



Please note I will be out of the office on Wednesday, October 28.

Grain demand erosion fears from a second global covid outbreak wave setting in. Brazil corn prices hit a all time high and Anec downward revises Brazil's October corn export projection. China corn buying may end up above 15 million tons in 2020-21.

	Corn	Bean	Chi. Wheat	Meal	Oil
FI Est. Managed Fut. Only	239	246	40	94	89
FI Est. Managed Money F&O	246	250	38	95	89

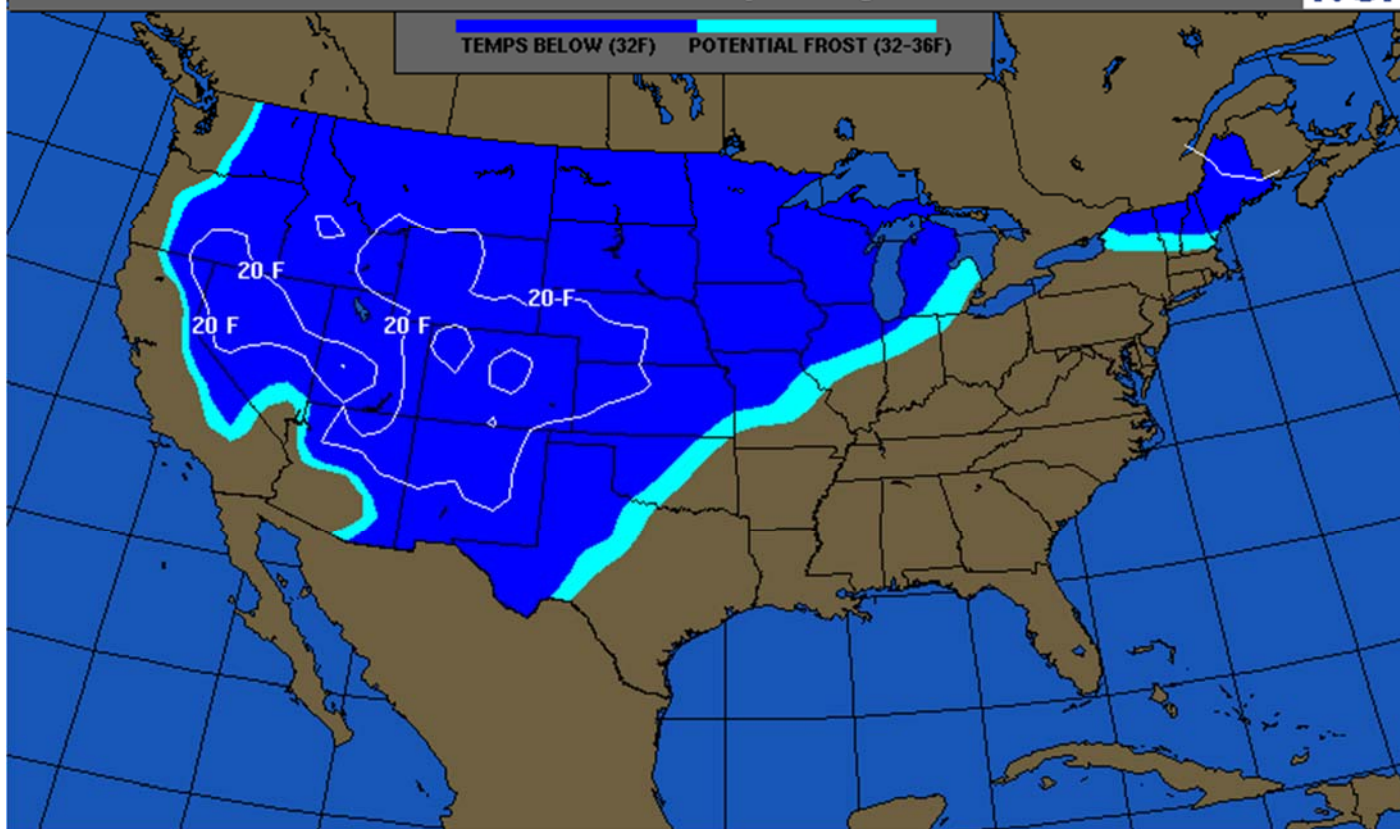
### Weather and Crop Progress

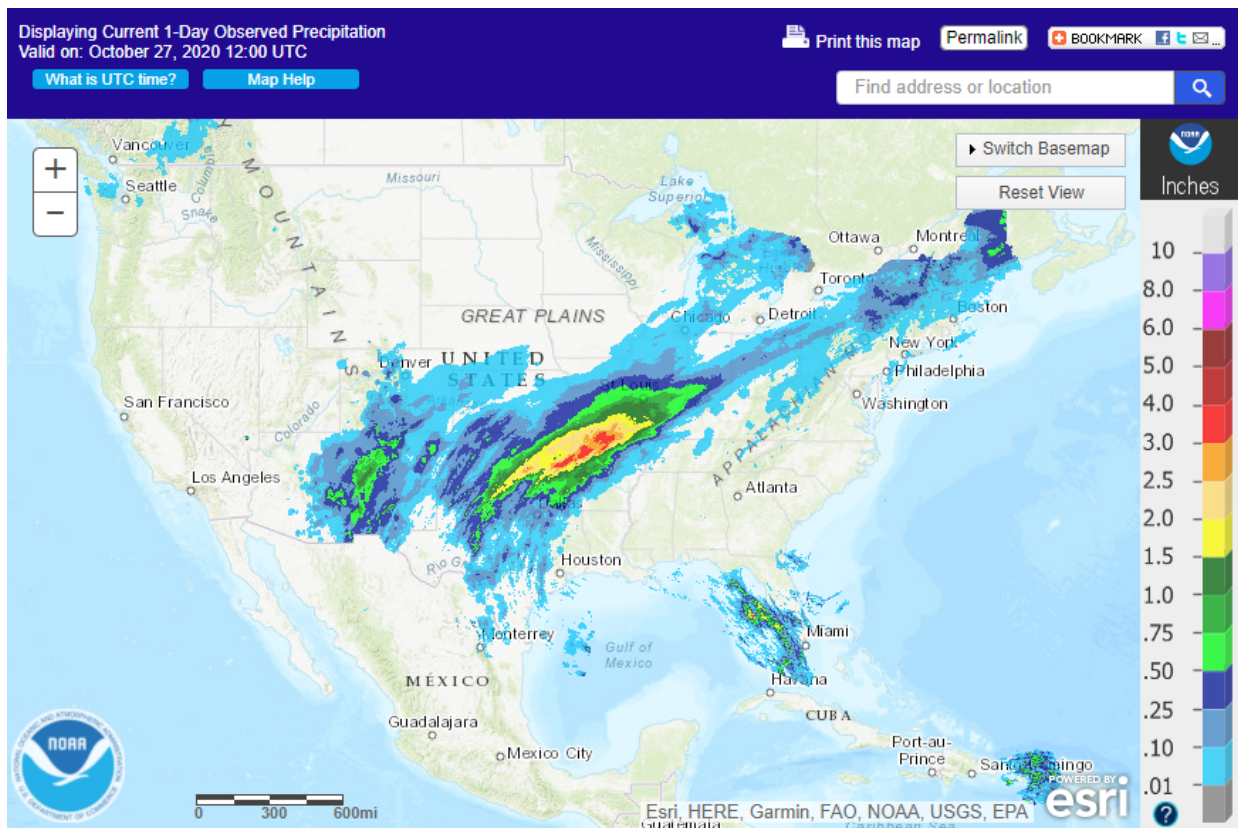
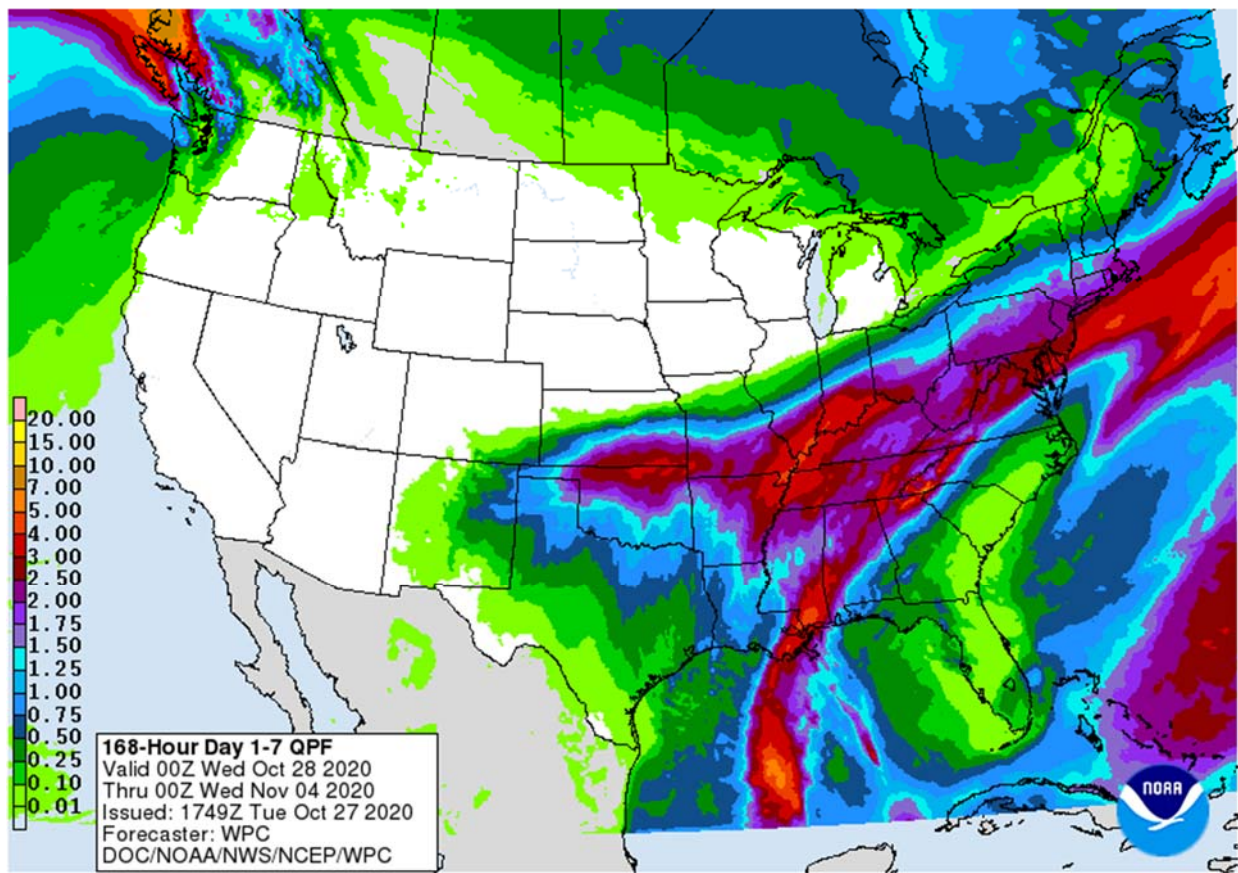
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#### FREEZE OUTLOOK

Wednesday Morning 28-Oct-20

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## MOST IMPORTANT WEATHER OF THE DAY

- Russia's Southern Region and Ukraine will receive rain from Friday through the first part of next week
  - Resulting rainfall will improve winter crop establishment, although it is rather late in the season
- An ice storm will impact the southwestern U.S. Plains today resulting in serious livestock stress, travel delays and power outages from western Texas through south-central Kansas
- Significant moisture will fall from western Texas and north-central Texas through Oklahoma to south-central Kansas into Thursday morning seriously bolstering soil moisture for improved winter wheat development
  - Winter crop ratings in the southern Plains were terrible in USDA's crop progress report, but improvement is expected following this week's precipitation
  - Temperatures will trend warmer than usual in the first half of November (if not most of the month) and that will translate into better crop establishment after recent rainfall
  - Local flooding is possible with moisture totals of 2.00 to 4.00 inches and locally more expected in the described region
- Tropical Storm Zeta will bring a band of heavy rain to the area from southeastern Louisiana through the northwest half of Alabama to Tennessee and the southern Appalachian Mountain region late Wednesday and Thursday
  - Rain totals of 2.00 to 6.00 inches will result in some flooding
  - More potential damage is possible for some unharvested cotton in the region
