



WEEK IN REVIEW MARKET UPDATE 10/29/21

Grain

Corn – Dec 21 **up \$0.30^{1/4}** closing \$5.68^{1/4}
Soybeans – Jan 22 **up \$0.18^{3/4}** closing \$12.49^{1/2}
Wheat – Dec 21 **up \$0.16^{3/4}** closing \$7.72^{3/4}
Soybean Meal – Dec 21 **up \$5.20** closing \$332.60

Livestock

Cattle – Dec 21 **up \$0.95** closing \$129.28
Feeders – Jan 22 **down \$1.20** closing \$156.13
Hogs – Dec 21 **up \$2.75** closing \$76.08
Class III Milk – Dec 21 **down \$0.91** closing \$18.52

Outsides

Dow – **up 140.05** closing 35816.01
S&P – **up 59.67** closing 4604.75
NASDAQ – **up 408.34** closing 15497.31
US Dollar – Dec 21 **up 0.480** closing 94.105
Crude Oil – Dec 21 **down \$0.46** closing \$83.36

News/Reports:

- Export sales report released Thursday 10/28. Corn came in at 35.1 million bushels, expected range 31 – 51. Beans came in at 43.5 million bushels, expected range 46 – 73. Wheat came in at 9.9 million bushels, expected range 7 – 20. Soybean Meal came in at 161.5 million metric tons, expected range 150 – 375K.
- Ethanol output weekly data reports were out Wednesday 10/27 at 1,106,000 barrels per day versus 1,096,000 last week. Ethanol stocks were at 19.925 million barrels versus 20.080 million last week.
- Corn Harvested came out 11/1 at 74% harvested versus 66% last week, 81% last year, and 66% average.
- Soybeans Harvested came out 11/1 at 79% harvested versus 73% last week, 86% last year, and 81% average.
- Winter Wheat Planted came out 11/1 at 87% planted versus 80% last week, 88% last year, and 86% average.
- Winter Wheat Conditions came out 11/1 at 45% good to excellent versus 46% last week, and 43% last year.

Notes:

- This was the Second week in a row of high-end corn grind for ethanol and a pull down in ethanol stocks. The ethanol industry continues to see exceptional margins with many continuing to raise their ethanol grind 150-200 million bushels to corn demand. Corn board has also been part of the inflation trade with banks buying into the corn market along with Funds being active buyers. All this combined with lack of harvest in the Eastern Corn Belt and the cost of fertilizer and in puts is adding support to the corn market.
- Bullish news in the wheat market this week was ^{1.)} Hard Red Spring Wheat futures moved to a 9 year high this past week on tight stocks and potential demand. Above \$10 for the first time since 2012. ^{2.)} Concerns mounting that recent inclement weather will cut the anticipated expansion in Soft Red Winter Wheat acres ^{3.)} China is struggling to get their wheat planted with the excessive rain. For reference the WASDE cut 6 million metric tons for world wheat stocks in the October report. ^{4.)} This is a 14 year low for world wheat stocks for major exports.
- Will China take all the corn it has on the books? If they take all the corn they have bought, the US carryout will be closer to 1.2 billion bushels assuming no yield/acreage changes going forward. If they don't take any, US will be closer to the 1.7 billion bushels, a sizeable difference. US corn is pricing itself in to be the cheapest origin. All geo-political issues aside, the US will be the market if they decide they need corn.
- The USDA calls old crop carryout in soybeans 256 million bushels, but through export rationing and a bigger yield, projections are for nearly a 200-million-bushel bigger carryout for the upcoming year. An expected increase in South American acreage suggest South America will get the lion share of exports. Brazil is getting planted at a hectic pace, which suggests their harvest will start earlier too.
- Russia, the world's largest exporter of fertilizer is contemplating limits to nitrogen shipments until the conclusion of the 2022 spring seeding season.
- The CME updated its Price Limits for commodities effective November 1st. Corn's new daily limit is \$.35 down from \$.40, Soybeans is now \$.90 down from \$1.00, Wheat is now \$.50 up from \$.45, and Soybean Meal is now \$25.00 down from \$30.00.
- Friday's Commitment of Trader's Report showed that funds were net short 9,000 contracts of Chi wheat (up 9,000), long 245,000 contracts of corn (up 25,000), long 24,000 contracts of soybeans (up 6,000), short 15,000 soybean meal (up 2,000), and long 86,000 soybean oil (up 3,000 contracts).
- The next USDA report will be the November WASDE Report out on Tuesday November 9th at 12:00 est.