



MORNING COMMENTS

February 19, 2025

What caught my eye:

Further potential for the U.S. corn balance sheet to tighten? Very impressive inspections for the week of February 13 with 29 million to various Far and Mid-East destinations along with 8 to the EU and 3.4 to Africa. Other Western Hemisphere markets declined from 17 LW to 5 but their YTD purchases are record large and more than double LY at 245 mbu. Looks like the potential upside on U.S. exports might be approaching 2.68-2.7 bbu, with S AM production likely to be a little smaller this year.

TRENDS

CH, +\$.0125; SH, +\$.0150; SMH, -\$.0050; BOH, +\$.0047; WH, -\$.0075;
KWH, -\$.0025

Dalian: CH, -\$.0300; SH, +\$.0525; SMH, +\$4.82; BOH +\$0.0041; POK +\$0.0055
Bursa Malaysia May Palm Oil: KPOK +168 @ 4,672 ringgit

Macro

Russia follows up Riyadh's historic talks with a major missile and drone strike on Kyiv.



WALL STREET FUTURES - Weaker:
Dow, -44; S&P, -4.5; NAS, -14

Asia - Mostly weaker:
Nikkei, -0.27%; Shanghai, +0.81%;
Hang Seng, -0.14%

EUROPE - Mixed:
DAX, +0.36%; FTSE, -0.47%; CAC +0.63%

Other Markets



April Gold: +\$12.2 @2,961
April CRUDE: +\$0.53 @\$72.36
Mar U.S. Dollar Index: +0.115 @106.955

WEATHER



CORN

SOYBEANS



WHEAT



ENERGY / ETHANOL



LIVESTOCK

POULTRY



WEATHER



Coolness breaks over Wed.-Fri. in Argentina, as highs in the 70s-80s are followed by one week of hot 90s-100s until a cool front passes next Tue.-Thu. (Feb. 25-27). Most areas will be dry over the next five days after a cool front exits, followed by a multi-day period of scattered thunderstorms south (where they are most needed) starting Sat.-Mon. (Feb. 22-24) as energy rides the edge of heat, and then across a wider area early next week as the cool front approaches and passes. The likely result is for 1.50"-3.00" across a wide area over the next 14 days (75% to 125% of normal) with the best rains focused on Buenos Aires where it is the most needed

CORN / SORGHUM



- March corn futures closed at \$5.02 on Tue., which is the highest settlement price for the contract since May 14, 2024
 - it was also the highest daily settlement price for nearby corn futures since Oct. 19, 2023
- *ATI Research*: 24/25 U.S. corn ending stocks estimate is 50 mbu lower this week at 1.615 bbu due to higher exports (USDA: 1.540)
- *Consultant*: Argentina 24/25 corn production estimate is lowered 1.0 MMT this week to 46.0 MMT; neutral to lower bias going forward
 - the forecast for this week is lowered due to irregular rainfall, high temperatures and a large decline in crop condition ratings
- Funds buy 12 K—strong exports; extreme U.S. cold & limited producer sales

SOYBEANS



- March soyoil futures closed at 47.30 on Tuesday, which is the highest settlement price for the contract since Nov. 11, 2024
- *ATI Research*: 24/25 U.S. soybean ending stocks estimate is unchanged this week at 0.420 bbu (USDA: 0.380)
- *Consultant*: Argentina 24/25 soybean production est. is lowered 1.0 MMT this week to 48.0 MMT; neutral to lower bias going forward
 - the forecast for this week is lowered due to irregular rainfall, high temperatures and a continued decline in crop condition ratings
 - rain this week should favor the north with above normal temps
- Funds bot 2 SB, sold 1 SM & bot 7 BO. March Crush, +\$.06 @ \$1.28

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WHEAT



- Multi-month highs were made in all classes on Tuesday
 - Chicago SRW March closed at \$6.0475—highest since Oct. 17
 - KC HRW March closed at \$6.2725—highest since Oct. 10
 - MGEX March closed at \$6.4100—highest since Oct. 17
- *ATI Research*: U.S. HRS ending stocks estimate is unchanged from last week at 0.200 bu (USDA: 0.197)
- Intense cold continues through Thu. across the U.S., then sharp warming
 - several inches of snow on Tue. in much of KS & NE; but lack of snow in southwest KS & OK-TX will leave ~20% of HRW exposed to cold
- The Funds bot 4 K: corn strength, lack of S Plains snow cover/cold temps

ENERGY / ETHANOL



- Chicago ethanol was +\$.0300 higher @ \$1.8375/gallon
- Ethanol basis - firmer
- New York, +\$.0225 @ \$.0850; Gulf, +\$.0200 @ \$.1050; Dallas, +\$.0300; @ \$.0875; Tampa, +\$.0400 @ \$.1625; L.A., +\$.0550 @ \$.2975
- RINS: 1.50 firmer: 23's, 83.5-85; 24's, 84.5-86; 25's, 84-87
- The April RBOB/March ethanol spread is up .0067 @ \$.1612
- CLH, +\$.057; EBH, unch; RBJ, +\$.0109; HOH, -\$0.0032; NGH, +\$.0210

LIVESTOCK / POULTRY



- Choice boxed beef was \$0.07 higher on Tuesday at \$315.77, and is down \$6.69 compared to a week ago
- Trade est. for Feb. 21 *Cattle on Feed* report: On Feed Feb. 1, 99.3% (98.8-99.9); Placed in January, 103.7% (100.0-106.1); Marketed in January, 102.1% (101.3-102.5)
- The CME Lean Hog Index Increased \$0.7 to \$90.194. April lean hog futures was up \$0.6 on Tuesday to \$93.2, and are \$0.1 above the index
- USDA mandatory pork carcass cutout value was \$2.99 lower on Tuesday at \$97.84 and is \$0.50 higher versus the previous week
- *ATI Research*: The current nearby crush value of \$59.27/cwt lean hogs compares to the previous week's value of \$58.35, one month earlier of \$58.73 and last year's level of \$51.30



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