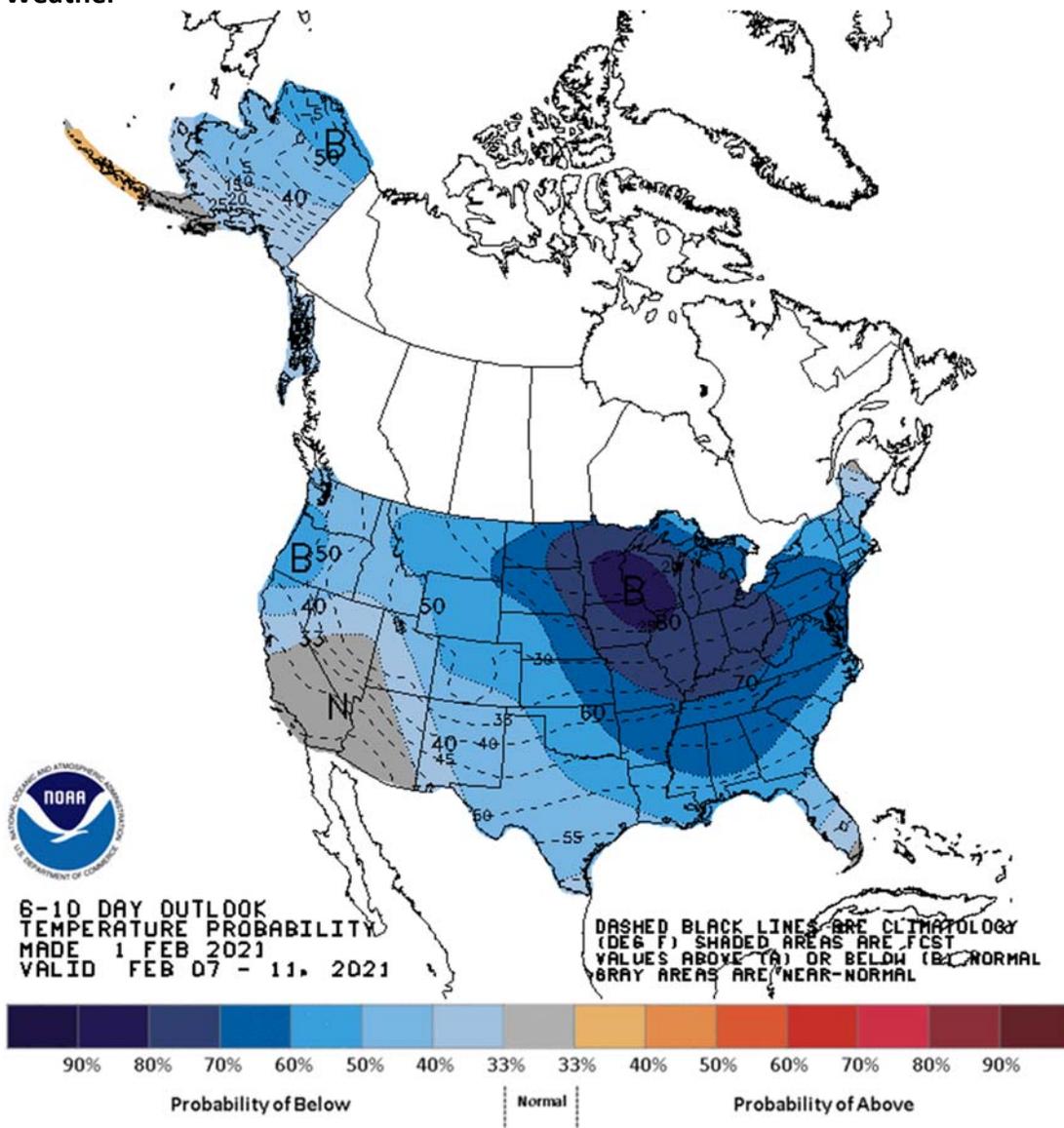




Lower trade in the US agriculture markets as investors book profits and some fund managers liquidate longs to cover other investment spaces.

	Corn	Bean	Chi. Wheat	Meal	Oil
FI Est. Managed Fut. Only	363	137	(3)	66	110
FI Est. Managed Money F&O	386	146	4	67	113

### Weather



- Argentina crop weather remains favorably rated especially for a La Nina year
  - Crop production potentials have improved in recent weeks because of routinely occurring rainfall and improved soil moisture

**Terry Reilly** Grain Research

Futures International | One Lincoln Centre, Suite 1450

18 W 140 Butterfield Rd. | Oakbrook Terrace, IL 60181

W: 312.604.1366 | [treilly@futures-int.com](mailto:treilly@futures-int.com)

