
Wednesday, November 20, 2024

Good morning. Renewed strength in the US dollar index has markets at the CBOT lower to start Wednesday's trading session. As has been the case through the first half of week, there remains an absence of fresh breaking news this morning, though the trade will have their attention on the meeting between Chinese President Xi Jinping and his Brazilian counterpart President Luiz Inacio Lula da Silva that is slated for later today. Exactly what trade details are agreed to between the two BRICs nations will be important, but it is unlikely that the agreement significantly changes the soy supply/demand situation in the US, as China already has been sourcing most of its soy needs from Brazil. Corn futures this morning are trading 1-2 cents lower, soybean futures are down 6-7 cents, and the Chicago wheat market is down 3-4 cents. Products are lower, soybean meal is down around \$1/ton, and soybean oil is down 50-60 points; new lows for the month overnight for bean oil. Outside markets are mostly higher, crude oil futures are up 40-50 cents/bbl, the Dow Jones index is up 130 points, and the US\$ index is up 35 points. The S&P500 is up 10 points and the NASDAQ is up 50 points.

Today's Reports: EIA Weekly Ethanol Production/Energy Stocks

- This morning's weekly ethanol production report for the week ending November 15th is expected to show daily production in a range of 1.090-1.120 mil bbls, while stocks are seen between 21.5-22.5 mil bbls.
- Summit Carbon Solutions resubmitted a permit application yesterday in South Dakota, as was described a couple weeks ago during election week. The new application includes reroutes in Spink, Brown, McPherson, and Lincoln counties, with plans to begin construction in 2026.

- Private Brazilian oilseed lobby Abiove on Tuesday said they see Brazilian soybean production in the 2025/25 season increasing to 167.7 mmt's, which is above Conab's current estimate of 166.14 mmt's, but below the current USDA estimate of 169.0 mmt's. The group sees planted area at 46.4 mil hectares, compared to Conab's 47.4 mil hectares.
- Same group also sees Brazil soybean exports in the coming season reaching 104.1 mmt's, which would be up from 98.3 mmt's this past year, and a new record. Crush is also expected to reach a record 57 mmt's, compared to 54.5 mmt's this year.
- Chinese customs data shows soybean imports from the US in the month of October totaled just over 541k mt's, which was more than double October 2023 and marks the seventh straight month of improving volumes. Soybean imports from Brazil in the same month were up 15% from last year at 5.53 mmt's.
- Customs data from the EU shows soft wheat exports in the season that began July 1 have reached 8.79 mmt's as of November 17th, compared to 12.66 mmt's through the same period last year. However, line-up data shows this number could be as much as 1.5 mmt's too low.
- Equity markets look to see choppy trade through the day on Wednesday, as all eyes will be on the private sector this afternoon with AI-behemoth and the world's biggest company Nvidia set to release earnings for Q3 after the close today.
- President-elect Donald Trump is expected to interview both former Fed Reserve Governor Kevin Warsh, and also Apollo Global Management's Mark Rowan on Wednesday for his Treasury Secretary post according to sources familiar with the matter. Betting markets currently see Warsh as the favorite to land what has been one of the more talked-about positions in Trump's new cabinet.
- Rainfall was limited mostly to the fringes of the country on Tuesday, with the Gulf coast in the southeast, the PNW, and the northern border with Canada in ND/MN the main areas that received moisture; best rains were in the Gulf, where totals ranged from 0.1-2.5" generally and covered parts of MS/AL/GA.
- Little forecast change was noted through the rest of the week and into the weekend, as models continue to call for mostly dry conditions to

emerge through the central part of the country, while the PNW and the northeast/Great Lakes area stay wet into the first part of next week.

- Confidence beyond here then quickly decreases, as week-two forecasts have continued to fluctuate; this morning's runs show a wetter bias across almost the whole of the country by the EU ensemble model than was seen yesterday, while the GFS is still just wet in the south/southeast, and the EU AI model is dry east and wetter in the west/PNW.
- The one constant in the extended forecast has been a shift to cooler temperatures beyond the end of this week for the eastern US, while the west sees a brief warm up before the whole of the country sees below average air temps in the week-two period. This has been advertised all week, and both the EU and GFS outputs are in good agreement.
- Light/scattered rains fell across eastern Argentina and also north-central/north-west Brazil on Tuesday, with totals ranging from 0.1-0.5" generally speaking with some locally heavier amounts in parts of Brazil.
- Southern Argentina looks to pick up light/scattered showers the remainder of the week into the weekend, while the rest of the country looks to be mostly dry. Southern Brazil will see light showers also through the end of the week, while central and northern regions continues to see good rains; three-day totals in Brazil are seen reaching 2-3" through a large area.
- Extended forecasts continue to show better rain chances throughout all but western Argentina in the week-two period, while a pocket in southern Brazil/northeast Argentina sees potentially heavy rains of up to 8-10". These forecasts likely continue to fluctuating with regards to exact amounts/locations, but a return to more normal rainfall in Argentina into the first of December remains most probable.

Managed money position

	Previous days' estimated activity	Today's estimated net position	Record long	Record short
Corn	-2,000	+111,000	429,189	-353,983
Soybeans	-4,000	-58,000	253,889	-185,750

Chicago Wheat	+1,000	-44,000	80,827	-162,327
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