

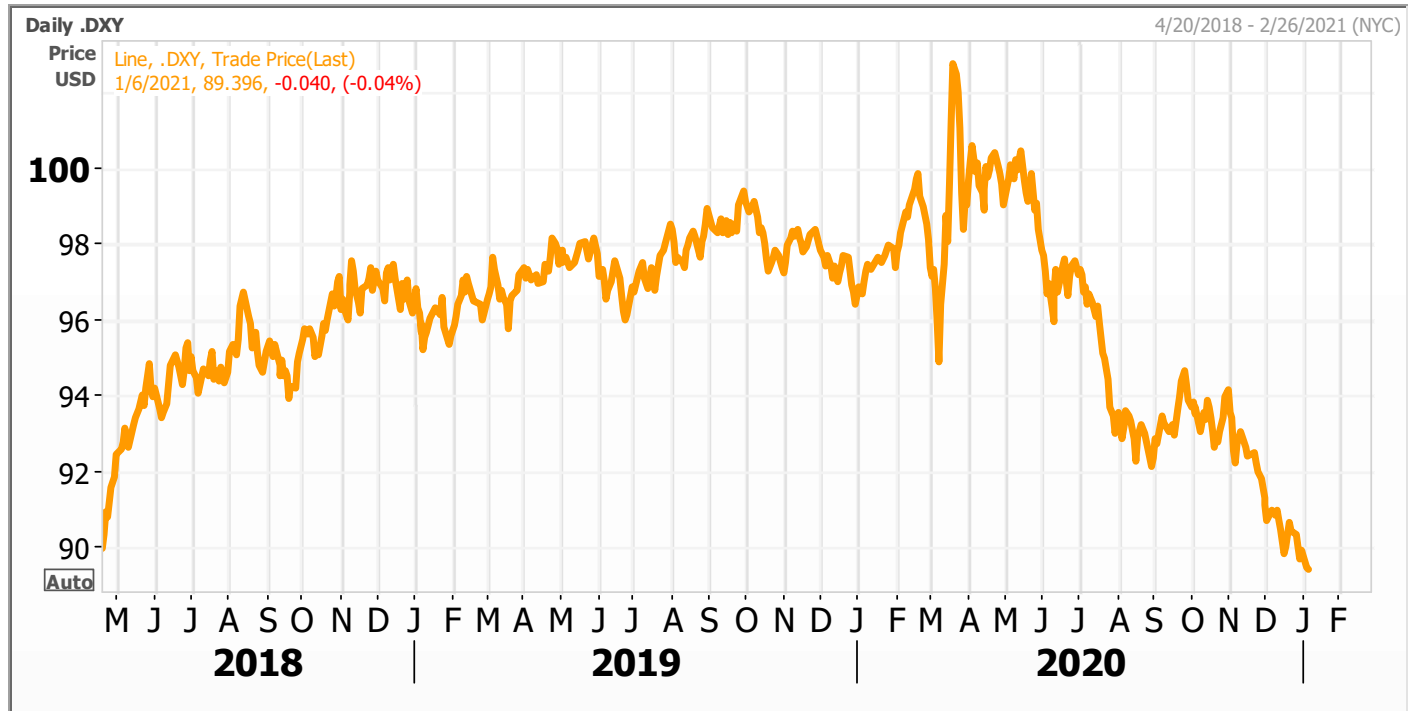


Under the USDA 24-hour reporting system, private exporters sold 102,616 tons of corn to unknown. We are eyeing \$14.50 soybeans, \$5.25 corn, and now \$7.00 wheat.

CME Margin Changes per Reuters:

- CME RAISES WHEAT FUTURES (W) MAINTENANCE MARGINS BY 10% TO \$1,650 PER CONTRACT FROM \$1,500 FOR MARCH 2021
- CME RAISES SOYBEAN FUTURES (S) MAINTENANCE MARGINS BY 14.6% TO \$2,750 PER CONTRACT FROM \$2,400 FOR JAN. 2021
- CME RAISES CORN FUTURES (C) MAINTENANCE MARGINS BY 12.9% TO \$1,100 PER CONTRACT FROM \$975 FOR MARCH 2021
- CME LOWERS CRUDE OIL FUTURE NYMEX (CL) MAINTENANCE MARGINS BY 4.7% TO \$4,525 PER CONTRACT FROM \$4,750 FOR FEB. 2021
- SAYS INITIAL MARGIN RATES ARE 110% OF THESE LEVELS
- SAYS RATES WILL BE EFFECTIVE AFTER THE CLOSE OF BUSINESS ON JAN. 6, 2021

USD Index



Source: Reuters and FI

Weather

Greatest World Weather Interests of The Day

- China's coldest temperatures of the season are expected tonight with extreme lows falling into the negative and positive single digits Fahrenheit in the Yellow River Valley and areas to the north
 - Very little snow cover is present which may raise the potential for a little crop damage

