



Shoots and ladders have been the theme over the recent few trading sessions. Today we saw cash buyers step in to pick up soybean meal. Rumors of China buying soybeans and corn added to the positive undertone. Look for volatility to remain in place for the balance of this week, which is the balance of the month.

Weather

MOST IMPORTANT WEATHER AROUND THE WORLD

- U.S. hard red winter wheat production areas began receiving rain and snow overnight and the storm will prevail early this week lifting topsoil moisture in some of the drier biased areas
 - Moisture totals through Tuesday morning will vary from 0.10 to 0.50 inch in eastern Colorado, parts of the Texas Panhandle, the Oklahoma Panhandle, far western Kansas and extreme southwestern Nebraska. Moisture totals farther to the east will vary from 0.40 to 1.00 inch with local amounts of 1.00 to 1.50 inches
 - Wettest in southern Nebraska, northern Kansas and in a few areas from south-central into eastern fringes of Oklahoma crop areas
 - Total snow accumulations will vary from 2 to 4 inches and local totals to 6 inches in eastern Colorado, far western Kansas and far southwestern Nebraska while 1 to 3 inches occur in central Kansas
 - Snowfall will be greatest in north-central and interior northwestern Kansas into central and eastern Nebraska where 6 to 12 inches and local totals to 15 inches are expected
 - The moisture boost will be welcome and should translate into a better winter crop establishment potential in the spring after the northwestern hard red winter wheat production area had been much drier than usual in recent weeks.
- U.S. Midwest will experience rain and snow early this week with sufficient precipitation to bolster topsoil moisture to the point of saturation once again
 - Today's soil moisture is rated adequately
 - Rainfall in the lower Midwest will vary from 0.50 to 2.00 inches with the greatest amounts near and south of the Ohio River
 - There is potential for locally more rain
 - Snowfall will range from 6 to 12 inches from eastern Nebraska to central Iowa and up to 8 inches from northern Illinois to southern Michigan with a few amounts to 15 inches in southeastern Nebraska and southwestern Iowa
 - Snowfall of 2 to 5 inches will surround this region
- Northern U.S. Delta and most of the southeastern states will receive precipitation during the early to middle part of this week
 - Moisture totals of 0.65 to 1.50 inches will result except in the lower Delta and a small part of the southern Tennessee River Basin where amounts of 0.15 to 0.65 inch and local totals to 1.00 inch are possible
 - Northern Alabama and Tennessee will be wettest
- California will receive the greatest precipitation seen so far this winter over the next five days
 - Snow accumulations will be measured in feet across the Sierra Nevada and far northern mountains while rain in the valleys of central and northern California will range from 1.00 to 3.00 inches
 - A few coastal areas between San Francisco and Los Angeles will receive more than 6.00 inches of rain resulting in flooding

- Rain and mountain snow will also fall in the Great Basin and southern Rocky Mountain region this week resulting in some needed soil moisture increases
 - Southwestern Arizona and southeastern California will not receive much significant moisture
- Northwestern U.S. Plains and southwestern Canada's Prairies will continue drier biased through the coming week as will the upper most Midwest; however, there will be some light and erratic precipitation
- U.S. weather next week will bring two more storms to areas east of the Rocky Mountains one during mid-week next week and the other during the following weekend
 - There is potential for some needed moisture to fall next week in the northern Plains. but confidence is low for getting drought relief to the northwestern Plains or southwestern Canada's Prairies
- West Texas precipitation will be restricted over the next two weeks, but some showers will occur Friday into Saturday of this week
 - Some rain of significance fell overnight in nearly 60% of West Texas with moisture totals of 0.20 to 1.19 inches resulting
 - West-central through northeastern parts of the region and some areas in the southeast half of the Texas Panhandle were wettest
- South Texas and Coastal Bend precipitation will stay restricted over the next two weeks
- U.S. temperatures over the next two weeks will be seasonably cool in the west, near to above average in the northern Plains and a little warmer than usual in the southern Plains, Delta and southeastern states
- U.S. precipitation through Sunday afternoon was light, although rain fell in the southeastern states from southeastern Louisiana to southern Georgia and northwestern Florida and from the central and southern Rocky Mountain region into central and southern California
 - Moisture totals were less than 0.60 inch most often
 - Light rain and snow was noted across the northern Plains and the western Great Lakes region as well as from northeastern Colorado to southern Illinois and southern Missouri
 - A winter storm evolved in the central Plains and spread moisture east into the lower Midwest, northern Delta and Tennessee River Basin overnight
 - Moisture totals through dawn today varied from 1.00 to 2.14 inches in north-central Oklahoma, northwestern Arkansas, parts of southern Missouri, the northwestern Delta and parts of eastern Oklahoma
 - Moisture totals in the northwest half of Kansas, Nebraska and eastern Colorado as well as the northwest Texas Panhandle was less than 0.15 inch
 - Snow accumulations from eastern Colorado into Nebraska and northwestern Kansas through dawn varied from a dusting to 3 inches
- Lowest weekend temperatures in Montana, Alberta and southwestern Saskatchewan fell near the wheat damage threshold while snow cover was minimal.
 - World Weather, Inc. does not believe much, if any, crop damage resulted
 - Lowest temperatures were in the single digits Fahrenheit most often with a few subzero degree readings for a brief period of time
- Argentina rainfall during the weekend was minimal with a few showers in the far north and parts of northern Cordoba
 - Net drying resulted in most areas, although up to 0.80 inch occurred in northern Cordoba
 - Highest temperatures were in the 90s Fahrenheit with a few extremes slightly over 100 in the far southwest of Buenos Aires and in west-central Santiago del Estero
- Rain will fall periodically and relatively frequently in northern Argentina and a little less frequent in central and especially southern areas
 - Rain totals in the coming week will range from 0.75 to 2.00 inches in the central and north with some totals of 2.00 to more than 6.00 inches in the far northeast

- Rain totals in the south will vary from 0.15 to 0.75 inch except from central through northwestern Buenos Aires to southern Cordoba where 1.00 to 2.50 inches will be possible most of which occurs late this week and into the weekend
 - Net drying is likely in Buenos Aires and La Pampa into Friday
- Argentina's weather next week will wettest in northeastern Argentina
 - Southwestern parts of the nation will be mostly dry through Thursday, Feb. 4 and then some rain is expected in the following weekend
 - Southern Argentina will experience the east amount of rain during the next two week
- Argentina temperatures over the next two weeks will be seasonable with a slight warmer bias
- Argentina's bottom line remains mostly good with a favorable mix of rain and sunshine expected over the next two weeks in central and northern parts of the nation. Portions of southern Argentina will struggle for well-timed rainfall, but many areas will get at least some precipitation to slow the drying trend. Greater rain will still be needed in parts of La Pampa. Southwestern Buenos Aires and a few neighboring areas will be driest. No broad-based problem with moisture shortages are presently anticipated in key crop areas, but a few areas in southwestern Buenos Aires and southern La Pampa will be a little too dry. A few areas in Entre Rios will also need greater rainfall in February to ensure ongoing good crop development and production potential.
- Brazil weekend precipitation was greatest in Mato Grosso, Mato Grosso do Sul, Paraguay and eastern portions of both Parana and Santa Catarina
 - Rain amounts were rarely more than 0.88 inch in key crop areas, although 1.00 to 2.67 inches occurred in Paraguay and upwards to 4.50 inches occurred in coastal Santa Catarina
 - Temperatures were seasonable with highest afternoon temperatures in the 80s and lower to a few middle 90s Fahrenheit
- Brazil's weather outlook for the next ten days has not changed much from that of late last week
 - Little to not rain will fall from central Minas Gerais, northern Rio de Janeiro and Espirito Santo into the central parts of Bahia
 - Rainfall in most other areas will range from 0.75 to 2.50 inches except in Paraguay into Rio Grande do Sul, western Santa Catarina and parts of Parana where 2.00 to 5.00 inches and a few local totals over 7.00 inches will result
 - Feb. 4-8 may perpetuate the same trend as noted above with center west, far southern and some center south crop areas getting daily showers and thunderstorms maintaining moisture abundance while interior parts of the northeast struggle to get significant moisture
- Brazil's bottom line remains good for most of its summer grain, oilseed and cotton production areas as well as rice, sugarcane, citrus and some coffee areas. There is concern over coffee in unirrigated crop areas of Zona de Mata (east-central Minas Gerais, southern Espirito Santo and northern Rio de Janeiro). Unirrigated crops in central through northern Minas Gerais to central Bahia will also have need for moisture to ease increasing crop stress. However, this latter area is not a big producer of corn or soybeans. Piaui and eastern Tocantins as well as western Bahia should get enough rain to support crops even though amounts will be a little light. Early soybean maturation and harvest conditions will be fair to good in center west and center south crop areas, but excessive rain in Paraguay, Santa Catarina and northern Rio Grande do Sul may result in some flooding.
- Many areas in Canada's Prairies are still snow free and only partial improvements to the situation are expected in the next ten days
- Bitter cold temperatures occurred in Russia's New Lands and northern Canada during the weekend, but the extremes were well north of crop areas
 - Extreme lows to -58 Fahrenheit (-50C) in Russia and to -51F (-46C) in northern Saskatchewan (north of crop areas)
- India was mostly dry during the weekend with a few showers in the extreme north and far south
 - India will see little change for at least ten days, but showers are expected in northern and eastern India during February to help improve reproductive conditions for at least "some" crop areas

