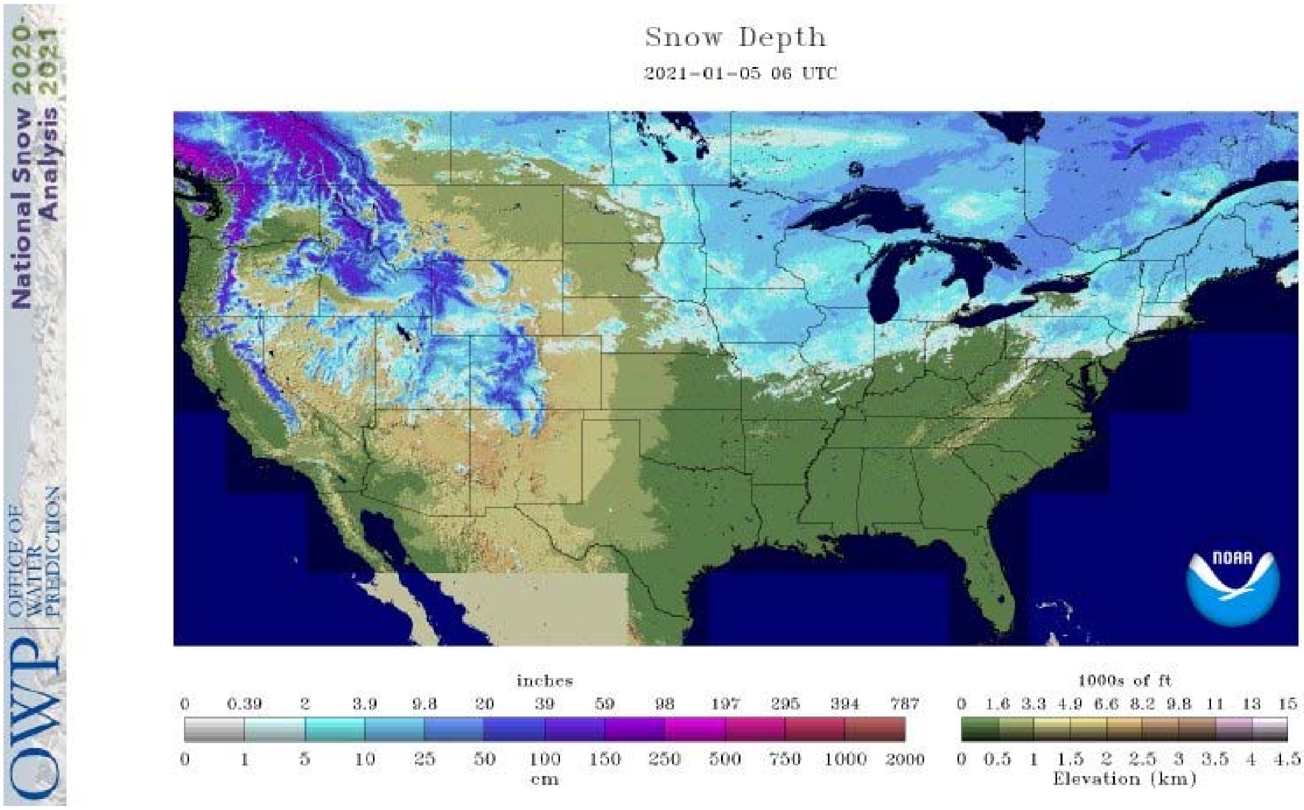
The rally today in the US agriculture markets were sparked by an initial weaker USD, ongoing SA weather concerns, followed by indications Argentina's trade problems have a long way to go for resolution. Articles circulated that hinted selected trade groups may resume or start strikes atter the government stopped corn registrations through February.

	Corn	Bean	Chi. Wheat	Meal	Oil
FI Est. Managed Fut. Only	359	235	44	100	125
FI Est. Managed Money F&O	382	251	47	100	128

Weather



IMPORTANT WEATHER ISSUES OF THE DAY

- Rainfall in Argentina overnight was a little better organized and locally greater than expected from western Buenos Aires through the heart of Cordoba
  - Most amounts ranged from 0.15 to 0.75 inch with local totals of 1.00 to 2.00 inches
    - One location in southwestern Buenos Aires reported 2.16 inches of rain
  - The greatest precipitation occurred in three pockets; 1) in southwestern Buenos Aires, 2) near the Buenos Aires/Santa Fe/Cordoba common border and 3) near and northwest of Cordoba City, Cordoba.
- Southeastern Paraguay received another good dose of rain overnight and some of that extended south into northern Rio Grande do Sul, Brazil where amounts varied greatly from 0.12 to 0.75 inch most often
  - However, 1.00 to 3.00 inches occurred in southeastern Paraguay and up to 1.57 inches occurred locally in northwestern Rio Grande do Sul

Terry Reilly Grain Research
Futures International | One Lincoln Center | 18 W 140 Butterfield Rd. | Oakbrook Terrace, Il. 60181
W: 312.604.1366 | treilly@futures-int.com