  - Zeta will come ashore as a weakening hurricane with strong wind speeds in southeastern Louisiana, southeastern Mississippi and southwestern Alabama
    - Some property damage is expected
  - Sugarcane that has not been harvested in far southeastern Louisiana may be damaged by the storm
- Lower U.S. Midwest, northern Delta and Tennessee River Basin will receive significant rain and experience local flooding Wednesday and Thursday with much improved weather Friday into next week
- U.S. weather in the central and southwestern Plains, lower Midwest, Delta and southeastern states will improve late this week through next week as drier weather evolves
- U.S. temperatures in the Plains and western states will rise above average next week after this week's bitter cold
  - Snow will melt from most areas during the week
  - Cool temperatures will occur in the eastern U.S. this weekend into early next week
  - Most of the extreme cold in the northern Plains is abating today and that in the central Plains will abate in the second half of this week
- U.S. Pacific Northwest will be drier this week after receiving some rain and mountain snow during the weekend
  - Another chance for rain and snow may evolve next week
- California and the southwestern United States will remain dry for much of the coming ten days
- Tropical Storm Zeta produced heavy rain over the Yucatan Peninsula overnight resulting in some flooding and wind damage
  - The storm will move over the Gulf of Mexico and early Wednesday helping the system become a hurricane once again
- Central Argentina will receive follow up showers today and Wednesday before dry weather occurs late this week and lasts through the first half of next week
  - Next rain opportunity will be Nov. 4-6 with a few showers in the far southwest Nov. 3
  - The drier biased weather will be fantastic for aggressive spring and summer crop planting after recent rainfall and associated moisture boost
  - Rain was great for long term wheat and early season corn and sunseed development
- Brazil's rainfall outlook for the next ten days has not changed much from that of Monday
  - Rain will fall in most of the nation at one time or another, but rainfall will be least frequent and least significant in the interior south; including southwestern Sao Paulo, Parana and Santa Catarina

