
Monday, April 29, 2024

Good morning. Markets are mixed to kick off the new week at the CBOT; Chicago wheat futures have started the overnight session lower as traders bank profits on long positions from last week. This afternoon's winter wheat ratings look to decline further, as Kansas was mostly dry for the last week. Following Friday's May option expiration, first notice on day on May futures is tomorrow; as of this morning, there were nearly 83,000 contracts of May corn open, and nearly 45,000 contracts of May soybeans. Corn futures are trading unchanged to a penny lower, soybean futures are up 4-6 cents, and the Chicago wheat market is down 8-9 cents. Products are firm, soybean meal is trading \$2-3/ton higher, and soybean oil is up 10-15 points. Outside markets are mixed, crude oil futures are unchanged, the Dow Jones index is up 50 points, and the US\$ index is down 30 points.

Today's Reports: US Weekly Export Inspections; Weekly Crop Progress

- A report Friday showed Argentina's Rosario farm port lost its spot as the world's number 2 grain export hub in 2023. Data shows the terminal shipped out 42.4 mmt's of grain last year, which compares to Brazil's Santos port at 62.3 mmt's, and New Orleans in the US at 63.4 mmt's.
- The port at Rosario had been the second largest grain export hub in the world since 2020, and was the largest export terminal of grains in the world in 2020. The report cited the effects of drought, which cut corn, soy, and wheat production in the 2022/23 season.
- The USDA ag attaché in Canada sees the total wheat crop out of the country totaling 33.7 mmt's this year, up 5.4% from last year. They also

see 2023/24 exports at 24.7 mmt's, up slightly from the USDA's 24.0 mmt's.

- Friday afternoon's COT report showed managed money traders in the week ending April 23rd were buyers of 41,023 combined contracts of corn futures/options, and also buyers of 18,861 combined contracts of soybean futures/options.
- Fund traders are now seen short 238,546 contracts in corn, and are seen short 149,014 contracts in soybeans. In wheat, funds bought 20,218 combined contracts in the week, and are now seen short 76,184 contracts.
- According to StatsCan, Canada crushed 961k tons of Canola in the month of March, up 4.2% from March of last year. Oil production totaled 411k tons, and meal production totaled 554k tons. Cumulative Aug-Mar crush is up 11.3% from last year.
- Russia's sate weather forecaster over the weekend said it sees drought conditions likely persisting through May in the SE of the country, which is Russia's top wheat growing region. March-April has been among the driest on record in this region, and has contributed to the Chicago future's price rise in recent days.
- Reuters is reporting the Argentina oilseed union SOEA is planning a port strike for Monday at one of the nation's largest export terminals in response to new tax proposals and labor reforms by the government. The union said in a statement some 80% of the oilseed companies that use the port will be affected.
- Financial markets this week will be focused on the May FOMC meeting, which begins Tuesday and will culminate on Wednesday. It is assumed rates will remain unchanged, though like previous months, traders will be carefully watching/listening for any change in tone by Fed officials.
- Heavy rains were seen over the weekend for a wide swath of the US. Areas from Texas to Northern Illinois received totals of 0.5" to 3", with locally heavier amounts. Even Wisconsin and Minnesota received up to an inch in some places. It is estimated that as of yesterday, 20-25% of the corn crop is planted, and 15-20% of the soy crop.
- Rains continue to fall this morning across much of Illinois as well as the Delta region according to radar data, as a system makes its way NE into Monday evening. The pattern seems stuck, with yet another low pressure

system seen sweeping through the country the end of this week into the coming weekend.

- The GFS is notably drier than the EU model for the Eastern US in the week two period, though confidence beyond 5 days is minimal. Both models are in agreement on continued wet conditions for another week. Of note, most of Kansas continues to miss rains, especially in the West.
- Temps will be average to above average to start the week in the Midwest, with cool air again moving from West to East by the end of the week. Long range forecasts continue to advertise above average temps for most of the US into the second week of May.
- Not a lot of global weather change over the weekend; South American forecast remains the same with no moisture and high temps seen for most of Brazil over the next 5 days, while Argentina sees scattered showers. And conditions remain hot/dry in the Black Sea Region/Russia.

Managed money position

	Previous days' estimated activity	Today's estimated net position	Record long	Record short
Corn	-2,000	-239,000	429,189	-340,732
Soybeans	-2,000	-149,000	253,889	-171,999
Chicago Wheat	+1,000	-76,000	80,827	-162,327

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