- A complete reversal of production losses is not possible because of early season corn and sunseed production losses
- Argentina's most critical time for determining yields will be over the next few weeks
  - Timely rain must continue along with seasonable temperatures
- Argentina's soil moisture is favorably rated today and will carry crops through the coming week of more limited rainfall
  - Wednesday of this week through February 10 will be mostly dry
  - Showers that occur Feb. 10-15 may not be well distributed and the situation will need to be closely monitored
  - Temperatures will turn warmer than usual late this week through most of next week, although not excessively hot
  - Subsoil moisture will be sufficient to carry on normal crop development through the next ten days with or without rainfall, but moisture will be needed thereafter
- Brazil's driest region remains in the northeast where parts of Piaui, Bahia, eastern Tocantins and Minas Gerais have all experienced moisture stress recently
  - Relief is coming with periodic rainfall expected over the next ten days improving topsoil moisture, reducing crop stress and supporting better plant development
- Most of Brazil outside of the northeast has had well distributed rainfall and seasonable temperatures in recent weeks supporting a big improvement in crop and field conditions
  - The improvements have bolstered soybean production since much of the increased rainfall has occurred while pod setting and filling occurred
  - Some production cut is still expected relative to what might have been if rainfall occurred more normally this year, but the nation will still produce a large crop
- Brazil needs infrequent rain in soybean harvest areas to support quick maturation and good harvest progress and to support a good start to Safrinha corn and cotton planting
  - Rain is expected often enough in the coming week to prevent the most aggressive fieldwork from occurring, but progress will be made around the precipitation
- Sufficient rainfall will occur in Brazil's main grain and oilseed production areas during the next two weeks to maintain a good outlook for full season crops and for both late maturing soybeans and early developing Safrinha crops
- China winter crops are still rated very good with little change likely
- India's winter crops are in favorable condition, but there is need for rain to ensure the best winter crop yields; most winter crops are either approaching or entering reproduction making the next few weeks very important for rainfall and seasonable temperatures
  - India's weather over the second half of this week and into the weekend will include some showers in northern and eastern parts of its winter crop region
    - The moisture will be welcome, but a little too light outside of the far north to seriously change production potential
    - More rain would be welcome
- Russia and Ukraine weather will be warmer than usual over the coming week allowing for some additional snow melt to take place
  - Cooling is expected a little later in the forecast period, but no bitter cold or threatening conditions will come to unprotected wheat or any other winter crop
    - Snow will eventually return to some of the southern crop areas
- Drought still remains deep into the ground from Turkey into Ukraine, Russia's Southern region and parts of Kazakhstan and these areas will be closely monitored during the spring and summer for signs of returning crop stress

**Terry Reilly** Grain Research

Futures International | One Lincoln Centre, Suite 1450

18 W 140 Butterfield Rd. | Oakbrook Terrace, IL 60181

W: 312.604.1366 | [treilly@futures-int.com](mailto:treilly@futures-int.com)

- Despite the drought status many areas have seen and will continue to see periodic precipitation to improve topsoil moisture for at least a good start to the spring growing season
- Western Europe continues to experience frequent precipitation event that have the ground saturated and vulnerable to flooding
  - Some flooding has already occurred this winter in random locations and more is expected until drier biased conditions evolve
    - There is not much threat of a widespread flood event or widespread crop damage, but if a large storm comes into the region producing heavy rainfall that could change
- Northern Africa will receive some welcome rain during the coming week to ten days
  - Southwestern Morocco needs rain most with this being the third year of drought
  - Far northeastern Morocco and northwestern Algeria is another area that will need timely rainfall this spring to induce the best production
  - Most other areas in Northern Africa are in good shape and expected to perform well in the spring as long as timely precipitation evolves
- South Africa soil moisture and predicted rainfall will ensure good summer crop development over the next few weeks
  - The nation is expecting high yields and production from nearly all crops
  - Eastern Northern Cape will be the only drier biased area during the next two weeks, but irrigation is used to supplement rainfall in the region and that will maintain a good outlook for the majority of crops
- Australia's eastern sorghum, cotton and other summer crop region has seen improved weather this summer, but conditions have not been ideal and Queensland still has a big need for generalized rainfall of significance
  - Dryland production in Queensland would improve with greater rainfall frequency and intensity
  - New South Wales rainfall recently has been favorable distributed and sufficient to induce crop improvements in many areas
  - Little change in Australia's weather is expected for a while scattered showers and thunderstorms will impact summer crop areas, but some of the resulting rain may continue a little lighter and less frequent than desired especially in Queensland
  - Temperatures have been and will continue to be seasonable
- North America is bracing for an arctic surge that will pass through Canada's Prairies late this week and into the central United States during the weekend and early part of next week
  - Temperatures will fall in the -40s and -30s Fahrenheit in Canada's Prairies this weekend, the -20s and negative teens in the northern Plains with a couple of extremes near -30 near the Canada border and below zero Fahrenheit as far south as eastern Colorado, northern Kansas, northern Missouri and northwestern Indiana
  - Warming is expected briefly next week, but another wave of cold is expected later in the week and toward mid-month
- U.S. winter storm is expected in the heart of the Midwest Thursday and Friday with snow and rain expected
  - Snow accumulations will range from 3 to 9 inches and locally more from Iowa to Michigan and a dusting to 2 inches elsewhere
  - Moisture totals will vary from 0.15 to 0.60 inch with local totals to 1.25 inches
- A couple of weak weather systems will move across the Midwest this weekend and next week producing light snow
- Another major winter storm is possible late next week and into the following weekend in the southeastern U.S. Plains, Delta, lower and eastern Midwest and then up the Atlantic coast
  - Confidence in this event is low due to its huge size and changes are very likely in future model runs
  - The storm's timing may also change

**Terry Reilly** Grain Research

Futures International | One Lincoln Centre, Suite 1450

18 W 140 Butterfield Rd. | Oakbrook Terrace, IL 60181

W: 312.604.1366 | [treilly@futures-int.com](mailto:treilly@futures-int.com)

