

**July 31, 2020**

Presents:

# Silver's Comments



**Helpful hint:** Click on the hyperlinks for more detail.

Grain futures closed a little higher today with soybeans providing leadership. Week-on-week grains closed lower. Prospects for large US corn and soybean crops and favorable weather forecasts continue to limit upside gains.

[See page 2](#) for an analysis of the corn market.

[See page 5](#) for the latest fund and COT data

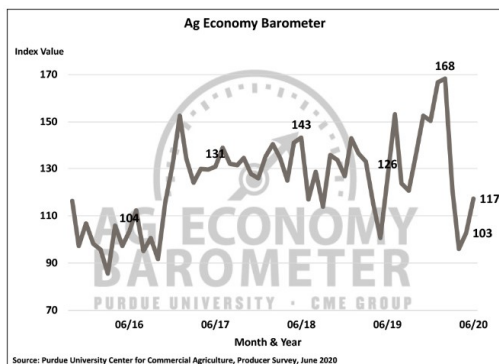
A good resource to bookmark is the [U.S. Grains Council](#) website. [Review MARKET PERSPECTIVES](#)

Another useful tool is the [U.S. Grains Council Grains Conversion Calculator app](#).

Click for the [Crop condition report](#).

[US weather forecasts](#) are crop development friendly.

Follow me on Twitter <http://twitter.com/MikeSilverSr>



<https://ag.purdue.edu/commercialag/>

**Each Thursday I do market analysis for Hoosier AgToday (HAT)**  
Click this link to listen:

[Hoosier AgToday Podcast](#)

## Futures Closes

7/31/2020

Commodity	Symbol	Close	Change
Sep 20 Corn	CU20	316.00	0.25
Dec 20 Corn	CZ20	327.00	0.25
August 20 Beans	SQ20	897.50	5.75
Nov 20 Beans	SX20	892.50	4.25
SOYBEAN/CORN '20	SX20/CZ20	2.73	0.01
Sep 20 Wheat	WU20	531.25	1.75
US Dollar Index	DX	93.31	0.30
Crude Oil	QCLQ20	40.31	0.39
Ethanol	ACU20	1.11	0.00
Today vs Last Friday Close	Today	Last Friday	Change
Sep 20 Corn	316.00	326.25	-10.25
Dec 20 Corn	327.00	335	-8.00
August 20 Beans	897.50	904.75	-7.25
Nov 20 Beans	892.50	899.25	-6.75
Sep 20 Wheat	531.25	539.5	-8.25

# Corn Market Analysis by StoneX Group Inc - July 31, 2020

**Corn export sales to China are hot, but the market response is not.** What gives? The balance sheet below provides some insight. USDA's old- and new-crop balance sheets are in the first two columns. My current projections for old- and new-crop balance sheets come in the next two columns, followed by a bearish and bullish potential scenario. The primary variables I changed in the final three columns are yield and exports - the two biggest unknowns being discussed currently. My seasonally adjusted yield model currently puts the crop at 181.6 bushels per acre. Some analysts are much higher than that, so I threw in a 188.5 to represent a mid-point of some of those high-end estimates, while I currently see 174.5 bushels per acre as a mid-point for the low-end estimates, with August looking much cooler for grain fill than it did two weeks ago. All indications are that the surge in Chinese buying caught USDA WASDE off-guard, and it still needs to be factored into its balance sheet. It's policy has been not to factor in phase-one until there is evidence that China will follow-through, and that's what it's current balance sheet seems to reflect.

Corn	USDA		INTL FCStone Estimates			
	2019-20	2020-2021	2019-20	2020-21	2020-21	2020-21
	Old-Crop	New-Crop	Old-Crop	New-Crop	Bear	Bull
Planted Acres	89.7	92.0	89.7	92.0	92.0	92.0
Harvested Acres	81.3	84.0	81.3	84.0	84.5	84.5
Yield (bpa)	167.4	178.5	167.4	181.6	188.5	174.5
Beginning Stocks	2,221	2,248	2,221	2,273	2,273	2,273
Production	13,617	15,000	13,617	15,254	15,925	14,743
Imports	45	25	45	30	30	40
Total Supply	15,883	17,273	15,883	17,557	18,228	17,056
Feed	5,600	5,850	5,575	5,650	5,650	5,650
Other Domestic	6,260	6,625	6,245	6,645	6,645	6,645
Fuel for Ethanol	4,850	5,200	4,850	5,230	5,230	5,230
Total Domestic Use	11,860	12,475	11,820	12,295	12,295	12,295
Exports	1,775	2,150	1,790	2,310	2,310	2,550
Total Use	13,635	14,625	13,610	14,605	14,605	14,845
Ending Stocks	2,248	2,648	2,273	2,952	3,623	2,211
Stocks to Use	16.5%	18.1%	16.7%	20.2%	24.8%	14.9%
Days of Supply	60.2	66.1	61.0	73.8	90.6	54.4
Average Cash Farm Price	\$3.61	\$3.35	\$3.58	\$3.23	\$2.95	\$3.75

