



MORNING COMMENTS

October 9, 2024

What caught my eye:

Yesterday's Census numbers indicated August SBM exports fell about 93 K tons short of the number implied by Export Sales Dept data. The 11-month total of 14.9 MST is an 8+% increase over last year but the final could fall 50 to 100 K shy of the USDA forecast. August domestic use was revised about 100 K higher as a result. YTD off-take trails 22-23 by approximately 20 K; the USDA forecast looks 100 K or so over-stated. The net result could see the USDA lowering 23-24 crush by 7-8 & tweaking residual higher.

TRENDS

CH, +\$.0200; SF, +\$.0575; SMZ, +\$.0280; BOZ, +\$.0003; WH, +\$.0875;
KWH, +\$.0950

Dalian: CX, -\$0.0400; SX, -\$0.1312; SMX, +\$0.14; BOX -\$0.0054; POF -\$0.0101
Bursa Malaysia December Palm Oil: KPOZ -72 @ 4,271 ringgit

Macro

Futures lower, Fed in focus along with Google "monopoly".



WALL STREET FUTURES - Weaker:
Dow, -28; S&P, -4; NAS, -19

Asia - Mostly weaker:
Nikkei, +0.87%; Shanghai, +6.62%;
Hang Seng, -1.38%

EUROPE - Mixed:
DAX, 0%; FTSE, +0.44%; CAC +0.23%

Other Markets



December Gold: \$-0.3 @2,635
November CRUDE: \$-0.37 @\$73.20
Dec U.S. Dollar Index: +0.062 @102.303

WEATHER



CORN

SOYBEANS



WHEAT



ENERGY / ETHANOL



LIVESTOCK

POULTRY



WEATHER



Areas of high pressure leave a wide area of the U.S. sharply drier than normal over the next 14 days with little to no rain foreseen (with some showers limited to the northeast half of the Corn Belt Sun.-Mon.). The lack of rain is ideal for a continued brisk pace of corn/soybean harvesting and most SRW wheat planting, but HRW wheat would benefit from a round of rain from ongoing drying that started a few months ago. A killing freeze (minimums of 28°F/-2°C or colder) is not foreseen as temperatures average warmer to much-warmer than normal with maximums mostly in the 70s-80s/30s-40s-50s through mid-month

CORN / SORGHUM



- Avg. trade est. for USDA Supply/Demand report on Friday, Oct. 11
 - U.S. 2024 corn production: 15.173 bbu vs. 15.186 bbu in Sept.
 - U.S. 2024 corn yield: 183.5 bpa vs. 183.6 bpa in Sept.
 - U.S. 2024 harvested acres: 82.7 million vs. 82.7 in Sept.
 - U.S. 2024/25 corn ending stocks: 1.988 bbu vs. 2.057 in Sept.
- Ethanol grind at 9:30 am CDT. Grind last week was 1,015,000 barrels/day vs. 1,004,000 on this date last year. Ethanol stocks last week were 23.459 mil. and last year for this week were 21.526 mil.
- U.S. corn harvested on average increases ~12% from Oct. 6-13. USDA est. harvest at 30% on Oct. 6, while the 5-year average on Oct. 13 is ~39%
- Harvest accelerating, excellent yield reports, Funds sell 10 K

SOYBEANS



- Avg. trade est. for USDA Supply/Demand report on Friday, Oct. 11
 - U.S. 2024 soybean production: 4.581 bbu vs. 4.586 bbu in Sept.
 - U.S. 2024 soybean yield: 53.2 bpa vs. 53.2 bpa in Sept.
 - U.S. 2024 harvested acres: 86.3 million vs. 86.3 in Sept.
 - U.S. 2024/25 soybean ending stocks: 0.546 bbu v. 0.550 in Aug.
- U.S. soybeans harvested on average increase ~17% from Oct. 6-20. USDA est. harvest at 47% on Oct. 6, while the five-year average on Oct. 13 is 51%
- Total census soybean exports for the 2023/24 crop year were 1.695 bbu, which is 5 less than the Sept. USDA Supply/Demand report forecast
- Funds sold 8 K SB, 1 SM; 8 BO. Board crush, +\$.02 @ \$1.73

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WHEAT



- Trade estimates for USDA Supply/Demand report on Friday, Oct. 11
 - U.S. 2024/25 wheat ending stocks: 0.820 bbu vs. 0.828 in Sept.
- Rain chances are higher through next week for wheat in eastern Australia
 - nationwide 56% of the crop is forecast to receive normal to above normal precip over the next 14 days
- Rain arrived yesterday in Argentina, with more chances ahead
 - nationwide 100% of the crop is forecast to receive normal to above normal precip over the next 14 days; mostly beginning Oct. 13-14
- Census Aug. wheat exports were 90 mbu v. 72 in Aug. and 55 in Aug. 2023
- The Funds bot 2 K—weather/key foreign exporters a lingering concern

ENERGY / ETHANOL



- Chicago ethanol was $-\$0.0117$ weaker @ $\$1.59525$ /gallon
- Today's EIA weekly report estimates (API): Crude, +2.048 (+10.96); Gasoline, -1.123 (-0.56); Distillates, -1.865 (-2.59). Avg. ethanol production: 1.018 kdp (range: 1.000-1.028). Average ethanol stocks: 23.288 mb (range: 23.000-23.690), or -0.171 mb vs. 23.459 last week
- RINS: 0.5 to 1 firmer: 23's, 69-70.5; 24's, 70-71; 25's, 71.5-72.5
- The December RBOB/December ethanol spread is down .0836 @ $-\$0.1143$
- CLZ, $-\$0.32$; EBZ, unch; RBZ, $-\$0.0087$; HOZ, $-\$0.0965$; NGZ, $-\$0.0460$

LIVESTOCK / POULTRY



- Choice boxed beef was $\$0.91$ higher on Tuesday at $\$306.84$, and is up $\$6.67$ compared to a week ago
- Live cattle futures have staged an impressive recovery over the past month e.g., Tuesday's closing price for the April contract was $\$189.65$ /cwt, which is the highest settlement for the contract since July 30
- The CME Lean Hog Index declined $\$0.04$ to $\$84.22$. October lean hog futures was up $\$0.15$ on Tuesday to $\$84.125$, and are $-\$0.19$ below the index
- USDA mandatory pork carcass cutout value was $\$1.23$ lower on Tuesday at $\$94.39$ and is $\$1.22$ lower versus the previous week
- Tuesday's closing price for December lean hog futures was $\$77.175$, which is the highest settlement for the contract since May 16



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