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- Wheat is favorably established and may withstand the cold after recent hardening, but some temperatures could be low enough to induce some negative impact
- Beneficial rainfall has occurred central and southern Buenos Aires and from northwestern Santiago del Estero into Salta Tuesday and overnight
 - Rainfall was heavy in parts of southern Buenos Aires where generalized 1.00 to 2.00 inch totals were noted
 - Local extremes reached 5.48 in the far southeast of Buenos Aires and 3.30 inches in interior southwestern Buenos Aires.
 - Net drying occurred elsewhere
 - Temperatures were mild to cool in the southwest with highs in the 60s and 70s Fahrenheit while readings in the northeast were in the 80s and lower to a few middle 90s
- Argentina's weather still looks unsettled enough for late this coming weekend through next week to raise the potential for some additional relief for parts of the nation's drier areas
 - However, relief is not likely to be very great in southern Santa Fe, Entre Rios or north-central into northeastern Buenos Aires where crop stress may worsen in the coming week and then only get partial relief after that
 - Timely rain may occur in many other areas next week to restrict the worse crop conditions to smaller portions of the nation, but ongoing
- Speculation over possible returning dry and hot weather in Argentina is in the marketplace for later this month
 - World Weather, Inc. believes there will be a period of less rain and warmer temperatures, but the impact of that on crops will be largely determined by the rain distribution next week and into the following weekend
- Brazil rainfall Tuesday and early today was greatest in Mato Grosso do Sul, western Parana, Santa Catarina and neighboring areas
 - Amounts reached nearly 3.00 inches in central Mato Grosso do Sul and 1.00 to 2.14 inches in southwestern Parana while amounts to 0.70 inch occurred often in other areas
 - The remainder of Brazil was left in a net drying mode.
 - High temperatures Tuesday were mostly in the seasonable range with a slight cooler bias in the interior south
- Brazil's weather outlook today has not changed much from that of Tuesday
 - 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
 - Recent dryness and that expected periodically in the next few days will not last long enough to seriously raise crop moisture issues
 - The mix of sunshine, rain, seasonable temperatures and mostly good soil conditions will support normal crop development
 - There are some pockets of dryness remaining, but the majority of the nation is seeing much better conditions over those of earlier this growing season
 - Coffee, citrus, rice, cotton corn, soybeans, 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
 - Some rain began in a part of the nation Tuesday, but amounts were light in the southwest
- 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 Tuesday resulting in further improvement in topsoil moisture
 - Additional moisture totals varied from 0.20 to 0.75 inch with local totals to 2.00 inches in the far north of the nation
 - Recent precipitation from eastern Rajasthan and northern Uttar Pradesh into Jammu and Kashmir has bolstered soil moisture for improved winter crop conditions
 - Dry weather will return to northern India today and will prevail for a while
 - Some rain will fall in central India Thursday and Friday of this week with amounts of 0.20 to 0.75 inch and a few totals over 1.00 inch
 - Madhya Pradesh and Maharashtra will be most impacted
 - Some areas in Maharashtra will receive 1.00 to 2.00 inches of rain as will Karnataka and Tamil Nadu where delays to late season summer crop harvesting is expected
 - Precipitation in these more southern locations in India will last more than Thursday and Friday with some areas getting rain well into next week
 - Too much rain is expected in far southern India and flooding may result; rice, sugarcane, unharvested cotton and some groundnuts may be negatively impacted by the moisture
- 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 showers Tuesday in northern New South Wales and southern Queensland
 - Amounts varied from 0.05 to 0.71 inch with a few totals to 1.47 inches
 - Greater rain fell near the Townsville area of Queensland where more than 5.00 inches occurred Tuesday and flooding in that area is far more serious because of multiple days of heavy rain
- 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
- Southern parts of the 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 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
- U.S. weather Tuesday was dry except for a little rain and snow mix in the Missouri River Valley and in random locations in the eastern states
 - The Pacific Northwest was wettest as it has been with the Puget Sound getting waves of rain
 - 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 today from the eastern Dakotas and western Minnesota into Missouri and eastern Kansas
 - Moisture totals will vary from 0.05 to 0.40 inch and locally more
 - Snowfall of 1 to 4 inches is most likely, but a few areas could receive locally more
 - The storm system responsible for rain and snow in the western Corn Belt today will also produce widespread rainfall across the Delta and into the southeastern states late today into early Friday
 - Hard red winter wheat areas will receive their greatest precipitation during the weekend as snow and rain fall from Colorado to western and northern Texas
 - Moisture totals will vary from 0.10 to 0.35 inch with local totals of 0.35 to 0.75 inch and possibly more
 - Some significant snowfall is possible in the high Plains region
 - Rain this weekend in the heart of Texas will move too far to the south to bring much moisture to the Delta or southeastern states, but some of the Gulf of Mexico coast and Florida will get rain Sunday into early next week
 - 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. Temperatures may not fall far below average outside of these areas and most of these areas will experience a more seasonably cool temperature bias
- 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 +18.64 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

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

USDA US Export Sales Projections in '000 Metric Tons

		Trade Estimates*		FI Estimates		Last Week		Year Ago
		12/31/2020	12/31/2020	Last Week	Last Week	1/2/2020		
Beans	2020-21	400-800	450-650	2020-21	695.5		355.5	
	NC	100-300	125-275					
Meal	2020-21	75-250	75-200	Sales	76.2	Sales	74.2	
	Shipments	NA	175-350	Shipments	285.6	Shipments	148.1	
Oil	2020-21	20-65	40-65	Sales	60.7	Sales	2.6	
	Shipments	NA	10-20	Shipments	13.3	Shipments	36.7	
Corn	2020-21	600-1200	700-1000	2020-21	964.6		161.9	
	NC	0	0					
Wheat	2020-21	250-500	300-450	2020-21	520.6		80.6	
	NC	0	0.0					

Source: FI & USDA *Trade estimates provided by Reuters

n/c= New Crop

Macros

US jobless claims report will be out on Thursday and monthly unemployment on Friday.

US ADP Employment Change Dec: -123K (est 75K; prevR 304K; prev 307K)

US DoE Crude Oil Inventories (W/W) 01-Jan: -8010K (est -2700K; prev -6065K)

- Distillate Inventories: +6390K (est 1200K; prev 3095K)

- Cushing Crude Inventories: +792K (prev 27K)

- Gasoline Inventories: +4519K (est -900K; prev -1192K)

- Refinery Utilization: 1.30% (est 0.40%; prev 1.40%)

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OPEC December Oil Output Up 280,000 Bpd Month On Month To 25.59 Mln Bpd, 6th Monthly Gain In A Row – RTRS Survey

OPEC Oil Output Rise Led By Higher Supply From Libya And UAE

OPEC States' Compliance To OPEC+ Output Cut Pledges 99% In December, Down From 102% In November

Saudi Arabia Keeps Oil Supply Steady In December At Just Below 9 Million Bpd

US Factory Orders Nov: 1.0% (est 0.7%; prev 1.0%)

- Factory Orders Ex-Transportation Nov: 0.8% (prev 1.0%)

- Durable Goods Orders Nov F: 1.0% (est 0.9%; prev 0.9%)

- Durable Goods Ex-Transportation Nov F: 0.4% (est 0.4%; prev 0.4%)

- Cap Goods Ship Nondef Ex-Air Nov F: 0.5% (prev 0.4%)

EIA-U.S. WEEKLY ETHANOL OUTPUT UP 1,000 BPD TO 935,000 BPD

EIA-U.S. WEEKLY ETHANOL STOCKS OFF 220,000 BBL TO 23.28 MLN BBL

FI Estimates for USDA Grain Stocks

Grain Stocks:				USDA	Your
Region	Date	Crop	Item	Dec. 2019	Estimate
US	Dec. 1	Corn	Qtly Stocks	11,327	12,012
US	Dec. 1	Soybean	Qtly Stocks	3,252	2,826
US	Dec. 1	Wheat	Qtly Stocks	1,841	1,702

Corn.

- CBOT corn ended higher despite some negative sentiment CBOT futures are overbought and the fund position is increasingly in a danger zone on the long side after no fresh bullish news hit the markets this week other than a couple confirmed cargo private sales were reported over the tapes. Argentina's restrictions of corn export commitments go only beyond February. We feel US export demand for US corn exports will remain strong after that date, but price advantage and currency values will dictate origin (US/Argentina). Ukraine, we see knocked out by then.
- EIA's weekly US ethanol production and stocks update had little impact on market prices today.
- On Wednesday, funds bought an estimated net 13,000 contracts.
- Hungary plans to cull 90,000 turkeys amid bird flu.
- Germany will cull 62,000 poultry after discovering H5N8 bird flu.
- The story that came out late Sunday on Bloomberg mentioning Mexico's initiative to phase out GMO corn imports has created a stir in the market, but many believe it will not become a reality unless some extreme measures takes place such as a dramatic shift in global trade flows (where they source non GMO) and/or domestic planting expansion. We think it's more geared for white corn human consumption. Livestock producers tend to import and feed yellow corn. Bottom line is Mexico depends on at least 16 plus million tons of corn imports every year for domestic feed and industrial consumption, and much of the corn imports come from the United States. We applaud that Mexico aims to become self-sufficient but achieving this over a three year period with what land may be available to expand farmland, might be out of reach.