- U.S. hard red winter wheat areas will get cold enough this weekend to raise concern over wheat conditions, but snow cover is expected to be present as protection against winterkill
  - The situation needs to be closely monitored because of the potential for only light snowfall in some areas and the potential for wind-blown snow to leave some crop areas snow free during the coldest mornings
    - Sunday will be coldest
- Snow cover in Montana and the western Dakotas as well as areas north through Alberta and Saskatchewan is warranted because of the extreme cold that is expected late this week and into the weekend
  - Unprotected wheat may be damaged without snow
  - Snow is expected in many areas, but wheat may not be covered sufficiently in some areas to adequately protect crops and a close watch on the situation is warranted.
- California's stormy weather of late has greatly improved mountain snowpack and soil moisture; however, snow water equivalents are still only 58-73% of normal for this time of year and only 34-46% of the April 1 normal
  - More precipitation is needed, but a drier biased pattern is expected to evolve again after Wednesday
- U.S. Pacific Northwest precipitation events will become more limited over the next two weeks, but snowpack in the Cascade Mountains is very good
  - Other areas in the region would benefit from additional precipitation
- Drought remains a concern across much of the interior western United States, Mexico and eastern Canada's Prairies
  - The status of drought is unlikely to change much for the next few weeks
- Southern Oscillation Index weakened during the weekend and this trend will continue this week
  - Today's SOI was +14.93 today and the index will continue slowly declining this week
- Southeast Asia weather is not likely to change much over the coming week
  - Mainland areas have been and will continue to be mostly dry
  - Philippines rainfall will be erratic and mostly light, but it may increase somewhat during the next ten days
  - Indonesia and Malaysia rainfall has been erratic, but sufficient in maintaining a very good crop development environment
    - No excessive rain occurred recently and little is anticipated for a while
  - Some heavy rain fell in the Lesser Sunda Islands in southern Indonesia during the weekend
- 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 be colder than usual during the next two weeks and periodic precipitation is expected
  - The greatest cool off is expected in the second half of this week through early next week when bitter cold conditions are expected
  - Most of the precipitation will be light
- Southeast Canada will experience near average temperatures this week with some brief periods of precipitation expected

Source: World Weather Inc. and FI

**Terry Reilly** Grain Research

Futures International | One Lincoln Centre, Suite 1450

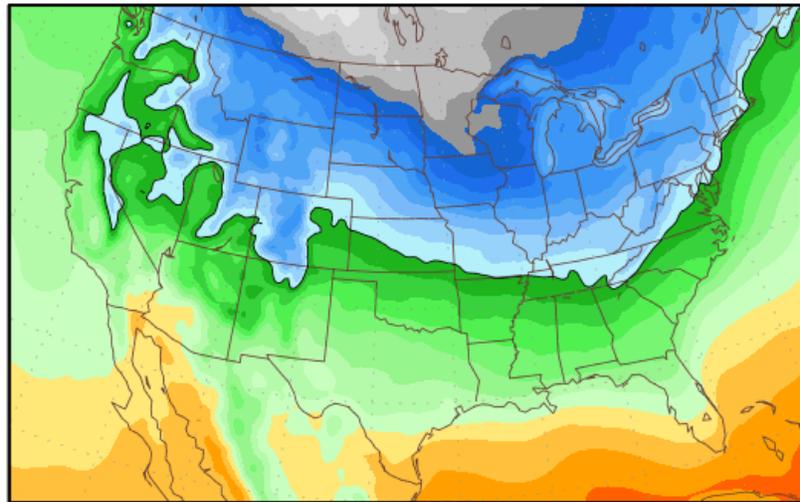
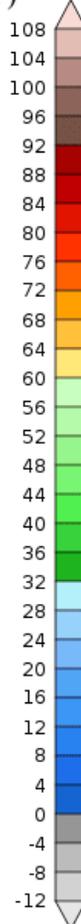
18 W 140 Butterfield Rd. | Oakbrook Terrace, IL 60181

W: 312.604.1366 | [treilly@futures-int.com](mailto:treilly@futures-int.com)

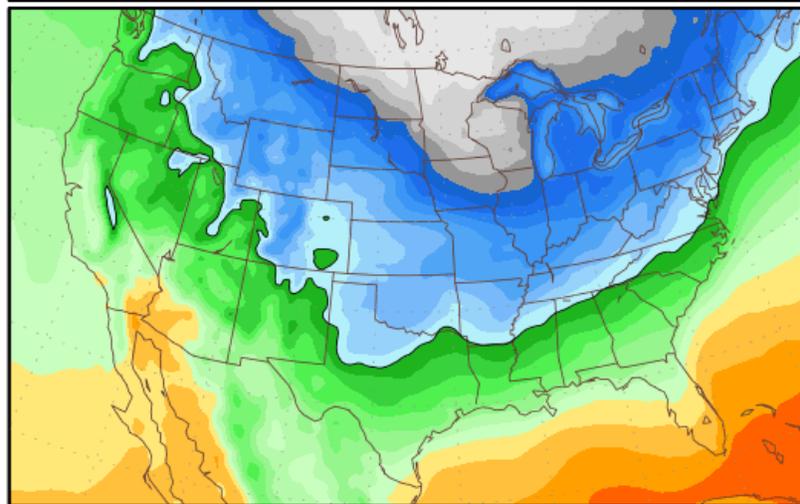
# Temperature Forecasts

Mean Surface Temperature (°F)  
during the period:

Tue, 02 FEB 2021 at 00Z  
-to-  
Wed, 10 FEB 2021 at 00Z

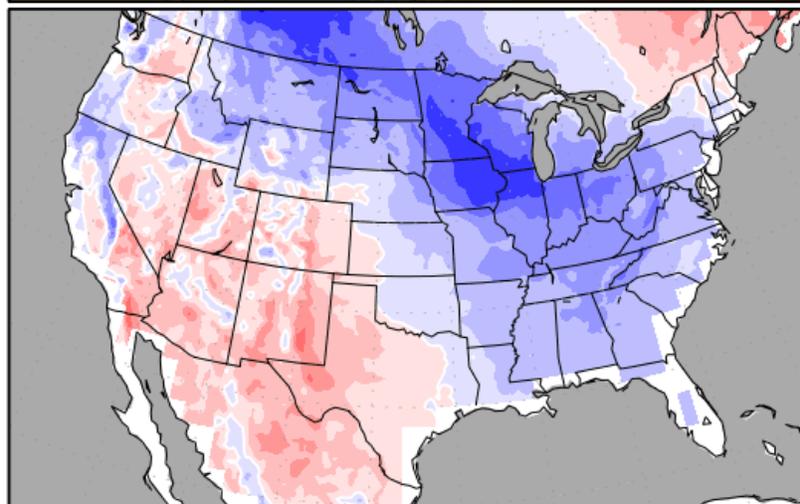
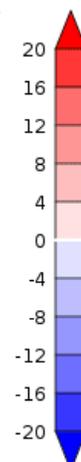


Wed, 10 FEB 2021 at 00Z  
-to-  
Thu, 18 FEB 2021 at 00Z



Temperature Anomaly  
during the first period:

Tue, 02 FEB 2021 at 00Z  
-to-  
Wed, 10 FEB 2021 at 00Z



Temperature forecasts from the National Centers for Environmental Prediction.  
Normal Temperature derived from CRU monthly climatology for 1901-2000  
Forecast Initialization Time: 00Z02FEB2021

GRADS/COLA

## Bloomberg Ag Calendar

Tuesday, Feb 2:

- U.S. Purdue Agriculture Sentiment
- New Zealand global dairy trade auction
- U.S. corn for ethanol, 3pm

Wednesday, Feb 3:

- EIA weekly U.S. **ethanol** inventories, production, 10:30am
- New Zealand Commodity Price

Thursday, Feb 4:

- FAO World Food Price Index; cereals supply/demand brief
- USDA weekly crop **net-export sales** for corn, soybeans, wheat, cotton, pork, beef, 8:30am
- Port of Rouen data on French grain exports

Friday, Feb 5:

- **US Trade Balance**
- **Statcan reports on wheat, soy, durum, canola and barley stockpiles in Canada**
- 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
- China's CNGOIC to publish soybean and corn reports

Source: Bloomberg and FI

## Macros

WTI Reaches \$55/bbl For First Time In A Year

## Corn.

- Corn futures ended 5.50-6.25 cents lower in the nearby front three positions on fund liquidation and higher USD despite higher energy markets. September finished unchanged. Over the past couple of trading sessions USDA announced 24-hour sales, but they did not include China, and this left some wondering if China is done buying corn for a while after picking up roughly 5.8 million tons last week. South Korea's KOCOPIA bought about 60,000 tons of corn.
- Argentine had some disruptions to grain exports after protestors set up roadblocks at some Buenos Aires terminals, according to CIARA chamber of export companies. We heard there are some disruptions in the south, an area where vessels top off commodities before they set sail. A source mentioned wheat and barley was at least affected. Some think the strike will expand.
- China will sell 30,000 tons of frozen pork from state reserves on February 4, and another 30,000 tons on Feb. 9.
- A Bloomberg poll looks for weekly US ethanol production to be down 1,000 at 932,000 barrels (918-941 range) from the previous week and stocks up to 83,000 barrels to 23.685 million.

## Corn Export Developments

- Under the 24-hour announcement system private exporters sold 115,000 tons of corn to Mexico for 2020-21 delivery.
- South Korea's KOCOPIA bought about 60,000 tons of corn at an estimated \$300.84 a ton c&f for arrival in South Korea around April 25.

**Terry Reilly** Grain Research

Futures International | One Lincoln Centre, Suite 1450

18 W 140 Butterfield Rd. | Oakbrook Terrace, IL 60181

W: 312.604.1366 | [treilly@futures-int.com](mailto:treilly@futures-int.com)

## USDA NASS Monthly US Corn for Ethanol Use (sorghum FI est.)

	Dec-19	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	NASS Dec-20
<b>Corn use (mil bu)</b>	479	300	379	424	411	402	434	432	<b>430</b>
FI Estimate	473	309	372	404	412	396	402	427	431
Bloomberg Estimate	475	306	359	408	424	393	423	434	<b>446</b>
<b>Sorghum use (mil bu)</b>	9.5	3.7	2.3	1.7	1.8	1.8	1.8	1.8	1.8
<b>DDGS Output (000 short tons)</b>	1,908	1,234	1,664	1,865	1,805	1,736	1,824	1,794	1,784

Source: USDA Monthly Grain Crushings and Co-Products Production Report, & FI

## US Weekly Petroleum Status Report - Ethanol

	Ethanol Production		Change		Ethanol Stocks		Change		Days of Ethanol
	FI Production Est.	Mbbl	Last Week	Last Year	FI Stocks Est.	Mbbl	Last Week	Last Year	
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
1/8/2021		941	6	-14.1%		23,692	408	3.0%	24.7
1/15/2021		945	4	-9.9%		23,628	-64	-1.7%	25.1
1/22/2021		933	-12	-9.3%		23,602	-26	-2.6%	25.3
1/29/2021	<b>+5 to +10</b>				<b>-50 to -100</b>				

Source: EIA and FI

**Terry Reilly** Grain Research

Futures International | One Lincoln Centre, Suite 1450

18 W 140 Butterfield Rd. | Oakbrook Terrace, IL 60181

W: 312.604.1366 | [treilly@futures-int.com](mailto:treilly@futures-int.com)