- None of the drier areas will be a concern for now since planting will advance aggressively off of the lighter rain that falls in those areas
  - Portions of central and northern Minas Gerais, Espirito Santo and immediate neighboring areas will be a little too wet in time
  - Summer crop planting and early development should advance well
- Eastern Australia rainfall recently has raised some concern over winter wheat, barley and canola quality
  - Drier weather is needed to protect crops until harvesting is complete
  - The moisture was good for cotton, sorghum and other summer crops especially in unirrigated areas
    - Planting will advance more aggressively after this week's rain
  - Winter wheat, barley and canola welcomed the rain in the south, but drier weather will soon be needed in the north to protect grain quality
- Eastern Australia will get a mix of rain and sunshine over the next two weeks; rain frequency is not likely to be so great as to cause a serious change in crop quality, but the situation will be closely monitored
  - La Nina conditions could present greater rainfall a little later this spring and early summer raising concern over crop conditions
- Western Australia will continue to get very little rain for the next ten days, although totally dry weather is not expected
- South Africa received some rain in 25% of the summer crop region Monday
  - Greater rain is needed throughout the nation to support better spring and summer crop planting and emergence conditions
  - An erratic rainfall pattern is expected through the end of this week while temperatures are warm to hot
  - Some greater rain will evolve during the weekend and next week that may be more beneficial in raising topsoil moisture for better planting, emergence and establishment of corn, soybeans, cotton, peanuts, sorghum, sunseed and other crops
- India weather will be favorable for late season crop development and widespread harvesting over the next ten days
  - Winter crop planting, emergence and establishment will advance well too
- Much of China was dry Monday and more of the same will occur for a while in the coming week to ten days
  - A few showers will occur periodically, but fieldwork will advance around them and the moisture will be good for winter crop planting, emergence and establishment
- Typhoon Molave was located 332 miles east southeast of Da Nang, Vietnam at 0900 GMT today moving westerly.
  - Molave has reached its peak intensity with wind speeds to 126 mph near its center
    - Weakening is expected as the storm approaches Vietnam
    - Landfall will be near Da Nang, Vietnam once again and more torrential flooding is possible along with some damaging wind as the storm reaches the coast
  - Crops and property will be damaged and the port of Da Nang and Hue, Vietnam will likely be shut down once again as the storm comes ashore
    - More damage to the port is expected
    - This month has been unusually stormy for the central Vietnam coast and damage to the ports of Da Nang and Hue has been significant
- Another tropical cyclone will form east of the Philippines this week and pass across central parts of the nation Friday
  - Additional heavy rain is likely and more flooding as well as possible wind damage
    - This storm is expected to be weak relative to Molave which brought damage to the northern Visayan Islands earlier this week
- Waves of rain will continue impact parts of Southeast Asia that not being impacted by tropical cyclones over the next ten days to two weeks; most crop conditions will remain favorable

- Brief periods of precipitation will move across the European continent over the coming week resulting in a favorable mix of moisture and sunshine for winter crops
  - Fieldwork will advance around the precipitation
  - This weekend and next week should trend drier
  - Temperatures will be near to above average
- Western CIS crop weather this week will bring erratic precipitation and warmer than usual temperatures
  - Winter crops are turning dormant in the west and north which is normal
- Kazakhstan is unlikely to get meaningful moisture in the next ten days, although some sporadic showers may evolve late this week or during the weekend
- Ontario and Quebec, Canada harvest delays will slowly improve later this week and into next week because of less precipitation
  - The region needs to dry out
- Canada's Prairies will experience some rain, freezing rain and snow early this week and then several days of drying are expected
- Southern Oscillation Index fell during the weekend down to +5.83 and the index may continue to drift a little lower before leveling off this week
- Mexico precipitation will be scattered over far southern crop areas during the coming week
  - Net drying is expected for many other summer crop areas supporting crop maturation and harvest progress
- Central America will be wetter than usual over the next ten days to two weeks keeping late season crop maturation and harvest progress slow, but the moisture is improving long term water supply.
  - Some flooding is possible
- West-central Africa will experience erratic rain through the next ten days favoring coffee, cocoa, sugarcane, rice and other crops
  - Daily rainfall is expected to be decreasing as time moves along which is normal for this time of year
  - Cotton areas will benefit from drier weather
- East-central Africa rain will be erratic and light over the next couple of weeks, but most of Uganda and southwestern Kenya will be impacted while Tanzania and northwestern Ethiopia rainfall is erratic and light
  - Some heavy rain may fall in Uganda early this week
- New Zealand rainfall will be near to above average in North Island and western areas of South Island over the coming week
  - Temperatures will be seasonable with a slight cooler bias in the south

Source: World Weather Inc.

## **Bloomberg Ag Calendar**

Tuesday, Oct. 27:

- Virtual Palm Oil Conference, day 1
- EARNINGS: WH Group

Wednesday, Oct. 28:

- EIA U.S. weekly ethanol inventories, production, 10:30am
- Virtual Palm Oil Conference, day 2
- HOLIDAY: Indonesia

Thursday, Oct. 29:

- USDA weekly crop net-export sales for corn, soybeans, wheat, cotton, pork, beef, 8:30am
- Port of Rouen data on French grain exports

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- Vietnam's General Statistics Office releases commodity trade data for October
- International Grains Council monthly report
- EARNINGS: ADM
- HOLIDAY: Indonesia, Malaysia

Friday, Oct. 30:

- 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
- U.S. agricultural prices paid, received, 3pm
- HOLIDAY: Indonesia

Source: Bloomberg and FI

## Macros

US Durable Goods Orders Sep P: 1.9% (est 0.5%; prevR 0.4%; prev 0.5%)

US Durable Goods Orders Ex-Transportation Sep P: 0.8% (est 0.4%; prevR 1.0%; prev 0.6%)

US Cap Goods Orders Nondef Ex-Air Sep P: 1.0% (est 0.5%; prevR 2.1%; prev 1.9%)

US Cap Goods Ship Nondef Ex-Air Sep P: 0.3% (est 0.4%; prev 1.5%)

## Corn.

- Corn futures hit a fresh 14-month high earlier on higher wheat futures, corn/soy spreading, and a large increase in South Korean buying, but fell to close 1.75 to 2.25 cents lower on light profit taking and US harvesting pressure.
- Cofco sees China corn imports possibly doubling to 17 million tons during the 2020-21 crop year from a decline in production (6-8 million tons less than last year) and increase in feed demand. 2019-20 corn imports were 7.6 million tons. China booked nearly 10.6 million tons of corn from the US, and that does not include the unknown category (nearly 3.7 million tons outstanding sales). Cofco estimates for a 60-million-ton corn deficit in 2020-21, but that will be partially offset by an increase in other feedgrains such as sorghum, barley, and feed wheat.
- Traders are waiting to see if Ukraine and Brazil will run out of corn by the end of 2020, which should shift good business to the US. Brazilian supplies are getting tight, although they have a good amount of corn left to export over the next couple of months.
- **Brazilian agricultural think tank reported late on Tuesday that domestic corn prices hit a fresh record, rising above the previous 2007 record, by hitting 81.48 reais (\$14.49) per sack, up 28 percent so far in October alone.**
- **Brazil October corn exports could end up at 4.95 million tons (down from 5.5 million tone projected last week), according to Anec, while October soybean exports could reach 2.38 million tons (up from 2.32 previous week).**
- Ukraine grain exports were 15 million tons do far this season, down 16.4 percent from same period year ago. 1.54 million tons of corn was sold compared with 3.59 million tons last year. Wheat exports fell to 10.1 million tons from 10.9 million. Wheat exports will be capped at 17.5 million tons this season. 57% of the quota has been used. APK-Inform lowered its Ukraine 2020 corn harvest to 33.8 million tons from 34.8 million tons. The pegged the corn yield at 6.6 tons per hectare compared with 7.2 tons in 2019.
- Note Ukraine harvested 84 percent of their 2020 grain crops, according to the Ministry of Economic Development. That includes 14.5 million tons of corn from an area of 3.07 million hectares (56%), 11.6

million tons of sunflower from 5.9 million hectares (92%), 2.2 million tons of soybeans from 1.08 million hectares (80%), 240,000 tons of millet from 147,700 hectares (98%) and- 99,000 tons of buckwheat from 76,500 hectares (97%) were harvested. (Reuters via Ukraine General Newswire).