Mexico Corn Supply and Demand

(million tons)

	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	USDA 20/21	FI 20/21
Area Harvested	7.3	7.3	6.3	7.0	6.1	6.9	7.1	7.3	7.2	7.5	7.3	7.2	6.6	7.3	7.3
Yield	3.22	3.31	3.24	3.00	3.09	3.13	3.25	3.48	3.60	3.67	3.77	3.83	4.00	3.84	3.80
Production	23.6	24.2	20.4	21.1	18.7	21.6	22.9	25.5	26.0	27.6	27.6	27.6	26.5	28.0	27.7
Beginning Stocks	3.1	4.1	3.6	1.4	1.1	1.2	1.0	2.6	4.1	5.2	5.4	5.6	5.1	3.3	3.3
Imports	9.6	7.8	8.3	8.3	11.1	5.7	10.9	11.3	14.0	14.6	16.1	16.7	16.5	17.3	17.7
Exports	0.1	0.2	0.6	0.1	0.7	0.5	0.5	0.8	1.6	1.5	1.0	0.7	1.0	0.9	1.0
Imports from US	9.5	7.7	8.3	7.5	9.9	4.9	10.9	11.3	13.6	14.3	15.6	15.8	14.6	16.0	16.0
Feed Consumption	16.2	16.4	14.2	13.7	13.2	11.0	15.2	17.8	20.3	22.5	24.3	25.9	25.6	26.0	26.4
FSI Consumption	15.8	16.0	16.0	15.8	15.8	16.0	16.5	16.8	17.0	17.9	18.2	18.2	18.2	18.3	18.3
Total Consumption	32.0	32.4	30.2	29.5	29.0	27.0	31.7	34.6	37.3	40.4	42.5	44.1	43.8	44.3	44.7
Ending Stocks	4.1	3.6	1.4	1.1	1.2	1.0	2.6	4.1	5.2	5.4	5.6	5.1	3.3	3.4	3.0
STU	12.9%	10.9%	4.5%	3.8%	4.1%	3.5%	8.1%	11.6%	13.3%	12.9%	13.0%	11.4%	7.3%	7.6%	6.6%

Source: USDA & FI, Bold FI est.

EIA weekly ethanol data

US ethanol production unexpectedly expanded 1,000 barrels to 935,000 barrels, still 12 percent below this time a year ago. Traders were looking for a 7,000 decline. Corn crop year to date (September through early January) is running 7.3 percent below the same period a year earlier. There were no ethanol imports. US ethanol stocks declined 220,000 barrels to 23.284 million. Traders were looking for an increase of 241,000. This was the first decrease in stocks in ten weeks. US gasoline demand fell 687,000 barrels to 7.441 million, down 8.5 percent from a year ago. The refinery and blender net input of oxygenates fuel ethanol (blender input) was 719,000 barrels, down 99,000 from the previous week and 10.2 percent below year ago. The percent of ethanol blended into finished motor gasoline was 89.5 percent.

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			
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	935	1	-12.0%	23,284	(220)	3.7%	25.1		

Source: EIA and FI

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US Weekly Ethanol By PADD

	1-Jan 2021	25-Dec 2020	Change	Weekly Percent	4-Week Percent	YOY Percent
Ethanol Stocks						
Total Stocks	23284	23504	(220)	-0.9%	1.5%	3.7%
East Coast PADD 1	7187	7397	(210)	-2.8%	-1.2%	-2.7%
Midwest PADD 2	7904	8029	(125)	-1.6%	5.8%	-2.7%
Gulf Coast PADD 3	4642	4497	145	3.2%	1.2%	23.6%
Rocky Mt. PADD 4	385	388	(3)	-0.8%	-11.1%	-3.0%
West Coast PADD 5	3167	3194	(27)	-0.8%	-0.6%	13.1%
	1-Jan 2021	25-Dec 2020	Change	Weekly Percent	4-Week Percent	YOY Percent
Plant Production						
Total Production	935	934	1	0.1%	-2.3%	-12.0%
East Coast PADD 1	12	12	0	0.0%	0.0%	
Midwest PADD 2	889	891	(2)	-0.2%	-2.4%	-9.7%
Gulf Coast PADD 3	16	13	3	23.1%	23.1%	
Rocky Mt. PADD 4	9	9	0	0.0%	-10.0%	
West Coast PADD 5	9	9	0	0.0%	-10.0%	

