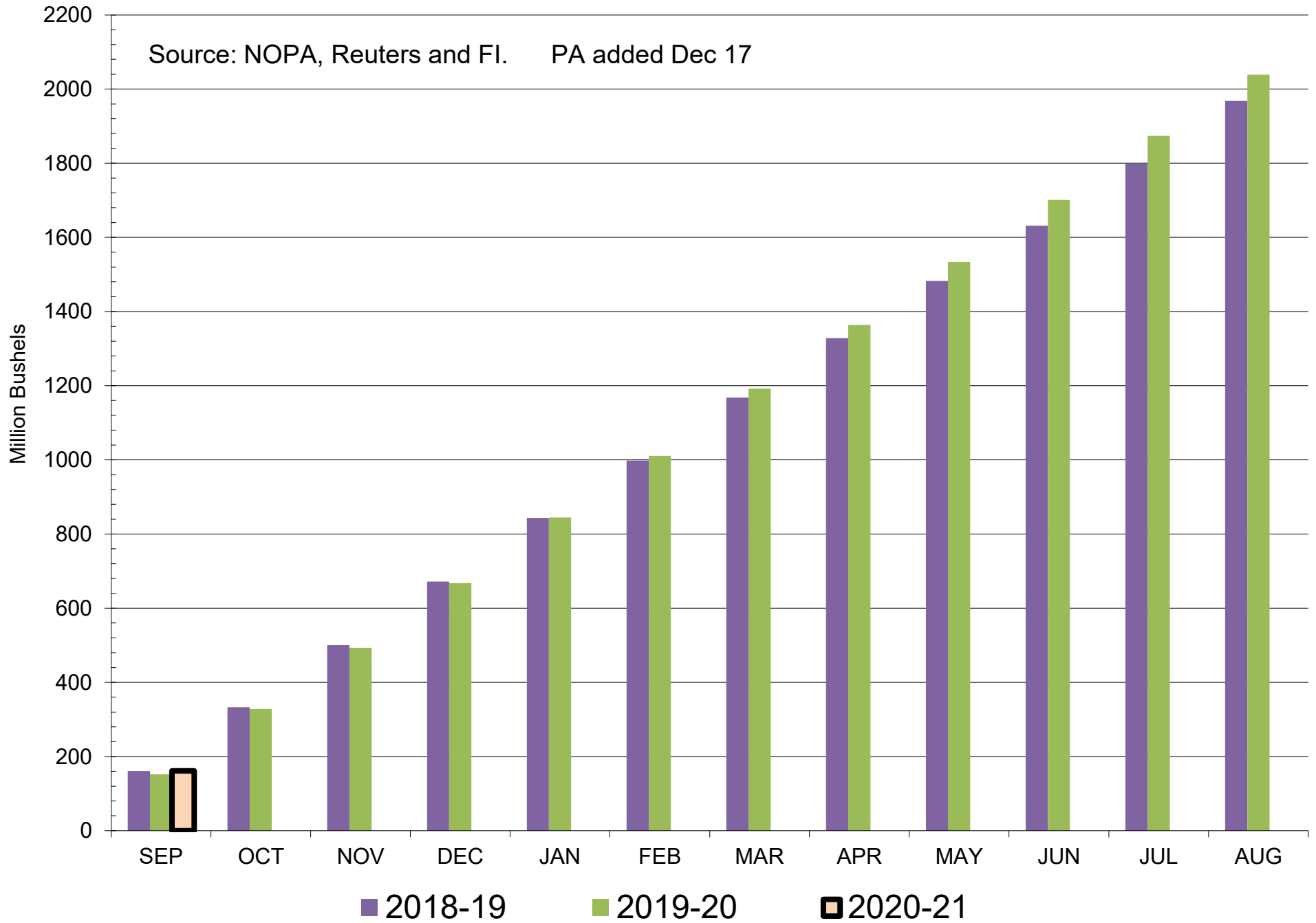
# NOPA US Crush By Region - Latest Month