- South Africa reported some heavy rain in Limpopo and northeastern Mpumalanga during the weekend as Tropical Cyclone Eloise moved from central Mozambique into southern Botswana
 - Rainfall reached 1.00 to 4.00 inches with local totals over 6.00 inches
 - Other areas in South Africa reported net drying, although a few showers and thunderstorms occurred in central Eastern Cape and neighboring areas of southwestern Free State
 - Rain totals varied from 0.10 to 0.43 inch with a few totals of 1.00 to 1.37 inches
 - Temperatures were hot in the west and seasonably warm in the central and east
- South Africa will experience a good mix of rain and sunshine over the next two weeks while temperatures are near to slightly below average
 - Summer crops will thrive in this environment keeping yield potentials running high
- Tropical Cyclone Eloise moved inland through central Mozambique near Beira producing 99 mph wind speeds and rainfall to 8.00 inches with expectations of up to 12.00 inches before dry weather resumes
 - Damage was considered moderate, but assessments were incomplete at the time of this report
 - No crop damage assessments are available yet
 - Remnants of the storm will have moved through southern Zimbabwe to southern Botswana with some moisture from this event eventually reaching into South Africa
- New South Wales, Australia will receive frequent rainfall during the coming week to ten days bolstering soil moisture for improved dryland and irrigated cotton, sorghum and other crops
 - Queensland, Australia is not likely to see much rain in key grain or cotton areas in the south, but rain will fall frequently in northern sugarcane areas
- Snow cover decreased in Europe during the weekend, but remained widespread in much of Ukraine, western and northern parts of Russia's Southern Region and areas north to the Baltic States, northeastern Poland and the remainder of Russia
 - No threatening cold was noted
- Western parts of the Commonwealth of Independent states and most of Europe will experience no threatening cold over the next ten days and warmer biased conditions will continue to melt snow from parts of western Russia, Ukraine and eastern Europe
 - Frequent bouts of rain and snow will continue in Ukraine and western Russia as well as areas north into the Baltic States and western Russia
 - No winterkill has occurred so far this winter and crop conditions are fair to very good with ongoing concern over low subsoil moisture in parts of Russia's Southern Region and Kazakhstan
- An active weather pattern continues in Europe with little change likely through the next ten days
 - Some potential for flooding may evolve in parts of western and southern Germany, France, Belgium, northern Spain, the upper coast of Portugal and the eastern Adriatic Sea nations
 - Winter crops will remain dormant and in favorable condition
- North Africa will receive some showers over the coming ten days with north-central and northeastern Algeria, coastal Tunisia and far northern Morocco getting most of the moisture
 - Northwestern Algeria and southwestern and far northeastern Morocco still need significant moisture to eliminate dryness
- China wheat and rapeseed are favorably rated and expected to perform well in the spring.
 - There is no threatening cold weather for the next two weeks and sufficient precipitation will fall to maintain status quo conditions
- 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
 - Some rain fell in coastal areas of Ivory Coast and Ghana during the weekend, but key crop areas were dry
- 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 will receive some infrequent rainfall over the next ten days
- Southern Oscillation Index remained very strong during the weekend and was at +16.84 today and the index will drift lower over the next few days
- Southeast Asia weather changed little during the weekend and not much change is expected this week
 - Mainland areas were left mostly dry and that will persist
 - Philippines rainfall was erratic and mostly light, but may increase somewhat during the next ten days
 - Indonesia and Malaysia rainfall was erratic, but sufficient in maintaining a very good crop development environment
 - No excessive rain occurred the past three days
- Northern and far southeastern Mexico will get most of the rain periodically during the next ten days
 - The precipitation will be erratic and mostly light, but still welcome wherever it occurs
 - Many areas in Mexico are still dealing with long term drought
- Central America precipitation will continue greatest along the Caribbean Coast while the Pacific Coast is relatively dry
- Canada Prairies will trend colder this week with some below average temperatures
 - Precipitation will be periodic and mostly light
- Southeast Canada will experience restricted precipitation and seasonable temperatures over the coming ten days

Source: World Weather Inc. and FI

Bloomberg Ag Calendar

Monday, Jan. 25:

- USDA weekly corn, soybean, wheat export inspections, 11am
- USDA total milk production
- U.S. cold storage data -- pork, beef, poultry
- Monthly MARS report on EU crop conditions
- Malaysia's Jan. 1-25 palm oil exports
- EU weekly grain, oilseed import and export data
- Ivory Coast cocoa arrivals

Tuesday, Jan. 26:

- EARNINGS: ADM
- HOLIDAY: India, Australia

Wednesday, Jan. 27:

- EIA weekly U.S. ethanol inventories, production, 10:30am
- National Coffee Association's webinar on U.S. coffee outlook in 2021
- Paris Grain Day virtual conference, day 1
- EARNINGS: Barry Callebaut

Thursday, Jan. 28:

- USDA weekly crop net-export sales for corn, soybeans, wheat, cotton, pork, beef, 8:30am
- USDA releases Citrus Report on global demand and supply
- Port of Rouen data on French grain exports
- Paris Grain Day virtual conference, day 2
- HOLIDAY: Malaysia

Friday, Jan. 29:

- 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
- U.S. agricultural prices paid, received
- U.S. cattle inventory

Source: Bloomberg 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

USDA inspections versus Reuters trade range

Wheat 523,901 versus 200000-400000 range
 Corn 1,391,455 versus 900000-1150000 range
 Soybeans 1,978,971 versus 1000000-2100000 range

US EXPORT INSPECTIONS													
		Cumulative					USDA		Weekly Ave. to		Weekly rate		Shipments
Million Bushels	Actual	FI Estimates	Last Week	LW revised	5-Year Ave.	YTD	YOY %	Projection	To date	to Reach USDA	% of USDA		
WHEAT	19.250	9 to 15	10.385	0.220	12.1	592	-0.7%	985	17.4	21.9	60.1%		
CORN	54.779	35 to 45	36.017	2.744	33.4	738	84.3%	2550	35.0	58.6	28.9%		
SOYBEANS	72.715	66 to 77	83.519	12.677	41.3	1,664	79.4%	2230	79.0	18.3	74.6%		
Million Tons	Actual	Estimates	Last Week	LW revised	5-Year Ave.	YTD	YOY MT	Projection	To date	to Reach USDA	% of USDA		
WHEAT	0.524	0.250 to 0.400	0.283	0.006	0.330	16.099	-0.113	26.81	0.473	0.597	60.1%		
CORN	1.391	0.900 to 1.150	0.915	0.070	0.849	18.737	8.573	64.77	0.890	1.488	28.9%		
SOYBEANS	1.979	1.800 to 2.100	2.273	0.345	1.125	45.281	20.041	60.69	2.150	0.498	74.6%		

Source: USDA & FI

US EXPORT INSPECTIONS: TOP COUNTRIES, IN MILLION BUSHELS

Corn	54.779	Wheat	19.250	Beans	72.715
Japan	20.394	Japan	4.151	China	44.831
Mexico	8.445	Mexico	2.819	Mexico	6.601
Taiwan	3.669	Philippines	2.108	Spain	5.106
Colombia	3.566	Indonesia	2.106	Egypt	3.621
China	2.785	Nigeria	1.876	Indonesia	3.493
Korea Rep	2.745	Ecuador	1.580	Netherlands	2.202

Source: USDA & FI

US EXPORT INSPECTIONS: TOP COUNTRIES, IN TONS

Corn	1,391,455	Wheat	523,901	Beans	1,978,971
JAPAN	518,021	JAPAN	112,963	CHINA	1,220,102
MEXICO	214,510	MEXICO	76,728	MEXICO	179,651
TAIWAN	93,195	PHILIPPINES	57,367	SPAIN	138,961
COLOMBIA	90,574	INDONESIA	57,324	EGYPT	98,545
CHINA	70,745	NIGERIA	51,053	INDONESIA	95,054
KOREA REP	69,718	ECUADOR	43,000	NETHERLANDS	59,942

Source: USDA & FI

GRAINS INSPECTED AND/OR WEIGHED FOR EXPORT

REPORTED IN WEEK ENDING JAN 21, 2021

-- METRIC TONS --

GRAIN	WEEK ENDING			CURRENT	PREVIOUS
	01/21/2021	01/14/2021	01/23/2020	MARKET YEAR TO DATE	MARKET YEAR TO DATE
BARLEY	0	2,395	416	23,339	17,662
CORN	1,391,455	914,880	680,459	18,736,777	10,164,040
FLAXSEED	0	24	0	485	396
MIXED	0	0	0	0	0

Terry Reilly Grain Research

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

W: 312.604.1366 | treilly@futures-int.com

OATS	0	0	200	2,393	2,643
RYE	0	0	0	0	0
SORGHUM	179,182	159,495	142,217	2,817,949	1,130,975
SOYBEANS	1,978,971	2,273,005	1,059,997	45,280,876	25,240,343
SUNFLOWER	0	0	0	0	0
WHEAT	523,901	282,627	225,825	16,098,759	16,211,697
Total	4,073,509	3,632,426	2,109,114	82,960,578	52,767,756

CROP MARKETING YEARS BEGIN JUNE 1 FOR WHEAT, RYE, OATS, BARLEY AND FLAXSEED; SEPTEMBER 1 FOR CORN, SORGHUM, SOYBEANS AND SUNFLOWER SEEDS. INCLUDES WATERWAY SHIPMENTS TO CANADA.