Corn	Change	Oats	Change	Ethanol	Settle			
MAR1	542.75	(6.50)	MAR1	346.50	(1.00)	FEB1	1.64	Spot DDGS IL
MAY1	542.00	(6.50)	MAY1	344.50	0.00	MAR1	1.71	Cash & CBOT
JUL1	530.75	(6.00)	JUL1	335.75	(0.50)	APR1	1.75	Corn + Ethanol
SEP1	471.00	(0.75)	SEP1	309.25	(0.50)	MAY1	1.74	Crush
DEC1	446.50	(1.25)	DEC1	303.75	1.75	JUN1	1.73	1.23
MAR2	452.50	(0.75)	MAR2	309.00	0.75	JUL1	1.73	

Soybean/Corn	Ratio	Spread	Change	Wheat/Corn	Ratio	Spread	Change	
MAR1	MAR1	2.49	811.25	(4.75)	MAR1	1.19	102.00	0.25
MAY1	MAY1	2.49	808.50	(5.50)	MAY1	1.19	103.75	0.50
JUL1	JUL1	2.51	802.25	(6.00)	JUL1	1.19	99.25	2.25
SEP1	SEP1	2.55	731.50	(4.25)	SEP1	1.34	158.00	(2.75)
NOV1	DEC1	2.58	704.25	(2.00)	DEC1	1.42	186.75	(1.50)
MAR2	MAR2	2.47	663.00	(1.75)	MAR2	1.41	186.00	(1.75)

#### US Corn Basis & Barge Freight

Gulf Corn	BRAZIL Corn Basis	Chicago	Memphis-Cairo Barge Freight (offer)
FEB +72 / 78 h unch	JLY +70 / 87 n unch	Toledo -7 h up3	BrgF MTCT JAN 270 unchanged
MCH +73 / 78 h unch	AUG +100 / 140 u unch	Decatur +15 h unch	BrgF MTCT FEB 270 unchanged
APR +75 / 78 k unch	SEP +100 / 140 u unch	Dayton h price unch	BrgF MTCT MAR 260 unchanged
MAY +75 / 79 k up1/up1	0-Jan	Cedar Rapids -14 h up1	
JUNE +76 / 83 n up2/up3		Burns Harbor -10 h unch	
USD/ton: Ukraine Odessa \$ 258.00			
US Gulf 3YC Fob Gulf Seller (RTRS) 249.9 249.9 251.2 250.4 248.3 247.5			
China 2YC Maize Cif Dalian (DCE) 425.4 425.3 425.3 426.0 427.0 426.8			
Argentina Yellow Maize Fob UpRiver 251.7 248.2 245.5 - - -			

Source: FI, DJ, Reuters & various trade sources

Updated 1/29/21

March corn is seen trading in a \$5.15 and \$6.00 range.

May corn is seen in a \$5.00 and \$6.00 range.

July is seen in a \$4.90 and \$5.75 range.

December is seen in a \$3.75-\$5.50 range.

#### Soybean complex.

- The soybean complex ended mostly lower led by the front months on slowing US export developments, technical selling and a higher USD. March soybeans finished dwell off their session low at \$13.5475, down 10.50 cents. Note \$12.98 was the absolute low on Jan 25. A setback to that level may indicate a technical head and shoulders pattern, a bearish signal. The USD is hovering around a 6-week high. Some of the outside ag markets were suggesting a lower trade in the CBOT products today.
- Favorable weather is seen for Argentina and most of Brazil. Some parts of Brazil will remain too wet for harvest this week.
- Malaysian palm oil futures fell 99 MYR and cash dropped 2.2% after coming back from a one day holiday. China soybean futures fell 1.4%, meal off 0.8% and SBO was down 1.3%. Offshore product values are indicating a lower trade for meal and oil.
- Note the Brazilian trucker strike started yesterday. This and a small Argentina strike should be monitored this week.

**Terry Reilly** Grain Research

Futures International | One Lincoln Centre, Suite 1450

18 W 140 Butterfield Rd. | Oakbrook Terrace, IL 60181

W: 312.604.1366 | [treilly@futures-int.com](mailto:treilly@futures-int.com)

## USDA Monthly Soybean Crush and Soybean Oil Stocks

	Dec-19	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	NASS Dec-20	Actual less trade Nov-20	Dec-20
<b>Soybeans crushed</b>										
mil bushels	184.7	177.3	184.5	174.7	171.0	196.5	191.0	193.7		
mil bushels per day	6.0	5.9	6.0	5.6	5.7	6.3	6.4	6.2		
Ave. Trade Estimate	185.3	177.9	183.0	175.6	171.3	196.6	192.2	193.6	(1.2)	0.1
FI Estimate	185.7	177.4	183.7	175.7	170.9	196.7	192.2	194.0		
Soybean oil Production million pounds	2,111	2,035	2,123	2,013	1,968	2,282	2,207	2,232		
<b>Soybean oil stocks</b>										
mil pounds	2,134	2,271	2,123	1,942	1,849	1,964	2,118	2,219		
Ave. Trade Estimate	2,085	2,343	2,131	2,003	1,833	1,911	2,012	2,223	106	(4)
FI Estimate	2,100	2,330	2,139	1,985	1,790	1,905	1,926	2,206		
Soybean oil yield pounds per bushel	11.43	11.48	11.51	11.52	11.50	11.61	11.55	11.52		
Soybean meal production 000 short tons	4,338	4,167	4,361	4,112	4,009	4,616	4,516	4,569		
Soybean meal stocks 000 short tons	377	462	451	421	341	374	458	398		
Soybean meal yield pounds per bushel	46.96	47.02	47.28	47.08	46.88	46.97	47.29	47.16		

Source: USDA NASS Fats and Oils, Bloomberg, & FI (Bloomberg range 193.2-194.5; 2166-2260; Reuters ave. 193.9; 2254)

### Oilseeds Export Developments

- Results awaited: Egypt's GASC seeks at least 30k soybean oil and 10k sunflower oil on Feb 2 for March 10-30 arrival.
- Egypt's GASC seeks at least 3,000 tons of soyoil and 2,000 tons of sunflower oil on Wednesday.