- The Philippines see 2020 corn production at 8 million tons, up 4 percent from 7.7 million tons in 2019. 8 million tons is about 8 months of consumption.
- Russia reported a H5N8 bird flu case.
- Germany ASF: 3 new cases; 94 cases since September 10
- The US EPA is considering changes to gas pump labeling for E15 ethanol blend as the biofuel industry believes the current labels are discouraging use of the fuel.
- A Bloomberg poll looks for weekly US ethanol production to be up 12,000 at 925,000 barrels (900-942 range) from the previous week and stocks up to 56,000 barrels to 19.777 million.

#### Corn Export Developments

- South Korea's FLC bought 65,000 tons of corn, optional origin, at \$264.41/ton c&f for arrival around February 15.
- South Korea's NOFI bought 203,000 tons of corn, optional origin.
  - One was bought at \$262.41/ton fob for arrival around March 5.
  - Another at \$253.40/ton fob for arrival around March 15.
  - Third boat was bought at \$250.20/ton fob for arrival around April 5.
- \$271.73/ton c&f for arrival in February.
- South Korea's KFA passed on 69,000 tons of corn, optional origin. Lowest price was \$271.73/ton c&f for arrival in February.
- Taiwan's MFIG bought 65,000 tons of US corn at \$2.4738 / bushel over the May for Jan/Feb shipment. Taiwan-MFIG import tender

	Origin	Corn	Shipment	Over	Contract	Contract \$	/ton
27-Oct	US	65,000	Late Jan/Feb	\$2.4738	May	\$4.1925	\$262.44 C&F

- Iran's SLAL seeks 200,000 tons of corn and 200,000 tons of barley on October 28 for Nov-Jan shipment.

## US Weekly Petroleum Status Report - Ethanol

	Ethanol Production		Change		Ethanol Stocks		Change		Days of Ethanol
	FI Production Est.	Mbbl	Last Week	Last Year	FI Stocks Est.	Mbbl	Last Week	Last Year	
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
10/16/2020		913	-24	-8.3%		19,721	-287	-7.7%	21.9
10/23/2020	▼	-6				-100 to -300			

Source: EIA and FI

Corn		Change	Oats		Change	Ethanol	Settle	
DEC0	415.75	(2.00)	DEC0	307.50	1.00	NOV0	1.55	Spot DDGS IL
MAR1	416.00	(2.50)	MAR1	306.25	1.25	DEC0	1.49	Cash & CBOT
MAY1	417.00	(2.25)	MAY1	302.50	(0.75)	JAN1	1.48	Corn + Ethanol
JUL1	416.75	(2.50)	JUL1	303.00	(1.00)	FEB1	1.48	Crush
SEP1	394.50	(2.00)	SEP1	285.25	(4.75)	MAR1	1.48	1.70
DEC1	391.00	(1.25)	DEC1	287.50	1.75	APR1	1.49	
Soybean/Corn		Ratio	Spread	Change	Wheat/Corn	Ratio	Spread	Change
NOV0	DEC0	2.60	666.50	(3.50)	DEC0	1.48	199.75	(2.50)
MAR1	MAR1	2.55	644.25	(6.25)	MAR1	1.48	199.00	(2.75)
MAY1	MAY1	2.53	636.50	(5.75)	MAY1	1.47	196.50	(3.25)
JUL1	JUL1	2.52	634.25	(5.00)	JUL1	1.45	187.50	(1.50)
SEP1	SEP1	2.55	610.75	(4.25)	SEP1	1.54	212.75	(2.00)
NOV1	DEC1	2.50	586.00	(4.50)	DEC1	1.57	223.00	(2.75)
US Corn Basis & Barge Freight								
Gulf Corn			BRAZIL Corn Basis			Chicago		
OCT	+87 / 94 Z unch		JLY	+80 / 100 n		up5/unch	Toledo	-5 z unch
NOV	+82 / 86 z dn2/dn2		AUG	+70 / 88 u		unch	Decatur	+20 z up15
DEC	36 dn1/up4		SEP	+70 / 88 u		unch	Dayton	-10 z dn5
JAN	+81 / 84 h unch/dn1		0-Jan				Cedar Rapi	dec price up3
FEB	+82 / 84 h dn1/dn2						Burns Harb	dec price unch
USD/ton: Ukraine Odessa \$ 229.00						Memphis-Cairo Barge Freight (offer)		
US Gulf	3YC Fob Gulf Seller (RTRS)	232.2	230.2	228.6	226.8	222.8	215.0	BrgF MTCT OCT 475 unchanged
China	2YC Maize Cif Dalian (DCE)	378.2	382.8	385.8	386.3	384.8	384.5	BrgF MTCT NOV 450 unchanged
Argentina	Yellow Maize Fob UpRiver	- 237.3	236.3	-	-	212.3		BrgF MTCT DEC 350 unchanged
Source: FJ, DJ, Reuters & various trade sources								

Source: FI, DJ, Reuters & various trade sources

Updated 10/23/20

December corn is seen in a \$4.00-\$4.40 range

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

### Soybean complex.

- Soybeans ended 5.50 to 8.25 cents lower on US harvest pressure and light profit taking in soybean/corn spreads and lower soybean meal prices. Soybean oil ended 23 to 35 points lower. Palm was slightly lower overnight despite a 1 percent increase in China SBO and palm futures.
- CBOT crush margins crashed in the nearby positions from the bear spreading in soybean meal. January crush started the day out to \$1.3725 while March was at \$1.1800. After meal collapsed, January closed at \$1.2750 and March at \$1.1150.
- A second Covid wave for the US could hamper soybean product demand over the medium term, but it's too early to tell. Crush margins still look good so look for Midwestern crushers to continue to raise bids on soybeans as they compete with the barge market amid strong export demand out of the Gulf.
- US Gulf soybean oil firmed from the previous week to about 500 over from 475. Domestic soybean meal basis firmed at selected locations on Monday and were mostly flat on Tuesday.
- We are hearing biodiesel margins are ok, but the industry is facing a shortage of deodorization capacity.
- Indonesian government announced they plan to leave its CPO export at \$3/ton for the Monday of November, unchanged from October.

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- MPOB's Chairman is hopeful palm prices stays above 3000 MYR / ton driven by India and China demand.
- Brazil will see widespread precipitation starting October 29 that could hit nearly all the nation's major crop areas over an eight-day period. Mato Grosso sure needs the rain as plantings were running at only 25 percent as of October 23, down from 65 percent average.
- We heard China bought 3-4 cargoes of US soybeans late Monday for shipment between November and January shipment.
- The European Union reported soybean import licenses since July 1 at 4.468 million tons, above 4.283 million tons a year ago. European Union soybean meal import licenses are running at 5.617 million tons so far for 2020-21, below 6.407 million tons a year ago. EU palm oil import licenses are running at 1.953 million tons for 2020-21, above 1.889 million tons a year ago, or up 3 percent.
- European Union rapeseed import licenses since July 1 were 2.057 million tons, down 22 percent from 2.632 million tons from the same period a year ago.

