
Thursday, May 16, 2024

Good morning. Markets are mostly quiet overnight at the CBOT, though wheat futures are trying to get back the last couple days' losses. Not a lot of new fundamental news to start Thursday, as traders continue to be interested in global weather and planting progress and not a whole lot else. Soybeans have seen spillover action from bean oil for the majority of the week, so we will see if they can break that trend today. Corn futures are 1-2 cents higher, soybean futures are unchanged to a penny higher, and the Chicago wheat market is up 10-13 cents. Products are mixed, soybean meal is down around \$1/ton, and soybean oil is trading around 10 points higher. Outside markets are also mixed, crude oil futures are up 10 cents/bbl, the Dow Jones index is unchanged, and the US\$ index is up 15 points after making fresh one-month lows this morning.

Today's Reports: US Weekly Jobless Claims; US Monthly Trade Balance; US Weekly Export Sales

- This morning's weekly export sales report is expected to show old crop corn sales in a range of 700k to 1.05 mil mt's, old crop soybean sales in a range of 300k to 550k mt's, and old crop wheat sales in a range of (100)k to 100k mt's. Totals would all be in line with last week's numbers.
- Day 2 of the Wheat Quality Council's HRW wheat tour found similar results to day 1; Scouts reported an average yield of 42.4 bpa, up from 27.6 bpa on the same route last year. The two-day average is seen at 45.8 bpa.
- Yesterday morning's NOPA crush report showed soybean crush in April at a seven-month low of 166.03 mil bu's. This was well below trade expectations and some 30 mil bu's below last month's crush rate.

- Private analysts are adjusting their estimates of the Russian wheat crop to the 85 mmt ballpark following recent frost and dry weather. Grain and feed trader Cefetra sees the crop at 86 mmt's, while analysts from SovEcon see the crop at 85.7 mmt's.
- The Russian Ag Ministry estimates roughly 500,000 hectares of land for grain production will need to be reseeded due to the adverse weather.
- Data from the EPA showed the US generated about 1.2 billion ethanol (D6) blending credits in April, up from 1.19 billion in March. Biodiesel (D4) blending credits rose to about 780 million, up from 653 million in March.
- Stock index futures are quiet this morning after the S&P and the NASDAQ made new all time highs yesterday. Softer than expected inflation and retail sales data spurred investors, and also raised the odds of a Fed rate cut.
- Prime Minister of Slovakia Robert Fico is in stable "but very serious" condition as of the latest report, following an attempted assassination of him on Wednesday. This is the first assassination attempt on a European leader since 2003 when the Prime Minister of Serbia was killed.
- The Eastern Corn Belt sees another round of storms on Thursday as a system makes its way through Missouri and Illinois. Rains are also seen in the far North and in the Delta Region/East Texas.
- Following this, the majority of the Corn Belt will be dry through the weekend and into early next week before conditions again turn wet by mid-week. Once again, the Midwest will likely see a three day blitz to try and get as much seed in the ground as possible.
- Temps will be above average in the East starting today and look to remain that way through the middle of next week. The West/West Coast will have a cooler bias, which has been the trend most of this Spring.
- Temps will continue to be a mixed bag for the next couple days before warm air generally moves into the Midwest by the weekend. A warmer bias will then be seen for the Eastern half of the US into next week.
- The EU model has removed some of the rain for Russian wheat areas from yesterday's runs, but it is still wetter than was seen last week. Temps continue to run below average.

- The South American forecast is unchanged, and remains too wet in Southern Brazil. Argentina continues to see frost risk over the next 5-10 days, while temps are seen remaining slightly above average for the majority of Brazil.

Managed money position

	Previous days' estimated activity	Today's estimated net position	Record long	Record short
Corn	-4,000	-104,000	429,189	-340,732
Soybeans	-1,000	-35,000	253,889	-171,999
Chicago Wheat	-3,000	-36,000	80,827	-162,327

Bloomington, IL

800-322-9371

Des Moines, IA

800-422-0896

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