Source: NOPA, Reuters and FI. PA added Dec 17



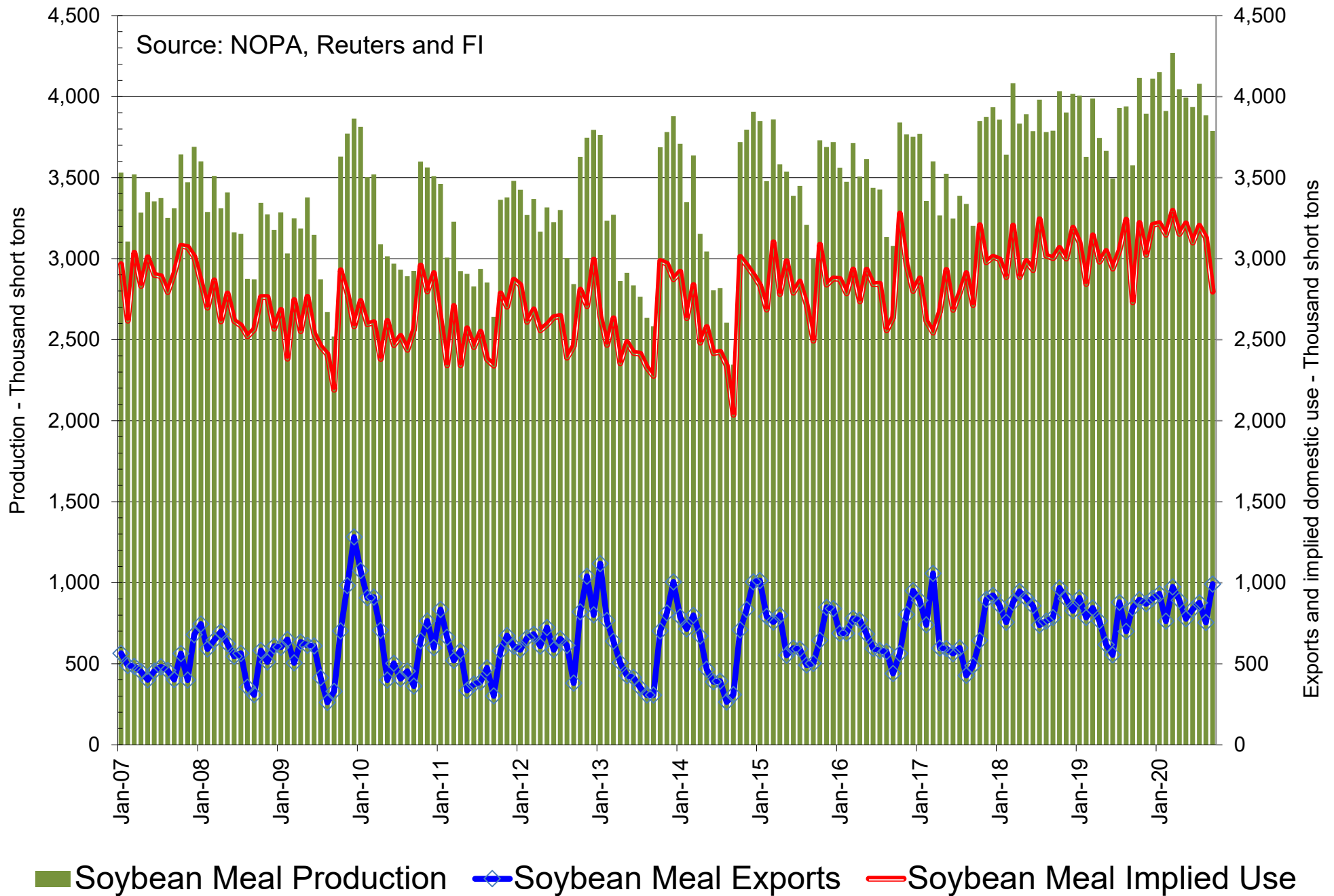
# Cumulative NOPA US Crush

Source: NOPA, Reuters and FI. PA added Dec 17



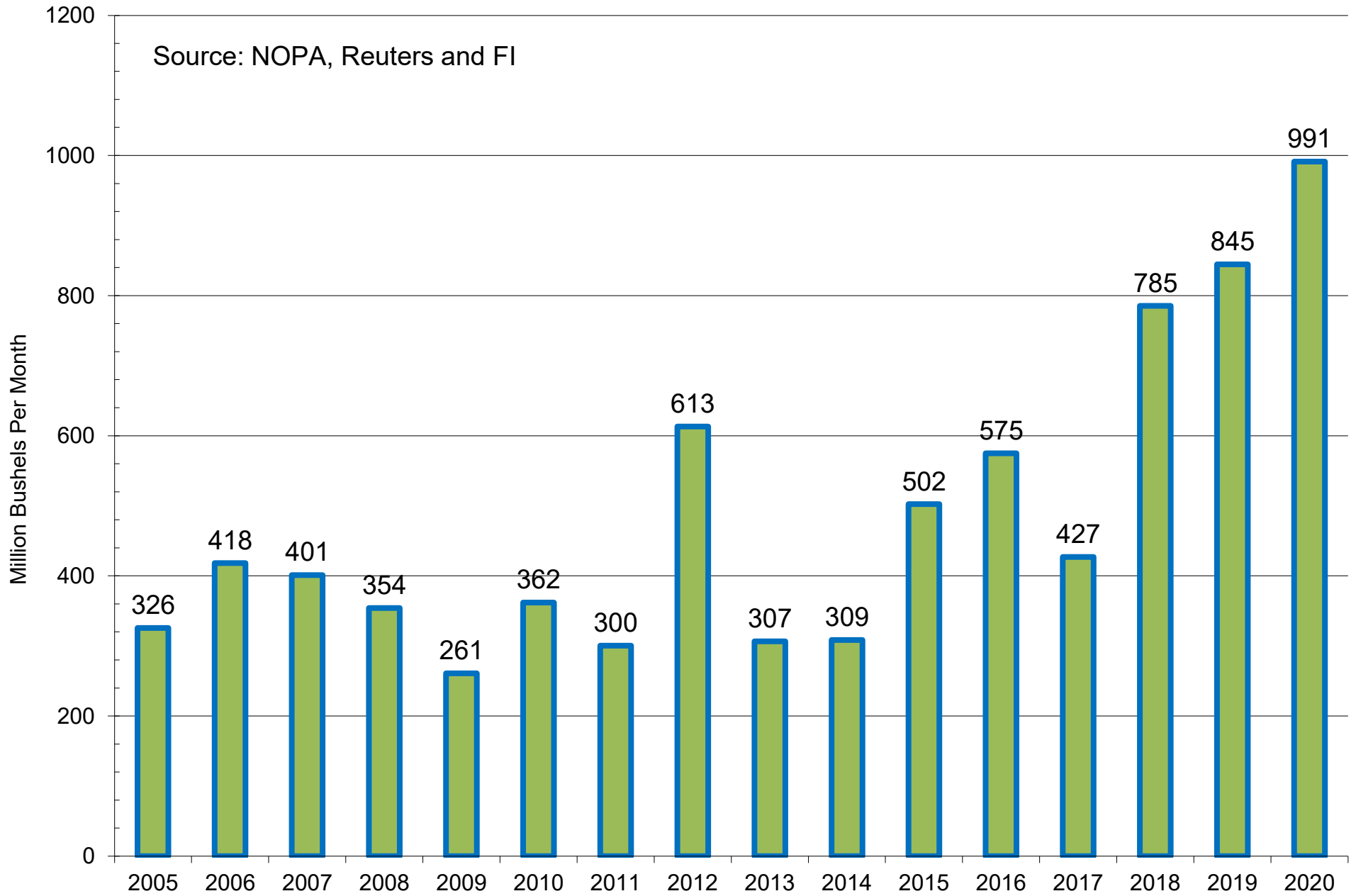


# NOPA US Monthly Soybean Meal Production and Exports



# NOPA US Monthly Soybean Meal Exports

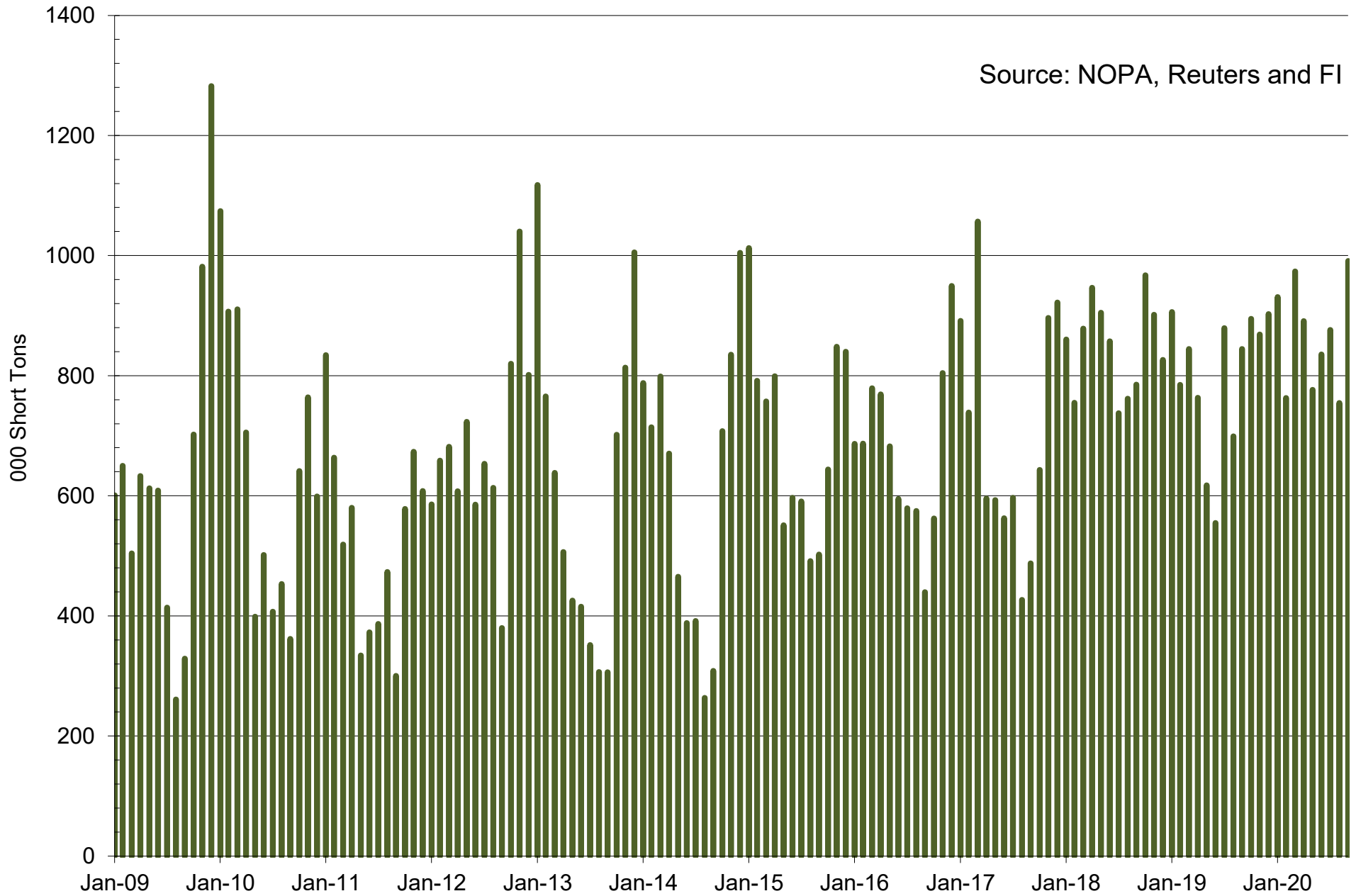
Source: NOPA, Reuters and FI



■ NOPA US Monthly Soybean Meal Exports as of September

# NOPA US Monthly Soybean Meal Exports

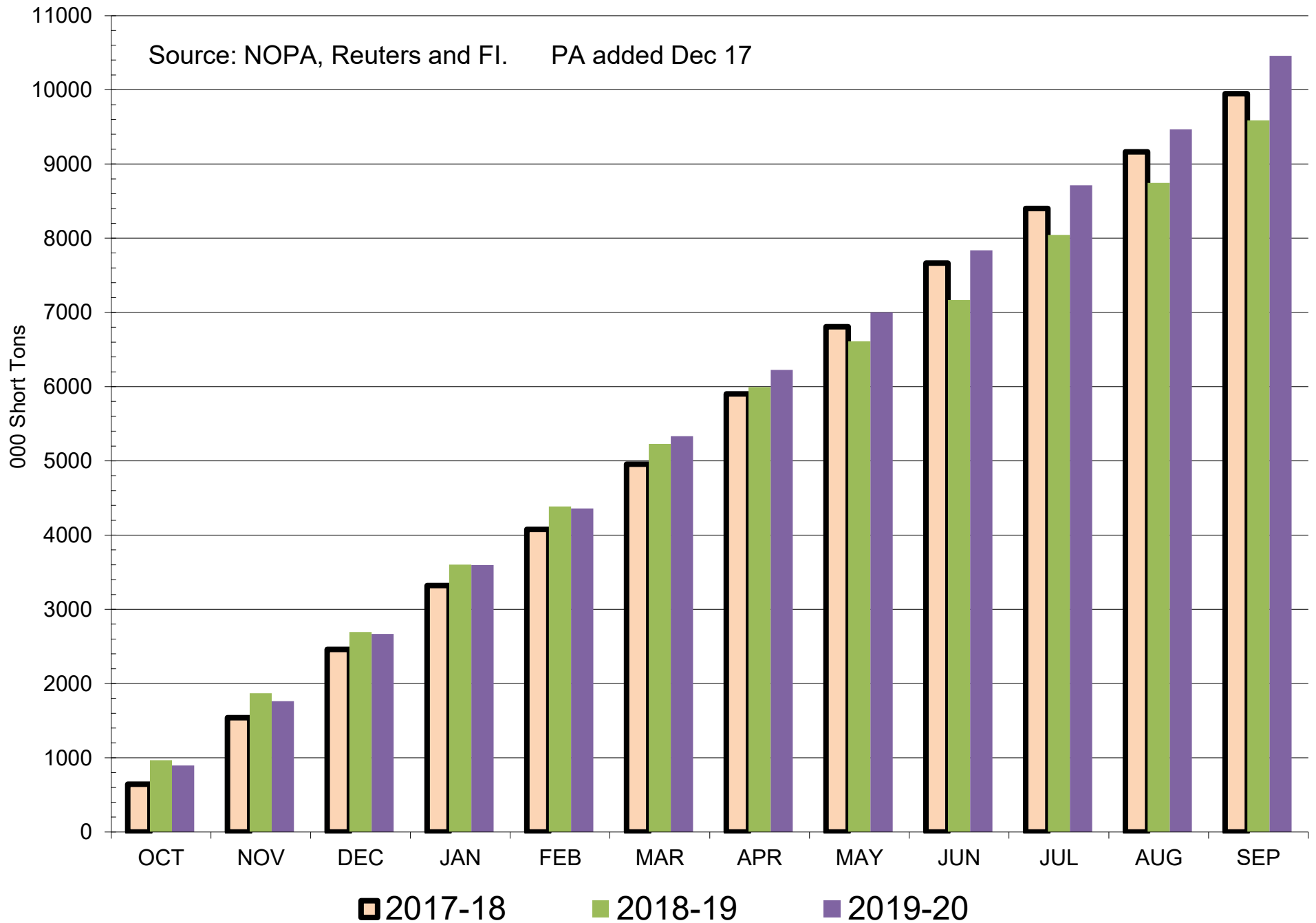
Source: NOPA, Reuters and FI



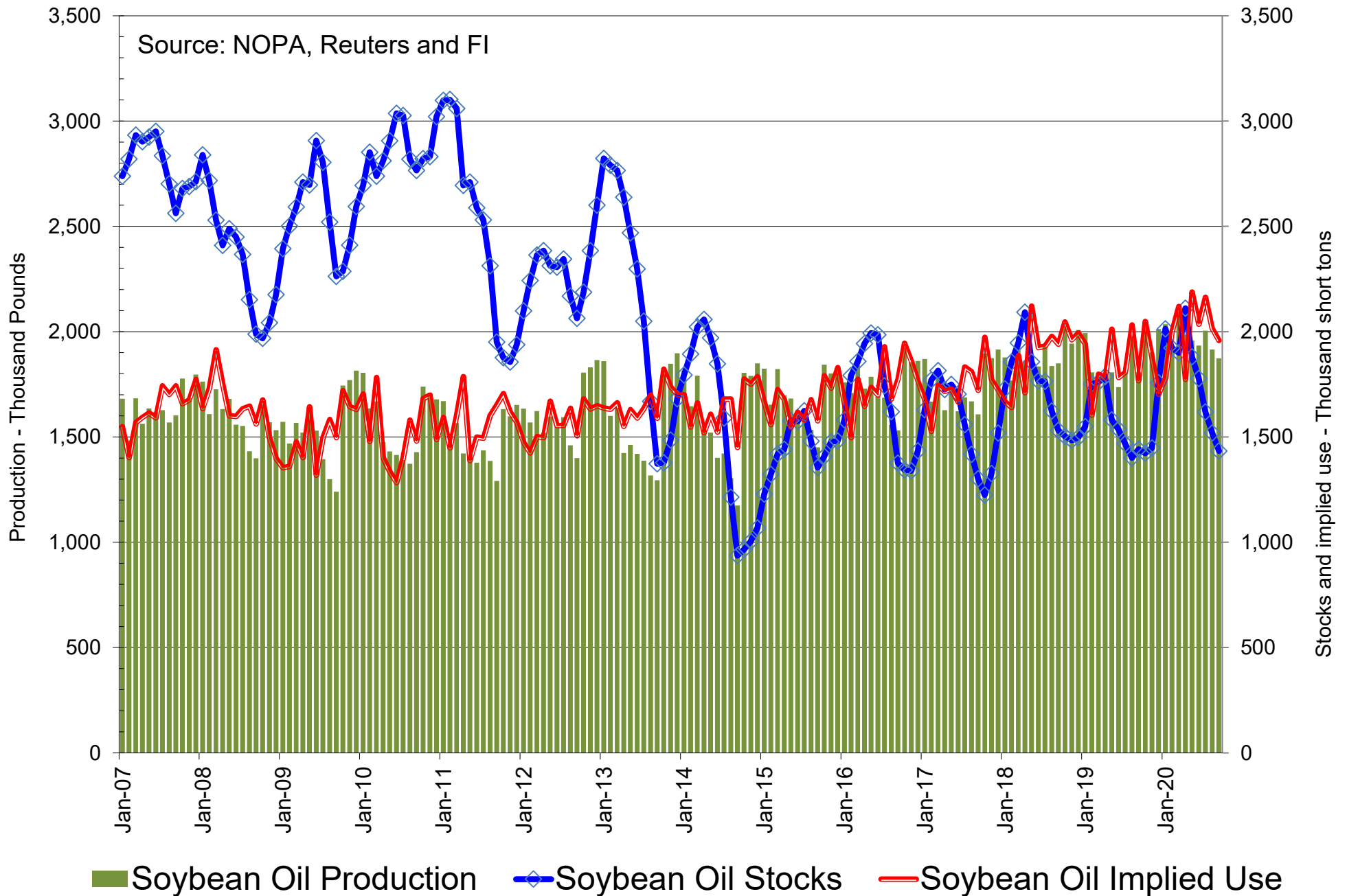
■ NOPA US Monthly Soybean Meal Exports as of September Exports

