

## CORN:

Market leaking lower today after a wild week in the equities markets. It feels like we climbed a mountain this week, only to be up 1/2 cent from last Friday's close. Even with a friendly USDA Report and Argentina production estimates, it emphasizes how tough it is to sustain rallies when we currently have plentiful supplies. Newswires reporting China cancelling 4 cargos of U.S. corn due to GMO concerns, added some negativity today. CFTC Report will be watched closely this afternoon for more fund short covering than expected. Current trade estimates have funds still short close to 90k contracts, but volume this week could reflect a number much lower than that. Argentina weather updates see a cold front passage over the weekend with cooler temps next week. Rainfall forecast better for northern half of Argentina versus southern half. With the 3 MMT lower Argentina corn estimate, Brazil Safrinha acreage and U.S. corn acreage will be on trade's radar. It does not take much imagination to get the World corn carryout back below 200 MMT now. Dow having another wild day, almost 850pt trading range. Trump signs deal to end brief Gov't shutdown, no 199 A Tax changes seen in this deal though.

## BEANS:

An interesting week in the bean complex after a bearish USDA Report, yet futures are still up 4 1/4 cents on the week. Trade well aware of weekly export sales and shipments data though, so the reduction on the annual Export number yesterday not too much of a surprise. Trade dialed into greater production losses in Argentina, emphasized by the strong bean meal market, up \$12.40 on the week, with the lack of Argentina meal offers. Yet with bean futures flirting around \$10, follow thru buying is hard to find as Chinese crush margins are more negative. \$9.75 futures currently close to break even though. The end of next week the Chinese New Year celebration begins. The last time we had a 500+ million carryout was 2006 where the cash market average, pre RFS, was \$6.43. Granted that was an 18.6% stocks/use ratio versus current estimate at 12.7%, so not apples to apples comparison by any means, but somewhat disturbing to traders nonetheless. Also interesting that July/Nov spread remains firm/inverted after a 530 million bushel carryout estimate. The 2006 market had July/Nov at 5 carry in Feb but testing 27 carry by first notice day of the July futures.

China Soybean Cash Replacement Crush Margin in RMB/MT

中国大豆现货重置压榨利润 (元/吨)

— 2017/2018 — 2016/2017 — 5 Years Average

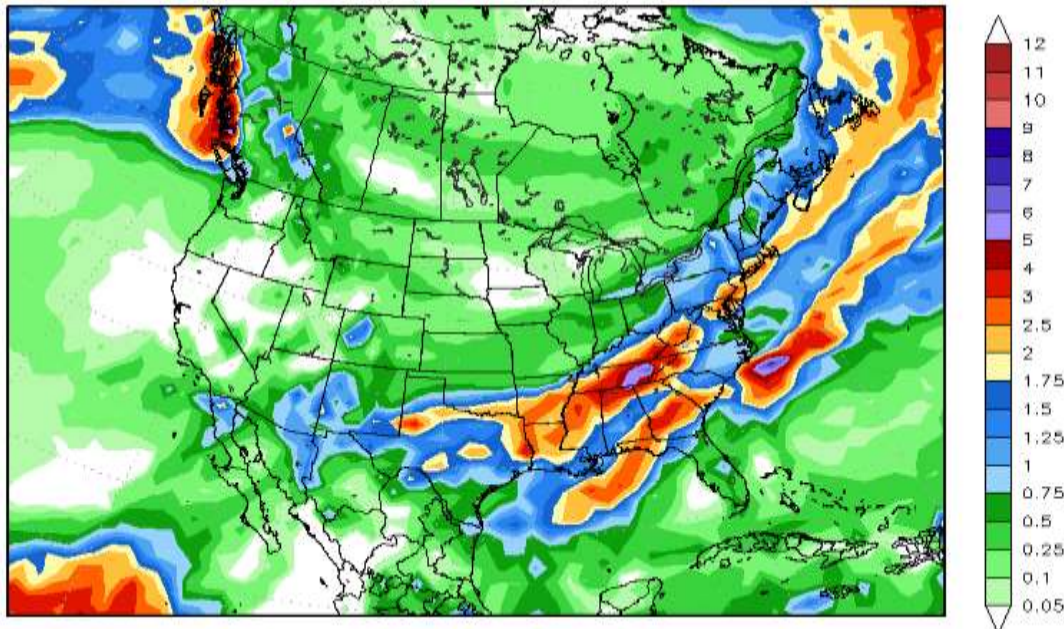


## SN/SX 2006:



## WHEAT:

Midday weather model updates have better rains moving into Texas and Oklahoma over the weekend, and after USDA lowering export prospects for wheat yesterday, that's the last thing today's market needed. Russia remains cheapest offers. GFS update:



## FOB NOLA – US SPOT PRICES

CORN + 53H

SOYBEANS + 42H

SRW + 70H

## FOB TEXAS GULF – US SPOT PRICES

HRW + 70N

ECBOT	HIGH	LOW	CLOSE	CHANGE
Mar Corn	3.655	3.615	3.62	- 3 3/4
May Corn	3.73	3.6925	3.6975	- 3 1/2
Mar Beans	9.8975	9.7975	9.83	- 4 3/4
May Beans	10.005	9.905	9.935	- 5 1/4
Mar Wheat	4.56	4.4825	4.49	- 7 1/4

Regards

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