**Terry Reilly** Grain Research

Futures International | One Lincoln Centre, Suite 1450

18 W 140 Butterfield Rd. | Oakbrook Terrace, IL 60181

W: 312.604.1366 | [treilly@futures-int.com](mailto:treilly@futures-int.com)

Soybeans		Change	Soybean Meal		Change	Soybean Oil		Change
MAR1	1354.00	(11.25)	MAR1	427.60	(2.90)	MAR1	44.34	(0.63)
MAY1	1350.50	(12.00)	MAY1	425.30	(2.70)	MAY1	43.62	(0.60)
JUL1	1333.00	(12.00)	JUL1	420.30	(2.70)	JUL1	43.02	(0.48)
AUG1	1289.50	(10.50)	AUG1	406.30	(1.80)	AUG1	42.20	(0.37)
SEP1	1202.50	(5.00)	SEP1	388.50	0.10	SEP1	41.37	(0.30)
NOV1	1150.75	(3.25)	OCT1	369.30	0.50	OCT1	40.58	(0.31)
JAN2	1144.25	(2.75)	DEC1	366.50	0.90	DEC1	40.15	(0.33)

Soybeans	Spread	Change	SoyMeal	Spread	Change	SoyOil	Spread	Change
Mar/May	-3.50	(0.75)	Mar/May	-2.30	0.20	Mar/May	-0.72	0.03

Electronic Beans Crush		Oil as %	Meal/Oil \$	Meal	Oil
Month	Margin	of Oil&Meal	Con. Value	Value	Value
MAR1	74.46	MAR1 34.14%	\$ 16,156	940.72	487.74
MAY1	64.98	MAY1 33.90%	\$ 16,358	935.66	479.82
JUL1	64.88	JUL1 33.85%	\$ 16,218	924.66	473.22
AUG1	68.56	AUG1 34.18%	\$ 15,310	893.86	464.20
SEP1	107.27	SEP1 34.74%	\$ 14,028	854.70	455.07
NOV1/DEC1	97.20	OCT1 35.46%	\$ 12,582	812.46	446.38
JAN2	91.49	DEC1 35.39%	\$ 12,560	806.30	441.65
MAR2	92.19	JAN2 35.41%	\$ 12,412	798.16	437.58
MAY2	89.50	MAR2 35.77%	\$ 11,698	775.72	431.97
JUL2	89.51	MAY2 35.72%	\$ 11,640	768.90	427.35

US Soybean Complex Basis						
FEB	+72 / 76 h	up2/unch			DECATUR	+10 h unch
MCH	+74 / +78 h	up1/unch	ILSBM	H-2 2/2/2021	SIDNEY	+10 h up10
APR	+75 / 80 k	unch	CIF Meal	H+25 2/2/2021	CHICAGO	h price unch
MAY	+75 / 80 k	unch	Oil FOB NOLA	400 (dn100 lw) 1/29/2021	TOLEDO	-10 h unch
JUNE	+83 / n	unch	Decatur Oil	150 1/29/2021	BRNS HRBR	mch price unch
					C. RAPIDS	-25 h unch

Brazil Soybeans Paranagua fob		Brazil Meal Paranagua		Brazil Oil Paranagua	
FEB	+35 / +55 f	unch	MCH	+15 / +19 h	unch
MCH	+34 / +40 h	unch/up4	APR	-1 / +4 k	unch/dn1
APR	+34 / +40 k	up1/up3	MAY	-2 / +2 k	unch/dn1
MAY	+37 / +45 k	unch/up5	JUNE	-2 / -1 n	up1/unch
JUNE	+68 / +72 n	up2/up2	JULY	-2 / -1 n	up1/unch
	Argentina meal	450 24.6	Argentina oil	Spot fob	47.9 4.23

Source: FI, DJ, Reuters & various trade sources

Updated 1/26/21

March soybeans are seen in a \$13.25 and \$14.75 range

March soymeal is seen in a \$410 and \$480 range

March soybean oil is seen in a 42.50 and 45.00 cent range

## Wheat

- US wheat fell today on follow through selling, a higher USD (hit a 2-month high), and slowing US export developments. Losses were limited after Egypt bought 480,000 tons of wheat from multiple destinations, but the US was not one of them. EU wheat was higher as Egypt picked up four cargoes