**Corn is the favored short** currently among spreaders in the Ag sector, due much to the above perspective. There's still a lot of uncertainty revolving around escalating geo-political developments, the November elections, coronavirus and August weather. Traders feel most comfortable being bearish corn right now, while leaving the door open yet for August to cut soybean yields, while entertaining expectations for big soybean shipments this fall, with a tighter balance sheet than corn. Wheat sees demand on price breaks, but quickly gets over-priced on the world market on rallies. There's a lot of money in the system, adding to the volatility.

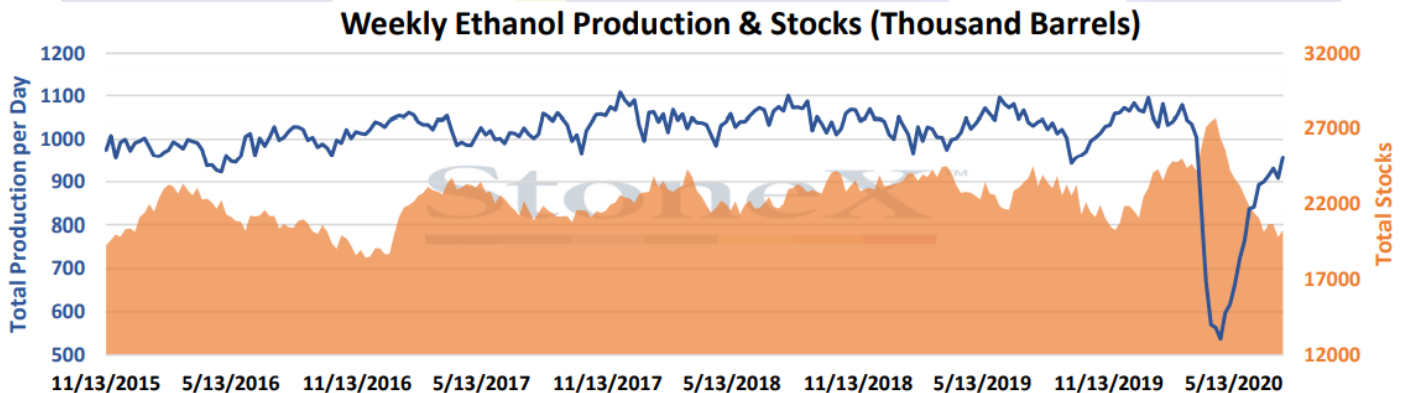
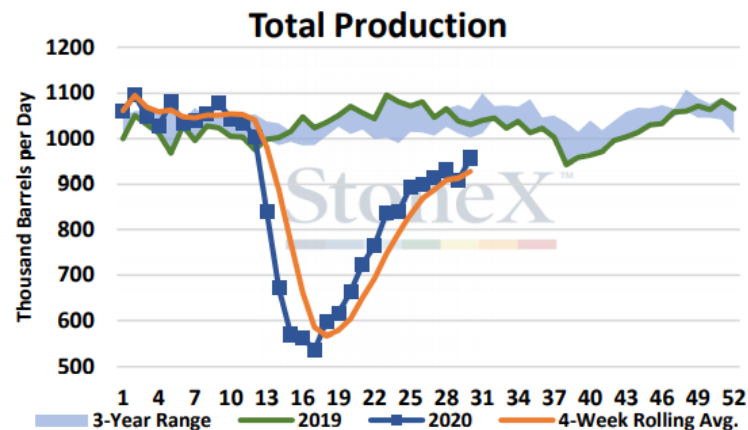
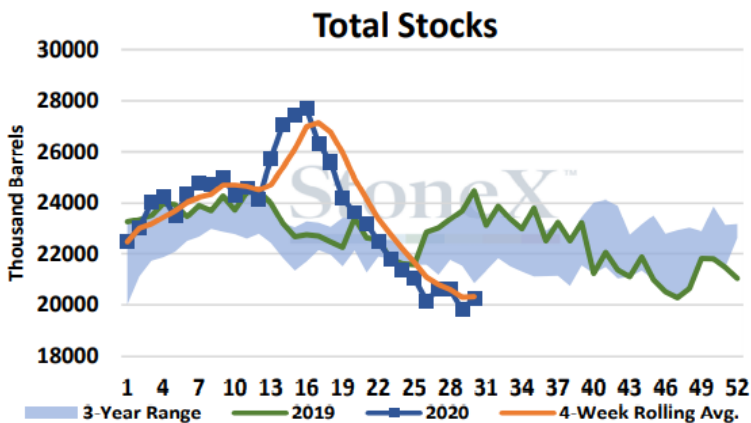
# Weekly Ethanol Report