Source: EIA and FI

Corn Export Developments

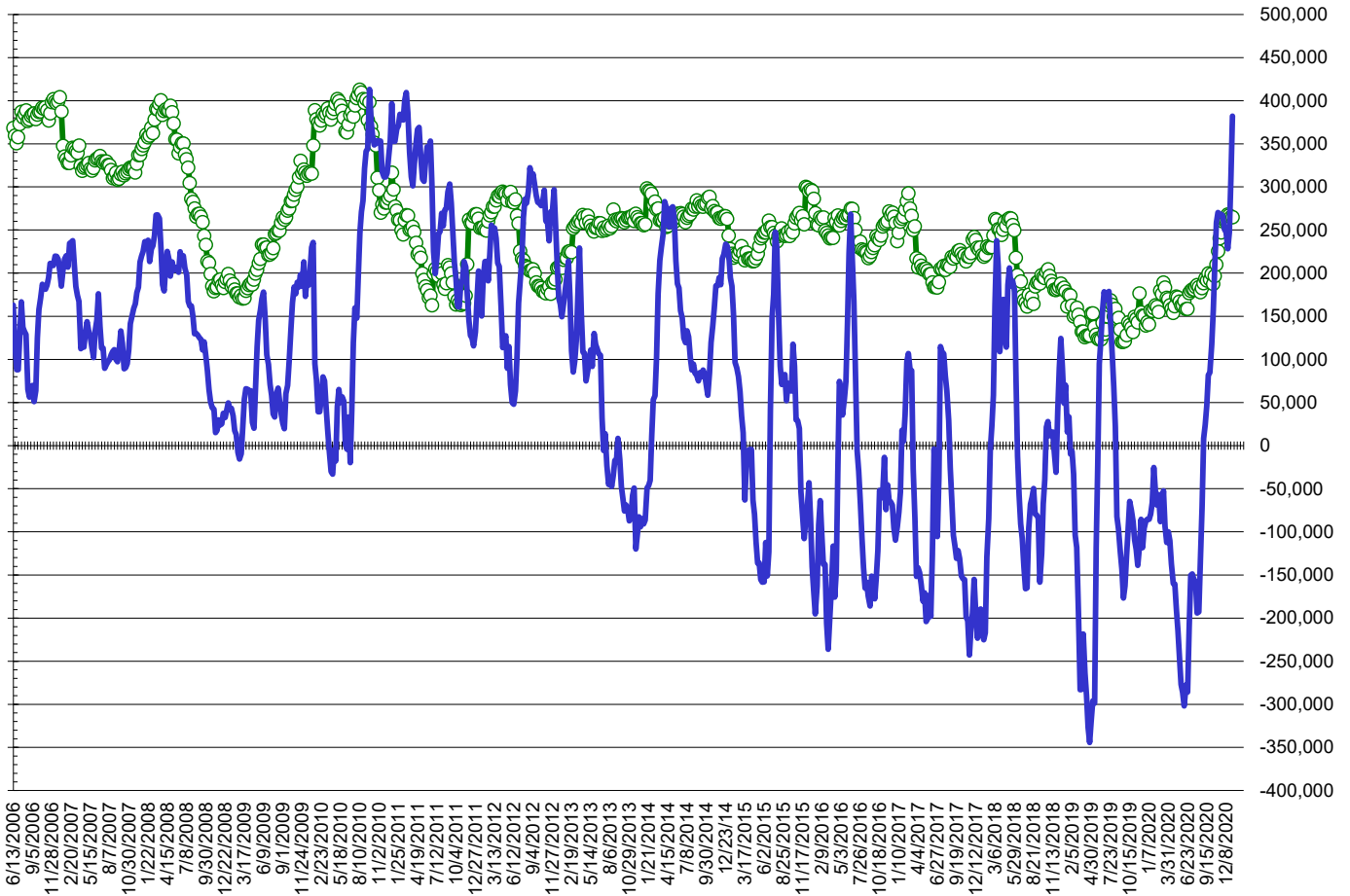
- Under the USDA 24-hour reporting system, private exporters sold 102,616 tons of corn to unknown.
- Turkey seeks 155,000 tons of corn on January 12 for Jan 25-Feb 15 shipment.
- Qatar seeks 100,000 tons of bulk barley on January 12.
- Qatar seeks 640,000 cartons of corn oil on January 12.

USDA 24-hour

Date reported	Value (tonnes)	Commodity	Destination	Year
4-Jan	102,616	Corn	Unknown	2020-21
28-Dec	233,700	Soybeans	Unknown	2020-21
28-Dec	125,000	Soybeans	Unknown	2021-22
28-Dec	149,572	Corn	Unknown	2020-21
28-Dec	33,000	Soybean Oil	Unknown	2020-21
11-Dec	130,000	Soybean cake and meal	Philippines	2020-21
10-Dec	344,442	Corn	Mexico	2020-21
9-Dec	257,071	Corn	Mexico	2020-21
4-Dec	182,020	Corn	Mexico	2020-21

Below is what the managed money futures and options position may look like when update on Friday

NET POSITION FUTURES OF SWAP AND MANAGED FUNDS IN CORN



SOURCE: CFTC & FI

○ SWAP DEALERS

— MANAGED MONEY

Corn		Change	Oats		Change	Ethanol	Settle	
MAR1	495.75	4.00	MAR1	359.75	(3.50)	JAN1	1.49	Spot DDGS IL
MAY1	496.50	4.00	MAY1	354.00	(3.25)	FEB1	1.50	Cash & CBOT
JUL1	494.75	4.25	JUL1	348.75	(4.75)	MAR1	1.51	Corn + Ethanol
SEP1	455.50	3.50	SEP1	320.50	0.50	APR1	1.57	Crush
DEC1	441.25	2.75	DEC1	307.50	(2.00)	MAY1	1.56	0.92
MAR2	447.00	3.25	MAR2	314.75	(2.00)	JUN1	1.56	
Soybean/Corn		Ratio	Spread	Change	Wheat/Corn	Ratio	Spread	Change
MAR1	MAR1	2.75	868.25	13.00	MAR1	1.31	151.75	(10.50)
MAY1	MAY1	2.74	866.00	12.25	MAY1	1.31	151.75	(9.00)
JUL1	JUL1	2.73	855.25	10.25	JUL1	1.29	144.75	(5.00)
SEP1	SEP1	2.67	759.00	12.75	SEP1	1.41	185.50	(3.75)
NOV1	DEC1	2.62	714.75	12.00	DEC1	1.47	207.00	(2.75)
MAR2	MAR2	2.53	683.50	12.00	MAR2	1.46	206.75	(3.50)
US Corn Basis & Barge Freight								
Gulf Corn			BRAZIL Corn Basis			Chicago		
JAN	+79 / 85 h up2/unch		JLY	+80 / 96 n		dn10/unch	Toledo	+11 h unch
FEB	+80 / 85 h unch		AUG	+89 / 95 u		up4/dn5	Decatur	+3 h unch
MCH	+74 / 78 h unch		SEP	+85 / 95 u		unch/dn5	Dayton	+23 h unch
APR	+70 / 74 k unch		0-Jan				Cedar Rapic	+10 h unch
MAY	+70 / 74 k unch						Burns Harb	+4 h unch
USD/ton: Ukraine Odessa \$ 226.00						Memphis-Cairo Barge Freight (offer)		
US Gulf 3YC Fob Gulf Seller (RTRS) 242.4 238.5 235.3 230.9 230.9 231.0						BrgF MTCT JAN 275 unchanged		
China 2YC Maize Cif Dalian (DCE) 424.5 428.5 431.5 433.0 434.3 435.0						BrgF MTCT FEB 270 unchanged		
Argentina Yellow Maize Fob UpRiver - - 238.2 237.2 235.2 -						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.

- CBOT soybean complex ended higher led by soybeans and soybean meal, not oil as indicated at the beginning of the session after palm futures were up 122 points. News has not changed the theme of the bullish undertone. This week the situation in Argentina turned south again as producers planned a strike set for January 11-13. Either way, vegetable oil premiums are again on the rise across the Black Sea and South America, Malaysia and EU as global stockpiles dwindle ahead of Southern Hemisphere harvest. Feed grain supplies are not in question as much as vegetable oil abundance headed into second half 2021.
- We are hearing US soybean end users have bought a lot of soybeans this week as elevators selling soybeans to meet margin calls. A raise in CME margins again will likely shake out more shots in the market.
- CBOT crush was active and there are indications commercials are covered through first half April. Rolling of the March Crush to May was noted today.
- Meanwhile, someone was active trading SA soybean futures. A graph of Santos Platts versus rolling Chicago futures shows a good correlation. We eventually would like to see the exchanges embrace several more cash settled OTC global locations to entice superior hedging.
- China's Sinograin was seeking US soybeans for October and November shipments and at least one cargo was bought. China also bought at least one Brazilian soybean cargo for March shipment.