### European Union Weekly Exports/Imports

Season 2020-2021 (July - June)				2019/2020	2018/2019	
<0#SEEDS-EU-STAT> 01Jul20 - 25Oct20				27Oct19	21Oct18	
IMPORT   WEEK   Y/Y   IMPORT   IMPORT						
VAR   %VAR						
Soybeans	4468	+221	+4%	4283	4491	
Rapeseed	2057	+70	-22%	2632	1522	
Sunflowerseed	147	+7	+7%	138	118	
Total seeds	6672	+298	-5%	7053	6131	
Soymeal	5617	+87	-12%	6407	5590	
Rapeseed meal	135	+4	-12%	154	208	
Sunflowerseed meal	649	+221	-19%	804	702	
Total meals	6401	+312	-13%	7365	6500	
Soyoil	176	+6	+9%	162	134	
Rapeseed oil	111	+2	+9%	102	109	
Sunflowerseed oil	547	+23	-1%	554	361	
Palm oil	1953	+63	+3%	1889	2108	
Total oils	2787	+94	+3%	2707	2712	
Total	15860	+704	-7%	17125	15343	

Source: European Commission, Reuters, and FI

### Oilseeds Export Developments

- Results awaited: Syria seeks 50,000 tons of soybean meal and 50,000 tons of corn on October 26 for delivery within four months of contract.
- The USDA seeks 240 tons of packaged vegetable oil under the PL 480 program for Dec 1-31 shipment, on November 3.

Soybeans			Change	Soybean Meal			Change	Soybean Oil			Change
NOV0	1082.25	(5.50)		DEC0	383.50	(6.10)		DEC0	34.07	(0.39)	
JAN1	1076.50	(7.00)		JAN1	377.60	(5.50)		JAN1	33.90	(0.34)	
MAR1	1060.25	(8.75)		MAR1	364.40	(4.70)		MAR1	33.68	(0.28)	
MAY1	1053.50	(8.00)		MAY1	353.40	(4.30)		MAY1	33.52	(0.24)	
JUL1	1051.00	(7.50)		JUL1	349.80	(2.90)		JUL1	33.44	(0.23)	
AUG1	1038.75	(8.00)		AUG1	344.00	(2.40)		AUG1	33.22	(0.24)	
SEP1	1005.25	(6.25)		SEP1	336.50	(1.80)		SEP1	32.96	(0.18)	

Soybeans	Spread	Change	SoyMeal	Spread	Change	SoyOil	Spread	Change
Nov/Jan	-5.75	(1.50)	Dec/Jan	-5.90	0.60	Dec/Jan	-0.17	0.05

Electronic Beans Crush			Oil as %	Meal/Oil \$	Meal	Oil
Month	Margin		of Oil&Meal	Con. Value	Value	Value
NOV0/DEC0	136.22		DEC0 30.76%	\$ 17,908	843.70	374.77
JAN1	127.12		JAN1 30.98%	\$ 17,420	830.72	372.90
MAR1	111.91		MAR1 31.61%	\$ 16,232	801.68	370.48
MAY1	92.70		MAY1 32.17%	\$ 15,228	777.48	368.72
JUL1	86.40		JUL1 32.34%	\$ 14,916	769.56	367.84
AUG1	83.47		AUG1 32.56%	\$ 14,468	756.80	365.42
SEP1	97.61		SEP1 32.87%	\$ 13,874	740.30	362.56
NOV1/DEC1	98.58		OCT1 33.30%	\$ 13,110	719.40	359.15
JAN2	96.19		DEC1 33.28%	\$ 13,096	717.64	357.94
MAR2	98.97		JAN2 33.29%	\$ 13,016	713.90	356.29

US Soybean Complex Basis					
OCT	+90 / 94 x dn1/dn1			DECATUR	+15 f unch
NOV	+90 / 92 x dn1/dn1	IL SBM	Z-2 10/27/2020	SIDNEY	-10 x unch
DEC	+90 / 95 f unch/up3	CIF Meal	Z+28 10/27/2020	CHICAGO	-5 x unch
JAN	+88 / 90 f up1/dn3	Oil FOB NOLA	500 10/23/2020	TOLEDO	-1 x up4
FEB	+80 / 87 h unch	Decatur Oil	100 10/23/2020	BRNS HRBR	-15 x unch
				C. RAPIDS	-11 f up4

Brazil Soybeans Paranagua fob			Brazil Meal Paranagua			Brazil Oil Paranagua		
NOV	+250 / +320 x dn60/unch		NOV	+34 / +36 x up1/unch		DEC	+600 / +800 z unch/dn50	
FEB	+126 / +138 f up2/unch		DEC	+30 / +33 z up1/dn2		JAN	+500 / +630 f dn20/up30	
MCH	+90 / +94 h dn2/dn2		JAN	+29 / +33 f up1/dn2		FEB	+330 / +560 f dn30/dn40	
APR	+80 / +85 k dn2/dn1		FEB	+25 / +32 f unch/up2		MCH	+230 / +390 h dn50/dn10	
MAY	+83 / +92 k dn2/dn2		MCH	+13 / +18 f up1/up3		APR	+170 / +300 k unch	
	Argentina meal	426 48.7		Argentina oil	Spot fob		38.9 4.97	

Source: FI, DJ, Reuters & various trade sources

Updated 10/23/20

November soybeans are seen in a \$10.60-\$11.25 range

December soybean meal is seen in a \$370-\$4.10 range

December soybean oil is seen in a 33.50-35.00 range

## Wheat

- Despite a much lower than expected initial US winter wheat conditions, US wheat futures traded two-sided in large part to improving US and Russian wheat and Covid demand fears. Chicago Dec ended 4.25 cents lower, KC Dec down 2.75 cents and MN Dec down 3.50 cents. Profit taking should be noted.
- USDA reported initial US winter wheat rating at 41 percent for the combined good and excellent categories, 11 points below expectation and lowest since the 2013-14 crop year (planted fall 2012).

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- Syria's local wheat inventories bought from producers are running at only at 1.5 months of consumption. Look for them to continue to tender and possibly accept aid.
- Paris (Matif) December wheat was down 1.50 at 205.25 euros.
- The European Union granted export licenses for 267,000 tons of soft wheat exports, bringing cumulative 2020-21 soft wheat export commitments to 6.442 MMT, well down from 9.261 million tons committed at this time last year, a 30 percent decrease. Imports are up 5 percent from year ago at 0.930 million tons.