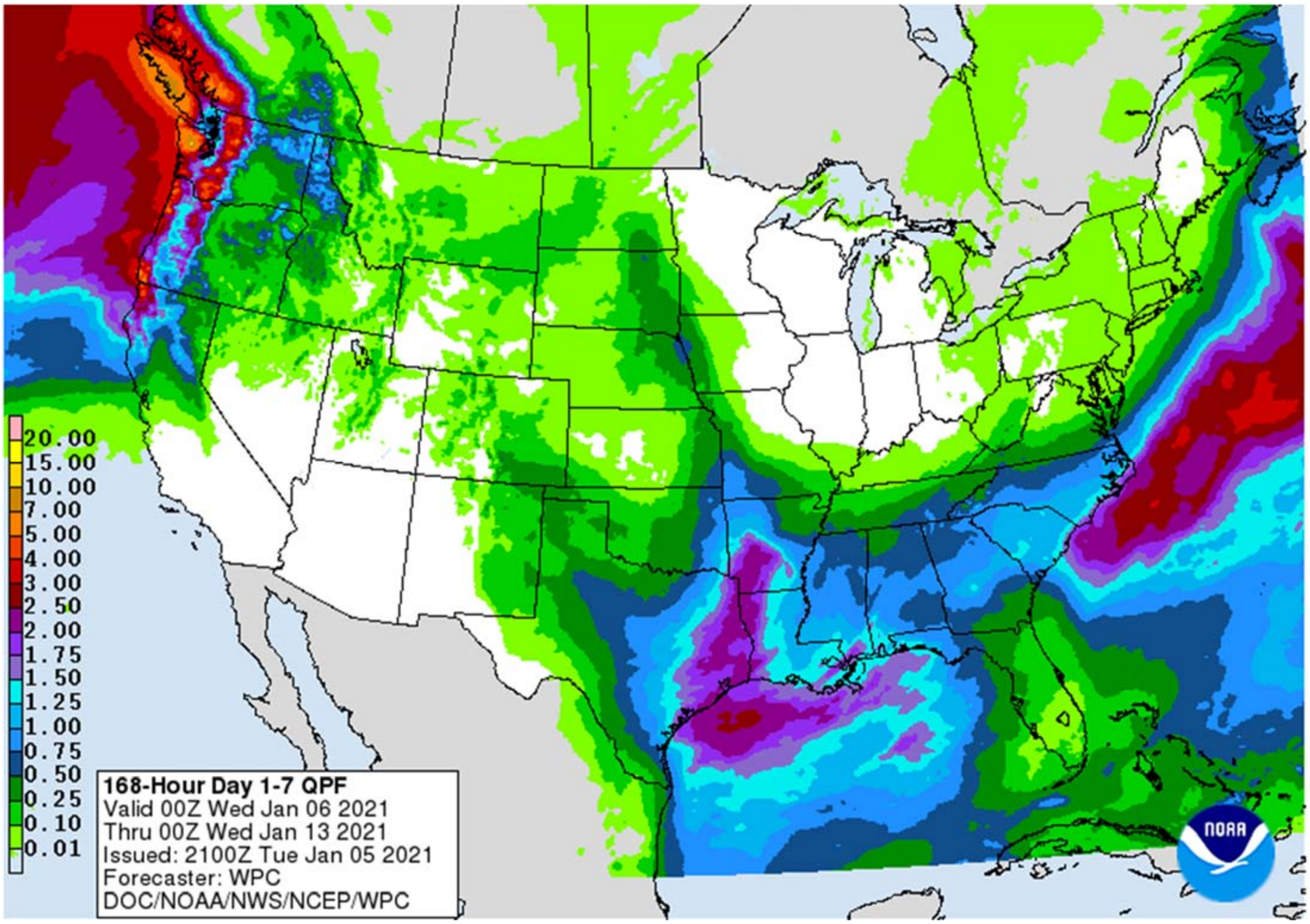
        - Some rain also scattered across a part of interior western Parana and across portions of Mato Grosso do Sul.
- Today's Argentina forecast still favors scattered shower and thunderstorm activity next week, but until then some areas will experience net drying especially in central and eastern parts of the nation
    - Rain is expected to concentrate on portions of Buenos Aires today and Wednesday with 0.30 to 1.00 inch and a few local totals of 1.00 to 2.00 inches
        - Precipitation elsewhere will not be very great
    - Not much other precipitation of significance will occur through Saturday, although a few showers may occur in the perimeter of Argentina's crop country
    - Isolated to scattered showers and thunderstorms will then begin Sunday and continue next week
        - The European model is not nearly as wet as the GFS model for next week in east-central crop areas and World Weather, Inc. favors the European solution
        - East-central Argentina may not receive more than 0.50 inch of rain next week while other areas receive 0.40 to 1.25 inches with local totals possibly getting up near and over 2.00 inches
            - The greatest rainfall will occur in far northern and western parts of the nation
        - Additional rainfall will scatter across parts of Argentina periodically late next week and into the following weekend before a new round of net drying occurs
- World Weather, Inc. urges a little caution about the Argentina outlook next week. The GFS model has been too excited about rainfall. La Nina is still deeply in control of South America weather and the odds are good that the European model has the best solution suggesting east-central parts of Argentina may not do very well with rainfall next week. Our comments in Monday's special weather report on Argentina are still valid that even if the rain event next week is not as good as advertised there will be some short term benefit to crops and enough rain will fall to keep a large part of the nation's crop viable and still poised to perform adequately if timely rain continues. Recent rainfall and that expected over the next two weeks will be highly erratic and variable from one location to another resulting in pockets of serious crop stress not far from areas that will experience more favorable development potential.
- Brazil's weather outlook today has not changed much, although there is more rain advertised in both Rio Grande do Sul and in a part of northeastern Brazil
    - If the forecast changes verify most of Brazil will benefit greatly from weather in this coming ten days
    - Sufficient rain will fall to support crops in nearly all areas allowing the improving trend for pod setting and filling in soybean production areas to continue
    - Coffee, citrus, rice, cotton corn, cocoa and other crops will all benefit from a good distribution of rain
- Morocco will receive waves of rain over the coming week bolstering soil moisture for improved wheat and barley establishment
    - This is the beginning of the third year of drought in southwestern Morocco making the coming week of rain extremely important and welcome
- Northwestern Algeria has also been drier biased this season and some rain will fall there as well
- Most of the Mediterranean Sea region of southern Europe will receive frequent rainfall resulting in greater soil moisture, but also inducing some potential for flooding
    - Rainfall will be greatest in eastern Spain, Italy, the eastern Adriatic Sea nations and from parts of Greece and Bulgaria to Russia's Southern Region
- Waves of rain and snow will impact Russia's Southern Region through the next ten days resulting in a welcome boost to soil moisture in areas that have no frost in the ground
    - Snow will pile up on top of the ground in areas where temperatures are coldest, but the snow will melt during the warmer days and weeks ahead in late winter and early spring to improve soil conditions for better winter crop establishment
- Additional rain fell in northern India Monday resulting in further improvement in topsoil moisture
    - Additional moisture totals varied up to 0.75 inch, although most areas received lighter totals

- Recent precipitation from eastern Rajasthan and northern Uttar Pradesh into Jammu and Kashmir has bolstered soil moisture for improved winter crop conditions
    - Moisture totals over the past several days have ranged from 0.30 to 1.00 inch with local totals to 1.58 inches
  - Today will be the last day for precipitation in the region for a while
  - Some rain will fall in central India Thursday and Friday of this week with amounts to 0.50 inch
- China will experience some very cold temperatures Wednesday possibly resulting in some potential for winterkill due to the lack of snow cover
  - Wednesday and Thursday will be coldest this week with extreme lows in the positive and negative single digits Fahrenheit near and north of the Yellow River with little to no snow on the ground
    - Winterkill is not very likely, but the situation will be closely monitored because of temperatures near the damage threshold
      - Sufficient wheat hardening has occurred over the past week and through the first part of this week to help limit the potential for permanent crop damage
- Waves of rain will impact the Philippines starting late this week and lasting a full week
  - Excessive moisture is expected resulting in new flooding for parts of the nation especially in eastern most islands
  - Flooding has already been an issue for the nation at times in recent months and additional damage to crops and property will be possible
- Frequent rain in Indonesia and Malaysia will eventually result in some new flooding
  - Recent flooding in Peninsular Malaysia caused damage to crops and personal property, although that situation will improve before new excessive rain and flooding impacts a part of the region in the coming week to ten days
  - Other areas in Indonesia and Malaysia are likely to become too wet over time with Java and northern Borneo as well as peninsular Malaysia impacted from time to time.
- Mainland areas of Southeast Asia will be dry over the next ten days except coastal areas of Vietnam where waves of rain are expected
- Eastern Australia received additional rain Monday in New South Wales and parts of Queensland
  - Amounts varied from 0.10 to 0.88 inch with a few totals to 1.81 inches
  - Northeastern New South Wales has been wettest, but southeastern Queensland will become the wetter area over the balance of this week
- Eastern Australia will receive additional showers and thunderstorms into Friday and then net drying is expected for a while in key grain and cotton production areas
  - Another 0.50 to 2.50 inches of rain and locally more will occur by Saturday morning in southeastern Queensland
    - Not much other precipitation is expected there or in New South Wales for a full week
- Cape York Peninsula and the upper Queensland, Australia coast will experience frequent waves of rain through the next ten days resulting in more flooding
  - The area near Townsville, Queensland has received excessive rainfall in the past week and will be getting much more resulting in damage for sugarcane and some other agriculture
- South Africa received scattered showers and thunderstorms in the western and southern parts of the nation Monday with highly varying amounts of rain
  - Most areas reported less than 0.60 inch of moisture with local totals over 1.00 inch
  - Temperatures trended cooler in the wetter biased areas with highs in the upper 60s and 70s Fahrenheit which is down form 80s and 90s during the weekend
- South Africa will receive frequent showers and thunderstorms over the next ten days bringing rain to most summer crop areas and ensuring aggressive crop development
  - Western areas may be wettest for a while