## Cumulative NOPA US Soybean Meal Exports

Source: NOPA, Reuters and FI. PA added Dec 17

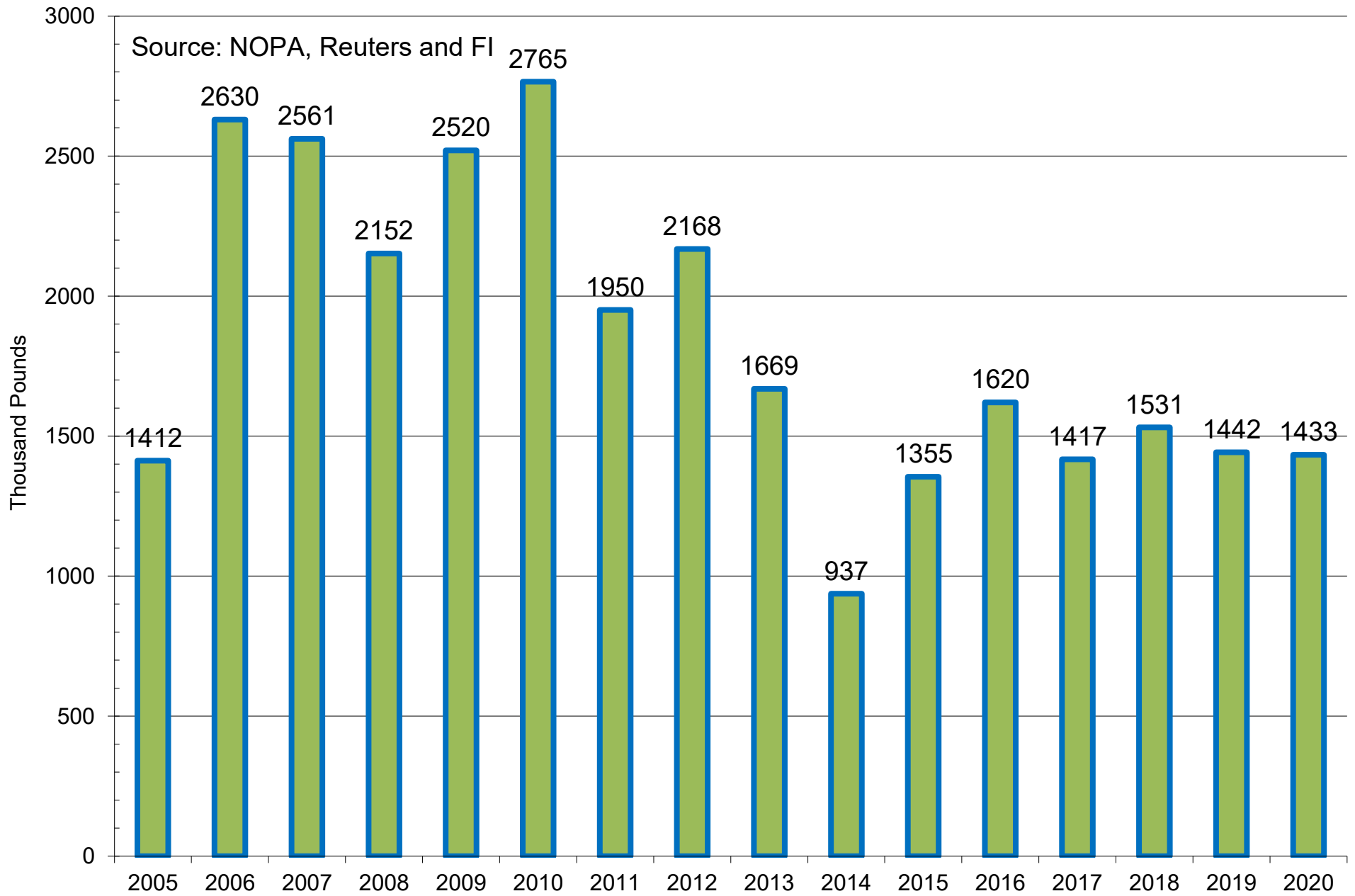


# NOPA US Monthly Soybean Oil Production, Stocks and Implied Use





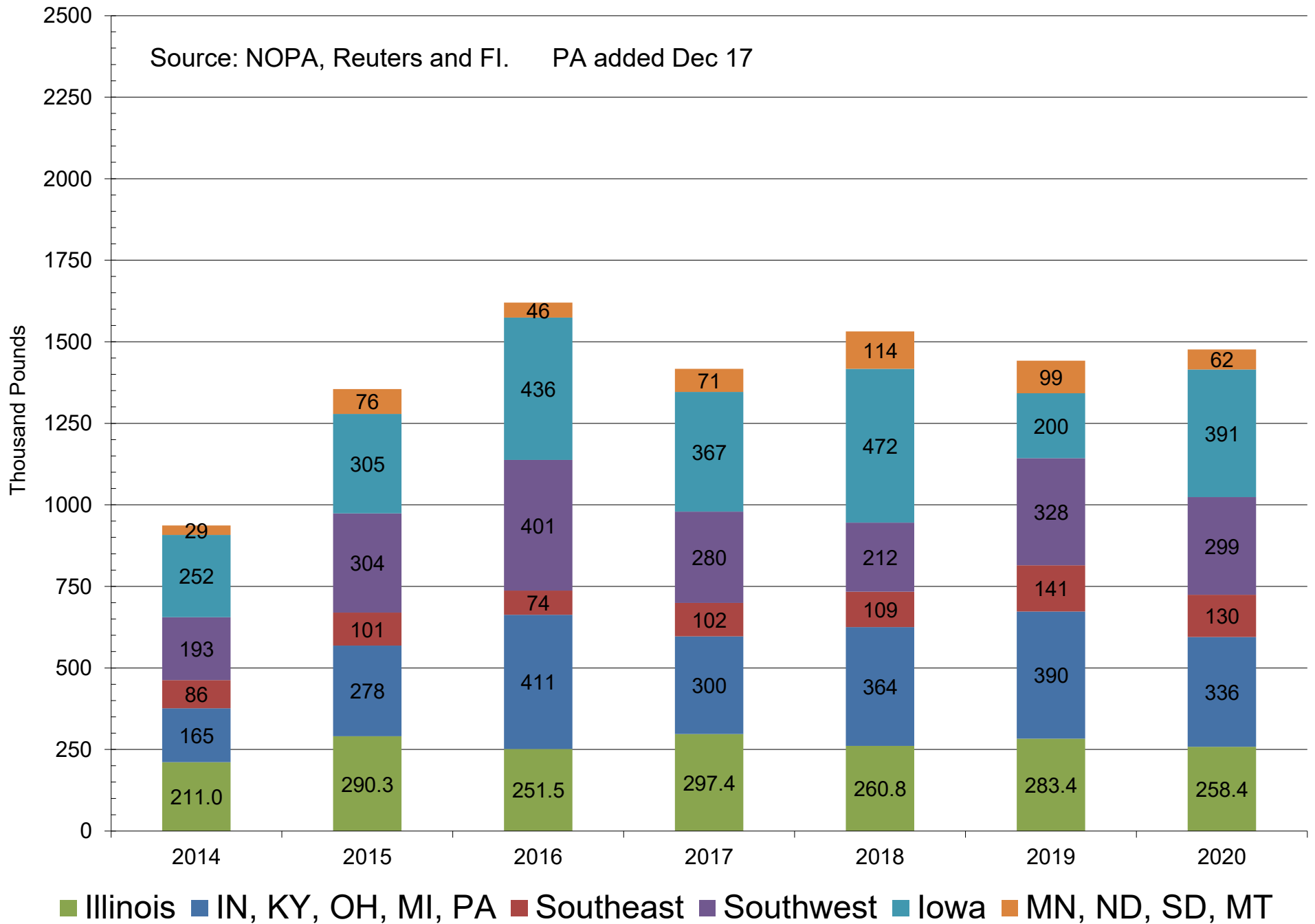
## NOPA US Monthly Soybean Oil Stocks



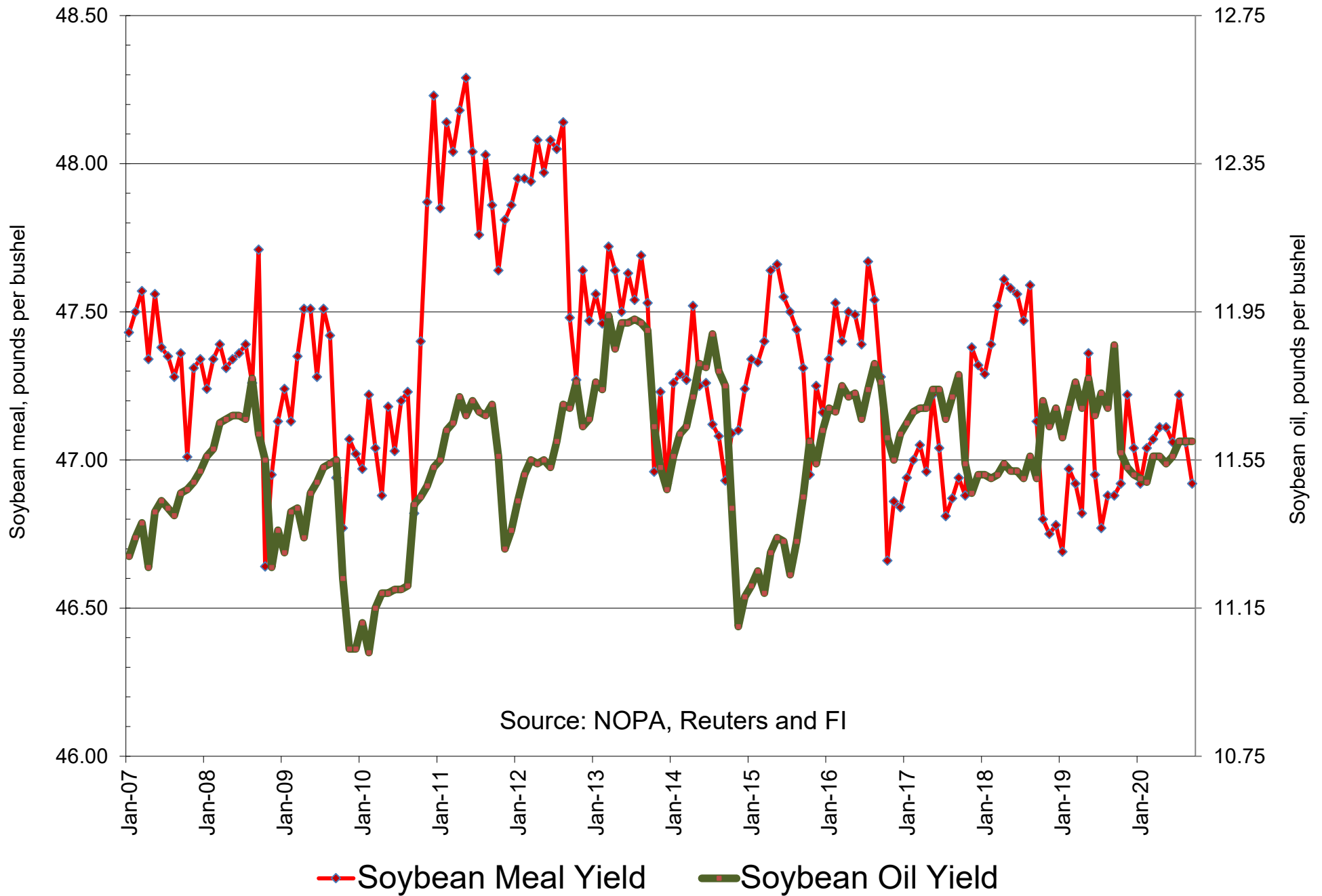
■ NOPA US Monthly Soybean Oil Stocks as of September 1

# NOPA US Soybean Oil Stocks By Region - Latest Month

Source: NOPA, Reuters and FI. PA added Dec 17

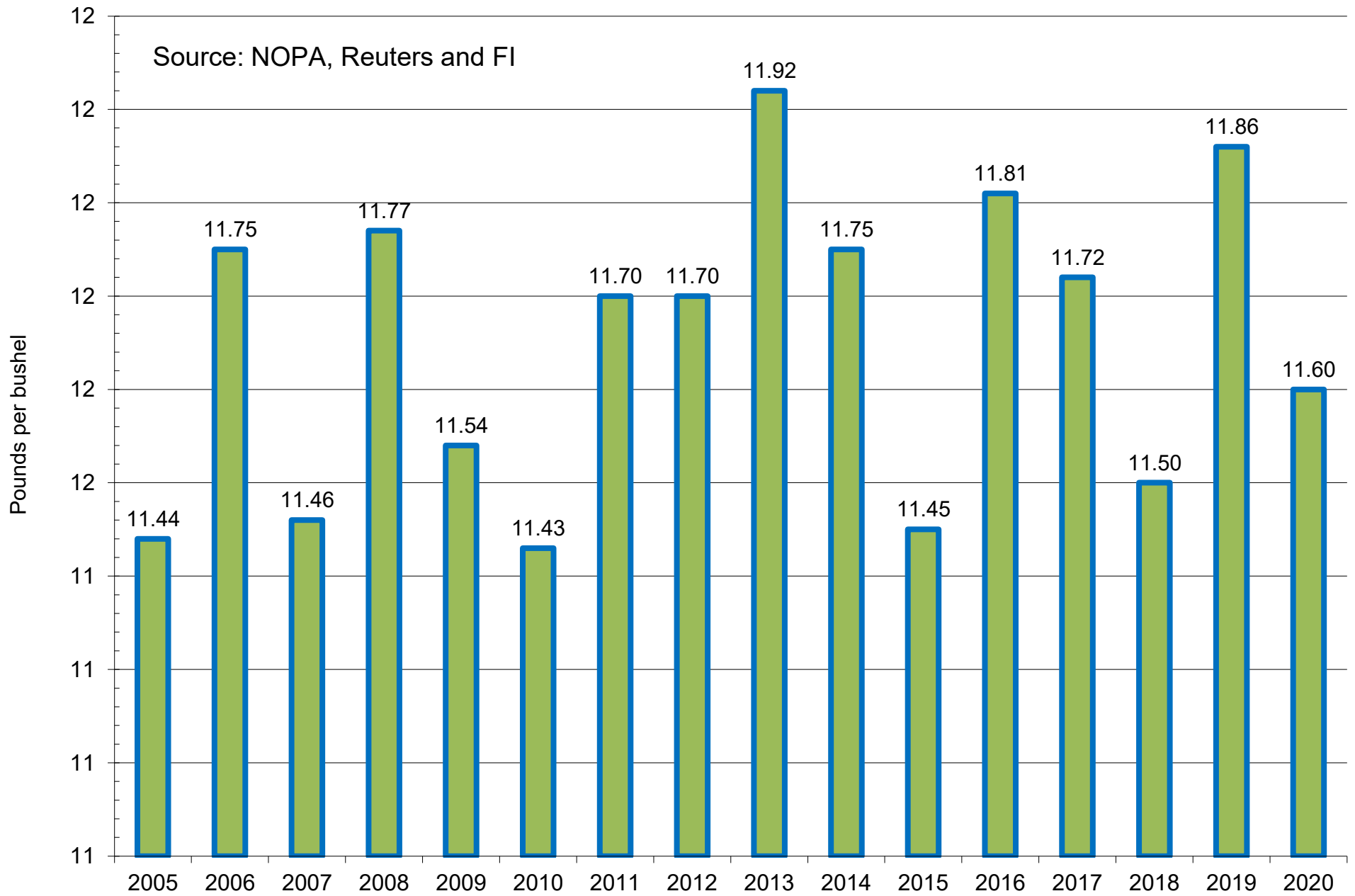


# NOPA US Product Yields



# NOPA US Monthly Soybean Oil Yield

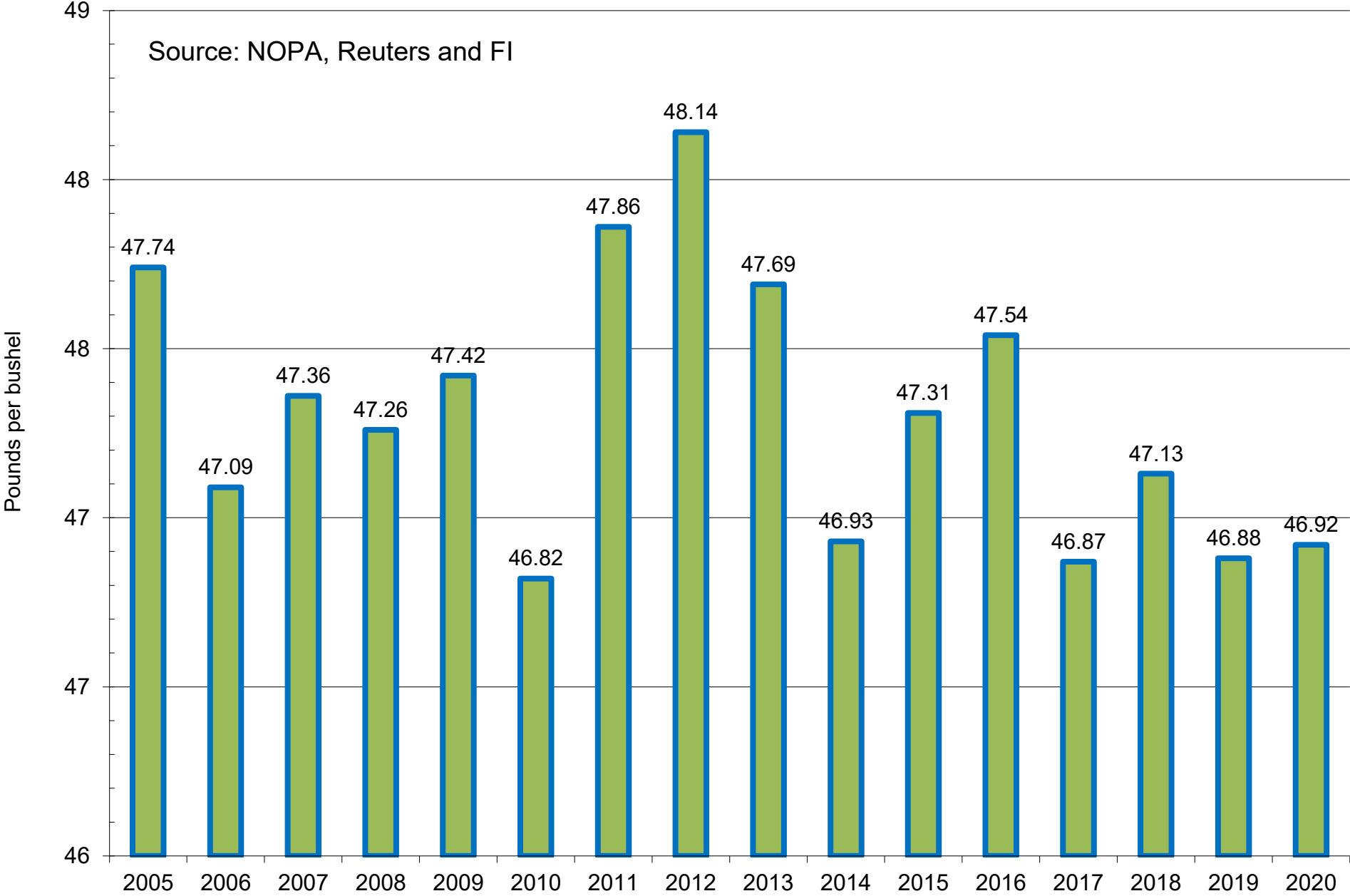
Source: NOPA, Reuters and FI



■ NOPA US Monthly Soybean Oil Yield for September

# NOPA US Monthly Soybean Meal Yield

Source: NOPA, Reuters and FI



■ NOPA US Monthly Soybean Meal Yield for September



# US Weekly Petroleum Status Report

	Ethanol Production 000 Barrels Per Day	Change from Last Week	Change from Last Month	Change from Last Year	Ethanol Stocks 000 Barrels	Change from Last Week	Change from Last Month	Change from Last Year	Days of Ethanol 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
10/9/2020	937	14	1.2%	-3.5%	20,008	336	1.1%	-9.3%	21.0

4-week average change:

3

4-week average change:

53

YOY Δ

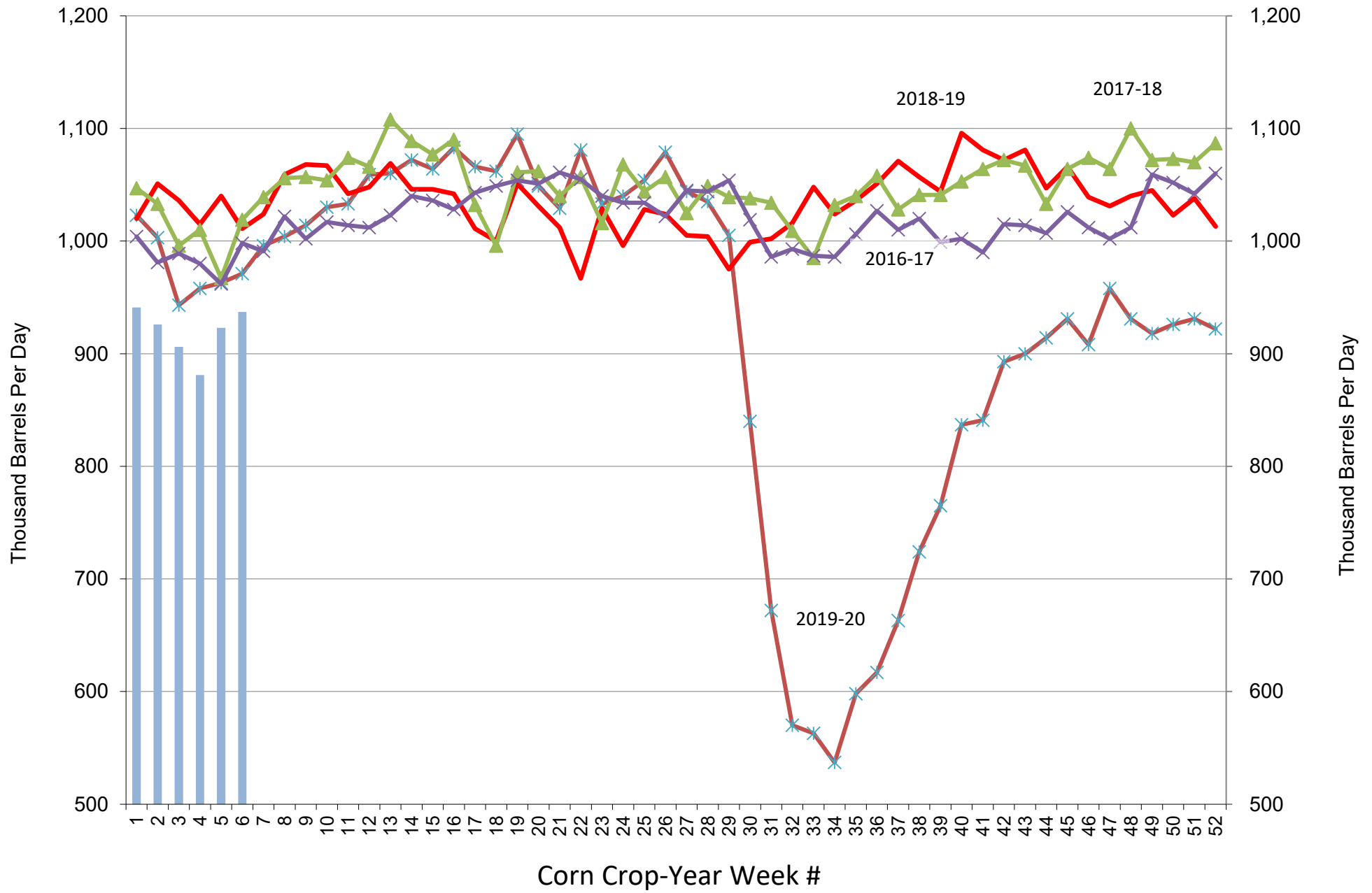
CY to Date:

929 2019-20 season average

-10.3%

Source: Reuters, EIA, FI

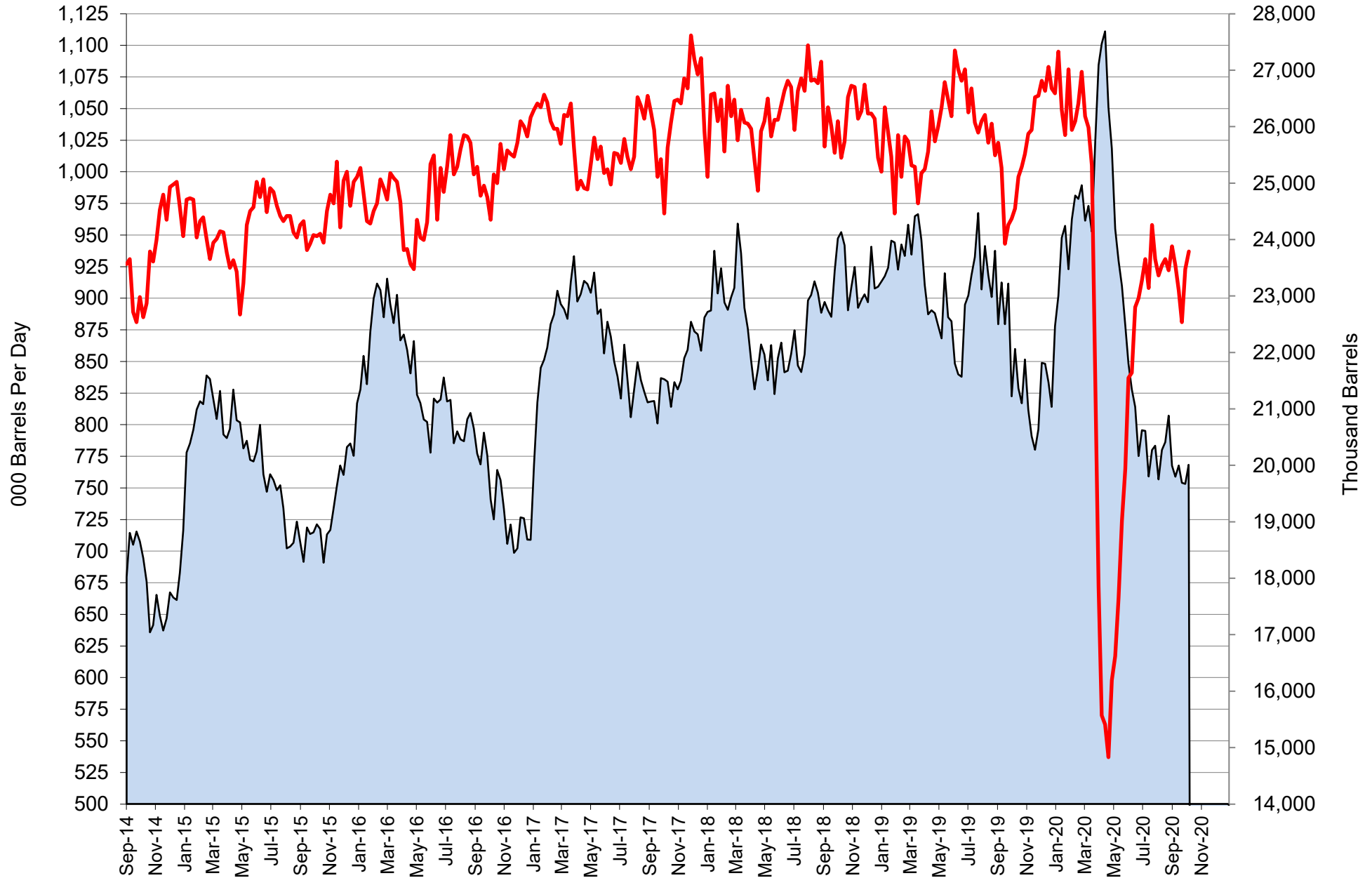
# US Weekly Ethanol Production



Source: EIA & FI

■ 2020-21 
 ✕ 2019-20 
 — 2018-19 
 ▲ 2017-18 
 ✕ 2016-17

# US Weekly Ethanol Production and Stocks

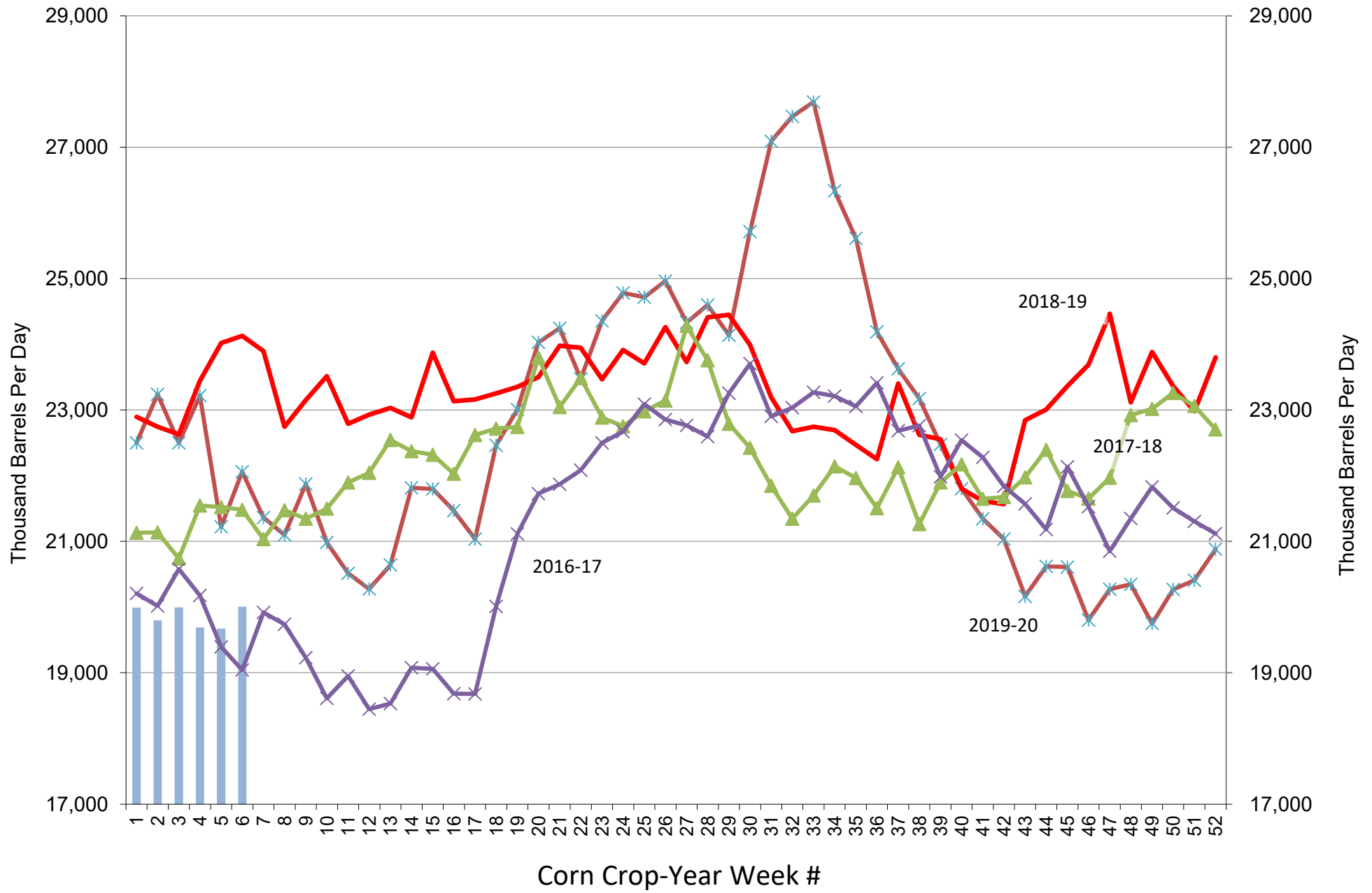


Source: EIA & FI

Stocks (1000bd)

Production (1000bd)

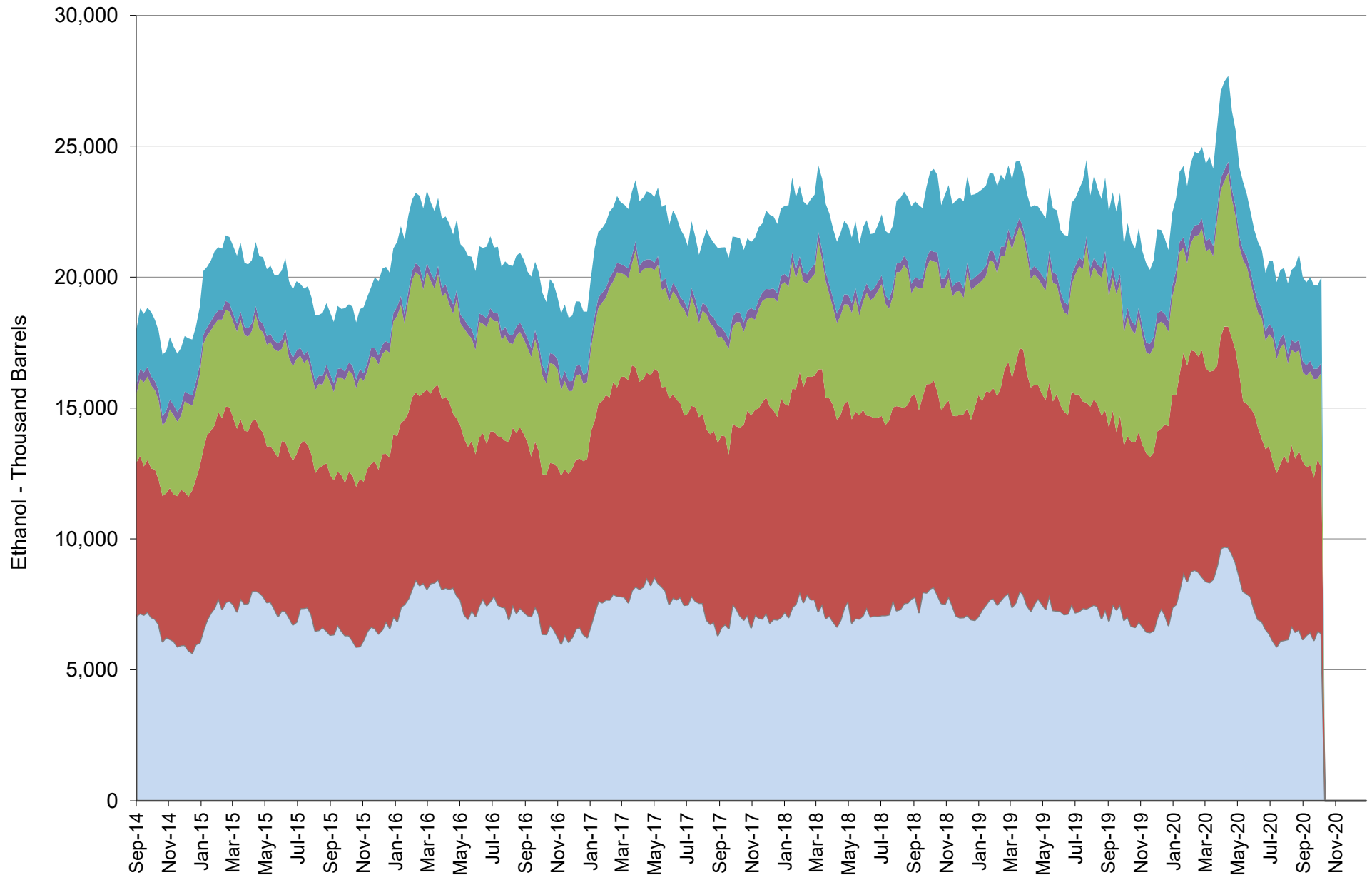
# US Weekly Ethanol Stocks (corn crop year)