## European Union Weekly Exports/Imports

	Season 2020-2021 (July - June)				Season 2019-2020			
<0#GRA-EU-STAT>	=====	01Jul20	- 25Oct20	==	==01Jul19	- 27Oct19		
	EXPORT	WEEK	IMPORT	WEEK	EXPORT	IMPORT		
		VAR		VAR				
					%VAR	%VAR		
A.1 Soft wheat	6442	+267	975	+12	9261	-30%	930	+5%
A.2 Wheat flour (*)	130	+5	9	+1	192	-32%	9	+0%
B.1 Durum	55	+0	965	+41	191	-71%	567	+70%
B.2 Durum wheat meal	80	+1	1	+0	74	+8%	0	
C. TOTAL A+B	6707	+273	1950	+54	9718	-31%	1506	+29%
D.1 Barley	2497	+135	54	+0	2888	-14%	489	-89%
D.2 Malt	826	+32	3	+0	839	-2%	3	+0%
E. Maize	475	+6	5201	+238	1241	-62%	6499	-20%
F.1 Rye	133	+63	0	+0	91	+46%	3	
G. Oat	37	+0	1	+0	18	+106%	1	+0%
I. TOTAL D-H	3968	+236	5266	+238	5077	-22%	6997	-25%

Source: European Commission, Reuters, and FI

### Export Developments.

- 3 participants: Jordan seeks 120,000 tons of feed barley on October 27, optional origin, for LH December through FH March shipment.
- Syria seeks 200,000 tons of wheat from the Black Sea on October 28.
- Jordan seeks 120,000 tons of wheat on October 28 for Feb/Mar shipment.
- Pakistan seeks 320,000 tons of wheat on November 3 for arrival by November 3 for arrival by the end of January.

### Rice/Other

- China's rice crop in the northern growing areas look good. Wholesale rice prices appreciated during the Covid crises but soon may decline after supplies increase.

- Syria seeks 37,400 tons of white rice on November 23. White Chinese/Egyptian short grain white rice of third or fourth class was sought. Shipment is sought within three months of order confirmation.
- Results awaited: 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	615.50	(4.50)		DEC0	548.50	(3.50)		DEC0	561.75	(3.25)	
MAR1	615.00	(5.25)		MAR1	555.25	(4.25)		MAR1	573.50	(1.25)	
MAY1	613.50	(5.50)		MAY1	561.00	(4.25)		MAY1	579.50	(1.25)	
JUL1	604.25	(4.00)		JUL1	565.00	(4.00)		JUL1	585.75	(0.50)	
SEP1	607.25	(4.00)		SEP1	570.50	(3.75)		SEP1	586.00	(0.75)	
DEC1	614.00	(4.00)		DEC1	580.00	(2.75)		DEC1	591.50	(0.50)	
MAR2	617.00	(4.00)		MAR2	585.00	(2.75)		MAR2	594.00	0.00	

Chicago Rice			Change								
NOV0	12.48	0.190		JAN1	12.50	0.060		MAR1	12.64	0.010	

US Wheat Basis											
Gulf SRW Wheat				Gulf HRW Wheat				Chicago mill			
OCT	+68 / 76 z up3/up3			OCT	160 / z unch			Toledo	-20 z unch		
NOV	+73 / 80 z up8/up3			NOV	165 / z unch			PNW US Soft White 10.5% protein			
DEC	+85 / 89 z up5/up4			DEC	165 / z unch			PNW Jan	625 unchanged		
JAN	+65 / 68 h unch			JAN	160 / h unch			PNW Feb	625 unchanged		
0-Jan				FEB	160 / h unch						

Paris Wheat			Change	OI	OI Change	World Prices \$/ton			Change
DEC0	205.25	(2.00)		194,841	(8,720)	US SRW FOB	\$277.40	\$4.70	
MAR1	205.75	(1.25)		158,831	5,460	US HRW FOB	\$279.90	\$6.60	
MAY1	203.75	(1.50)		57,747	1,978	Rouen FOB 11%	\$245.94	\$2.25	
SEP1	188.25	(0.75)		32,253	176	Russia FOB 12%	\$253.00	\$5.00	
EUR	1.1824					Ukr. FOB feed (Odessa)	\$218.50	\$0.00	
						Arg. Bread FOB 12%	\$254.26	\$0.00	