Terry Reilly Grain Research
Futures International | 190 S. LaSalle St., Suite 410 | Chicago, IL 60603
W: 312.604.1366 | treilly@futures-int.com

- U.S. weather Monday was dry except for a little lingering snow in the northeast and widespread rain and mountain snow in the Pacific Northwest
    - Temperatures were a little warmer than usual in many areas across the nation
- U.S. weather changes were minor overnight
    - Rain, snow and a little freezing rain will occur tonight and Wednesday from the eastern Dakotas and western Minnesota into Missouri and eastern Kansas
        - Moisture totals will vary from 0.05 to 0.35 inch and locally more
        - Snowfall of 1 to 4 inches is most likely, but several counties in southeastern North Dakota and northeastern South Dakota will receive 4 to 8 inches
            - Locally heavy snow like that will also occur in a narrow band across interior western Iowa
    - The storm system responsible for rain and snow in the western Corn Belt through Wednesday will produce widespread rainfall across the Delta and into the southeastern states late Wednesday into early Friday
    - Hard red winter wheat areas will receive their greatest precipitation during the weekend as snow and rain fall from Colorado to northern Texas and parts of Oklahoma
        - Moisture totals will vary from 0.10 to 0.35 inch with local totals of 0.35 to 0.75 inch and possibly more with northern Texas and southern Oklahoma wettest
    - Rain will fall across eastern Texas, the lower Delta and southeastern states during the late weekend and early part of next week with 0.40 to 1.50 inches resulting
    - Waves of rain and mountain snow will impact the Pacific Northwest throughout the coming two weeks maintaining wet conditions in some of those areas
    - Colder air moving into North America near mid-month may drop a cold front through the north-central and eastern U.S. with a little snow and rain accompanying it
    - Additional waves of cool air and brief bouts of snow will move from northwest to southeast across the central and eastern United States in the third week of this month and progressive cooling is expected
- Some of the bitter cold impacting China this week will reach North America near mid-month and will prevail into the end of January with Canada Prairies, the U.S. northern Plains and Midwest all experiencing notably colder weather over time.
- West Africa rainfall will remain mostly confined to coastal areas while temperatures in the interior coffee, cocoa, sugarcane, rice and cotton areas are in a seasonable range for the next ten days
- East-central Africa rainfall will continue limited in Ethiopia as it should be at this time of year while frequent showers and thunderstorms impact Tanzania, Kenya and Uganda over the next ten days
- Southern Oscillation Index remains very strong during the weekend and was at +18.25 today which is the highest this index has been in the current La Nina episode
- Mexico and Central America weather will continue to generate erratic rainfall
    - Far southern Mexico and portions of Central America will be most impacted by periodic moisture
- Canada Prairies will remain unseasonably warm this week and warmer than usual through day ten before cooling occurs during the weekend and next week
- Southeast Canada will receive less than usual precipitation this week and temperatures will continue a little warmer than usual

Source: World Weather Inc. and FI



Bloomberg Ag Calendar

Tuesday, Jan. 5:

- New Zealand global dairy trade auction
- Purdue Agriculture Sentiment, 9:30am
- Malaysia's Jan. 1-5 palm oil export data
- Virtual palm oil trade fair and seminar 2021, Jan. 5-7
- HOLIDAY: Russia

Wednesday, Jan. 6:

- EIA weekly U.S. ethanol inventories, production, 10:30am
- China's CNGOIC to publish soy and corn reports
- HOLIDAY: Russia, Poland

Thursday, Jan. 7:

- FAO World Food Price Index
- USDA weekly crop net-export sales for corn, soybeans, wheat, cotton, pork, beef, 8:30am
- Port of Rouen data on French grain exports
- HOLIDAY: Russia, Ghana, Egypt

Friday, Jan. 8:

- 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
- Trading of China's hog futures to begin on Dalian Commodity Exchange

- HOLIDAY: Russia

Source: Bloomberg and FI

Macros

US ISM Manufacturing Dec: 60.7 (est 56.8; prev 57.5)
- Prices Paid: 77.6 (est 65.0; prev 65.4)
- New Orders: 67.9 (prev 65.1)
- Employment: 51.5 (prev 48.4)

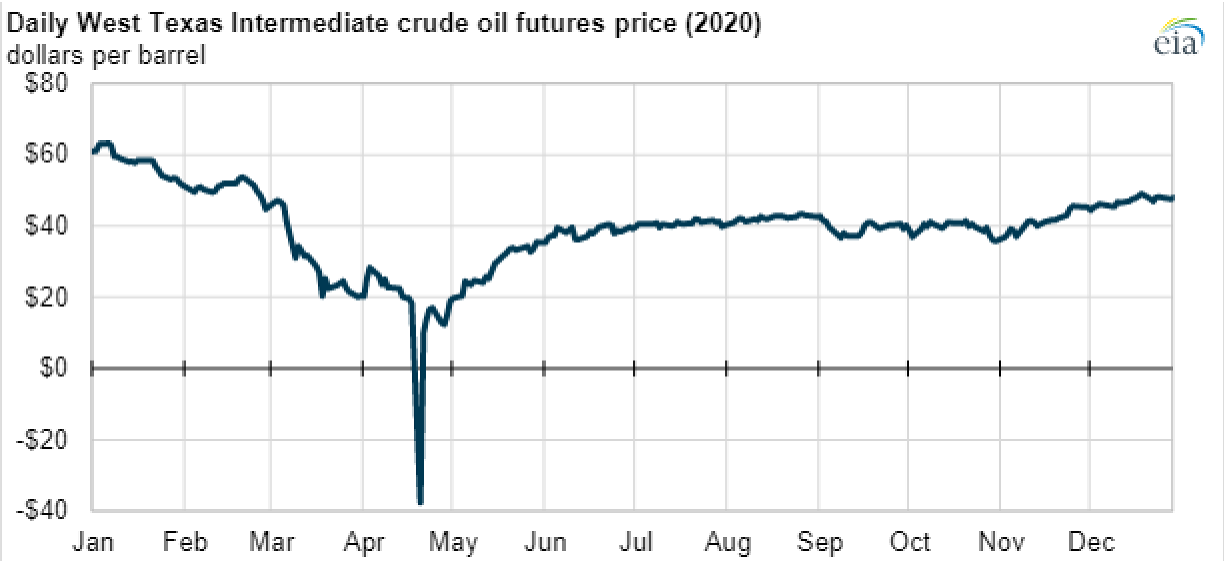
OPEC Delegates: Saudis Plan To Make Voluntary Output Cut In February

Corn.