Corn.

- Corn futures were higher out of the day session gate on rumors China bought US corn (4-5 cargoes) and soybeans (2-3). There were no USDA 24-hour announcements this morning but something to monitor for Tuesday. Futures saw a choppy trade overnight but light bottom picking paired some losses before the day session. Then prices rocketed higher, to stay at high levels until the close. The US weather situation is mostly unchanged and a large storm system moving across the upper US Midwest that originated across the western states should provide good soil moisture precipitation. For SA, Argentina rains will ramp up this week that should limit crop deterioration.
- We may attribute the buying as commercial hedging today, and pan out during the rest of the week if we see business announced.
- In the meantime, CME decided to make some minor tweaks to their margin requirements, but the impact maybe very limited.
- CME RAISES SOYBEAN FUTURES (C) MAINTENANCE MARGINS BY 1.7% TO \$3,000 PER CONTRACT FROM \$2,950 FOR MARCH 2021
- CME RAISES CORN FUTURES (C) MAINTENANCE MARGINS BY 7.7% TO \$1,400 PER CONTRACT FROM \$1,300 FOR MARCH 2021
- USD was 12 points higher, WTI 0.62 higher and gold DOWN \$3.90 (was higher this morning). US stocks were mixed.
- USDA US corn export inspections as of January 21, 2021 were 1,391,455 tons, above a range of trade expectations, above 914,880 tons previous week and compares to 680,459 tons year ago. Major countries included Japan for 518,021 tons, Mexico for 214,510 tons, and Taiwan for 93,195 tons.
- The European Union granted imports licenses for 151,000 tons of corn imports, bringing cumulative 2020-21 imports to 9.455 MMT, 26 percent below same period year ago.
- Sweden culled a huge amount of chickens because of bird flu. 1.3 million checks were culled near the town of Monsteras on Jan. 18.

Corn Export Developments

- None reported

Corn		Change	Oats		Change	Ethanol		Settle
MAR1	511.50	11.00	MAR1	355.50	10.25	FEB1	1.60	Spot DDGS IL
MAY1	514.25	11.25	MAY1	351.75	9.75	MAR1	1.58	Cash & CBOT
JUL1	509.75	11.00	JUL1	345.00	9.00	APR1	1.63	Corn + Ethanol
SEP1	458.25	6.75	SEP1	315.50	8.25	MAY1	1.63	Crush
DEC1	434.25	4.00	DEC1	305.50	6.75	JUN1	1.62	1.43
MAR2	441.00	3.50	MAR2	315.50	6.75	JUL1	1.62	
Soybean/Corn		Ratio	Spread	Change	Wheat/Corn	Ratio	Spread	Change
MAR1	MAR1	2.63	834.75	23.50	MAR1	1.27	137.50	3.50
MAY1	MAY1	2.62	831.00	22.25	MAY1	1.26	134.75	1.75
JUL1	JUL1	2.61	820.50	20.75	JUL1	1.24	123.50	(1.75)
SEP1	SEP1	2.58	726.25	16.75	SEP1	1.38	175.25	1.75
NOV1	DEC1	2.61	697.75	16.00	DEC1	1.47	204.25	4.00
MAR2	MAR2	2.49	659.25	15.25	MAR2	1.46	202.25	3.50
US Corn Basis & Barge Freight								
Gulf Corn			BRAZIL Corn Basis			Chicago		
JAN	+74 / 78 h unch		JLY	+70 / 86 n		up2/dn1	Toledo	+5 h unch
FEB	+74 / 77 h unch		AUG	+98 / 115 u		up7/up10	Decatur	-10 h unch
MCH	+71 / 76 h dn2/unch		SEP	+98 / 115 u		up7/up10	Dayton	+17 h up2
APR	+71 / 76 k dn1/dn1		0-Jan				Dayton	h price unch
MAY	+70 / 76 k up1/up2						Cedar Rapi	-15 h unch
							Burns Harb	-10 h unch
USD/ton:	Ukraine Odessa \$ 240.00					Memphis-Cairo Barge Freight (offer)		
US Gulf	3YC Fob Gulf Seller (RTRS) 239.2 238.0 236.8 237.9 237.1 234.5					BrgF MTCT JAN 260 unchanged		
China	2YC Maize Cif Dalian (DCE) 427.2 427.5 428.3 428.8 429.8 431.3					BrgF MTCT FEB 260 unchanged		
Argentina	Yellow Maize Fob UpRiver - - 232.5 235.4 - 229.0					BrgF MTCT MAR 250 unchanged		

Source: FI, DJ, Reuters & various trade sources

Updated 1/20/21

March corn is seen trading in a \$4.75 and \$5.50 range. May corn could fall below \$5.00, then trade down to \$4.80-\$4.90 area if US domestic and export demand slows.

Soybean complex.

- CBOT soybeans ended sharply higher after a strong start to the day session. Earlier traders were bearish eyeing the 50% retracement in SH at \$12.90. Over the weekend Egypt bought local soybean oil. Offshore values are indicating a higher trade in the products. Argentina will see increasing rains this week. The long liquidation on Friday was seen as overdone, per some comments. But managed money longs remain incredible long. March crush got slammed into the close, last trade down 7 cents. This was in part to very strong product values although offshore values suggested a different story. On a positive note for soybeans.....
- USDA US soybean export inspections as of January 21, 2021 were 1,978,971 tons, within a range of trade expectations, below 2,273,005 tons previous week and compares to 1,059,997 tons year ago. Major countries included China for 1,220,102 tons, Mexico for 179,651 tons, and Spain for 138,961 tons.
- SGS: Malaysian palm exports for the Jan 1-25 period fell 34 percent to 847,534 tons. AmSpec reported a 35 percent decrease at 872,707 tons.
- China cash crush margins were 206 cents on our calculation, compared to 190 at the end of last week and to 84 year ago.

Terry Reilly Grain Research

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

W: 312.604.1366 | treilly@futures-int.com

- The European Union reported soybean import licenses since July 1 at 8.324 million tons, below 7.984 million tons a year ago. European Union soybean meal import licenses are running at 9.933 million tons so far for 2020-21, below 10.891 million tons a year ago. EU palm oil import licenses are running at 3.312 million tons for 2020-21, above 3.193 million tons a year ago, or up 4 percent
- European Union rapeseed import licenses since July 1 were 3.910 million tons, down 5 percent from 4.114 million tons from the same period a year ago.

Oilseeds Export Developments

- Egypt's GASC bought 6,000 of local soybean oil at \$1,068/ton.