<https://www.eia.gov/petroleum/supply/weekly/>

## Ethanol Fundamentals 7/29/2020

StoneX™

July 29, 2020		Last Week		Last Year		5-Year for Week 30			
1,000 Barrels	7/24/2020	7/17/2020	Change	7/26/2019	Change	Average	Change	High	Low
East Coast	6,106	5,882	224	7,335	(1,229)	7,469	(1,363)	7,682	7,335
Midwest	6,735	6,630	105	7,872	(1,137)	6,998	(263)	7,872	6,199
Gulf Coast	4,452	4,351	101	6,016	(1,564)	4,171	281	6,016	3,297
Rocky Mountains	370	373	(3)	332	38	326	44	349	307
West Coast	2,608	2,567	41	2,914	(306)	2,501	107	2,914	2,290
U.S. Total	20,272	19,801	471	24,468	(4,196)	21,465	(1,193)	24,468	19,648
Percent Change			2.38%		-17.15%		-5.56%		
Ethanol Price	\$ 1.15	\$ 1.17	\$ (0.02)	\$ 1.47	\$ (0.32)	\$ 1.48	\$ (0.33)	\$ 1.54	\$ 1.44
Mil. Bushel/ Wk	95.80	90.80	5.00	103.10	(7.30)	101.20	(5.40)	106.40	96.50
('000 Gallons)	6/12/2020	6/19/2020	6/26/2020	7/3/2020	7/10/2020	7/17/2020	7/24/2020	Sparkline	
Stocks	896,532	883,428	846,888	866,040	865,536	831,642	851,424		
Production	35,322	37,506	37,800	38,388	39,102	38,136	40,236		



The views and opinions expressed in this article are those of the author and do not necessarily reflect the official policy or position of Kokomo Grain

**Kokomo Grain Co.**



# July 2020 USDA WASDE Report

2020-21 USDA U.S. Grain Yield (bu/acre)

	USDA July 2020	Average Trade Est.	Range of Trade Est.	USDA June 2020
Corn	178.5	178.600	178.0-180.5	178.500
Soybeans	49.8	50.000	48.8-52.8	49.800
Wheat	49.7			49.8

2020-21 USDA U.S. Grain Production (bln bu)

	USDA July 2020	Average Trade Est.	Range of Trade Est.	USDA June 2020
Corn	15.000	15.041	14.952-15.296	15.995
Soybeans	4.135	4.150	4.123-4.382	4.125
Wheat	1.824			1.877

2019-20 USDA U.S. Grain Carryout (in billion bushels)

	USDA July 2020	Average Trade Est.	Range of Trade Est.	USDA June 2020
Corn	2.248	2.277	2.166-2.403	2.103
Soybeans	0.620	0.584	0.560-0.635	0.585
Wheat	1.044			0.983

2020-21 USDA U.S. Grain Carryout (in billion bushels)

	USDA July 2020	Average Trade Est.	Range of Trade Est.	USDA June 2020
Corn	2.648	2.683	2.400-3.010	3.323
Soybeans	0.425	0.416	0.355-0.572	0.395
Wheat	0.942	0.948	0.825-1.006	0.925

2019-20 USDA World Grain Carryout (in million tons)

	USDA July 2020	Average Trade Est.	Range of Trade Est.	USDA June 2020
Corn	311.950	315.070	311.77-320.50	312.910
Soybeans	99.670	99.350	98.00-101.00	99.190
Wheat	297.120	297.300	296.00-298.50	295.840

2020-21 USDA World Grain Carryout (in million tons)

	USDA July 2020	Average Trade Est.	Range of Trade Est.	USDA June 2020
Corn	315.04	324.84	310.00-339.00	337.87
Soybeans	95.08	96.71	94.70-99.40	96.34
Wheat	314.84	315.98	311.83-318.50	316.09

2020-21 USDA US Wheat Production (in billion bushels)