- CBOT corn futures bias the nearby position nearly reached an absolute contract high. Argentina stopped registrations through the end of February, which may make the US the only game in town. But Argentina corn registrations shot up since December 31 for shipments date during March onward. Registrations for Argentina maybe up for two reasons. One is that they are dedicated for new-crop, in which supply will be more abundant, and second new-crop prices may provide a better replacement for old-crop commitments.
- On Tuesday, funds bought an estimated net 25,000 contracts.
- Last night there were 3900 CH 450c exercised leaving over $1.1m of time value on the table. This was viewed as unwarranted as many traders could have converted them to futures. If you need help with options, please drop us a line.
- Managed money and traditional funds added many contracts for the week ending a week ago Tuesday. Funds were less long than expected in soybeans, which may prompt soybean/corn spreading.
- Mexico will phase out importing genetically modified corn over the next three years and phase out imports as they aim to become self-sufficient.
- Soybean and Corn Advisory:
    - 2020/21 Brazil Corn Estimate Unchanged at 102.0 Million Tons
    - 2020/21 Argentina Corn Estimate Lowered 1.0 mt to 45.0 Million
- StoneX Brazil survey-based production lowered their soybean estimate to 132.64 million soybeans from 133.9 million previously. Corn was unchanged at 109.34 million tons.
- The CME lowered hog futures margins by 22.8% to $2,200 per contract from $2,850.
- A Bloomberg poll looks for weekly US ethanol production to be down 7,000 at 927,000 barrels (913-940 range) from the previous week and stocks up to 241,000 barrels to 23.745 million.

EIA: Crude oil prices briefly traded below $0 in spring 2020 but have since been mostly flat
https://www.eia.gov/todayinenergy/detail.php?id=46336&src=email

Terry Reilly Grain Research
Futures International | 190 S. LaSalle St., Suite 410 | Chicago, IL 60603
W: 312.604.1366 | treilly@futures-int.com



Corn Export Developments

- Qatar seeks 100,000 tons of bulk barley on January 12.
- Qatar seeks 640,000 cartons of corn oil on January 12.

US Weekly Petroleum Status Report - Ethanol

	Ethanol Production		Change		Ethanol Stocks		Change		Days of
	FI Production Est.	Mbbl	Last Week	Last Year	**FI Stocks Est.**	Mbbl	Last Week	Last Year	Ethanol
11/13/2020		962	-15	-6.9%		20,203	44	-1.5%	21.0
11/20/2020		990	28	-6.5%		20,866	663	2.9%	20.4
11/27/2020		974	-16	-8.1%		21,240	374	2.9%	21.4
12/4/2020		991	17	-7.6%		22,083	843	1.2%	21.4
12/11/2020		957	-34	-10.1%		22,950	867	5.3%	23.1
12/18/2020		976	19	-9.9%		23,169	219	7.9%	23.5
12/25/2020		934	-42	-12.4%		23,504	335	11.7%	24.8
1/1/2021	**-5 to -10**				**+150 to +300**				

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

Corn		Change	Oats		Change	Ethanol	Settle	
MAR1	493.00	9.25	MAR1	363.25	7.25	JAN1	1.49	Spot DDGS IL
MAY1	494.00	9.75	MAY1	357.25	6.00	FEB1	1.50	Cash & CBOT
JUL1	492.50	10.25	JUL1	353.50	9.25	MAR1	1.51	Corn + Ethanol
SEP1	453.50	6.25	SEP1	320.00	5.00	APR1	1.57	Crush
DEC1	438.75	4.25	DEC1	309.50	3.50	MAY1	1.56	0.95
MAR2	444.00	3.50	MAR2	316.75	3.50	JUN1	1.56	

Soybean/Corn		Ratio	Spread	Change	Wheat/Corn	Ratio	Spread	Change
MAR1	MAR1	2.74	857.50	28.25	MAR1	1.33	160.25	2.00
MAY1	MAY1	2.73	854.50	27.50	MAY1	1.32	158.75	2.50
JUL1	JUL1	2.71	844.00	22.50	JUL1	1.30	147.00	(0.50)
SEP1	SEP1	2.64	745.50	21.00	SEP1	1.41	187.25	3.00
NOV1	DEC1	2.60	703.50	17.25	DEC1	1.47	208.00	3.75
MAR2	MAR2	2.51	670.75	14.50	MAR2	1.47	207.25	3.00

US Corn Basis & Barge Freight								
Gulf Corn			BRAZIL Corn Basis			Chicago	+11 h	dn1
JAN	+77 / 85 h	up3/up5	JLY	+90 / 96 n	na	Toledo	+3 h	unch
FEB	+80 / 85 h	up5/up5	AUG	+85 / 100 u	dn7/up5	Decatur	+23 h	unch
MCH	+74 / 78 h	up4/up1	SEP	+85 / 100 u	dn7/up5	Dayton	+10 z	unch
APR	+70 / 74 k	unch	0-Jan			Cedar Rapic	+4 h	unch
MAY	+70 / 74 k	unch				Burns Harb	mch price	unch

USD/ton: Ukraine Odessa $ 224.00	Memphis-Cairo Barge Freight (offer)		
US Gulf 3YC Fob Gulf Seller (RTRS) 241.3 237.4 234.3 228.7 228.0 227.4	BrgF MTCT JAN	275	unchanged
China 2YC Maize Cif Dalian (DCE) 423.5 426.5 428.8 429.8 431.0 432.5	BrgF MTCT FEB	270	unchanged
Argentine Yellow Maize Fob UpRiver - - 234.8 233.6 231.6 -	BrgF MTCT MAR	265	unchanged

Source: FI, DJ, Reuters & various trade sources

Updated 1/5/20

March corn is seen trading in a $4.50 and $5.25 range

Soybean complex.