European Union Weekly Exports/Imports

	Season 2020-2021 (July - June)			2019/2020	2018/2019
<0#SEEDS-EU-STAT>	01Jul20 - 24Jan21			26Jan20	20Jan19
	IMPORT	WEEK	Y/Y	IMPORT	IMPORT
		VAR	%VAR		
Soybeans	8324	+233	+4%	7984	8409
Rapeseed	3910	+1	-5%	4114	2682
Sunflowerseed	679	+4	+27%	534	291
Total seeds	12913	+238	+2%	12632	11382
Soymeal	9933	+255	-9%	10891	10171
Rapeseed meal	232	+4	+9%	213	329
Sunflowerseed meal	1391	+233	-15%	1636	1703
Total meals	11556	+492	-9%	12740	12203
Soyoil	289	+5	-4%	301	244
Rapeseed oil	164	+5	-12%	186	187
Sunflowerseed oil	1063	+38	-7%	1146	846
Palm oil	3312	+53	+4%	3193	3859
Total oils	4828	+101	+0%	4826	5136
Total	29297	+831	-3%	30198	28721

Source: European Commission, Reuters, and F1

Soybeans			Soybean Meal			Soybean Oil		
		Change			Change			Change
MAR1	1346.25	34.50	MAR1	430.00	8.40	MAR1	43.01	0.74
MAY1	1345.25	33.50	MAY1	426.90	9.00	MAY1	42.26	0.71
JUL1	1330.25	31.75	JUL1	423.10	9.10	JUL1	41.72	0.65
AUG1	1282.50	28.50	AUG1	408.30	9.00	AUG1	40.91	0.62
SEP1	1184.50	23.50	SEP1	389.20	8.60	SEP1	40.09	0.61
NOV1	1132.00	20.00	OCT1	370.80	7.50	OCT1	39.22	0.47
JAN2	1126.75	20.00	DEC1	368.00	7.40	DEC1	38.80	0.38

Soybeans	Spread	Change	SoyMeal	Spread	Change	SoyOil	Spread	Change
Mar/May	-1.00	(1.00)	Mar/May	-3.10	0.60	Mar/May	-0.75	(0.03)

Electronic Beans Crush		Oil as %	Meal/Oil \$	Meal	Oil		
Month	Margin	of Oil&Meal	Con. Value	Value	Value		
MAR1	72.86	MAR1 33.34%	\$ 17,194	946.00	473.11		
MAY1	58.79	MAY1 33.11%	\$ 17,334	939.18	464.86	EUR/USD	1.2138
JUL1	59.49	JUL1 33.02%	\$ 17,278	930.82	458.92	Brazil Real	5.4665
AUG1	65.77	AUG1 33.38%	\$ 16,284	898.26	450.01	Malaysia Bid	4.0430
SEP1	112.73	SEP1 33.99%	\$ 14,866	856.24	440.99	China RMB	6.4784
NOV1/DEC1	104.40	OCT1 34.59%	\$ 13,548	815.76	431.42	AUD	0.7703
JAN2	97.44	DEC1 34.52%	\$ 13,520	809.60	426.80	CME Bitcoin	33289
MAR2	98.53	JAN2 34.50%	\$ 13,416	801.90	422.29	3M Libor	0.21288
MAY2	94.43	MAR2 34.81%	\$ 12,756	781.44	417.34	Prime rate	3.2500
JUL2	94.51	MAY2 34.85%	\$ 12,580	773.08	413.60		

US Soybean Complex Basis			
JAN	/ 82 f unch		DECATUR +15 h dn5
FEB	+72 / 78 h dn2/dn4	ILSBM	SIDNEY -5 h unch
MCH	+72 / +80 h na	CIF Meal	CHICAGO h price unch
APR	+80 / 84 k unch	Oil FOB NOLA	TOLEDO -10 h unch
MAY	+80 / 84 k unch	Decatur Oil	BRNS HRBR mch price unch
			C. RAPIDS -25 h unch

Brazil Soybeans Paranagua fob		Brazil Meal Paranagua		Brazil Oil Paranagua	
FEB	+60 / +70 f unch/up15	MCH	+16 / +18 h up1/up1	FEB	+200 / +270 h dn50/up110
MCH	+50 / +55 h up1/unch	APR	+2 / +8 k unch/up1	MCH	+60 / +250 h unch/up50
APR	+48 / +53 k unch/dn1	MAY	-1 / +3 k dn1/up1	APR	+20 / +100 k dn70/dn30
MAY	+52 / +57 k up1/up1	JUNE	-2 / +3 n unch	MAY	+20 / +100 k dn70/dn30
JUNE	+78 / +80 n dn1/up5	JULY	-2 / +3 n unch	JUNE	-50 / +80 n dn50/dn40
	Argentina meal	462 34.8	Argentina oil	Spot fob	45.9 3.69

Source: FI, DJ, Reuters & various trade sources

Updated 1/19/21

March soybeans are seen in a \$13.25 and \$14.75 range (unchanged and down 25 cents)

March soymeal is seen in a \$410 and \$480 range (down \$10 & \$20)

March soybean oil is seen in a 41.00 and 43.50 cent range (down 1 & 2 cents, respectively)

Wheat

- US wheat futures saw a choppy overnight trade but followed corn and soybeans higher as traders still access global trade developments and currency moves. Prices could have been higher if we didn't see some wheat import cancellations and/or deferments.
- The market will be eyeing import tenders this week and any Russian export duty developments. As we near the close of the first month of the calendar year, don't discount some positioning (selling).

Terry Reilly Grain Research

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

W: 312.604.1366 | treilly@futures-int.com

- USDA US all-wheat export inspections as of January 21, 2021 were 523,901 tons, above a range of trade expectations, above 282,627 tons previous week and compares to 225,825 tons year ago. Major countries included Japan for 112,963 tons, Mexico for 76,728 tons, and Philippines for 57,367 tons.
- EU March milling wheat was up a large 3.50 at 226.75 euros.
- China sold nearly 4 million tons of wheat from state reserves at an average price of 2,455 yuan per ton.
- The European Union granted export licenses for 239,000 tons of soft wheat exports, bringing cumulative 2020-21 soft wheat export commitments to 14.503 MMT, well down from 17.215 million tons committed at this time last year, a 16 percent decrease. Imports are up slightly from year ago at 1.434 million tons.

Export Developments.

- Algeria's state grains agency OAIC seeks 50,000 tons of wheat on Jan. 27, valid up to Jan. 28, sourced from optional origins for shipment in two periods from March 1-15 and March 16-31.
- Taiwan launched an import tender for 85,340 tons of US wheat, set to close Jan 29, for late March through April 22 shipment.
- Bangladesh suspended an import tender for 50,000 tons of wheat.
- Saudi Arabia bought 660,000 tons of barley at an average price pf \$277.65/ton.
- Jordan seeks 120,000 tons of animal feed barley on Jan. 26.
- Jordan's seeks 120,000 tons of milling wheat, optional origin, on Jan. 27.
- Japan's AgMin in a SBS import tender seeks 80,000 tons of feed wheat and 100,000 tons of feed barley for arrival by March 18, on January 27.
- Results awaited: Syria seeks 200,000 tons of wheat on Jan 18 for shipment within 60 days after contract signing.

Rice/Other

- Syria is in for 39,400 tons of rice on Feb 22. They are also in for 25,000 tons of rice on February 9.
- Bangladesh seeks 50,000 tons of rice on January 26.

European Union Weekly Exports/Imports

	Season 2020-2021 (July - June)				Season 2019-2020			
<0#GRA-EU-STAT>	=====	01Jul20	- 24Jan21	==	==01Jul19	- 26Jan20		
	EXPORT	WEEK	IMPORT	WEEK	EXPORT	IMPORT		
		VAR		VAR			%VAR	%VAR
A.1 Soft wheat	14503	+239	1437	+9	17215	1434	-16%	+0%
A.2 Wheat flour (*)	238	+6	17	+1	328	15	-27%	+13%
B.1 Durum	151	+2	1798	+14	497	1236	-70%	+45%
B.2 Durum wheat meal	134	+4	1	+0	133	1	+1%	+0%
C. TOTAL A+B	15026	+251	3253	+24	18173	2686	-17%	+21%
D.1 Barley	3862	+23	93	+14	4409	506	-12%	-82%
D.2 Malt	1658	+51	4	+0	1523	11	+9%	-64%
E. Maize	1244	+3	9455	+151	2705	12790	-54%	-26%
F.1 Rye	128	+11	0	+0	174	3	-26%	
G. Oat	60	+1	2	+0	125	1	-52%	+100%
I. TOTAL D-H	6953	+89	9564	+166	8937	13348	-22%	-28%

Source: European Commission, Reuters, and FI

Chicago Wheat		Change	KC Wheat		Change	MN Wheat Settle		Change
MAR1	649.00	14.50	MAR1	627.00	13.75	Retrieving...	Retrieving...	Retrieving...
MAY1	649.00	13.00	MAY1	630.50	13.50	Retrieving...	Retrieving...	Retrieving...
JUL1	633.25	9.25	JUL1	628.50	11.75	Retrieving...	Retrieving...	Retrieving...
SEP1	633.50	8.50	SEP1	631.25	11.75	Retrieving...	Retrieving...	Retrieving...
DEC1	638.50	8.00	DEC1	636.50	11.00	Retrieving...	Retrieving...	Retrieving...
MAR2	643.25	7.00	MAR2	637.50	10.00	Retrieving...	Retrieving...	Retrieving...
MAY2	635.00	9.00	MAY2	620.50	8.00	Retrieving...	Retrieving...	Retrieving...