Source: FI, DJ, Reuters & various trade sources

Updated 10/20/20

December Chicago wheat is seen in a \$6.10-6.60 range

December KC wheat is seen in a \$5.50-\$6.10 range

December MN wheat is seen in a \$5.55-\$6.20 range

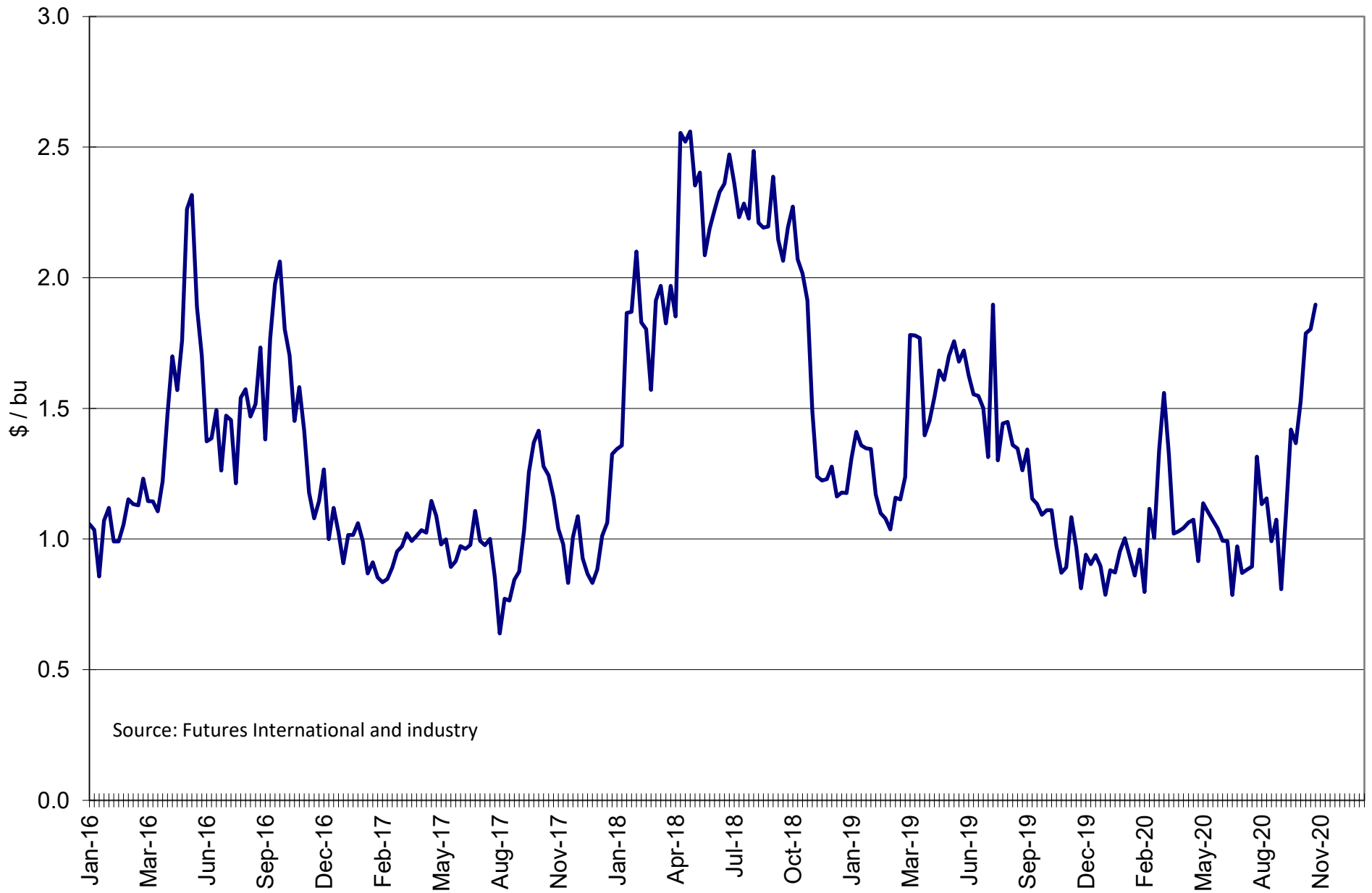
## CASH CRUSHING MARGINS

as of 10/27

	<b>Decatur</b>	<b>Mt. Vernon</b>	<b>Sidney</b>	<b>Des Moines</b>	<b>Council Bluff</b>
	<b>Illinois</b>	<b>Indiana</b>	<b>Ohio</b>	<b>Iowa</b>	<b>Iowa</b>
Meal Basis 48%	-2	12	1	-15	-15
Oil Basis (cents/lb)	1.00	1.25	0.75	0.75	0.75
Bean Basis (cents/bu)	20	19	-10	-23	-40
Meal Value (\$/bu)	8.96	9.29	9.03	8.66	8.66
Oil Value (\$/bu)	3.96	3.96	3.96	4.04	4.04
Oil % of Total Value	30.63	29.88	30.47	31.84	31.84
Cash Crush (\$/bu)	1.90	2.24	2.27	2.11	2.28
10/27/2020	1.90	2.24	2.27	2.11	2.28
10/20/2020	1.80	2.11	2.15	2.07	2.17
10/13/2020	1.79	1.96	1.96	1.79	1.89
10/6/2020	1.53	1.83	1.82	1.80	1.85
9/29/2020	1.37	1.69	1.64	1.44	1.59
9/22/2020	1.42	1.72	1.64	1.42	1.57
9/15/2020	1.10	1.53	1.48	1.21	1.26
9/8/2020	0.81	1.43	1.30	1.08	1.13
9/1/2020	1.07	1.45	1.42	1.15	1.25
8/25/2020	0.99	1.39	1.41	1.05	1.24
8/18/2020	1.16	1.41	1.38	1.11	1.21
8/11/2020	1.13	1.34	1.33	1.14	1.21
8/4/2020	1.32	1.42	1.32	1.24	1.20
7/28/2020	0.89	1.07	0.89	0.88	0.90
7/21/2020	0.88	1.03	0.95	0.89	0.91
7/14/2020	0.87	0.97	0.84	0.72	0.74
7/7/2020	0.97	1.05	0.94	0.77	0.79
6/30/2020	0.79	0.85	0.85	0.55	0.60
6/23/2020	0.99	1.11	0.93	0.68	0.78
6/16/2020	0.99	1.11	0.95	0.63	0.75
6/9/2020	1.04	1.18	1.00	0.73	0.80
6/2/2020	1.07	1.24	1.00	0.84	0.91
5/26/2020	1.10	1.24	0.93	0.82	0.86
5/19/2020	1.14	1.27	0.99	0.91	0.98
5/12/2020	0.91	1.17	0.88	0.79	0.85
5/5/2020	1.07	1.21	1.04	1.19	1.28
4/28/2020	1.06	1.29	1.03	1.12	1.22
4/21/2020	1.04	1.15	1.01	1.22	1.39
4/14/2020	1.03	1.09	0.95	1.01	1.10
4/7/2020	1.02	1.25	0.94	1.04	1.14