- Newcomers to the agriculture industry might be in for a history lesson as soybeans continue to awe traders on the volatile moves presented over the recent month. Today March soybeans climbed to a new contract high of $13.7325. We think it can easily hit $14 soon. Unfavorable SA weather and indications for La Nina may stick around for a little while longer sent speculator longs back into the market, day after producer selling disrupted a New Year business day rally. Back to volatility, the trade saw a 15 cent trading range at the 1:10 minute, with roughly 5,200 contracts trading. This is one example traders must learn to endure. Soybean oil was up sharply in part on expectations for global palm oil inventories will continue to shrink, and Argentina political problems sending soybean oil business elsewhere, such as the US. Soybean meal was also up sharply but the soybean products were unable to keep up with the speculative buying in soybeans, resulting in another violent trading range session for the CBOT crush, under pressure, thus leading analysts to predict rationing will commence during the last half of the current Oct-Sep marketing year. We think we will eventually see a draw in US daily crush rates during or after late April, based on current commercial coverage.
- On Tuesday, funds bought an estimated 30,000 soybean contracts, 9,000 soybean meal and 12,000 soybean oil lots.

Terry Reilly Grain Research
Futures International | 190 S. LaSalle St., Suite 410 | Chicago, IL 60603
W: 312.604.1366 | treilly@futures-int.com

- Argentina grain handlers are still on strike action at some facilities bias southern export areas. One source mentioned exporters can load at one terminal but not another. Meanwhile Argentina corn registrations surged to over 1.2 million tons during the first week of new year for shipments beyond the February period. High prices are beneficial for exporters.
- China bought at least one Brazilian soybean cargoes yesterday for March shipment, and two to three US PNW soybean cargoes for Sep-Oct shipment.
- Soybean and Corn Advisory:
    - 2020/21 Brazil Soybean Estimate Lowered 2.0 mt to 128.0 Million
    - 2020/21 Argentina Soybean Estimate Lowered 1.0 mt to 46.0 Million
- Argentina weather this week will include scattered showers and thunderstorms. Brazil saw scattered showers over the long holiday weekend. Brazil will see rain on and off over the next two weeks. Some areas will not receive adequate rainfall including the southern and eastern Mato Grosso, Bahia, eastern Piaui, Pernambuco and northeastern Minas Gerais.

Oilseeds Export Developments

- Today the USDA/CCC seeks 2,000 tons of vegetable oil, packaged in 4 liter cans, for export to Kenya for February 1-28 shipment (Feb 16 to Mar 15 for plants located at ports).

MPOB Jan. 11 Malaysian palm estimates:

	Range	Median
Production	1,296,000-1,386,000	1,326,283
Exports	1,272,000-1,650,000	1,500,000
Imports	60,000-150,000	100,000
Closing stocks	1,107,000-1,477,200	1,218,535

Terry Reilly Grain Research
Futures International | 190 S. LaSalle St., Suite 410 | Chicago, IL 60603
W: 312.604.1366 | treilly@futures-int.com

Soybeans		Change	Soybean Meal		Change	Soybean Oil		Change
JAN1	1351.50	35.00	JAN1	436.70	9.50	JAN1	44.30	1.37
MAR1	1350.50	37.50	MAR1	433.10	9.40	MAR1	43.69	1.56
MAY1	1348.50	37.25	MAY1	429.20	7.80	MAY1	42.98	1.59
JUL1	1336.50	32.75	JUL1	425.50	6.50	JUL1	42.55	1.64
AUG1	1294.75	29.75	AUG1	412.80	5.80	AUG1	41.74	1.54
SEP1	1199.00	27.25	SEP1	391.40	4.50	SEP1	40.92	1.40
NOV1	1142.25	21.50	OCT1	371.70	3.20	OCT1	40.14	1.22
Soybeans	Spread	Change	**SoyMeal**	Spread	Change	**SoyOil**	Spread	Change
Jan/Mar	-1.00	2.50	Jan/Mar	-3.60	(0.10)	Jan/Mar	-0.61	0.19
Electronic Beans Crush			**Oil as %**	**Meal/Oil $**	**Meal**	**Oil**		
Month	Margin		of Oil&Meal	Con. Value	Value	Value		
JAN1	96.54	JAN1	33.65%	$ 17,090	960.74	487.30		
MAR1	82.91	MAR1	33.53%	$ 17,096	952.82	480.59	EUR/USD	1.2288
MAY1	68.52	MAY1	33.36%	$ 17,132	944.24	472.78	Brazil Real	5.2740
JUL1	67.65	JUL1	33.33%	$ 17,020	936.10	468.05	Malaysia Bid	4.0140
AUG1	72.55	AUG1	33.58%	$ 16,236	908.16	459.14	China RMB	6.4550
SEP1	112.20	SEP1	34.33%	$ 14,588	861.08	450.12	AUD	0.7761
NOV1/DEC1	110.54	OCT1	35.06%	$ 13,086	817.74	441.54	CME Bitcoin	33867
JAN2	103.63	DEC1	35.04%	$ 13,044	813.78	439.01	3M Libor	0.23688
MAR2	103.06	JAN2	34.91%	$ 13,086	807.84	433.29	Prime rate	3.2500
MAY2	96.19	MAR2	35.09%	$ 12,620	790.46	427.35		
US Soybean Complex Basis								
JAN	+75 / 82 f	dn3/up1				DECATUR	+9 f	unch
FEB	+75 / 82 h	dn1/dn1	IL SBM	F-7	12/15/2020	SIDNEY	jan price	unch
MCH	+76 / +83 h	unch	CIF Meal	F+28	12/15/2020	CHICAGO	-10 f	unch
APR	+76 / 83 k	unch	Oil FOB NOLA	750	12/31/2021	TOLEDO	jan price	unch
MAY	+76 / 83 k	unch	Decatur Oil	150	12/31/2021	BRNS HRBR	jan price	unch
						C. RAPIDS	-15 f	unch
	Brazil Soybeans Paranagua fob			Brazil Meal Paranagua			Brazil Oil Paranagua	
FEB	+62 / +70 f	dn5/dn5	JAN	+20 / +30 f	unch	JAN	+500 / +700 f	dn50/unch
MCH	+48 / +52 h	dn3/dn2	FEB	+22 / +28 h	unch	FEB	+500 / +700 h	dn50/dn50
APR	+48 / +52 k	dn3/dn1	MCH	+10 / +16 h	dn1/dn2	MCH	+320 / +400 h	unch
MAY	+51 / +55 k	dn2/dn4	APR	+1 / +7 k	unch/dn1	APR	+180 / +260 k	unch
JUNE	+70 / +75 n	dn4/dn2	MAY	+3 / +5 k	up5/unch	MAY	+180 / +260 k	unch
	Argentina meal		461	27.7	Argentina oil	Spot fob	49.8	6.11
Source: FI, DJ, Reuters & various trade sources								

Updated 1/05/20

March $12.50 and $14.50 range

March $415 and $480 range

March is expected to trade in a 42.50 and 46.00 cent range

Wheat

- US wheat out of most of the major commodities probably saw the least amount of market direction news but managed to rally on the heels of corn and soybeans, and perhaps an overlooked market when comparing price advances by soybeans over the past month. We don't expect USDA to report any surprises to December 1 US wheat stocks next week, nor make major changes to the US and/or global carryout.