Chicago Rice		Change					Change	
MAR1	13.24	(0.040)	MAY1	13.42	(0.025)	JUL1	13.43	(0.005)

US Wheat Basis							
Gulf SRW Wheat		Gulf HRW Wheat			Chicago mill		+5 h unch
JAN +110 / 120 h unch		JAN			Toledo		-15 h unch
FEB +105 / 115 h unch		FEB			PNW US Soft White 10.5% protein		
MCH +105 / 115 h unch		MCH			PNW Mar		710 unchanged
0-Jan		APR			PNW Apr		710 unchanged
0-Jan		MAY			PNW May		710 unchanged

Paris Wheat		Change	OI	OI Change	World Prices \$/ton		Change
MAR1	226.75	3.50	211,289	6,880	US SRW FOB	\$277.20	\$9.60
MAY1	221.25	2.00	132,137	2,568	US HRW FOB	\$289.60	\$8.30
SEP1	195.00	2.00	101,772	(1,695)	Rouen FOB 11%	\$271.33	\$7.00
DEC1	194.75	1.75	124,626	6,849	Russia FOB 12%	\$297.00	\$11.00
EUR	1.2140				Ukr. FOB feed (Odessa)	\$218.50	\$0.00
					Arg. Bread FOB 12%	\$254.26	\$0.00

Source: FI, DJ, Reuters & various trade sources

Updated 1/12/21

March Chicago wheat is seen in a \$6.35-\$7.15 range

March KC wheat is seen in a \$6.00-\$6.50 range

March MN wheat is seen in a \$6.00-\$6.55 range

CASH CRUSHING MARGINS

as of 1/19

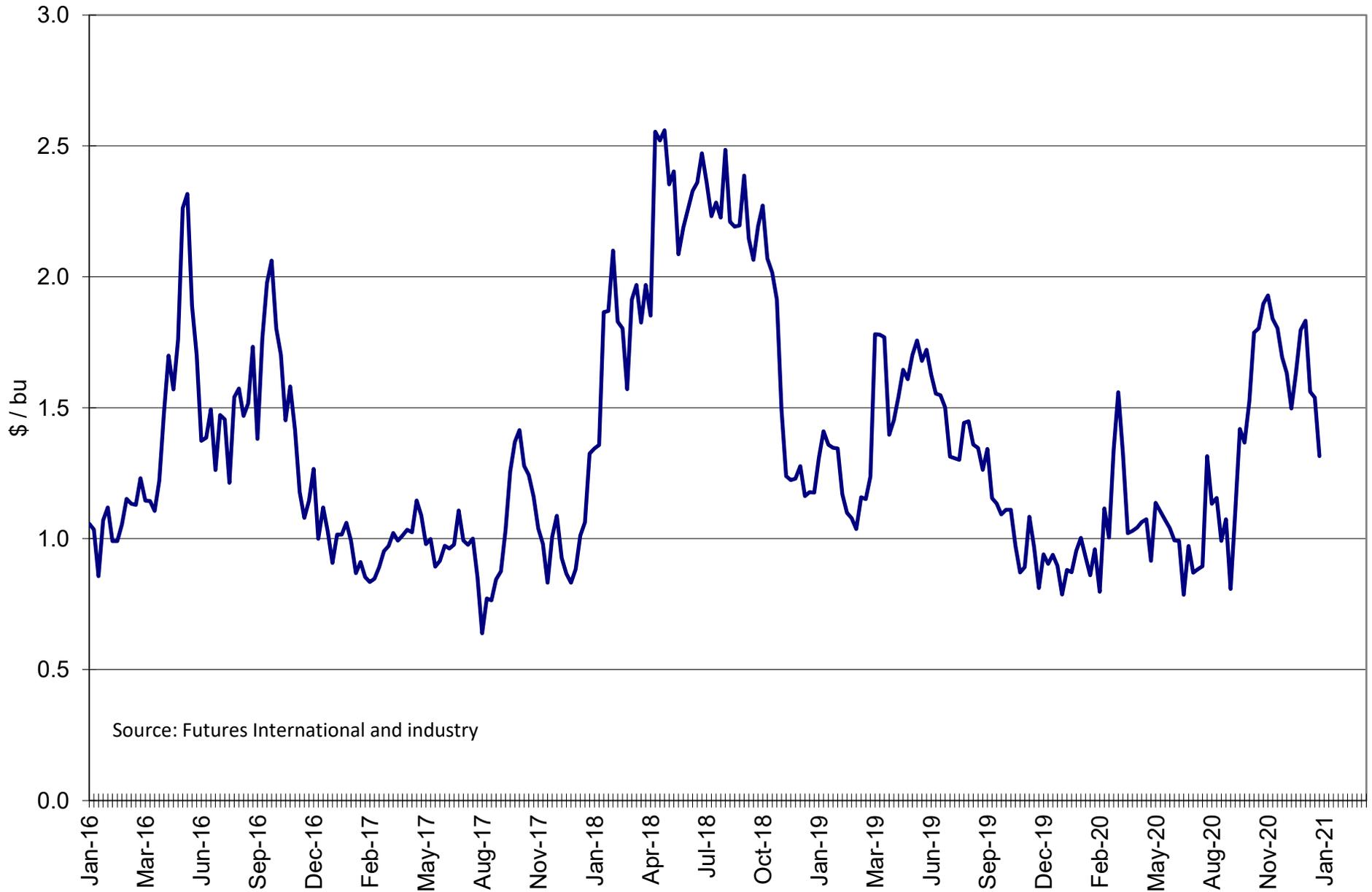
	Decatur	Mt. Vernon	Sidney	Des Moines	Council Bluff
	Illinois	Indiana	Ohio	Iowa	Iowa
Meal Basis 48%	-2	22	-4	-18	-18
Oil Basis (cents/lb)	1.50	1.50	1.25	1.25	1.25
Bean Basis (cents/bu)	20	30	-5	-30	-20
Meal Value (\$/bu)	10.54	11.10	10.49	10.16	10.16
Oil Value (\$/bu)	4.83	4.83	4.83	4.98	4.98
Oil % of Total Value	31.45	30.34	31.55	32.88	32.88
Cash Crush (\$/bu)	1.31	1.78	1.52	1.58	1.48

Mt Vernan basis from GEO GRAIN looks suspect

1/19/2021	1.31	1.78	1.52	1.58	1.48
1/12/2021	1.54	2.05	1.74	1.77	1.67
1/5/2021	1.56	2.22	1.72	1.71	1.71
12/29/2020	1.83	2.49	1.99	1.98	1.98
12/22/2020	1.80	2.46	1.92	2.01	1.95
12/15/2020	1.64	2.25	1.69	1.83	1.93
12/8/2020	1.50	2.11	1.55	1.67	1.61
12/1/2020	1.63	2.29	1.71	1.77	1.67
11/24/2020	1.69	2.40	1.77	1.75	1.72
11/17/2020	1.80	2.23	1.94	1.94	2.01
11/10/2020	1.84	2.14	2.01	1.88	1.90
11/3/2020	1.93	2.28	2.15	2.77	2.77
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