Source: EIA & FI

10/15/2020

# US Weekly Ethanol Stocks by PADD

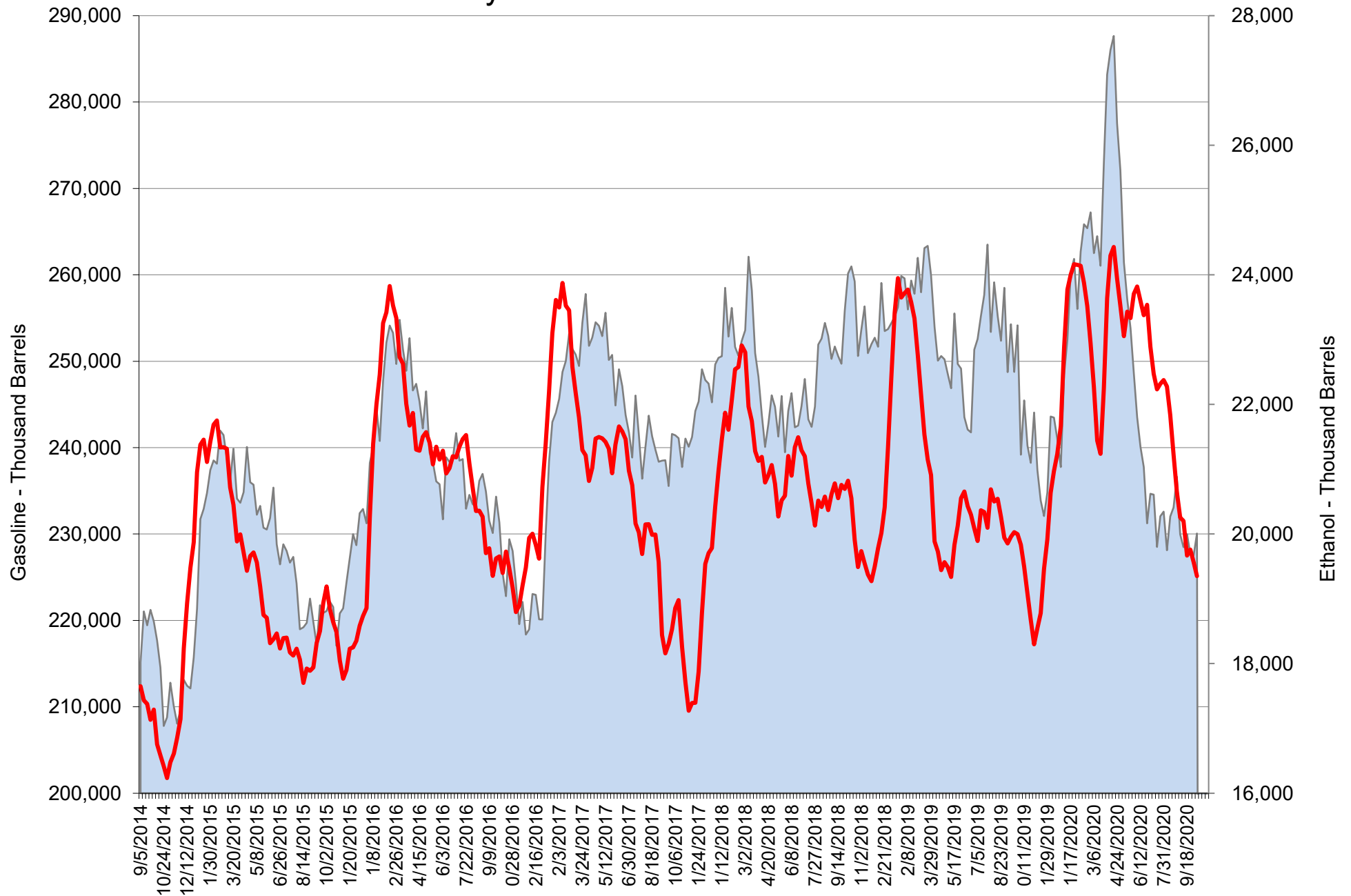


Source: EIA & FI

■ PADD1 ■ PADD2 ■ PADD3 ■ PADD4 ■ PADD5

10/15/2020

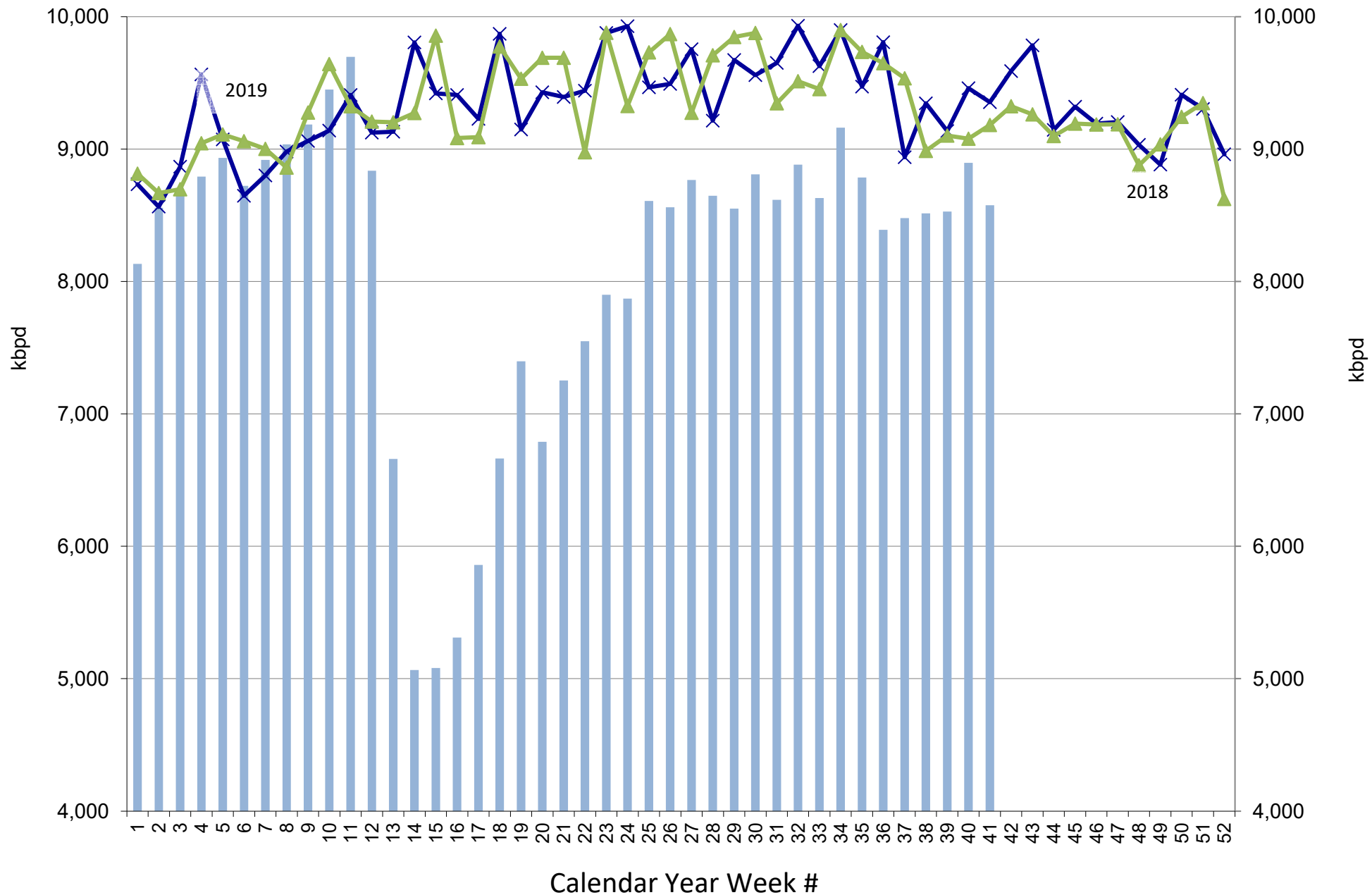
# US Weekly Gasoline and Ethanol Stocks



Source: EIA & FI

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

# US Weekly Gasoline Product Supplied



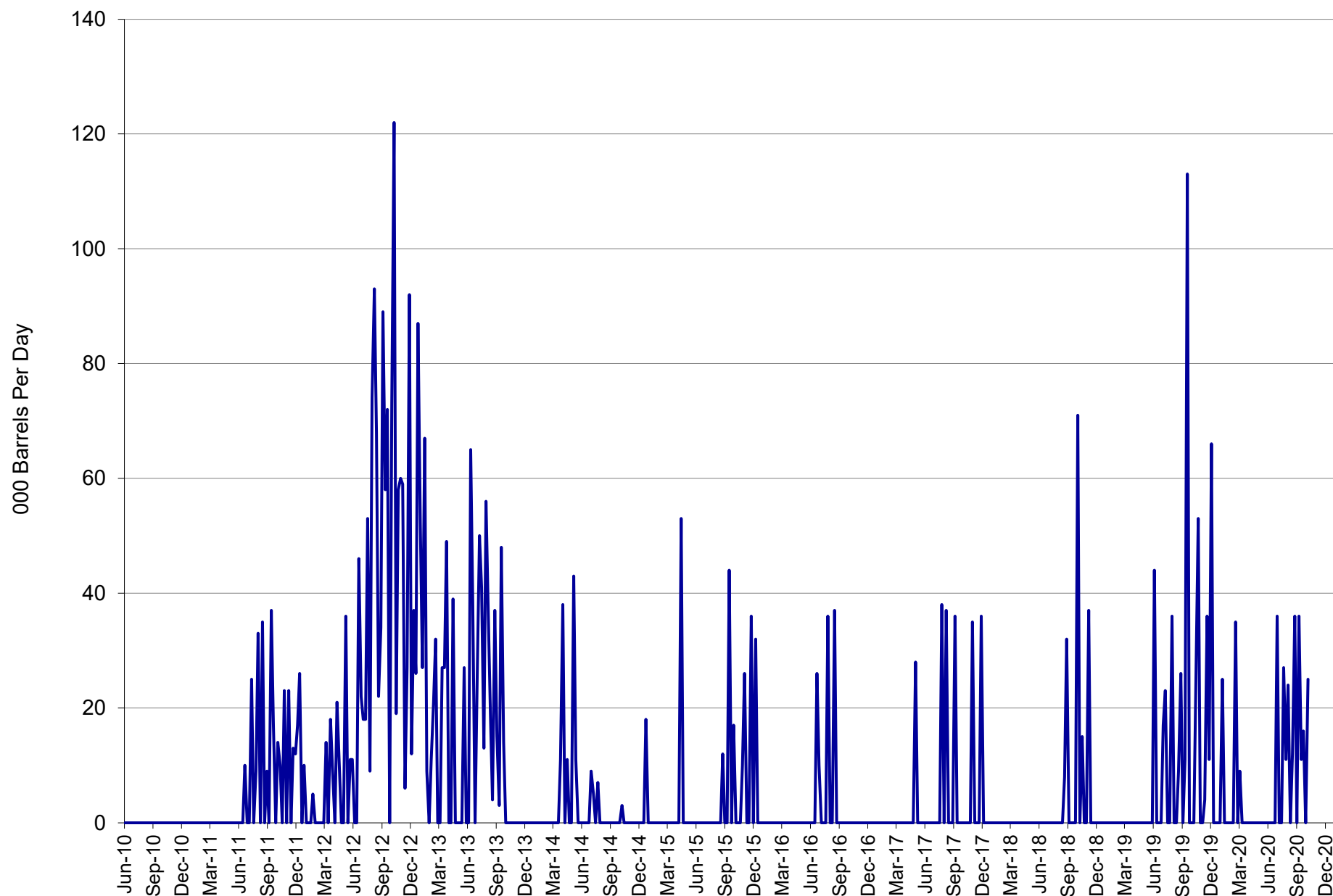
Source: EIA & FI

Gasoline Product Supplied (kbpd)

2019

2018

# US Weekly Ethanol Imports

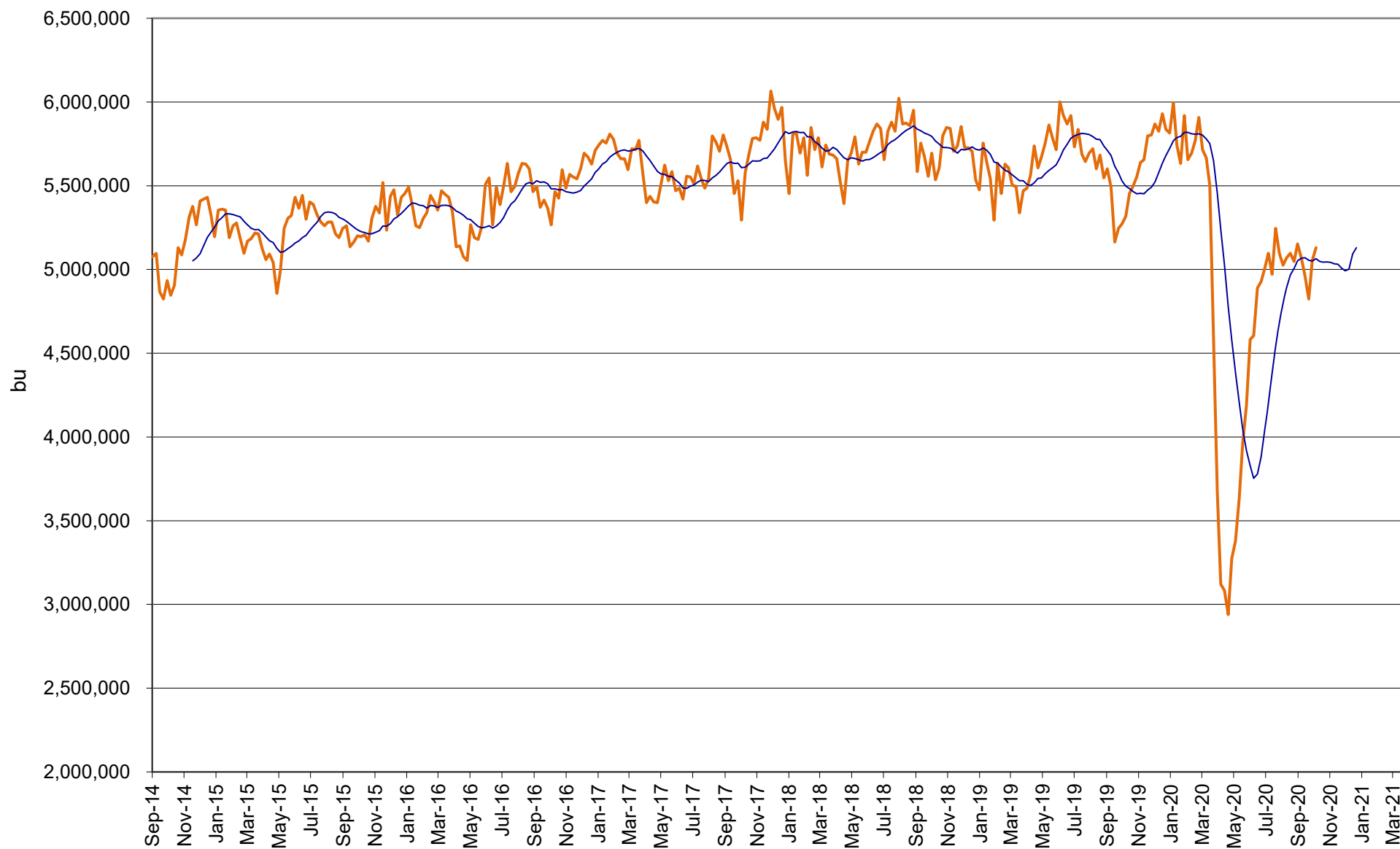


Source: EIA & FI

— Imports (BPD)