**Terry Reilly** Grain Research

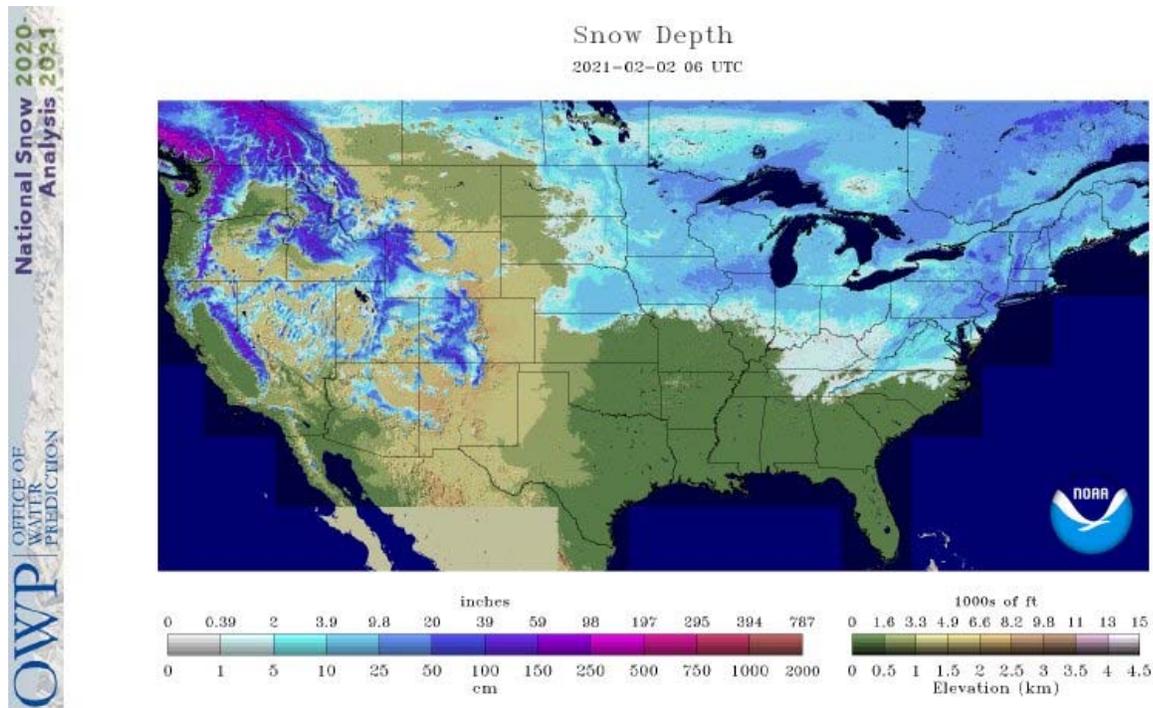
Futures International | One Lincoln Centre, Suite 1450

18 W 140 Butterfield Rd. | Oakbrook Terrace, IL 60181

W: 312.604.1366 | [treilly@futures-int.com](mailto:treilly@futures-int.com)

from France. EU March milling wheat settled up 2.50 euros, or 1.1%, at 226.00 euros (\$271.52) a ton. MN March ended 2.0 cents lower, KC 6.25 cents lower and March Chicago 6.25 lower.

- The US central areas and northern Great Plains will see two cold shots this week, raising the risk of some winterkill for uncovered snow areas.



#### Export Developments.

- Egypt bought 480,000 tons of wheat for March 15-30 shipment. Traders gave the following breakdown of the purchase in dollars per ton:
  - 60,000 tons of Russian wheat at \$295.80 and \$15.40 freight = \$311.20
  - 60,000 tons of Russian wheat at \$295.80 and \$15.40 freight = \$311.20
  - 60,000 tons of Ukrainian wheat at \$294.85 and \$16.35 freight = \$311.20
  - 60,000 tons of Romanian wheat at \$296.60 and \$14.63 freight = \$311.23
  - 60,000 tons of French wheat at \$291.70 and \$20.25 freight = \$311.95
  - 60,000 tons of French wheat at \$291.70 and \$20.25 freight = \$311.95
  - 60,000 tons of French wheat at \$291.70 and \$20.25 freight = \$311.95
  - 60,000 tons of French wheat at \$291.70 and \$20.25 freight = \$311.95
- Japan seeks 87,050 tons of food wheat this week.

**Japan food wheat import details are via Reuters as follows (in tons):**

COUNTRY	TYPE	QUANTITY
U.S.	Western White	10,800 *
U.S.	Hard Red Winter(Semi Hard)	14,530 *
U.S.	Dark Northern Spring(14.0%)	31,570 *
Canada	Western Red Spring	30,150 *

Shipments: \* Loading between March 21 and April 20, 2021

Source: Japan AgMin, Reuters and FI

- 7 offers: Jordan is in for another 120k wheat on Feb 3 and 120k barley on Feb 2.

**Terry Reilly** Grain Research

Futures International | One Lincoln Centre, Suite 1450

18 W 140 Butterfield Rd. | Oakbrook Terrace, Il. 60181

W: 312.604.1366 | [treilly@futures-int.com](mailto:treilly@futures-int.com)

## Rice/Other

- CME Raises COMEX Silver Futures Margins By 18%
- Iraq seeks 30,000 tons of rice on Feb 3, valid until Feb 10, optional origin.
- Syria is in for 25,000 tons of rice on February 9.

Chicago Wheat		Change	KC Wheat		Change	MN Wheat		Settle	Change
MAR1	644.75	(6.25)	MAR1	619.25	(6.00)	MAR1	621.00		(2.00)
MAY1	645.75	(6.00)	MAY1	622.00	(6.50)	MAY1	630.00		(2.00)
JUL1	630.00	(3.75)	JUL1	622.00	(5.75)	JUL1	636.00		(1.75)
SEP1	629.00	(3.50)	SEP1	623.75	(5.50)	SEP1	641.00		(1.75)
DEC1	633.25	(2.75)	DEC1	629.00	(4.75)	DEC1	646.00		(1.75)
MAR2	638.50	(2.50)	MAR2	630.25	(4.00)	MAR2	645.50		(2.00)
MAY2	630.00	(2.50)	MAY2	612.75	(6.25)	MAY2	637.00		2.25

Chicago Rice		Change	US Wheat Basis		Change
MAR1	13.35	0.010	MAY1	13.59	0.020
JUL1	13.62	0.020			