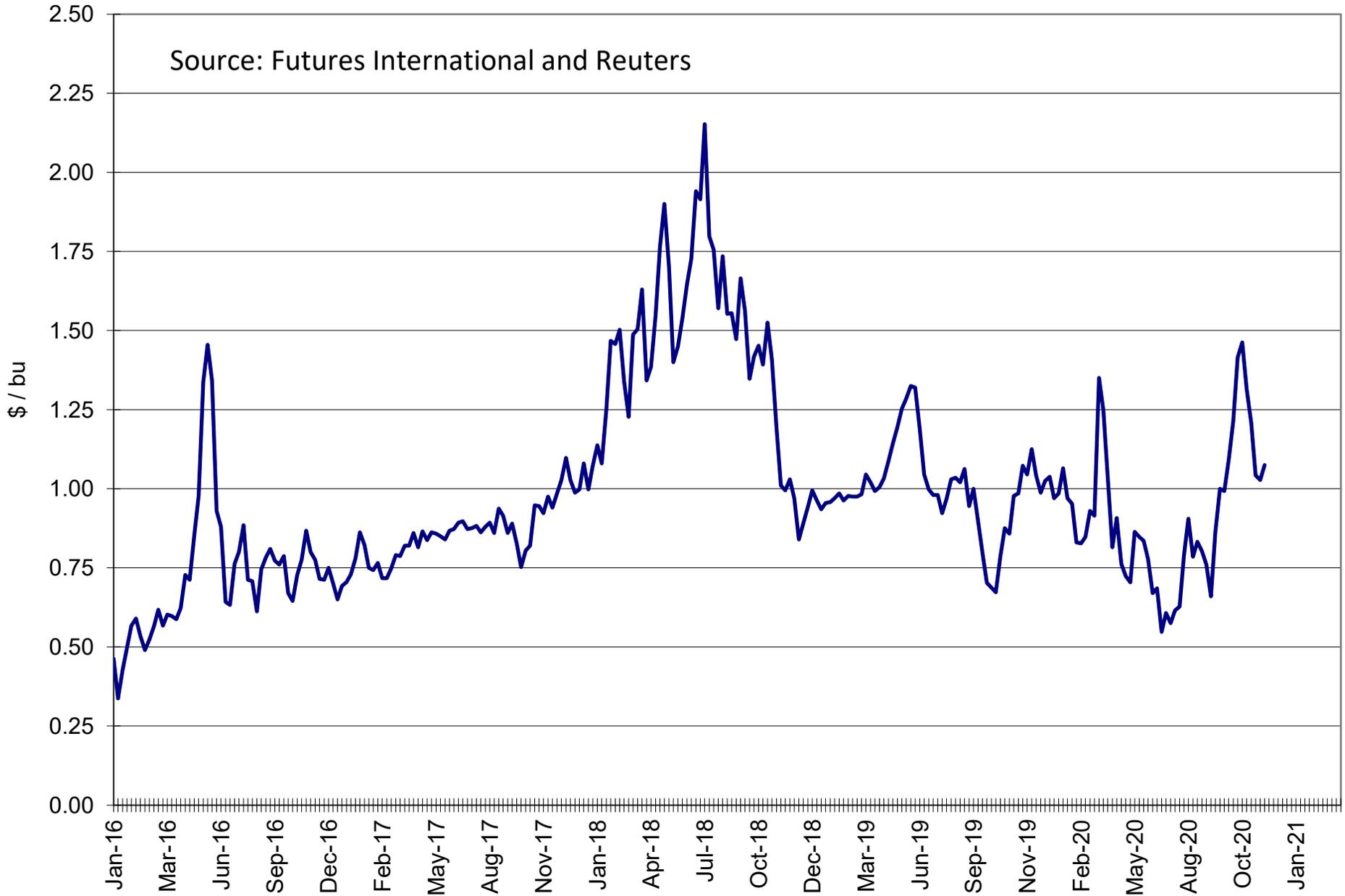
Source: FI, NOPA, various trade sources

Decatur Illinois Cash Crush Margin

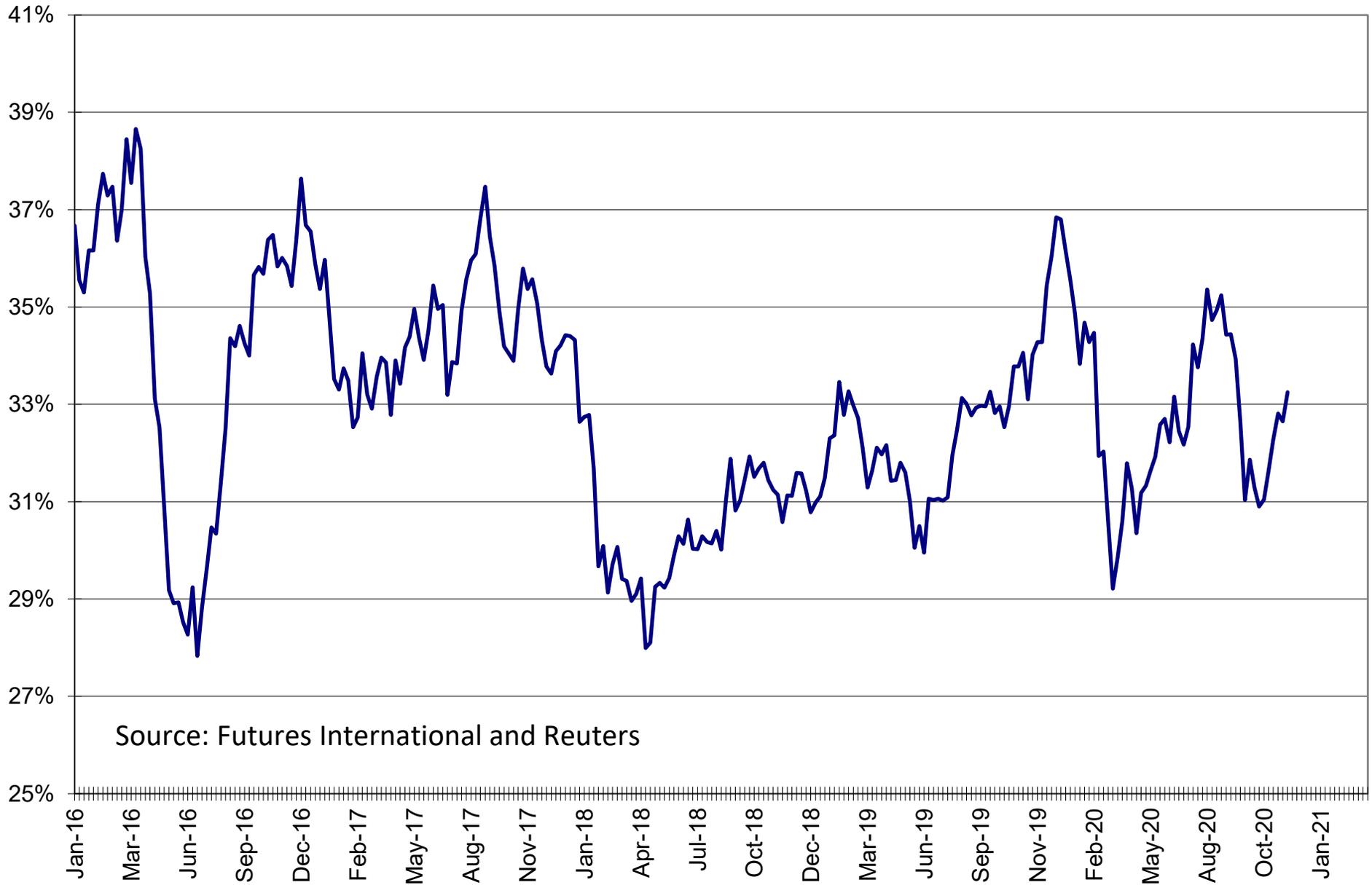


Source: Futures International and industry

CBOT Soybean Rolling Second Position Crush Margin

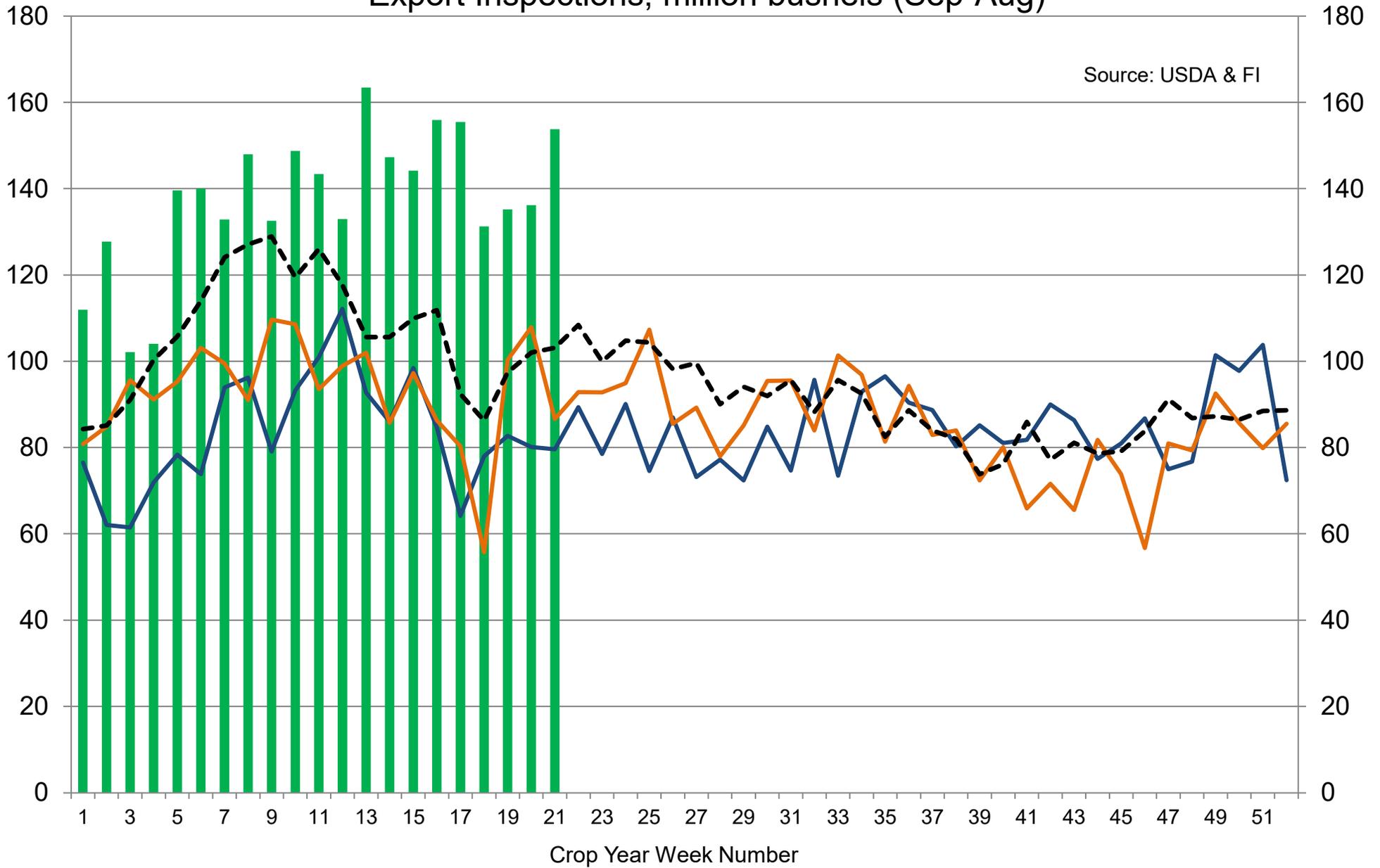


CBOT Rolling Second Position Oil Share of Product Valua Percent