## US Annualized Implied Corn Use

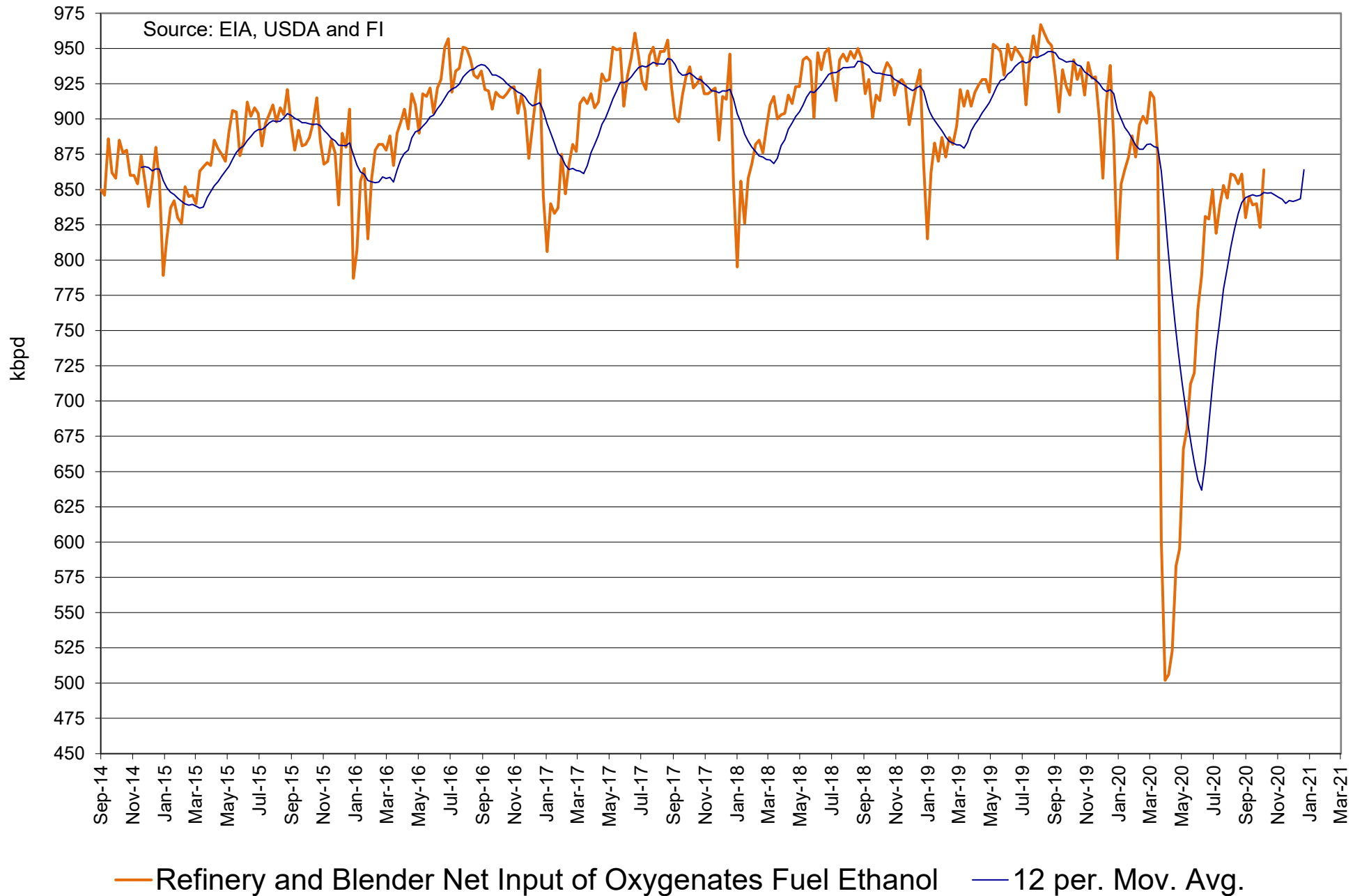


Source: EIA, USDA and FI

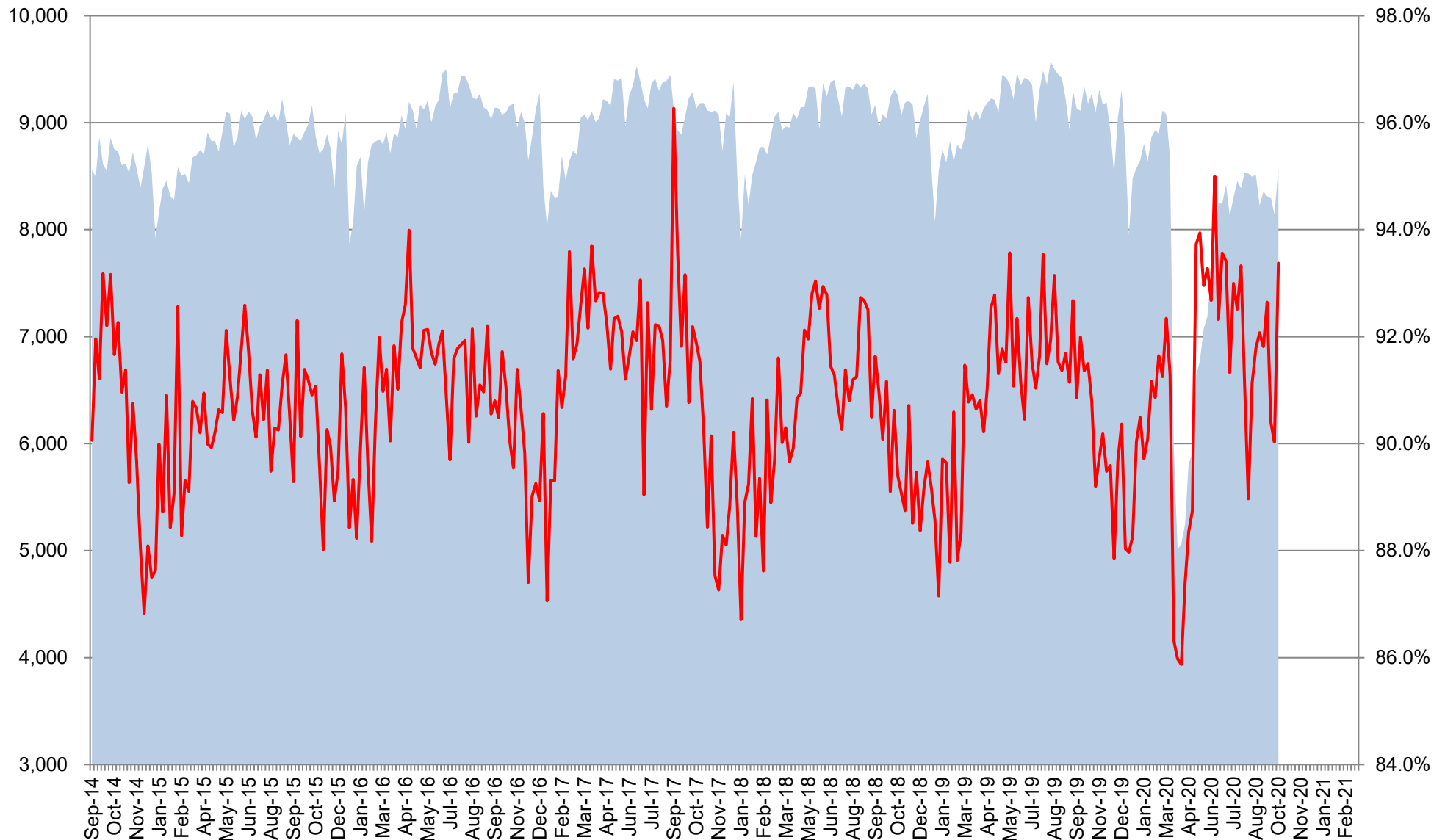
— US

— 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

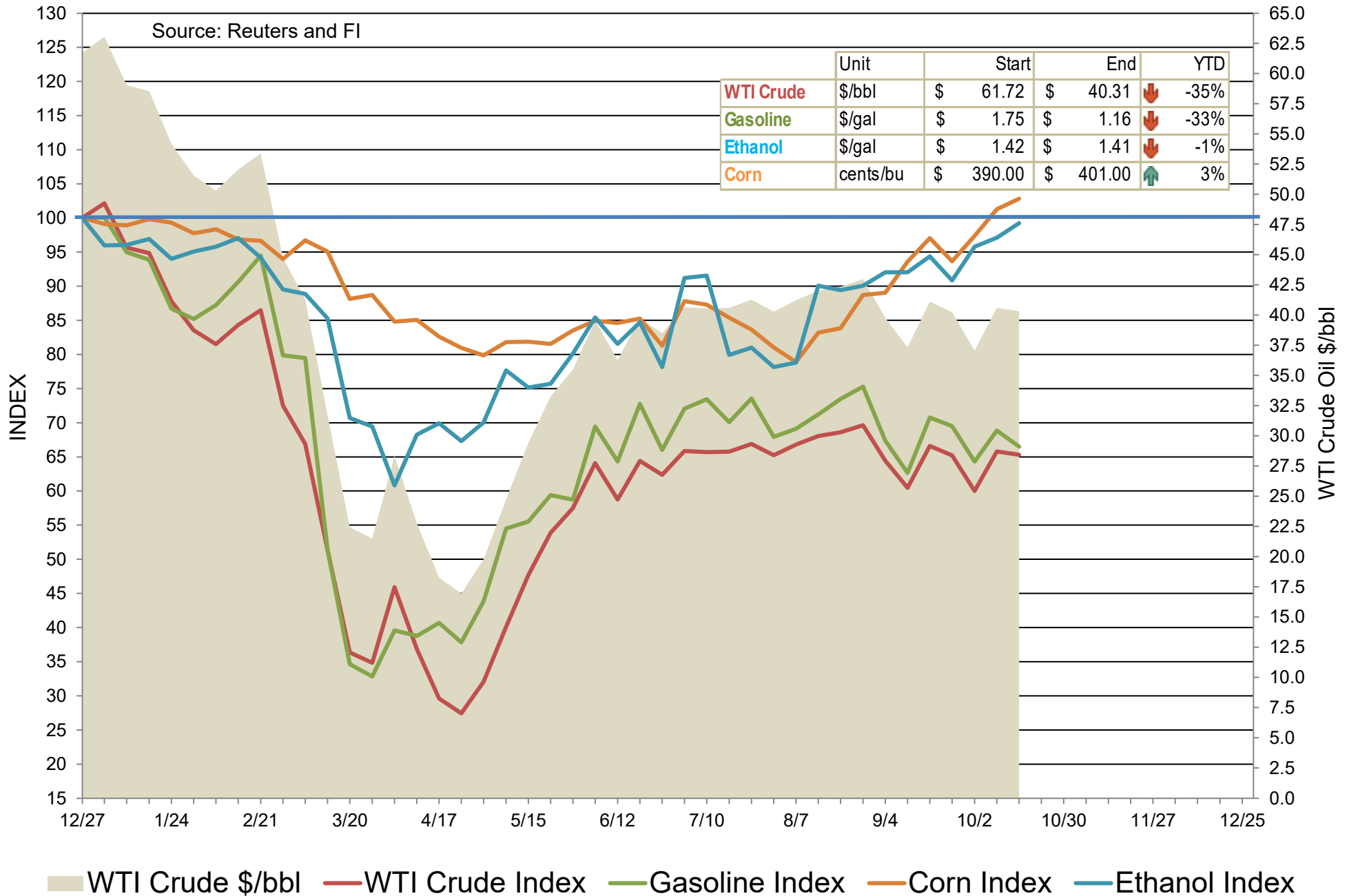


Source: EIA, USDA and FI

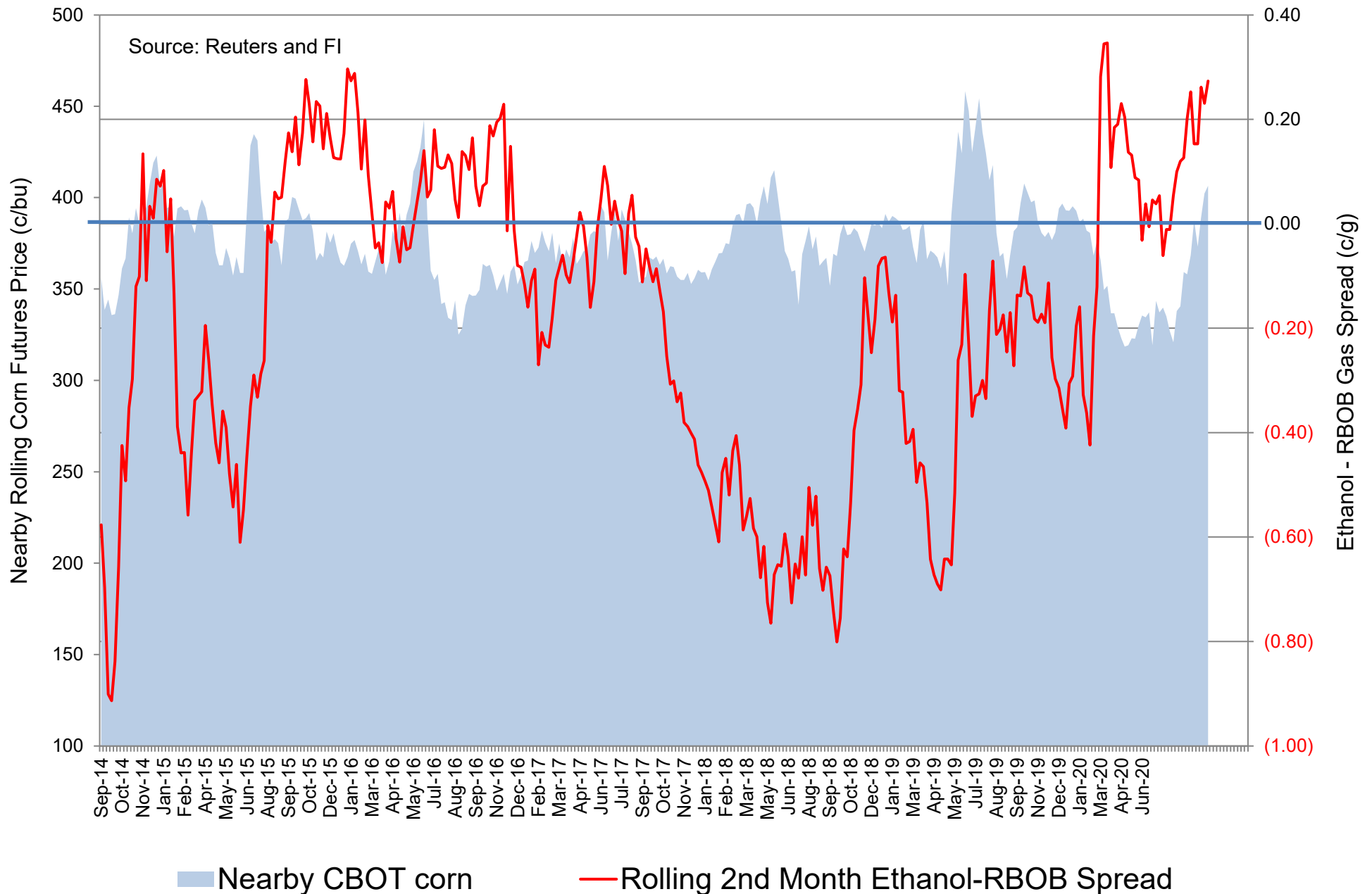
■ Total Blend Etoh

— Etoh Blend %

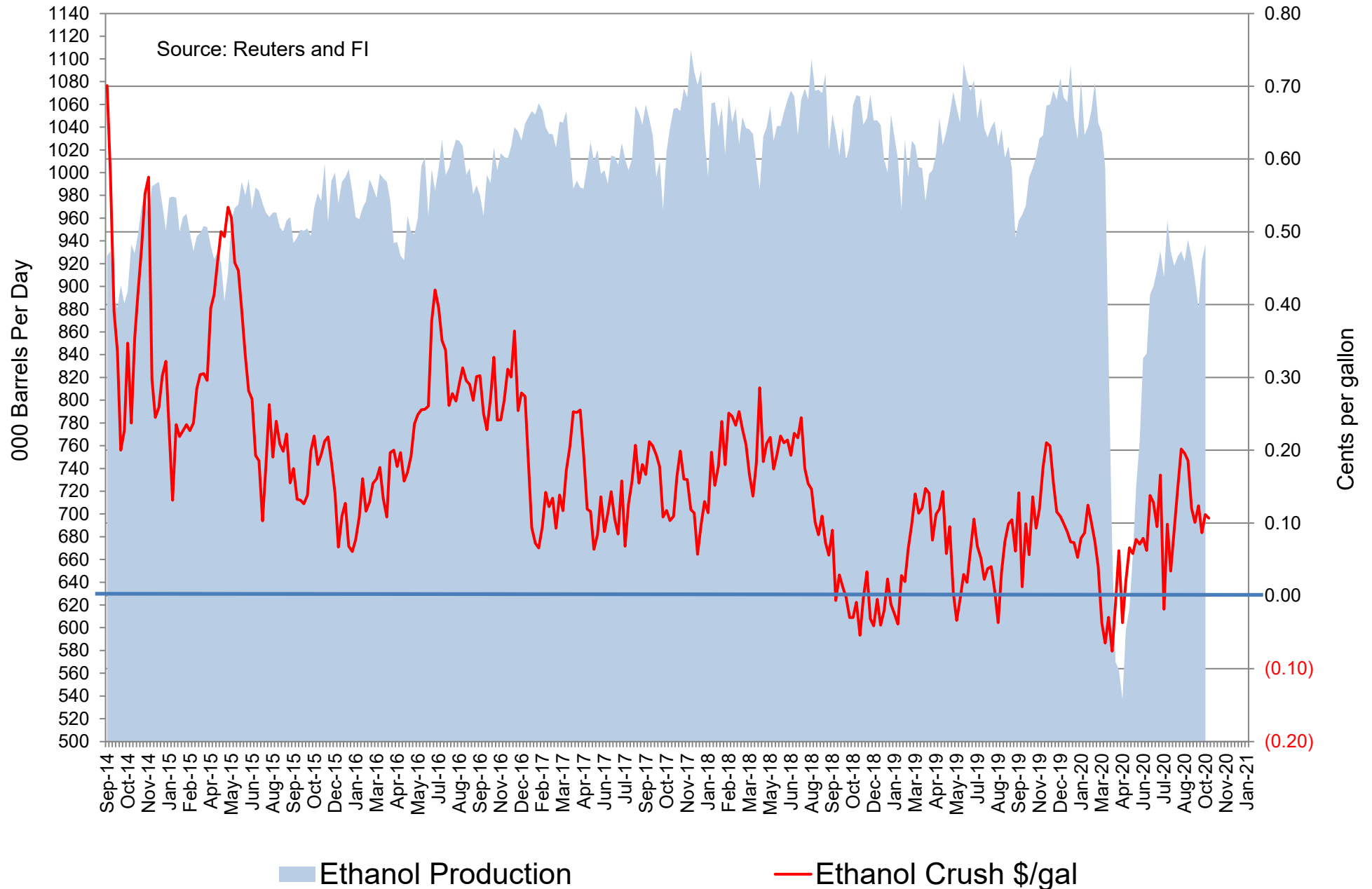