US Wheat Basis		Gulf HRW Wheat		Chicago mill	
Gulf SRW Wheat		JAN	158 / h unch	Toledo	+10 h up5
FEB +105 / 115 h unch		FEB	158 / h unch	PNW US Soft White 10.5% protein	-15 h unch
MCH +105 / 115 h unch		MCH	158 / h unch	PNW Mar	705 -5.00
APR +100 / 110 k unch		APR	155 / k unch	PNW Apr	705 -5.00
MAY +100 / 110 k unch		MAY	155 / k unch	PNW May	705 -5.00
0-Jan					

Paris Wheat		Change	OI	OI Change	World Prices \$/ton		Change
MAR1	225.50	2.00	176,833	(11,018)	US SRW FOB	\$283.20	\$4.50
MAY1	220.25	0.50	130,010	(146)	US HRW FOB	\$294.00	\$4.70
SEP1	198.00	(0.75)	102,650	(2,847)	Rouen FOB 11%	\$268.60	\$3.50
DEC1	197.50	(1.00)	124,152	910	Russia FOB 12%	\$295.00	\$2.00
EUR	1.2018				Ukr. FOB feed (Odessa)	\$218.50	\$0.00
					Arg. Bread FOB 12%	\$254.26	\$0.00

Source: FI, DJ, Reuters & various trade sources

### Updated 2/2/21

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

March KC wheat is seen in a \$6.00-\$6.70 range (lowered 25 low end)

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

**Terry Reilly** Grain Research

Futures International | One Lincoln Centre, Suite 1450

18 W 140 Butterfield Rd. | Oakbrook Terrace, IL 60181

W: 312.604.1366 | [treilly@futures-int.com](mailto:treilly@futures-int.com)

## Traditional Daily Estimate of Funds 1/26/21

	(Neg)-"Short"	Pos-"Long"			
Actual less Est.	(28.4)	17.8	5.2	(5.5)	4.7
	<b>Corn</b>	<b>Bean</b>	<b>Chi. Wheat</b>	<b>Meal</b>	<b>Oil</b>
Act.	547.7	236.4	36.2	99.6	127.8
27-Jan	3.0	7.0	(7.0)	1.0	5.0
28-Jan	3.0	(13.0)	(9.0)	(7.0)	1.0
29-Jan	35.0	14.0	14.0	3.0	1.0
1-Feb	4.0	(7.0)	(10.0)	(2.0)	3.0
2-Feb	(23.0)	(12.0)	(5.0)	(3.0)	(4.0)
<b>FI Est. of Futures Only 1/26/21</b>	<b>569.7</b>	<b>225.4</b>	<b>19.2</b>	<b>91.6</b>	<b>133.8</b>
<b>FI Est. Futures &amp; Options</b>	<b>555.0</b>	<b>195.1</b>	<b>23.1</b>	<b>84.4</b>	<b>129.6</b>
Futures only record long "Traditional Funds"	547.7 1/26/2021	280.9 11/10/2020	86.5 8/7/2018	167.5 5/1/2018	160.2 11/1/2016
Futures only record short	(235.0) 6/9/2020	(118.3) 4/30/2019	(130.0) 4/25/2017	(49.5) 3/1/2016	(69.8) 9/18/2018
Futures and options record net long	557.6 1/12/2021	270.9 10/6/2020	64.8 8/7/2012	132.1 5/1/2018	159.2 1/1/2016
Futures and options record net short	(270.6) 4/26/2019	(132.0) 4/30/2019	(143.3) 4/25/2017	(64.1) 3/1/2016	(77.8) 9/18/2018

## Managed Money Daily Estimate of Funds 1/26/21

	Corn	Bean	Chi. Wheat	Meal	Oil
Latest CFTC Fut. Only	341.2	148.1	14.4	74.3	103.6
Latest CFTC F&O	364.2	156.6	21.3	74.6	107.3
	Corn	Bean	Chi. Wheat	Meal	Oil
FI Est. Managed Fut. Only	363	137	(3)	66	110
FI Est. Managed Money F&O	386	146	4	67	113

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

Index Futures & Options	398.2	147.2	139.9	NA	128.6
Change From Previous Week	(2.0)	(1.6)	3.0	NA	4.0

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

# Disclaimer

TO CLIENTS/PROSPECTS OF FUTURES INTERNATIONAL, SEE RISK DISCLOSURE BELOW:

THIS COMMUNICATION IS CONVEYED AS A SOLICITATION FOR ENTERING INTO A DERIVATIVES TRANSACTION.

Any trading recommendations and market or other information to Customer by Futures International (FI), although based upon information obtained from sources believed by FI to be reliable may not be accurate and may be changed without notice to customer. FI makes no guarantee as to the accuracy or completeness of any of the information or recommendations furnished to Customer. Customer understands that FI, its managers, employees and/or affiliates may have a position in commodity futures, options or other derivatives which may not be consistent with the recommendations furnished by FI to Customer.

The risk of trading futures and options and other derivatives involves a substantial risk of loss and is not suitable for all persons. In purchasing an option, the risk is limited to the premium paid, and all commissions and fees involved with the trade. When an option is shorted or written, the writer of the option has unlimited risk with respect to the option written. The use of options strategies such as a straddles and strangles involve multiple option positions and may substantially increase the amount of commissions and fees paid to execute the strategy. Option prices do not necessarily move in tandem with cash or futures prices. Each person must consider whether a particular trade, combination of trades or strategy is suitable for that person's financial means and objectives.

This material may include discussions of seasonal patterns, however, futures prices have already factored in the seasonal aspects of supply and demand, and seasonal patterns are no indication of future market trends. Finally, past performance is not indicative of future results.

This communication may contain links to third party websites which are not under the control of FI and FI is not responsible for their content. Products and services are offered only in jurisdictions where solicitation and sale are lawful, and in accordance with applicable laws and regulations in each such jurisdiction.