Source: Futures International and Reuters

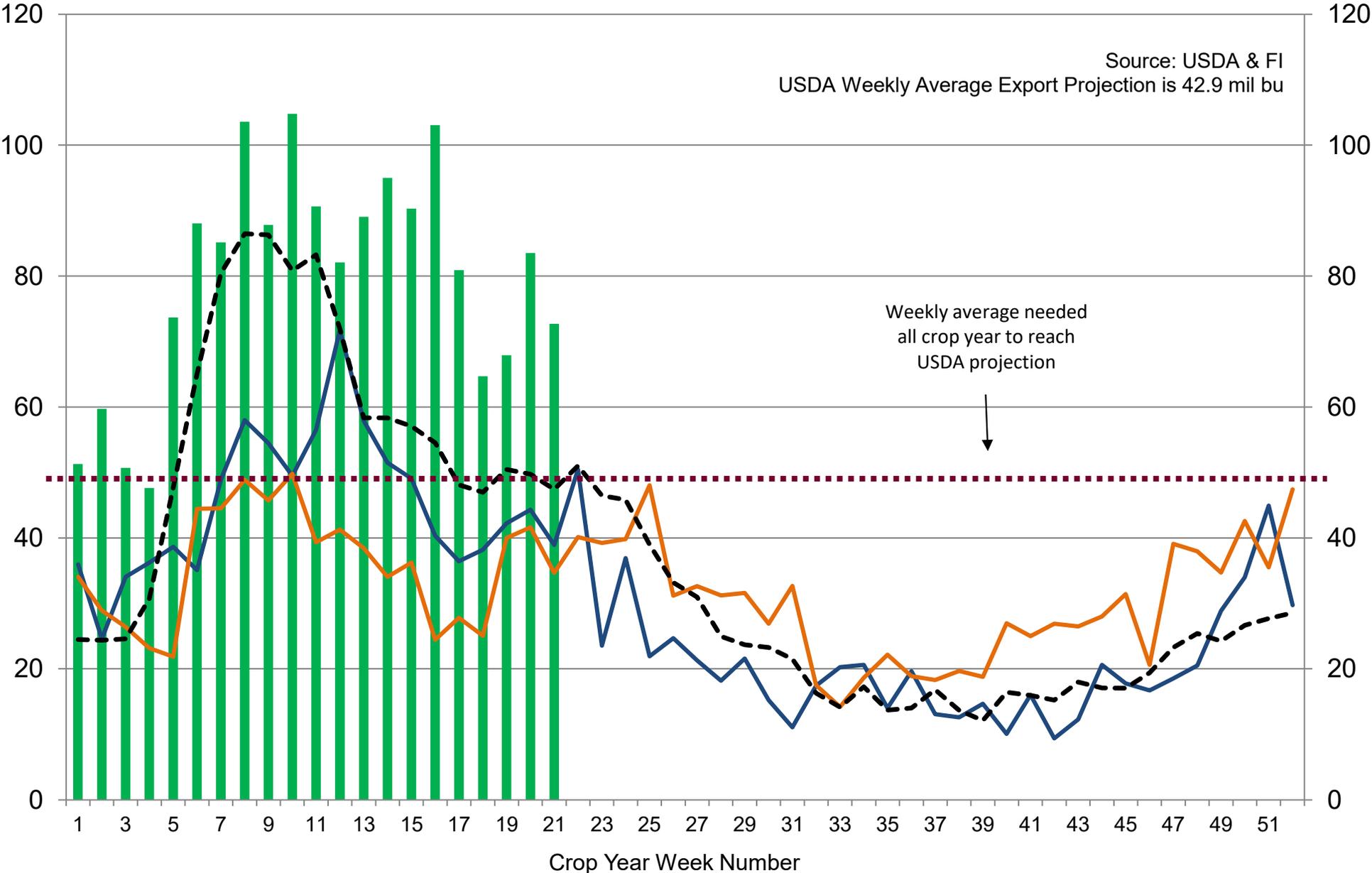
US Weekly USDA Combined Wheat, Soybeans, Corn, and Sorghum Export Inspections, million bushels (Sep-Aug)



Source: USDA & FI

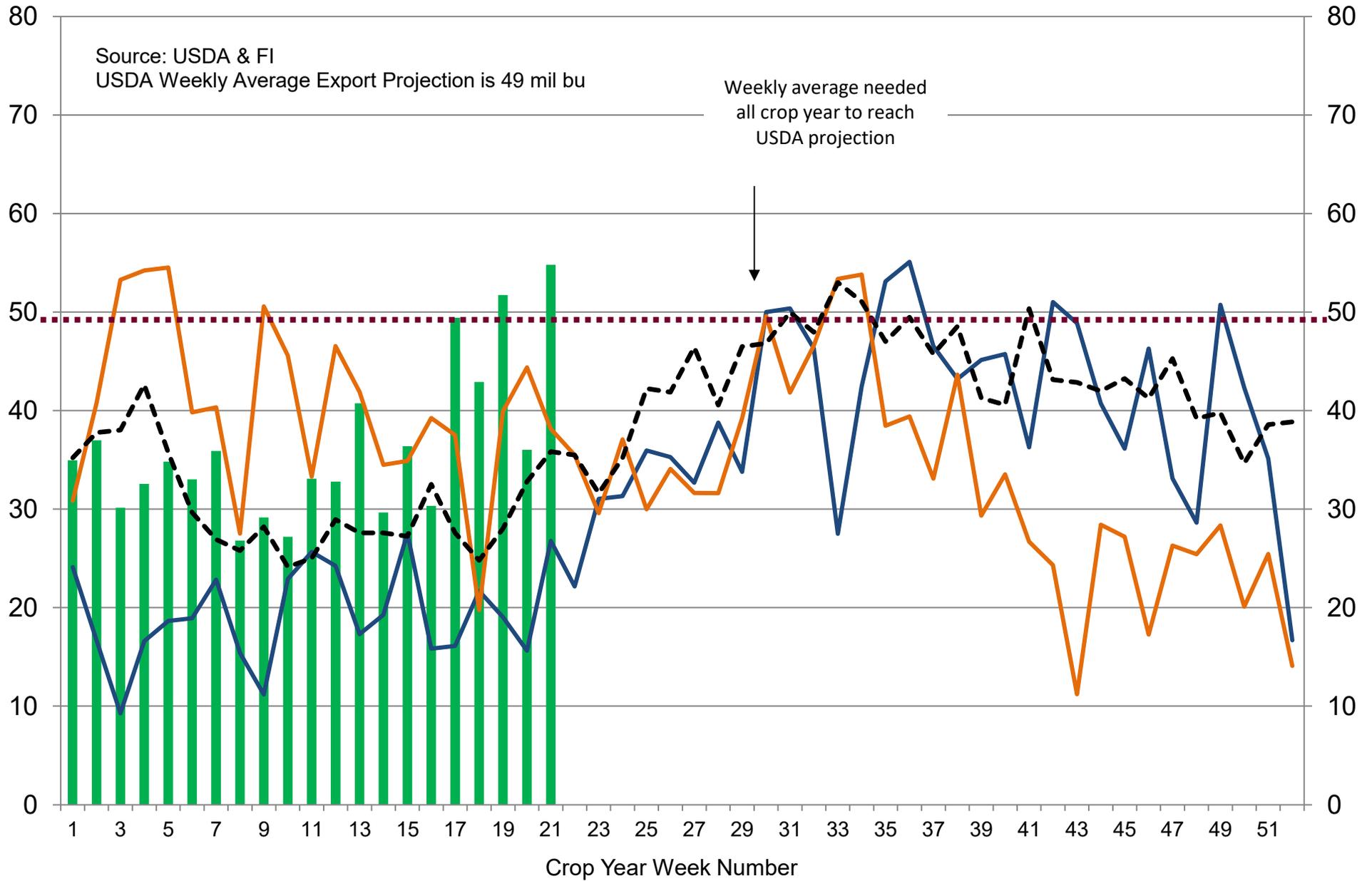
■ 2020-21 — 2019-20 — 2018-19 - - - 5-Year Average