- On Tuesday funds bought an estimated net 12,000 Chicago SRW wheat contracts.
- Ukraine winter grain crops remain in good conditions.
- UkrAgroConsult estimated Ukraine 2021 wheat production at 26.5 million tons, up 1 million from last season.
- EU March milling wheat was up 2.50 at 217.25 euros, a two-year high.

Export Developments.

- Ethiopia canceled an import tender for 600,000 tons of wheat that was set to close back on November.
- Jordan bought 60,000 tons of animal feed barley (120k sought). Possible shipment combinations are in 2021 for June 1-15, June 16-30, July 1-15 and July 16-31.
- Bangladesh seeks 50,000 tons of wheat in January 13 for shipment within 40 days of contract signing.

Rice/Other

- None reported

Chicago Wheat		Change	KC Wheat		Change	MN Wheat	Settle	Change
MAR1	653.25	11.25	MAR1	609.25	9.75	MAR1	607.25	8.25
MAY1	652.75	12.25	MAY1	612.50	9.25	MAY1	615.50	8.25
JUL1	639.50	9.75	JUL1	614.50	9.50	JUL1	620.25	8.25
SEP1	640.75	9.25	SEP1	618.25	9.25	SEP1	624.25	7.50
DEC1	646.75	8.00	DEC1	625.25	8.75	DEC1	630.50	6.75
MAR2	651.25	6.50	MAR2	629.75	9.50	MAR2	632.50	5.75
MAY2	646.25	8.25	MAY2	615.25	6.00	MAY2	629.25	6.25
Chicago Rice		**Change**						
JAN1	12.36	(0.095)	MAR1	12.61	(0.120)	MAY1	12.78	(0.115)

US Wheat Basis

Gulf SRW Wheat			Gulf HRW Wheat			Chicago mill	mch price	unch
JAN	+95 / 104 h	unch	JAN	155 / h	unch	Toledo	mch price	unch
FEB	+97 / 105 h	unch	FEB	160 / h	unch	PNW US Soft White 10.5% protein		
MCH	+95 / 105 h	unch	MCH	160 / h	unch	PNW Jan	680	unchanged
0-Jan			APR	160 / k	unch	PNW Feb	685	unchanged
0-Jan			MAY	160 / k	unch	PNW Mar	685	unchanged
						PNW Apr	680	unchanged

Paris Wheat		Change	OI	OI Change	World Prices $/ton		Change
MAR1	217.25	3.00	239,494	13,245	US SRW FOB	$283.60	$0.50
MAY1	214.00	2.50	100,364	3,261	US HRW FOB	$284.50	$1.50
SEP1	195.75	1.75	69,950	5,022	Rouen FOB 11%	$270.64	$7.75
DEC1	196.75	1.75	68,000	2,806	Russia FOB 12%	$261.00	$2.00
EUR	1.2288				Ukr. FOB feed (Odessa)	$218.50	$0.00
					Arg. Bread FOB 12%	$254.26	$0.00

Source: FI, DJ, Reuters & various trade sources

Updated 1/4/20

March Chicago wheat is seen in a $5.90-$6.65 range

March KC wheat is seen in a $5.70-$6.20 range

March MN wheat is seen in a $5.75-$6.15 range

Traditional Daily Estimate of Funds 12/29/20

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

	Corn	Bean	Chi. Wheat	Meal	Oil
Actual less Est.	1.0	(35.8)	8.1	(1.4)	1.3
Act.	510.5	260.4	27.5	121.6	140.4
30-Dec	15.0	10.0	20.0	5.0	1.0
31-Dec	10.0	10.0	0.0	2.0	4.0
1-Jan					
4-Jan	0.0	5.0	2.0	(5.0)	(2.0)
5-Jan	25.0	30.0	12.0	9.0	12.0
FI Est. of Futures Only 12/29/20	**560.5**	**315.4**	**61.5**	**132.6**	**155.4**
FI Est. Futures & Options	**550.0**	**302.6**	**64.4**	**122.3**	**150.0**
Futures only record long	498.2	280.9	86.5	167.5	160.2
	2/1/2011	11/10/2020	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	458.5	270.9	64.8	132.1	159.2
record net long	9/28/2010	10/6/2020	8/7/2012	5/1/2018	1/1/2016
Futures and options	(270.6)	(132.0)	(143.3)	(64.1)	(77.8)
record net short	4/26/2019	4/30/2019	4/25/2017	3/1/2016	9/18/2018

Managed Money Daily Estimate of Funds 12/29/20

	Corn	Bean	Chi. Wheat	Meal	Oil
Latest CFTC Fut. Only	309.2	179.6	9.6	88.9	110.3
Latest CFTC F&O	332.0	196.5	13.4	89.5	113.0
	Corn	Bean	Chi. Wheat	Meal	Oil
FI Est. Managed Fut. Only	359	235	44	100	125
FI Est. Managed Money F&O	382	251	47	100	128

Index Funds Latest Positions (as of last Tuesday)

Index Futures & Options	402.1	173.1	131.9	NA	125.0
Change From Previous Week	2.5	(6.6)	(1.2)	NA	1.6

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

U.S. ACREAGE OF 15 MAJOR CROPS

PLANTED UNLESS OTHERWISE INDICATED

(000 ACRES)