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- On Wednesday, funds bought an estimated 13,000 soybean contracts, 5,000 soybean meal and 4,000 soybean oil lots.

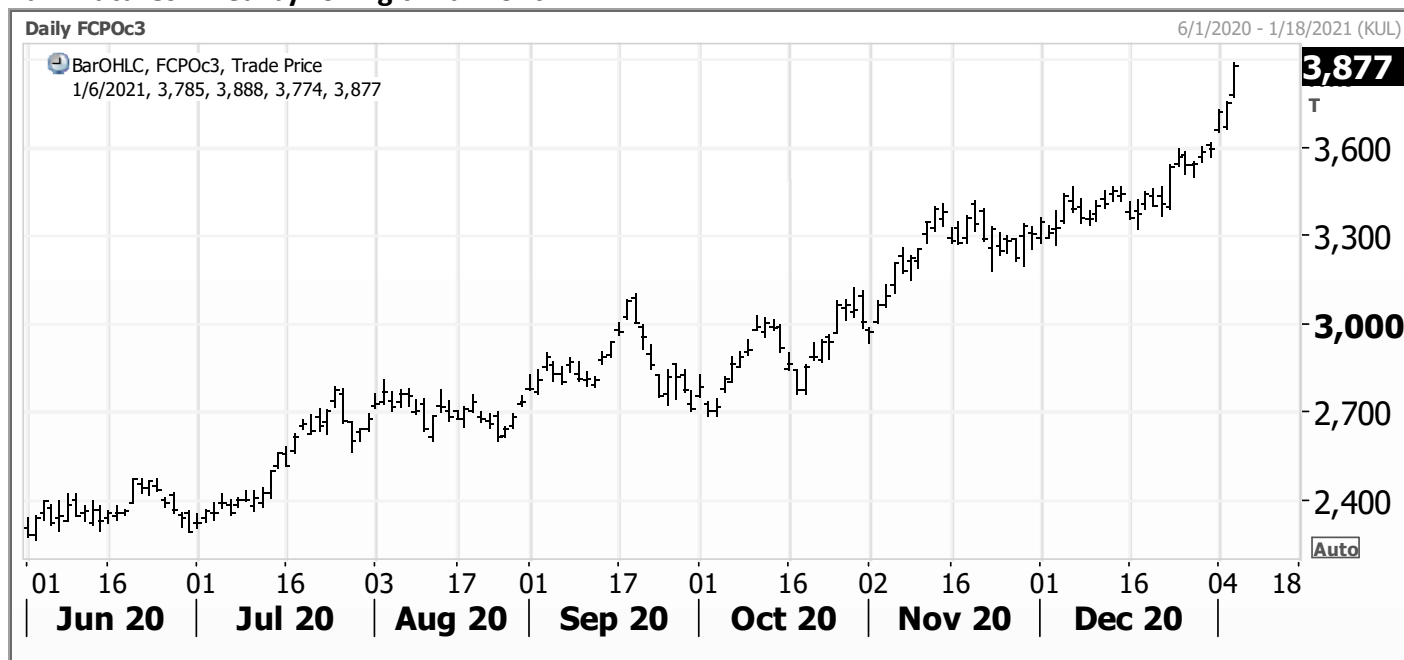
Oilseeds Export Developments

- None reported

MPOB Jan. 11 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

Palm futures – nearby rolling third month



Source: Reuters and FI

Argentina Oilseeds and Products Update

<https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Oilseeds%20and%20Products%20Update%20Buenos%20Aires%20Argentina%2012-31-2021>

Oilseed, Soybean (Local) Market Year Begins Argentina	2018/2019		2019/2020		2020/2021	
	Apr 2019		Apr 2019		Apr 2020	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	18900	18000	17400	17400	17500	17500
Area Harvested (1000 HA)	16600	17500	16700	16900	16700	17400
Beginning Stocks (1000 MT)	9100	9100	10110	10843	11800	15588
Production (1000 MT)	55300	55300	48800	48800	50000	50000
MY Imports (1000 MT)	3789	3788	4600	5150	4000	4500
Total Supply (1000 MT)	68189	68188	63510	64793	65800	70088
MY Exports (1000 MT)	10255	10255	6640	6700	7000	7000
Crush (1000 MT)	40929	41790	37900	37105	39000	41000
Food Use Dom. Cons. (1000 MT)	0	0	0	0	0	0
Feed Waste Dom. Cons. (1000 MT)	6895	5300	7170	5400	7300	5500
Total Dom. Cons. (1000 MT)	47824	47090	45070	42505	46300	46500
Ending Stocks (1000 MT)	10110	10843	11800	15588	12500	16588
Total Distribution (1000 MT)	68189	68188	63510	64793	65800	70088
Yield (MT/HA)	3.3313	3.16	2.9222	2.8876	2.994	2.8736

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

Soybeans		Change	Soybean Meal		Change	Soybean Oil		Change
JAN1	1368.00	18.00	JAN1	445.10	9.70	JAN1	44.39	0.03
MAR1	1364.00	17.00	MAR1	439.90	8.10	MAR1	43.90	0.30
MAY1	1362.50	16.25	MAY1	435.80	7.30	MAY1	43.22	0.34
JUL1	1350.00	14.50	JUL1	431.50	6.50	JUL1	42.74	0.27
AUG1	1308.50	14.00	AUG1	417.90	5.70	AUG1	41.93	0.19
SEP1	1214.50	16.25	SEP1	397.40	5.80	SEP1	41.16	0.23
NOV1	1156.00	14.75	OCT1	377.30	5.70	OCT1	40.31	0.17

Soybeans	Spread	Change	SoyMeal	Spread	Change	SoyOil	Spread	Change
Jan/Mar	-4.00	(1.00)	Jan/Mar	-5.20	(1.60)	Jan/Mar	-0.49	0.27

Electronic Beans Crush		Oil as %	Meal/Oil \$	Meal	Oil		
Month	Margin	of Oil&Meal	Con. Value	Value	Value		
JAN1	99.51	JAN1 33.27%	\$ 17,876	979.22	488.29		
MAR1	86.68	MAR1 33.29%	\$ 17,650	967.78	482.90	EUR/USD	1.2331
MAY1	71.68	MAY1 33.15%	\$ 17,648	958.76	475.42	Brazil Real	5.3045
JUL1	69.44	JUL1 33.12%	\$ 17,506	949.30	470.14	Malaysia Bid	4.0080
AUG1	72.11	AUG1 33.41%	\$ 16,632	919.38	461.23	China RMB	6.4617
SEP1	112.54	SEP1 34.12%	\$ 15,044	874.28	452.76	AUD	0.7797
NOV1/DEC1	109.77	OCT1 34.82%	\$ 13,544	830.06	443.41	CME Bitcoin	34663
JAN2	103.68	DEC1 34.72%	\$ 13,590	826.32	439.45	3M Libor	0.234
MAR2	102.82	JAN2 34.71%	\$ 13,494	819.72	435.71	Prime rate	3.2500
MAY2	100.24	MAR2 34.96%	\$ 12,940	802.12	431.20		