	USDA July 2020	Average Trade Est.	Range of Trade Est.	USDA June 2020
All Wheat	1.824	1.848	1.816-1.885	1.877
Winter	1.218	1.247	1.223-1.285	1.268
Hard Red	0.710	0.732	0.710-0.760	0.743
Soft Red	0.280	0.290	0.269-0.298	0.297
White	0.227	0.225	0.224-0.227	0.225
Other Spring	0.550	0.546	0.529-0.562	N/A
Durum	0.058	0.058	0.052-0.065	N/A

Click the links for:

[WASDE BRIEFING TO USDA SECRETARY - July 10, 2020](#)

[USDA July 10, 2020 WASDE REPORT](#)

[USDA NASS July Crop Production Report- July 10, 2020](#)

[USDA NASS July Crop Production Executive Briefing](#)

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### CFTC Funds Net (# cnts) Futures Only (COT REPORT)

Date	Corn	Soybeans	Wheat
7/2/2019	169,425	-40,587	34,473
7/9/2019	174,318	-45,750	27,583
7/16/2019	178,732	-42,481	15,087
7/23/2019	143,540	-42,656	6,603
7/30/2019	105,907	-55,160	14,849
8/6/2019	68,086	-76,318	7,121
8/13/2019	21,527	-67,203	4,000
8/20/2019	-82,266	-76,820	-4,248
8/27/2019	-96,370	-75,551	803
9/3/2019	-123,800	-71,558	-19,370
9/10/2019	-143,467	-90,013	-8,905
9/17/2019	-176,643	-45,612	-7,093
9/24/2019	-162,551	-43,053	-15,418
10/1/2019	-128,031	-10,817	-16,014
10/8/2019	-96,859	4,464	-13,446
10/15/2019	-64,749	47,953	-3,662
10/22/2019	-75,186	67,172	21,629
10/29/2019	-88,118	65,849	7,769
11/5/2019	-109,720	53,503	2,333
11/12/2019	-120,536	25,460	3,720
11/19/2019	-138,815	11,676	-178
11/26/2019	-116,947	-44,656	8,359
12/3/2019	-85,582	-101,718	18,008
12/10/2019	-118,449	-114,250	9,157
12/17/2019	-95,971	-80,140	24,643
12/24/2019	-86,717	-33,888	16,389
12/31/2019	-85,115	-7,524	22,059
1/7/2020	-85,507	-2,851	22,261
1/14/2020	-79,140	3,185	26,857
1/21/2020	-65,890	-19,341	39,286
1/28/2020	-25,390	-55,446	41,817

7/28/2020	Corn	Soybeans	Wheat
COT Actual	-158,282	59,192	825
Est on date	-163,676	77,109	-3,372
Diff (Act-Est)	5,394	-17,917	4,197

Date	Corn	Soybeans	Wheat
2/4/2020	-52,045	-86,996	45,607
2/11/2020	-69,101	-97,412	39,482
2/18/2020	-56,855	-95,945	59,262
2/25/2020	-88,157	-75,736	43,319
3/3/2020	-77,179	-75,736	17,096
3/10/2020	-52,348	-34,988	18,196
3/17/2020	-93,838	-33,116	-3,798
3/24/2020	-112,225	-4,715	20,143
3/31/2020	-99,925	22,906	36,756
4/7/2020	-110,220	17,007	27,270
4/14/2020	-137,294	11,447	25,786
4/21/2020	-160,025	-4,868	24,186
4/28/2020	-160,645	6,378	17,102
5/8/2020	-189,741	9,486	6,295
5/12/2020	-214,679	31,037	6,215
5/19/2020	-246,059	11,985	-11,390
5/26/2020	-277,038	7,014	-8,475
6/2/2020	-286,202	7,134	-9,812
6/9/2020	-301,873	19,132	-22,128
6/16/2020	-277,603	19,879	-26,663
6/23/2020	-285,942	43,028	-45,176
6/30/2020	-211,668	63,366	-37,611
7/7/2020	-150,338	90,618	-32,370
7/14/2020	-148,786	63,678	-6,517
7/21/2020	-155,676	73,109	2,628
7/28/2020	-158,282	59,192	825
Wkly Change	-2,606	-13,917	-1,803
Record +	409,444	409,444	409,444
Record -	-344,185	-133,944	-171,269
Est Today	-171,282	61,192	7,825
Change	1,000	7,000	2,000

You can do a deep dive analysis into CFTC COT data on the CME website at:

<http://www.cmegroup.com/tools-information/quikstrike/commitment-of-traders-fx.html>

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