	2012	2013	2014	2015	2016	2017	2018	2019	USDA November 2020	FI 2020	FI 2021
CORN	**97,291**	**95,365**	**90,597**	**88,019**	**94,004**	**90,167**	**88,871**	**89,745**	**90,978**	**90,893**	**92,000**
SORGHUM	6,259	8,076	7,138	8,459	6,690	5,629	5,690	5,265	5,790	5,790	6,100
OATS	2,700	2,980	2,753	3,088	2,829	2,589	2,746	2,830	2,984	2,984	2,800
BARLEY	3,660	3,528	3,031	3,623	3,059	2,486	2,548	2,772	2,621	2,621	3,000
WINTER WHEAT	**40,897**	**43,230**	**42,409**	**39,681**	**36,152**	**32,726**	**32,542**	**31,474**	**30,415**	**30,415**	**31,400**
DURUM	2,138	1,400	1,407	1,951	2,412	2,307	2,073	1,341	1,684	1,684	1,650
OTHER SPRING	12,259	11,606	13,025	13,367	11,555	11,019	13,200	12,670	12,250	12,250	12,100
RICE	2,700	2,490	2,954	2,625	3,150	2,463	2,946	2,540	3,037	3,037	2,980
SOYBEANS	**77,198**	**76,840**	**83,276**	**82,650**	**83,433**	**90,162**	**89,167**	**76,100**	**83,105**	**83,405**	**89,750**
PEANUTS	1,638	1,067	1,354	1,625	1,671	1,872	1,426	1,433	1,665	1,665	1,625
SUNFLOWER	1,920	1,576	1,565	1,859	1,597	1,403	1,301	1,351	1,699	1,699	1,600
COTTON	**12,264**	**10,407**	**11,037**	**8,581**	**10,073**	**12,718**	**14,100**	**13,736**	**12,116**	**12,116**	**11,900**
HAY Harvested	54,653	57,897	57,062	54,447	53,481	52,777	52,839	52,425	52,381	52,381	52,300
EDIBLE BEANS	1,743	1,360	1,702	1,765	1,662	2,097	2,095	1,287	1,743	1,743	1,700
TOBACCO Harvested	336	356	378	329	320	322	291	227	196	196	195
SUGARBEETS	1,230	1,198	1,163	1,160	1,163	1,131	1,113	1,132	1,165	1,165	1,170
CANOLA/RAPESEED	1,754	1,348	1,715	1,777	1,714	2,077	1,991	2,040	1,852	1,852	2,020
TOTAL - JAN/TO DATE	**320,641**	**320,723**	**322,566**	**315,005**	**314,964**	**313,944**	**314,939**	**298,368**	**305,680**	**305,895**	
TOTAL - JUNE	322,057	321,666	326,648	320,835	315,647	313,602	317,662	317,662	320,004		
TOTAL - MARCH	318,913	321,648	321,792	320,938	313,867	312,662	313,617	313,617	314,529		**314,290**
AREA ADJUSTMENTS											
DOUBLE CROPPED SOY	5,404	7,684	5,880	5,070	4,090	3,770	3,780	3,350	3,800	3,800	4,000
AREA LESS DOUBLE CROP	315,237	313,964	315,912	315,868	310,874	308,892	311,159	295,018	310,729	302,095	310,290
CRP	29,525	26,800	25,430	24,160	23,410	23,410	22,610	22,320	22,110	22,110	22,000
ADJUSTED AREA TOTAL	344,762	339,839	342,116	334,095	334,284	333,584	333,769	317,338	332,839	324,205	332,290
8 crops with CRP	286,891	282,722	283,057	276,204	276,767	275,676	276,493	260,793	267,090	267,305	275,680
8 crops w/out CRP	257,366	255,922	257,627	252,044	253,357	252,266	253,883	238,473	244,980	245,195	253,680
8 crops minus Double	251,962	248,238	251,747	246,974	249,267	248,496	250,103	235,123	241,180	241,395	249,680

Source: USDA, FI

1/5/2021

WHEAT ACREAGE, YIELD, AND PRODUCTION BY CLASS

(million acres & million bushels)

U.S. WINTER WHEAT

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	USDA 2020	FI 2021
Acres Planted (mil acres)	41.8	45.4	43.3	40.4	40.6	45.0	46.8	43.3	36.6	40.6	40.9	43.2	42.4	39.7	36.2	32.7	32.5	31.5	30.4	**31.400**
% Abandoned	28.8	19.0	20.5	16.4	23.3	20.2	14.5	20.2	14.6	20.2	15.4	24.5	23.8	18.5	16.4	22.7	24.0	21.9	24.3	**24.0**
Acres Harv. (mil acres)	29.7	36.8	34.4	33.8	31.1	35.9	40.0	34.6	31.2	32.4	34.6	32.7	32.3	32.3	30.2	25.3	24.7	24.6	23.0	**23.8**
Average Yield (bu/acre)	38.2	46.7	43.5	44.3	41.6	41.7	47.1	44.0	46.5	46.1	47.1	47.3	42.6	42.5	55.3	50.2	47.9	53.6	50.9	**50.5**
Production (milbus)	1137	1716	1498	1498	1294	1499	1886	1521	1452	1493	1630	1543	1377	1375	1673	1270	1184	1317	1171	**1205**

U.S. SPRING WHEAT

(Excluding Durum)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	USDA 2020	FI 2021
Acres Planted (mil acres)	15.6	13.8	13.8	14.0	14.9	13.3	14.1	13.2	13.5	12.3	12.3	11.6	13.0	13.4	11.6	11.0	13.2	12.7	12.3	**12.1**
% Abandoned	14.5	2.9	4.3	3.0	6.9	2.6	4.6	2.4	2.5	2.6	1.9	2.3	2.2	2.3	2.6	7.9	2.3	8.2	1.6	**2.6**
Acres Harv. (mil acres)	13.4	13.4	13.2	13.6	13.9	12.9	13.5	12.9	13.2	12.0	12.0	11.3	12.7	13.1	11.3	10.1	12.9	11.6	12.1	**11.8**
Average Yield (bu/acre)	29.1	39.5	43.2	37.1	33.2	37.1	40.5	45.2	46.1	37.7	44.9	47.1	46.7	46.2	47.3	41.0	48.3	48.3	48.6	**48.7**
Production (milbus)	389	531	569	504	460	480	546	583	609	453	540	534	595	603	532	416	623	561	586	**574**

(milbus) Source: USDA & FI

DURUM WHEAT

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	USDA 2020	FI 2021
Acres Planted (mil acres)	2.9	2.9	2.6	2.8	1.9	2.2	2.7	2.5	2.5	1.3	2.1	1.4	1.4	2.0	2.4	2.3	2.1	1.3	1.7	**1.650**
% Abandoned	7.0	1.6	7.7	1.6	2.9	1.7	5.4	5.0	1.6	4.3	0.7	4.4	4.3	2.1	2.2	8.7	4.8	12.2	1.3	**3.1**
Acres Harv. (mil acres)	2.7	2.9	2.4	2.7	1.8	2.1	2.6	2.4	2.5	1.3	2.1	1.3	1.3	1.9	2.4	2.1	2.0	1.2	1.7	**1.599**
Avg. Yield (bu/acre)	29.5	33.7	38.0	37.2	29.5	34.1	31.3	44.0	41.2	36.8	38.4	43.3	40.2	44.0	44.0	26.0	39.5	45.8	41.4	**44.7**
Production (milbus)	80	97	90	101	53	72	80	105	101	47	82	58.0	54	84	104	55	78	54	69	**71**

U.S. ALL WHEAT

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	USDA 2020	FI 2021
Acres Planted (mil acres)	60.3	62.1	59.6	57.2	57.3	60.5	63.6	59.0	52.6	54.3	55.3	56.2	56.8	55.0	50.1	46.1	47.8	45.5	44.3	**45.150**
% Abandoned	24.0	14.6	16.2	12.4	18.4	15.6	11.9	15.5	10.9	15.8	11.8	19.4	18.4	14.0	12.5	18.5	17.1	17.8	17.1	**17.5**
Acres Harv. (mil acres)	45.8	53.1	50.0	50.1	46.8	51.0	56.0	49.8	46.9	45.7	48.8	45.3	46.4	47.3	43.9	37.6	39.6	37.4	36.7	**37.2**
Average Yield (bu/acre)	35.0	44.2	43.2	42.0	38.6	40.2	44.8	44.3	46.1	43.6	46.2	47.1	43.7	43.6	52.7	46.4	47.6	51.7	49.7	**49.7**
Production	1606	2344	2157	2103	1808	2051	2512	2209	2163	1993	2252	2135	2026	2062	2309	1741	1885	1932	1826	**1850**