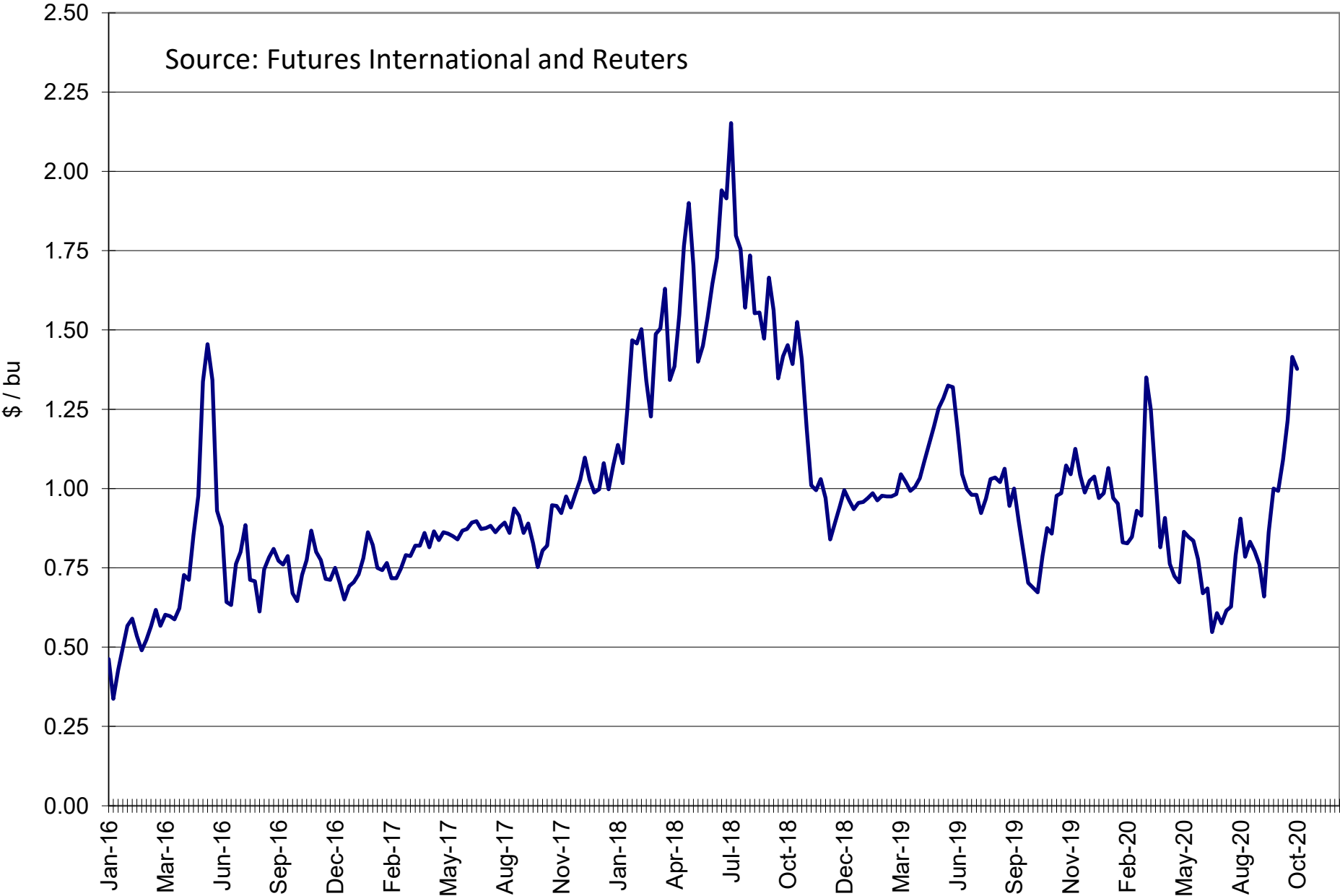
Source: FI, NOPA, various trade sources

## Decatur Illinois Cash Crush Margin

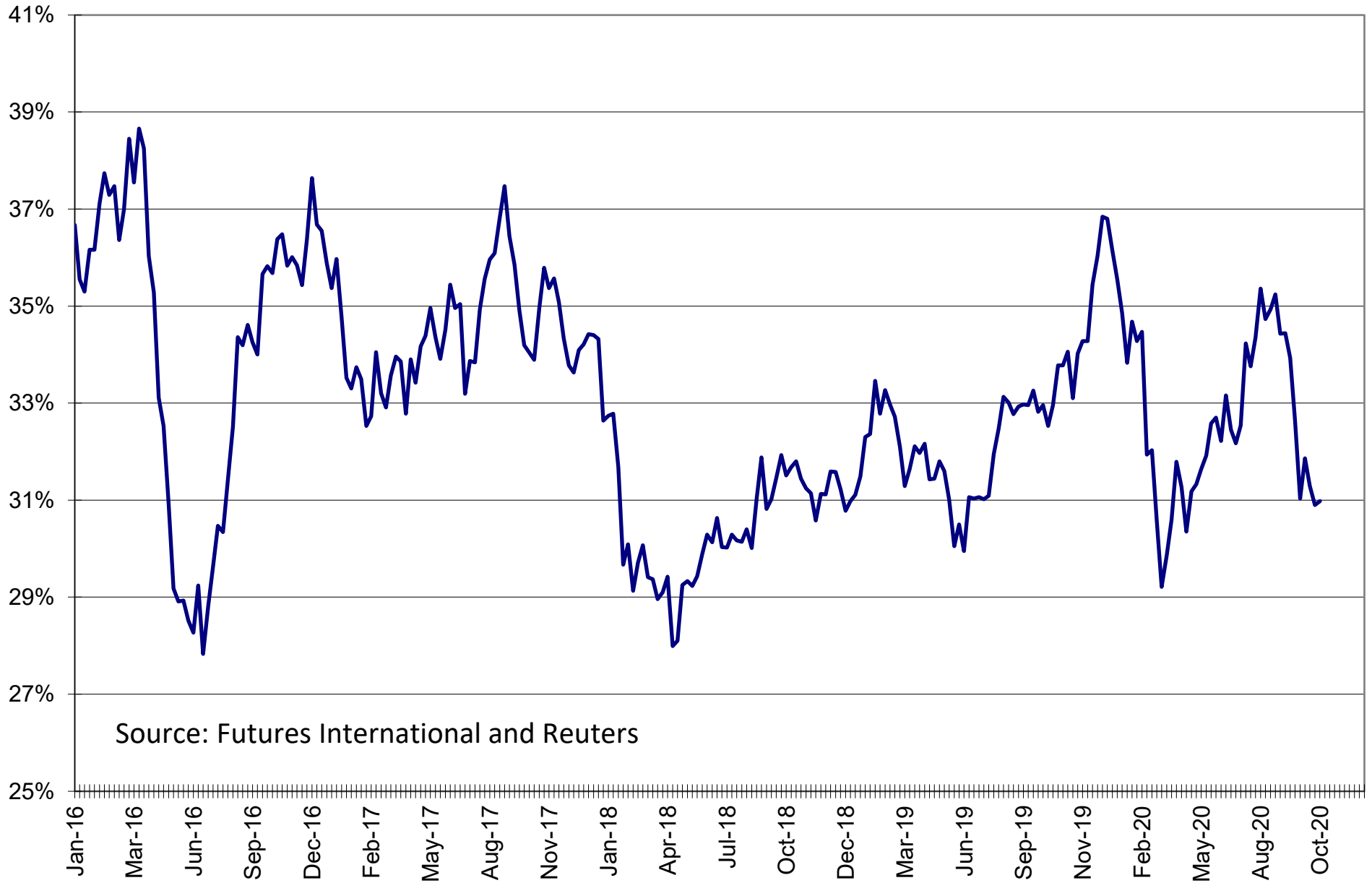


Source: Futures International and industry

CBOT Soybean Rolling Second Position Crush Margin



## CBOT Rolling Second Position Oil Share of Product Valua Percent



Source: Futures International and Reuters

## USDA Export Sales Estimates/Results in 000 tons

	ESTIMATED 10/22/2020			10/15/2020 Last Week			10/24/2019 Year Ago		
<b>Beans</b>	20/21	1600-2000		20/21	2,225.5		19/20	943.6	
							n/c	0.0	
					Sales to China 1,222.0			Sales to China 481.0	
<b>Meal</b>		Shipped			Shipped			Shipped	
	20/21	175-300	100-200	20/21	321.9	90.8	19/20	179.1	147.9
							n/c	0.4	
<b>Oil</b>		Shipped			Shipped			Shipped	
	20/21	5-15	5-15	20/21	37.0	3.2	19/20	30.0	9.7
							n/c	0.2	
<b>Corn</b>					Sales to China 11.0			Sales to China 0.0	
	20/21	1100-1500		20/21	1,831.6		19/20	549.1	
							n/c	0.0	
<b>Wheat</b>					Sales to China 433.5			Sales to China 0.1	
	20/21	300-450		20/21	367.5		19/20	493.8	
							n/c	0.0	

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

Source: Futures International and USDA

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

	(Neg)-"Short"	Pos-"Long"			
Actual less Est.	18.9	(13.9)	(22.3)	(8.0)	1.8
	Corn	Bean	Chi. Wheat	Meal	Oil
Act	329.9	259.9	46.5	100.2	110.8
21-Oct	18.0	8.0	(1.0)	6.0	(1.0)
22-Oct	9.0	2.0	(5.0)	3.0	4.0
23-Oct	9.0	8.0	7.0	4.0	3.0
26-Oct	(4.0)	5.0	(10.0)	3.0	3.0
27-Oct	(5.0)	(5.0)	(3.0)	(3.0)	(2.0)
<b>FI Est. of Futures Only 10/20/20</b>	<b>356.9</b>	<b>277.9</b>	<b>34.5</b>	<b>113.2</b>	<b>117.8</b>
<b>FI Est. Futures &amp; Options</b>	<b>383.3</b>	<b>277.1</b>	<b>47.3</b>	<b>117.0</b>	<b>108.2</b>
Futures only record long	498.2	260.4	86.5	167.5	160.2
	2/1/2011	6/27/2017	8/7/2018	5/1/2018	11/1/2016
Futures only record short	(235.0)	(118.3)	(130.0)	(49.5)	(69.8)
	6/9/2020	4/30/2019	4/25/2017	3/1/2016	9/18/2018
Futures and options record net long	458.5	259.8	64.8	132.1	159.2
	9/28/2010	5/1/2012	8/7/2012	5/1/2018	1/1/2016
Futures and options record net short	(270.6)	(132.0)	(143.3)	(64.1)	(77.8)
	4/26/2019	4/30/2019	4/25/2017	3/1/2016	9/18/2018

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

	Corn	Bean	Chi. Wheat	Meal	Oil
Latest CFTC Fut. Only	211.6	227.6	51.8	80.7	82.0
Latest CFTC F&O	218.8	231.9	49.7	81.6	82.0
FI Est. Managed Fut. Only	239	246	40	94	89
FI Est. Managed Money F&O	246	250	38	95	89

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

Index Futures & Options	330.4	199.5	128.0	NA	114.4
Change From Previous Week	4.8	(1.8)	(2.1)	NA	0.0

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

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