# Indexed Commodity Prices Starting January 2020 versus WTI Crude Nearby Futures



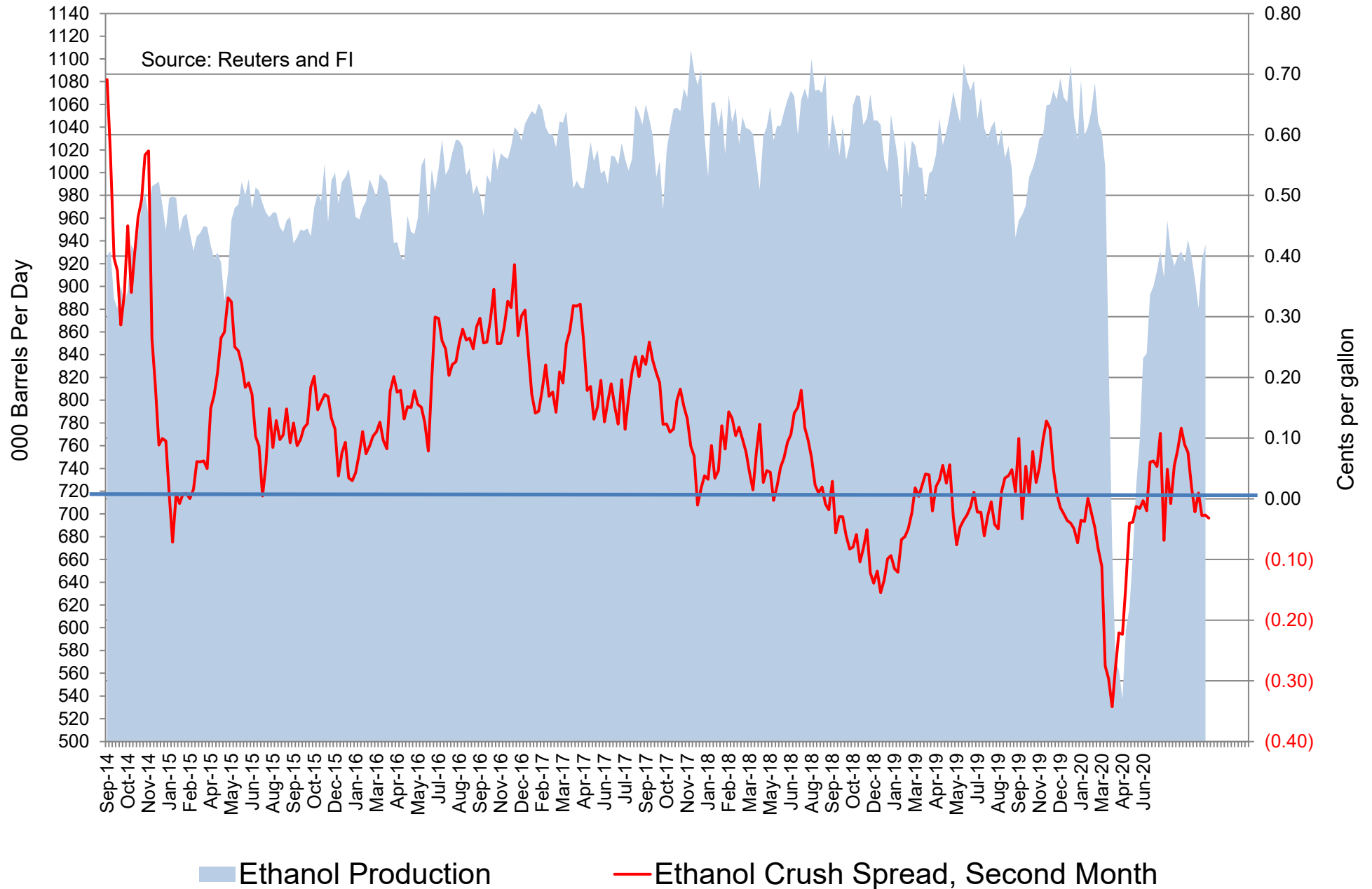
# CBOT Second Month Corn Futures versus Second Month Ethanol - RBOB Futures Spread



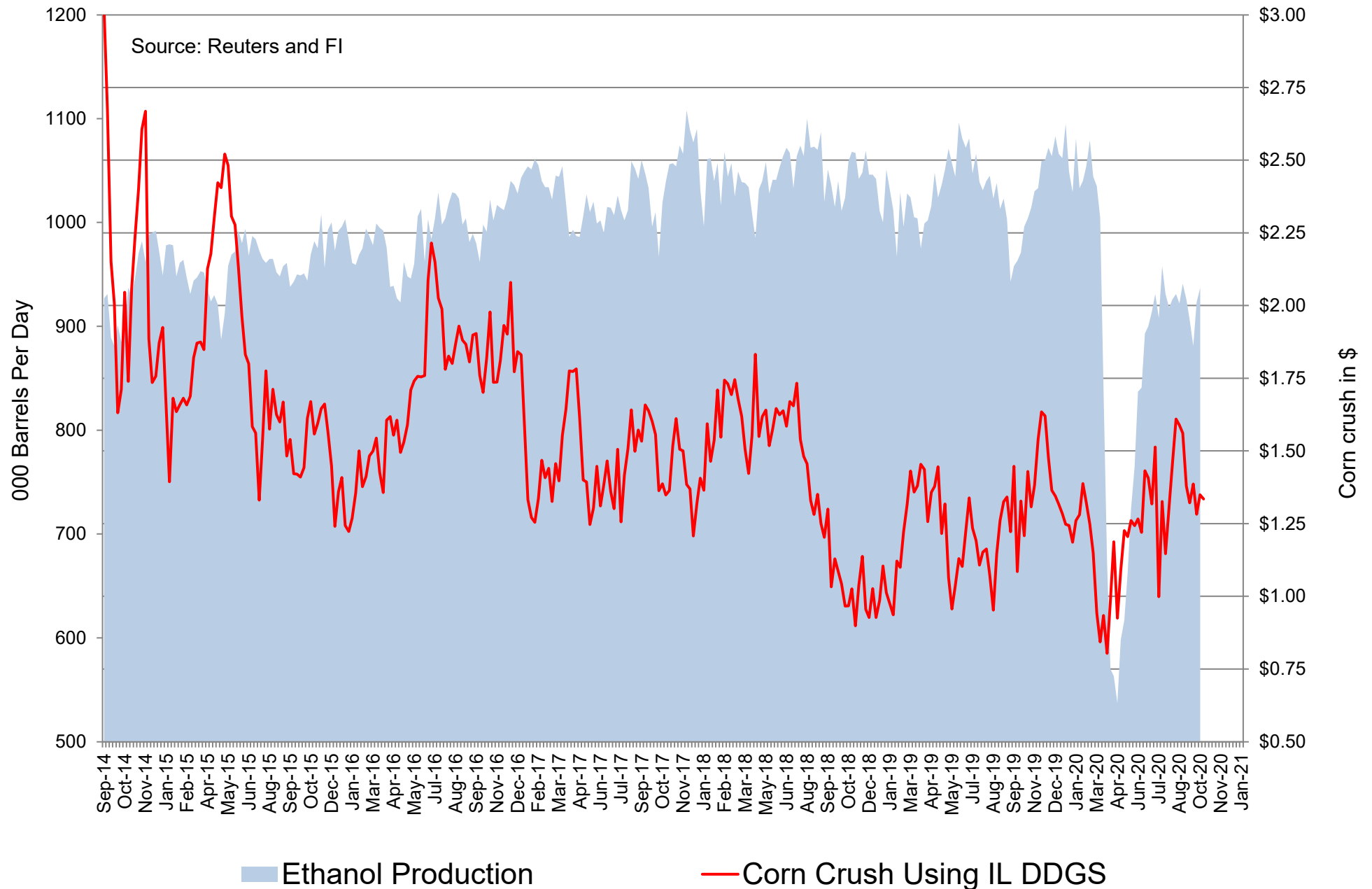
# CBOT Second Month Corn Crush Spread versus Weekly Ethanol Production (uses Chicago ethanol and IL DDGS w/ implied costs)