(milbus) Source: USDA & FI Bold=FI estimate

WHEAT ACREAGE, YIELD, AND PRODUCTION BY CLASS

(million acres & million bushels)

HARD RED WINTER WHEAT

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	USDA 2020	FI 2021
Acres Planted	30.1	32.6	30.8	30.0	29.3	33.0	31.6	31.7	28.2	28.5	29.6	29.7	30.5	29.2	26.6	23.4	22.9	22.8	21.4	**22.050**
% Abandoned	33.7	21.3	24.0	18.0	27.3	22.0	17.2	23.3	15.4	24.4	16.9	31.3	28.1	20.4	17.8	24.7	26.1	22.9	26.9	**26.2**
Acres Harv.	19.9	25.6	23.4	24.6	21.3	25.7	26.1	24.3	23.9	21.5	24.6	20.4	21.9	23.2	21.9	17.6	16.9	17.5	15.6	**16.3**
Avg. Yield	31.1	41.8	36.6	37.8	32.0	37.2	40.0	38.1	42.1	36.4	40.6	36.6	33.7	35.8	49.5	42.5	39.1	48.2	42.2	**42.2**
Production	620	1071	857	930	682	956	1046	926	1006	783	998	747	739	830	1082	750	662	845	659	**687**

SOFT RED WINTER WHEAT

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	USDA 2020	FI 2021
Acres Planted	8.1	8.3	8.2	6.1	7.4	8.6	11.4	8.2	4.9	8.5	8.0	10.0	8.5	7.1	6.0	5.8	6.1	5.2	5.6	**5.800**
% Abandoned	20.4	17.7	14.7	16.1	16.6	18.5	10.2	14.3	17.4	13.3	14.3	11.2	15.8	16.9	17.3	24.9	26.4	28.2	26.1	**27.0**
Acres Harv.	6.5	6.8	7.0	5.1	6.2	7.0	10.2	7.0	4.0	7.4	6.8	8.9	7.1	5.9	5.0	4.3	4.5	3.7	4.1	**4.2**
Avg. Yield	49.6	55.6	54.2	59.9	63.2	50.0	60.5	55.8	54.7	61.5	60.5	63.7	63.6	60.9	69.4	67.7	63.9	64.1	64.7	**67.8**
Production	321	380	380	308	390	352	618	391	219	453	413	568	455	359	345	293	286	240	266	**287**

HARD RED SPRING WHEAT

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	USDA 2020	FI 2021
Acres Planted	14.8	13.1	13.0	13.3	14.4	12.7	13.4	12.6	12.8	11.6	11.7	10.9	12.2	12.6	10.9	10.5	12.7	12.0	11.5	**11.3**
% Abandoned	15.0	2.9	4.4	3.0	7.0	2.6	4.7	2.4	2.5	2.5	1.8	2.2	2.1	2.3	2.6	8.1	2.2	8.6	1.5	**2.6**
Acres Harv.	12.6	12.7	12.5	12.9	13.4	12.4	12.8	12.3	12.5	11.3	11.5	10.7	12.0	12.3	10.6	9.7	12.4	11.0	11.3	**11.0**
Avg. Yield	27.9	39.2	42.2	36.0	32.2	36.3	39.9	44.5	45.1	35.2	43.9	45.8	46.3	46.0	46.3	39.8	47.3	47.3	46.9	**47.6**
Production	351	500	525	467	432	450	510	546	564	396	503	491	556	568	491	384	587	520	530	**524**

WHITE WHEAT

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	USDA 2020	FI 2021
Acres Planted	4.4	5.2	5.0	4.9	4.3	4.0	4.5	4.1	4.2	4.4	3.9	4.2	4.2	4.2	4.2	4.1	4.0	4.2	4.3	**4.4**
% Abandoned	6.1	4.4	6.4	5.2	5.4	5.8	4.7	5.4	4.5	3.8	3.9	4.9	5.6	4.7	4.0	5.5	5.6	5.1	4.6	**5.1**
Acres Harv.	4.1	5.0	4.7	4.7	4.1	3.7	4.3	3.9	4.0	4.3	3.8	4.0	4.0	4.0	4.0	3.8	3.8	4.0	4.1	**4.1**
Avg. Yield	56.4	59.5	64.5	63.7	61.5	59.1	59.4	61.9	68.1	73.9	68.3	68.0	56.3	55.7	71.1	67.5	71.3	69.2	74.4	**68.1**
Production	233	297	305	297	251	221	258	241	272	314	257	271	224	221	286	259	272	273	302	**281**
Winter	196	265	261	259	223	192	222	204	227	258	220	227	184	185	245	227	236	232	246	**231**
Spring	37	32	43	38	28	30	36	36	45	57	37	43	39	36	41	32	36	41	56	**50**

DURUM WHEAT

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	USDA 2020	FI 2021
Acres Planted	2.9	2.9	2.6	2.8	1.9	2.2	2.7	2.5	2.5	1.3	2.1	1.4	1.4	2.0	2.4	2.3	2.1	1.3	1.7	**1.7**
% Abandoned	7.0	1.6	7.7	1.6	2.9	1.7	5.4	5.0	1.6	4.3	0.7	4.4	4.3	2.1	2.2	8.7	4.8	12.2	1.3	**3.1**
Acres Harv.	2.7	2.9	2.4	2.7	1.8	2.1	2.6	2.4	2.5	1.3	2.1	1.3	1.3	1.9	2.4	2.1	2.0	1.2	1.7	**1.6**
Avg. Yield	29.5	33.7	38.0	37.2	29.5	34.1	31.3	44.0	41.2	36.8	38.4	43.3	40.2	44.0	44.0	26.0	39.5	45.8	41.4	**44.7**
Production	80	97	90	101	53	72	80	105	101	47	82	58	54	84	104	55	78	54	69	**71**

ALL WHEAT

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	USDA 2020	FI 2021
Acres Planted	60.3	62.1	59.6	57.2	57.3	60.5	63.6	59.0	52.6	54.3	55.3	56.2	56.8	55.0	50.1	46.1	47.8	45.5	44.3	**45.2**
% Abandoned	24.0	14.6	16.2	12.4	18.4	15.6	11.9	15.5	10.9	15.8	11.8	19.4	18.4	14.0	12.5	18.5	17.1	17.8	17.1	**17.5**
Acres Harv.	45.8	53.1	50.0	50.1	46.8	51.0	56.0	49.8	46.9	45.7	48.8	45.3	46.4	47.3	43.9	37.6	39.6	37.4	36.7	**37.2**
Avg. Yield	35.0	44.2	43.2	42.0	38.6	40.2	44.8	44.3	46.1	43.6	46.2	47.1	43.7	43.6	52.7	46.4	47.6	51.7	49.7	**49.7**
Production	1606	2344	2157	2103	1808	2051	2512	2209	2163	1993	2252	2135	2026	2062	2309	1741	1885	1932	1826	**1850**

(milbus) Source: USDA & FI Bold=FI estimate

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.