US Soybean Complex Basis			
JAN	+77 / 84 f up2/up2		DECATUR +9 h unch
FEB	+75 / 83 h unch/up1	IL SBM	H-7 1/5/2021 SIDNEY -8 f dn8
MCH	+76 / +83 h unch	CIF Meal	H+32 1/5/2021 CHICAGO -5 h 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 mch price unch
			C. RAPIDS -15 h unch

Brazil Soybeans Paranagua fob		Brazil Meal Paranagua		Brazil Oil Paranagua	
FEB	+66 / +70 f up4/unch	JAN	+20 / +30 f unch	JAN	+500 / +700 f unch
MCH	+48 / +52 h unch	FEB	+23 / +26 h up1/dn2	FEB	+500 / +700 h unch
APR	+44 / +48 k dn4/dn4	MCH	+10 / +16 h unch	MCH	+280 / +380 h dn40/dn20
MAY	+50 / +53 k dn1/dn2	APR	+1 / +6 k unch/dn1	APR	+180 / +260 k unch
JUNE	+68 / +75 n dn2/unch	MAY	+3 / +5 k unch	MAY	+180 / +260 k unch
	Argentina meal	461 20.9	Argentina oil	Spot fob	49.8 5.90

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 futures traded in par with movement with the USD, and EU wheat futures that with that said we think had more influence over CBOT price action as there was not much news to trade with. Euronext wheat futures sank after hitting a 2-year high, natural as that contract sees less volatility, long term, versus the US markets over recent years.
- On Wednesday funds sold an estimated net 5,000 Chicago SRW wheat contracts.

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- Ukraine grain exports were 26.4 million tons so far in 2020-21, down from 31.49 million at the same date in 2020-economy ministry. Ukraine winter grain crops remain in good conditions.
- EU March milling wheat was down 1.75 at 175.00 euros.
- China was set to sell another, or at least offer, 4 million tons of wheat from reserves, so this may have dampened bull trader optimism.
- Looking at the larger picture, we see no major draw in global wheat stocks over the next 12-24 months, so bull traders in soybeans and corn must be aware that sometimes a huge upswing in commodity agriculture futures is predicated on movement on all aspects of the industry, not just a hiccup in one or two of the major commodities. Weather is good across the Black Sea and we see not major setback to winter grain/oilseed production across the rest of the northern hemisphere. But it only takes two major back to back weather events to send off an unrepresented price event, IMO.

Export Developments.

- Japan this week seeks 120,228 tons of food wheat from the United States, Canada and Australia in a regular tender.
- Turkey seeks 155,000 tons of feed barley on January 12.
- Ethiopia canceled an import tender for 600,000 tons of wheat that was set to close back on November.
- Bangladesh seeks 50,000 tons of wheat in January 13 for shipment within 40 days of contract signing.
- Bangladesh also seeks 50,000 tons of wheat in January 18 for shipment within 40 days of contract signing.

Rice/Other

- Cotton futures are on track for their longest rally in 11 years.

Chicago Wheat			KC Wheat			MN Wheat		
		Change			Change	Settle		Change
MAR1	647.50	(6.50)	MAR1	604.75	(4.50)	MAR1	606.25	(1.00)
MAY1	648.25	(5.00)	MAY1	608.75	(4.00)	MAY1	614.75	(0.75)
JUL1	639.50	(0.75)	JUL1	611.00	(3.25)	JUL1	619.50	(0.75)
SEP1	641.00	(0.25)	SEP1	614.50	(4.25)	SEP1	623.25	(1.00)
DEC1	648.25	0.00	DEC1	622.75	(3.50)	DEC1	629.25	(1.25)
MAR2	653.75	(0.25)	MAR2	625.75	(4.00)	MAR2	631.25	(1.25)
MAY2	646.50	0.25	MAY2	613.00	(2.25)	MAY2	629.25	0.00

Chicago Rice			US Wheat Basis		
		Change			
JAN1	12.42	0.065	MAR1	12.66	0.045
			MAY1	12.84	0.060

US Wheat Basis			Chicago mill		
Gulf SRW Wheat			Gulf HRW Wheat		Chicago mill
JAN	+95 / 104 h unch		JAN	155 / h unch	Toledo
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
0-Jan			APR	160 / k unch	PNW Feb
0-Jan			MAY	160 / k unch	PNW Mar
					PNW Apr

Paris Wheat		Change	OI	OI Change	World Prices \$/ton		Change
MAR1	215.75	(2.00)	246,454	6,960	US SRW FOB	\$288.00	\$4.40
MAY1	213.00	(1.50)	106,399	6,035	US HRW FOB	\$288.10	\$3.60
SEP1	196.00	0.00	73,408	3,458	Rouen FOB 11%	\$273.44	\$1.50
DEC1	196.75	(0.25)	73,049	5,049	Russia FOB 12%	\$261.00	\$2.00
EUR	1.2331				Ukr. FOB feed (Odessa)	\$218.50	\$0.00
					Arg. Bread FOB 12%	\$254.26	\$0.00

Source: FI, DJ, Reuters & various trade sources

Updated 1/6/20

March Chicago wheat is seen in a \$5.90-\$7.00 range (top up from \$6.65)

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

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

Futures international LLC - T Reilly

PREDICTING USDA JANUARY REPORTS:

Wasde:				USDA	Your
Region	Crop yr	Crop	Item	Dec.	Estimate
US	2020-21	Corn	Planted Acres	90.978	90.893
US	2020-21	Corn	Harvested Acres	82.527	82.427
US	2020-21	Corn	Yield	175.8	175.5
US	2020-21	Corn	Production	14,507	14,466
US	2020-21	Soybean	Planted Acres	83.105	83.355
US	2020-21	Soybean	Harvested Acres	82.289	82.355
US	2020-21	Soybean	Yield	50.7	50.9
US	2020-21	Soybean	Production	4,170	4,192
US	2020-21	Corn	Ending Stocks	1,702	1,611
US	2020-21	Soybean	Ending Stocks	175	150
US	2020-21	Soybean Meal	Ending Stocks	350	350
US	2020-21	Soybean Oil	Ending Stocks	1,889	1,819
US	2020-21	Wheat	Ending Stocks	862	856
World	2020-21	Corn	Ending Stocks	289.0	284.5
World	2020-21	Soybean	Ending Stocks	85.6	82.8
World	2020-21	Wheat	Ending Stocks	316.5	315.0
Argentina	2020-21	Corn	Production	49.0	48.0
Argentina	2020-21	Soybeans	Production	50.0	48.0
Brazil	2020-21	Corn	Production	110.0	109.0
Brazil	2020-21	Soybeans	Production	133.0	132.0