US Weekly USDA Soybean Export Inspections, million bushels



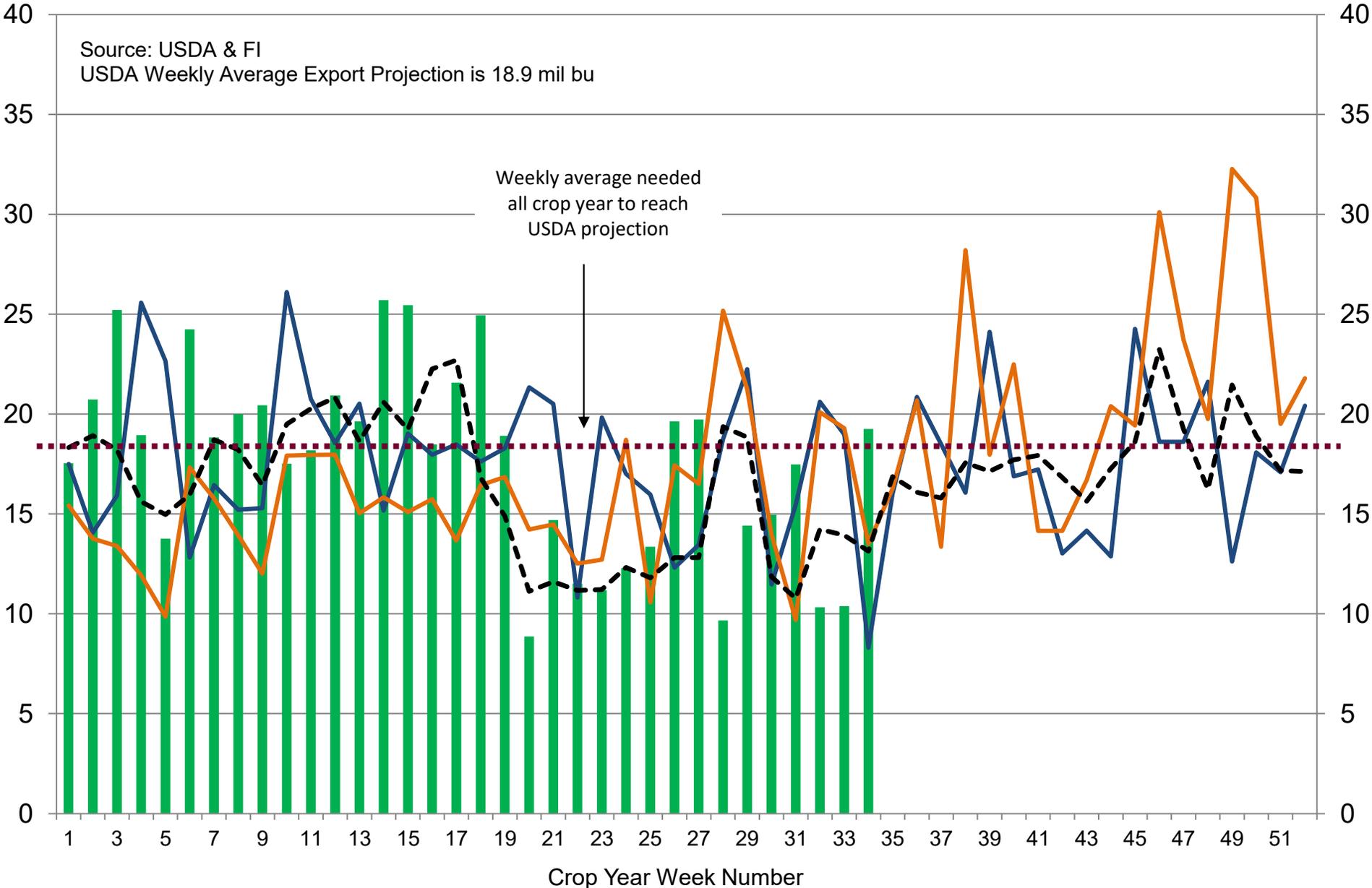
■ 2020-21
 — 2019-20
 — 2018-19
 - - - 5-Year Average

US Weekly USDA Corn Export Inspections, million bushels



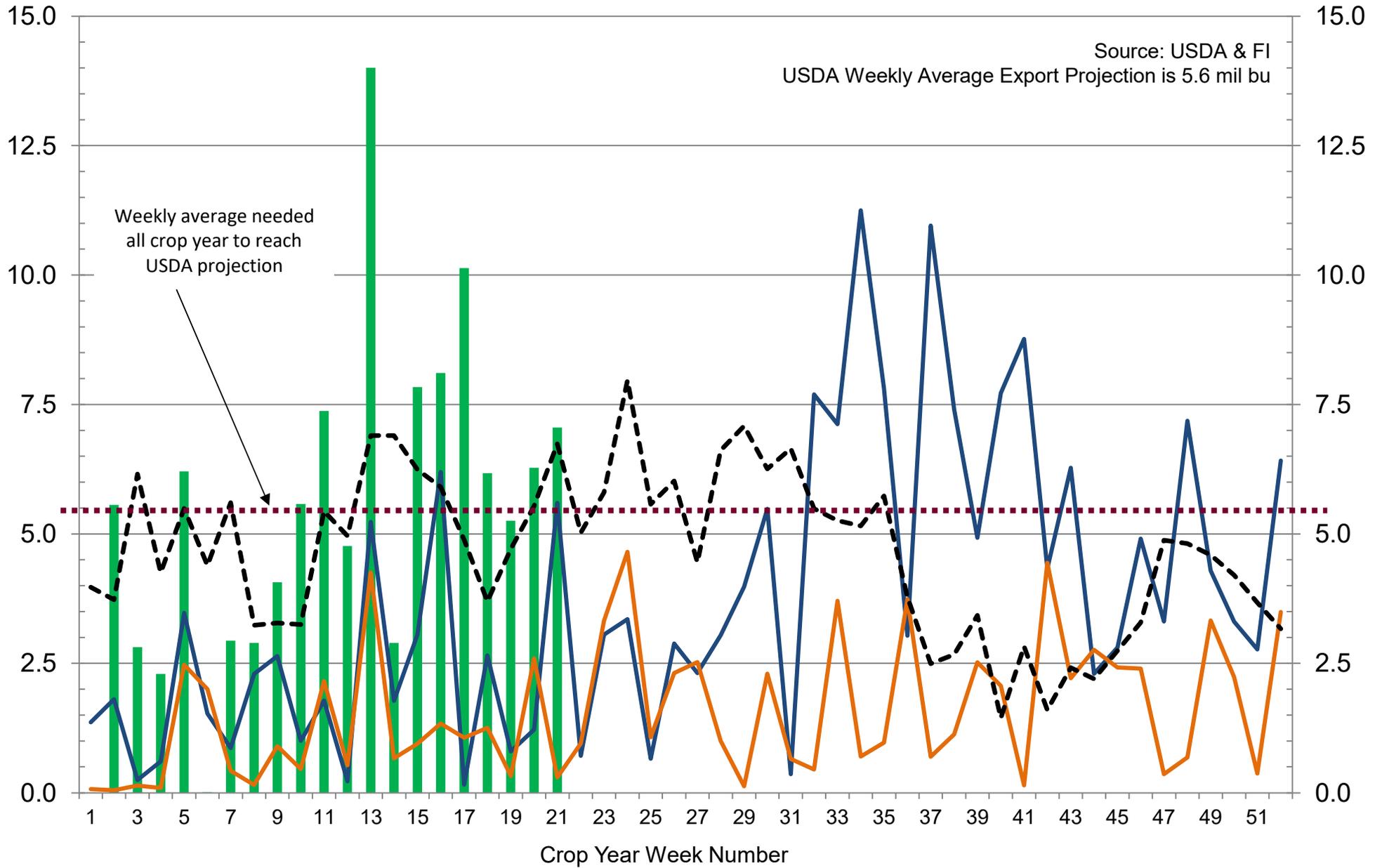
■ 2020-21
 — 2019-20
 — 2018-19
 - - - 5-Year Average

US Weekly USDA All-Wheat Export Inspections, million bushels



■ 2020-21
 — 2019-20
 — 2018-19
 - - - 5-Year Average

US Weekly USDA Sorghum Export Inspections, million bushels



■ 2020-21 — 2019-20 — 2018-19 --- 5-Year Average

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.