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



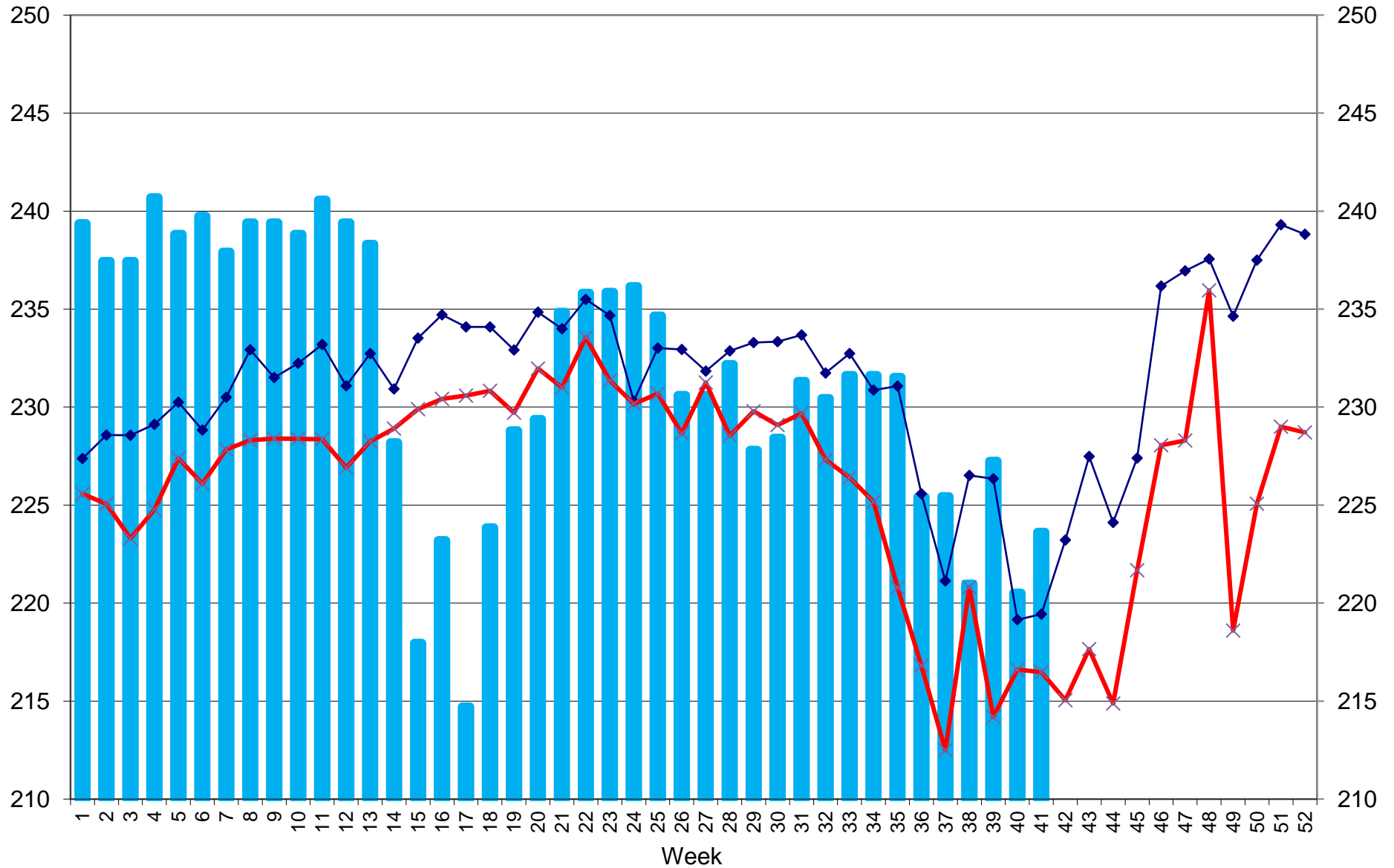
# CBOT Second Month Corn Crush Spread with IL DDGS versus Weekly Ethanol Production (straight 3-commodity calculation)





# Broiler Egg Sets, in millions

## National



Source: USDA, FI

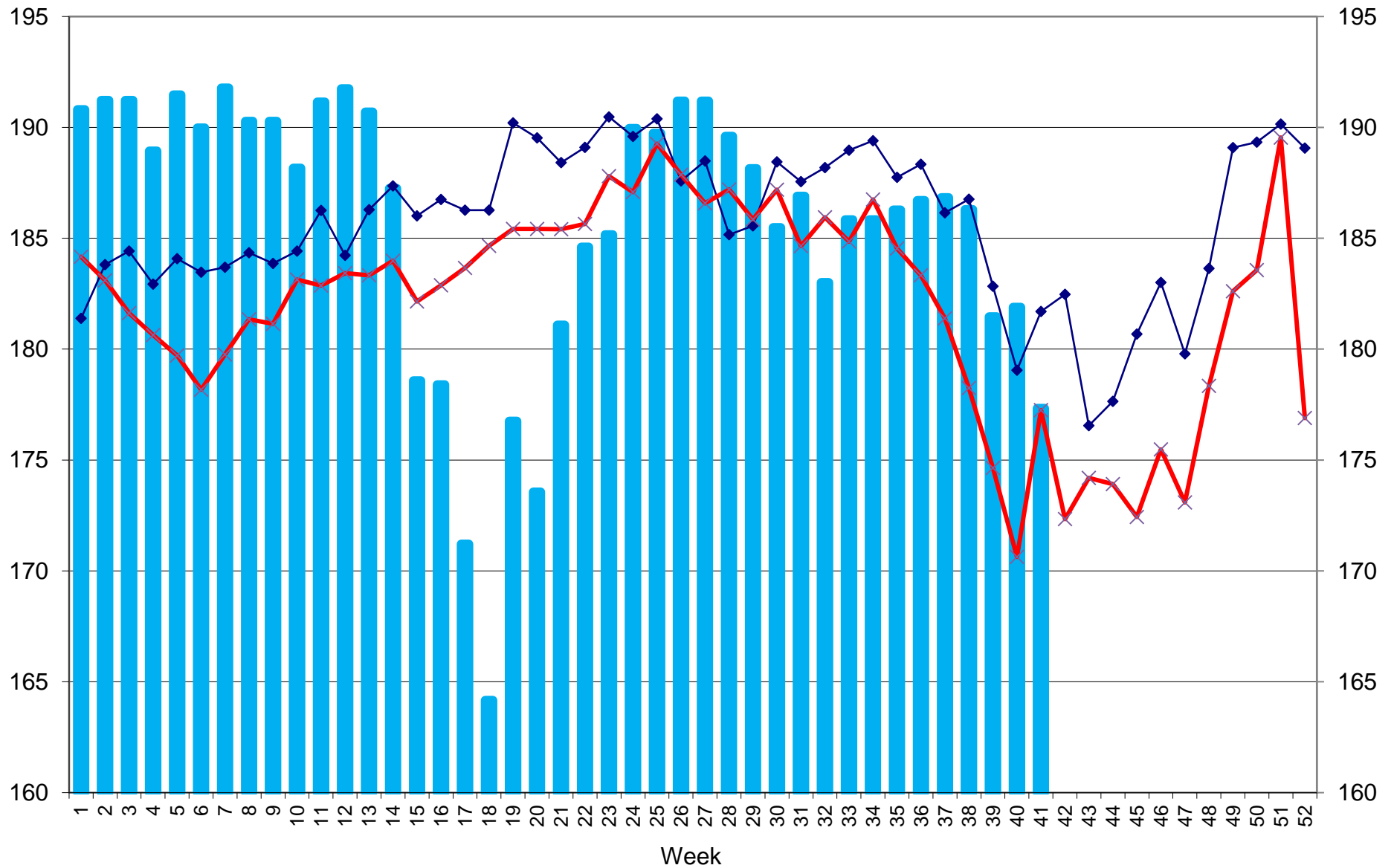
2020

2019

2018

# Broiler Chicks Placed, in millions

## National



Source: USDA, FI

2020

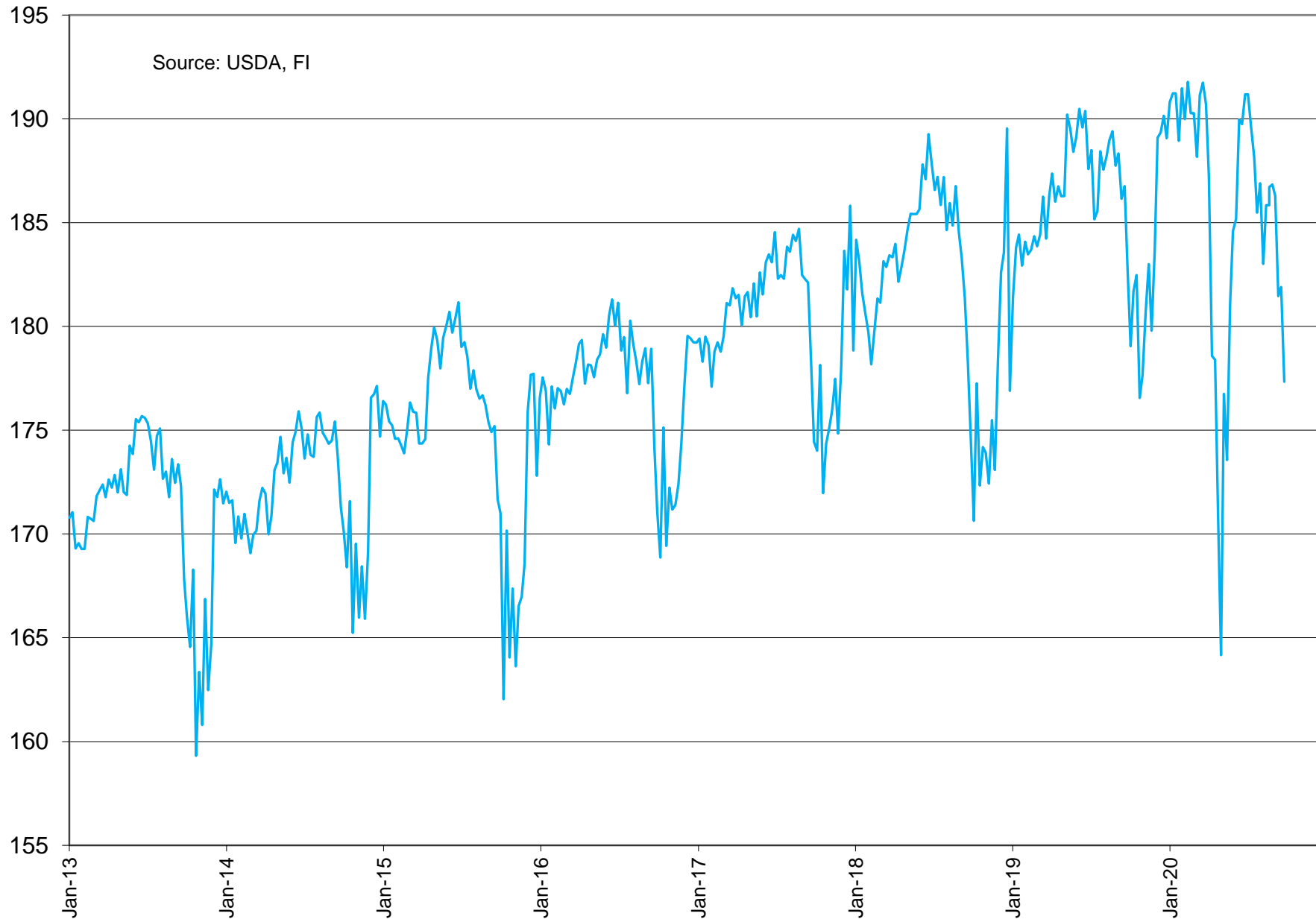
2019

2018

# Broiler Chicks Placed, in millions

## National

Source: USDA, FI



## USDA Export Sales Estimates/Results in 000 tons

	ESTIMATED 10/8/2020			10/1/2020 Last Week			10/10/2019 Year Ago		
Beans	20/21	1700-2200		20/21	2,590.7		19/20	1,601.0	
							n/c	3.0	
					Sales to China 1,538.1			Sales to China 850.5	
Meal		Shipped			Shipped			Shipped	
	20/21	250-350	50-125	20/21	271.8	30.2	19/20	152.9	301.9
							n/c	0.0	
Oil		Shipped			Shipped			Shipped	
	20/21	0-10	0-15	20/21	4.6	0.1	19/20	4.0	39.4
					Sales to China (8.6)		n/c	0.0	
Corn								Sales to China 0.0	
	20/21	600-900		20/21	1,225.7		19/20	368.6	
							n/c	(0.1)	
Wheat					Sales to China 18.6			Sales to China 0.0	
	20/21	375-575		20/21	530.6		19/20	395.1	
							n/c	0.0	

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

Source: Futures International and USDA

## Traditional Daily Estimate of Funds 10/13/20

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

	Corn	Bean	Chi. Wheat	Meal	Oil
<b>Est.</b>	<b>255.7</b>	<b>256.3</b>	<b>38.3</b>	<b>107.4</b>	<b>118.5</b>
14-Oct	8.0	8.0	1.0	3.0	4.0
15-Oct	24.0	6.0	15.0	7.0	(6.0)
16-Oct					
19-Oct					
20-Oct					
<b>FI Est. of Futures Only 10/13/20</b>	<b>287.7</b>	<b>270.3</b>	<b>54.3</b>	<b>117.4</b>	<b>116.5</b>
<b>FI Est. Futures &amp; Options</b>	<b>314.9</b>	<b>284.0</b>	<b>63.5</b>	<b>118.4</b>	<b>103.6</b>
Futures only record long	498.2 2/1/2011	260.4 6/27/2017	86.5 8/7/2018	167.5 5/1/2018	160.2 11/1/2016
Futures only record short	(235.0) 6/9/2020	(118.3) 4/30/2019	(130.0) 4/25/2017	(49.5) 3/1/2016	(69.8) 9/18/2018
Futures and options record net long	458.5 9/28/2010	259.8 5/1/2012	64.8 8/7/2012	132.1 5/1/2018	159.2 1/1/2016
Futures and options record net short	(270.6) 4/26/2019	(132.0) 4/30/2019	(143.3) 4/25/2017	(64.1) 3/1/2016	(77.8) 9/18/2018

## Managed Money Daily Estimate of Funds 10/13/20

	Corn	Bean	Chi. Wheat	Meal	Oil
Latest CFTC Fut. Only	117.3	230.7	28.1	75.7	81.0
Latest CFTC F&O	134.5	238.4	30.3	77.1	81.0
FI Est. Managed Money F&O	196	251	47	89	83

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

Index Futures & Options	332.6	200.0	132.1	NA	119.7
Change From Previous Week	0.0	0.0	0.0	NA	0.0

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.