Grain Stocks:				USDA	Your
Region	Date	Crop	Item	Dec. 2019	Estimate
US	Dec. 1	Corn	Qtly Stocks	11,327	12,012
US	Dec. 1	Soybean	Qtly Stocks	3,252	2,826
US	Dec. 1	Wheat	Qtly Stocks	1,841	1,702

Winter Wheat Seedings:				USDA	Your
Region	Crop yr	Crop	Item	2020	Estimate
US	2021	Canola	Planted Acres	1.852	2.020
US	2021	All Winter Wheat	Planted Acres	30.415	31.400
US	2021	Hard-Red Winter	Planted Acres	21.362	22.050
US	2021	Soft-Red Winter	Planted Acres	5.564	5.800
US	2021	White Winter	Planted Acres	3.489	3.550

Uses Bloomberg Template

USDA Export Sales Estimates/Results in 000 tons

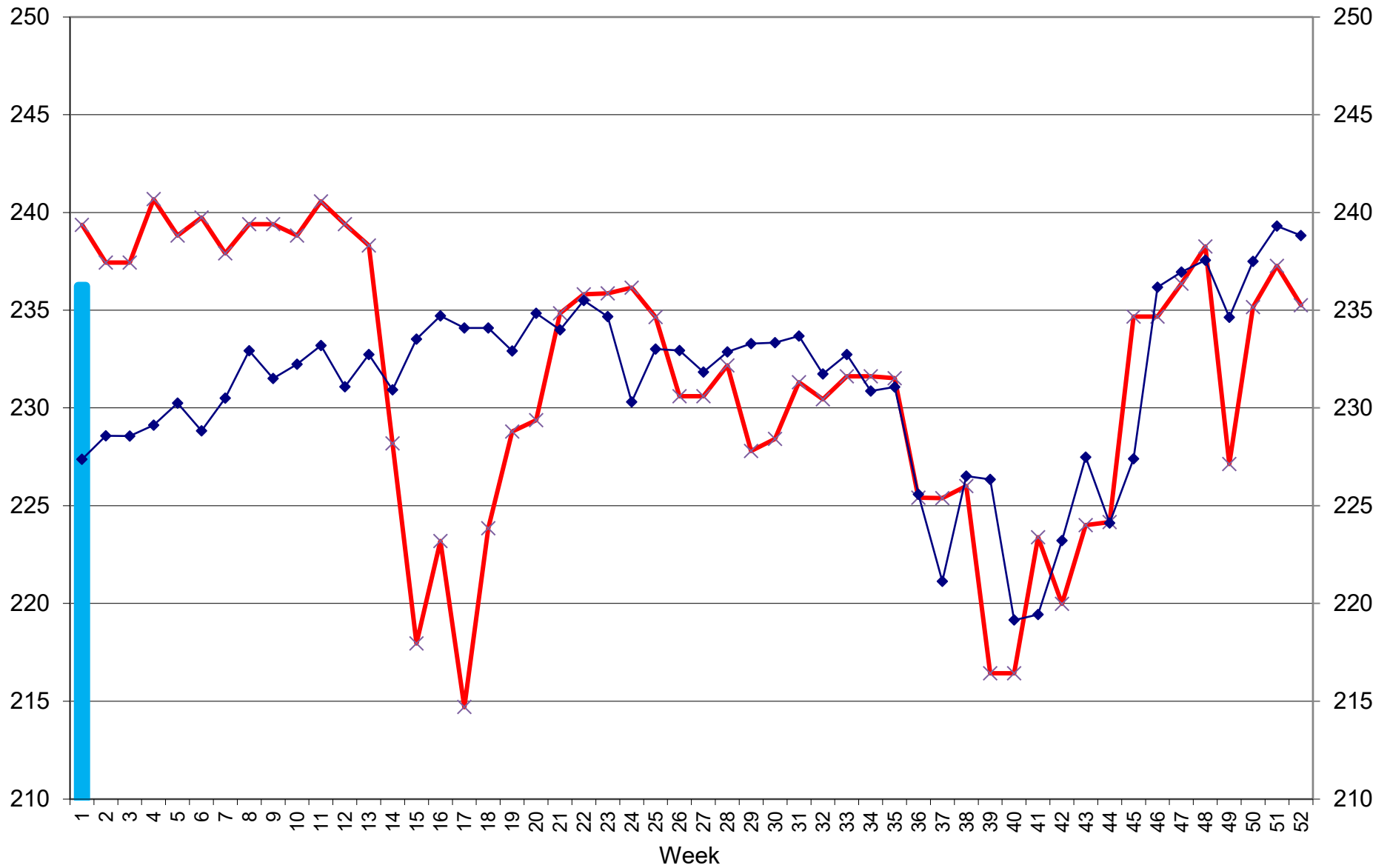
	ESTIMATED 12/31/2020			12/24/2020 Last Week			1/2/2020 Year Ago		
Beans	20/21	450-650		20/21	695.5		19/20	355.5	
	21/22	125-275		21/22	315.8		n/c	3.4	
					Sales to China	619.7		Sales to China	74.7
Meal			Shipped			Shipped			Shipped
	20/21	75-200	175-350	20/21	76.2	285.6	19/20	74.2	148.1
				21/22	0.0				
Oil			Shipped			Shipped			Shipped
	20/21	40-65	10-20	20/21	60.7	13.3	19/20	2.6	36.7
				21/22	0.0				0.0
					Sales to China	0.0		Sales to China	0.0
Corn	20/21	700-1000		20/21	964.6		19/20	161.9	
	21/22	0.0		21/22	0.0		n/c	0.0	
					Sales to China	26.2		Sales to China	0.0
Wheat	20/21	300-450		20/21	520.6		19/20	80.6	
	21/22	0.0		21/22	0.0		n/c	50.0	

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

Source: Futures International and USDA

Broiler Egg Sets, in millions

National



Source: USDA, FI

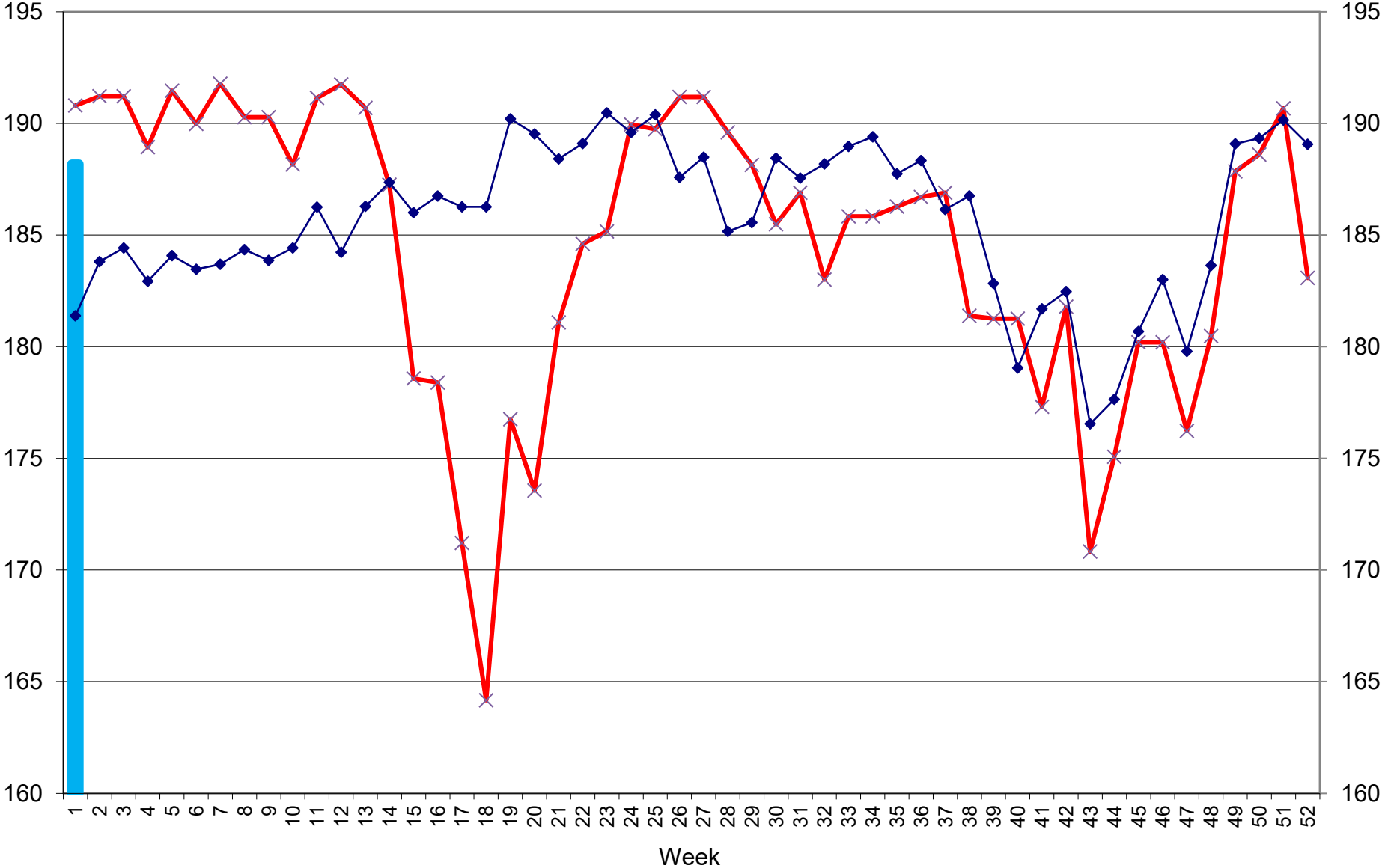
2021

2020

2019

Broiler Chicks Placed, in millions

National



Source: USDA, FI

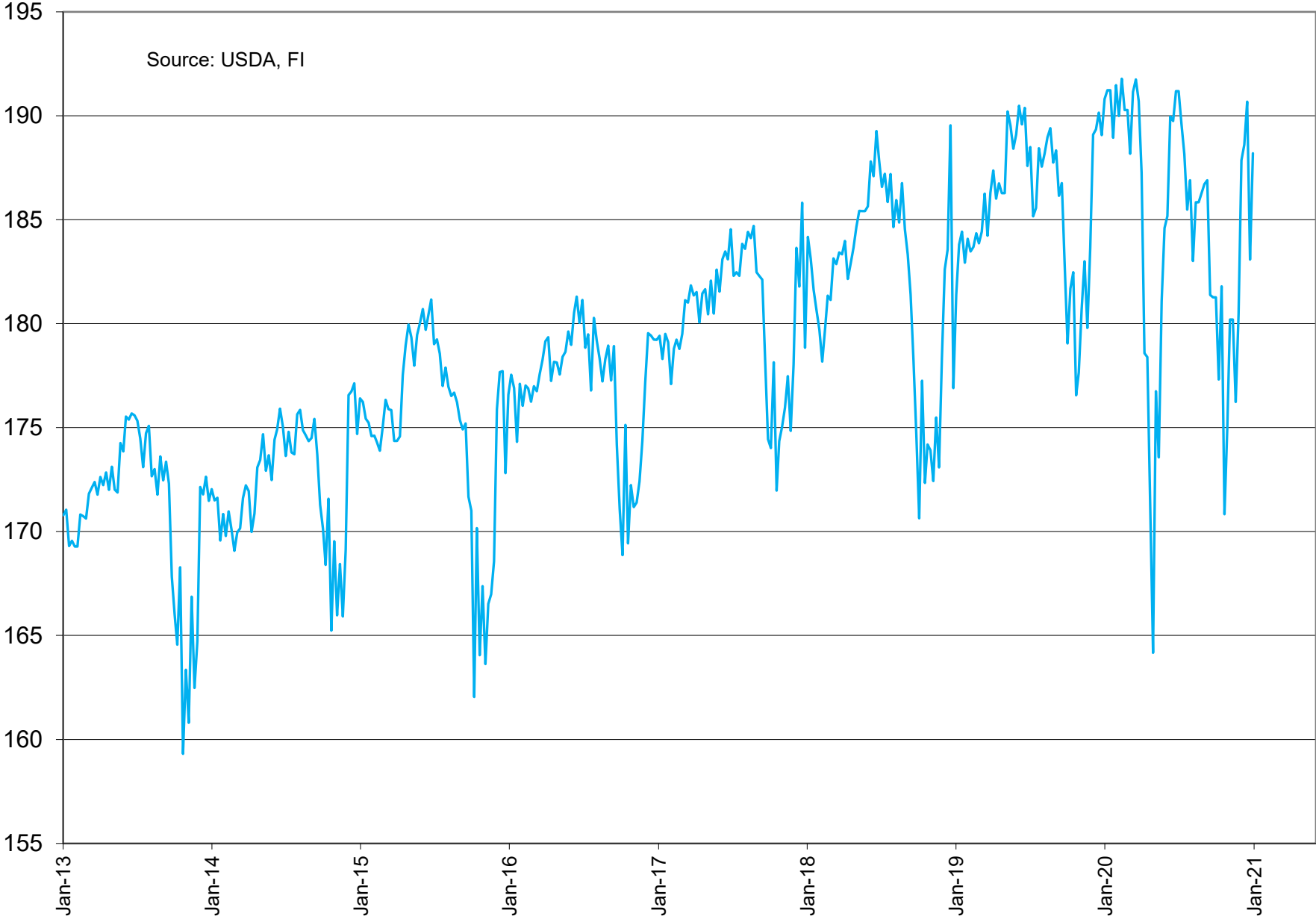
2021

2020

2019

Broiler Chicks Placed, in millions

National



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