



MORNING COMMENTS

January 21, 2025

What caught my eye:

The less than optimal start to the 2025 Brazil soybean export program can be readily seen from the weekly export data. Shipments the 2nd week of January were only 313 K MT, bringing the month-to-date total to 539 K. Last year, exports for the same time period were nearly 3 times as large at 1.56 MMT. January exports are estimated between 800-990 K, versus 2.9 MMT in 2024. No shortage of boats . . . 4.8 MMT against 4.7 LY. Should give the U.S. an opportunity to extend the export window.

TRENDS

CH, +\$.0275; SH, +\$.1675; SMH, +\$.0510; BOH, +\$.0011; WH, +\$.0775;
KWH, +\$.0675

Dalian: CH, -\$0.0100; SH, +\$0.0900; SMH, +\$14.33; BOH +\$0.0072; POK +\$0.0031
Bursa Malaysia April Palm Oil: KPOJ +54 @ 4,260 ringgit

Macro

Wall Street welcomes #47 back, futures are higher.



WALL STREET FUTURES – Firmer:
Dow, +178; S&P, +27; NAS, +118

Asia – Mixed:

Nikkei, +0.32%; Shanghai, +0.05%;
Hang Seng, +0.91%

EUROPE – Mixed:

DAX, +0.04%; FTSE, -0.03%; CAC +0.09%

Other Markets



February Gold: \$-18.5 @2,730

March CRUDE: \$-1.95 @\$75.44

Mar U.S. Dollar Index: -0.633 @109.203

WEATHER



CORN

SOYBEANS



WHEAT



ENERGY / ETHANOL



LIVESTOCK

POULTRY



WEATHER



Weekend rain was considerably less than expected in Argentina, and best chances for thunderstorms are mostly 5-10 days out in key areas as moderate heat continues, making it possible for January to be the driest in more than 47 years central and south. Occasional thunderstorms affect the northern 10%-30% of corn, soybeans and sunflowers the next 10 days; near- and above-normal totals of 2.00"-4.00". Key areas to the south stay drier than normal, leaving temps at least moderately warmer than normal with highs in the 90s most days through Jan. 31. The most probable result is for 0.50"-1.50" over the next 14 days with the best chances of rain more than 7 to 10 days out

CORN / SORGHUM



- March corn futures closed at \$4.8425 on Fri., which is the highest settlement price since June 13
- Export Inspections to be released at 10 am CST. Corn—51.6 needed; 56.7 last week. Milo—4.9 needed; 0.03 last week
- Consultant: Argentina 2024/25 corn production estimate is lowered 1.0 MMT to 48.0 MMT; lower bias going forward
 - hot and dry conditions in central and eastern corn production areas are resulting in moisture and heat stress
- 82% of Argentina's early-corn is forecast to receive below normal rainfall over the next 14 days
- The Funds bot 10 K, Trump and Xi chat, possible PRC PNW inquiries

SOYBEANS



- U.S. Export Inspections at 10 am CST 19.8 needed; 49.6 last week
- Consultant: Brazil 24/25 soybean crop est. unch at 170.0 MMT; neutral bias
 - harvest in #1 producing state of Mato Grosso has been slow, e.g. 1.4% harvested as of late last week vs. 12.8% last year and 5.9% average—slowest start in at least 15 years due to delayed planting in Sept-Oct and continued wet weather, which has slowed soybean maturation
 - however, below-normal rain is forecast over the next 10 days
- 82% of Argentina's beans to receive below normal rain the next 14 days
 - maturity: ~20% of the soybeans are flowering and setting pods
- Funds bot 8 K SB, 3 SM, 3 BO. Jan Board Crush, -\$0.02 @ \$1.22

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WHEAT



- U.S. Export Inspections at 10 am CST; 18.6 needed; 10.6 last week
- Dry and very cold weather affected a wide area of U.S HRW wheat over the last two days; temps were cold enough for winterkill in northeastern CO, western NE, and much of SD as lows reached -0s to -10s (°F) along the western and northern fringes of snow-free HRW wheat
 - temps Tue. morning will remain very cold in the +/-0s for SRW wheat in much of the eastern Corn Belt, which may induce some burnback or winterkill of SRW wheat in parts of IL, WI, IN, and OH
 - temps return to near-normal west to east Wed.-Thu. For all areas
- The Funds bot 2 K, despite weak demand; Cofco re-selling vessels

ENERGY / ETHANOL



- Chicago ethanol was $-\$0.0045$ weaker @ $\$1.7075$ /gallon
- Ethanol basis - mostly firmer
- New York, $+\$0.0250$ @ $\$1.1525$; Gulf, $-\$0.0050$ @ $\$0.0950$; Dallas, $+\$0.0250$; @ $\$0.0775$; Tampa, $+\$0.0400$ @ $\$1.1825$; L.A., $+\$0.0300$ @ $\$1.2875$
- RINS: -1 to -0.25 mostly weaker: 23's, 67.5-69.5; 24's, 68.5-69.5; 25's, 69-70
- The March RBOB/February ethanol spread is down .0085 @ $-\$0.0170$
- CLG, $-\$1.97$; EBG, unch; RBH, $-\$0.0291$; HOG, $-\$0.0114$; NGG, $-\$0.1110$

LIVESTOCK / POULTRY



- Choice boxed beef was $\$0.53$ lower on Monday at $\$333.16$, and is down $\$0.19$ compared to a week ago
- 5-Area Weekly Weighted Average Steer Price was up $\$1.09$ vs. last week at $\$203.67$ /cwt, and is up $\$29.91$ versus last year
- The CME Lean Hog Index Increased $\$0.09$ to $\$81.28$. February lean hog futures fell $\$1.175$ on Friday to $\$81.125$, and are $\$1.27$ above the index



- USDA mandatory pork carcass cutout value was $\$3.06$ higher on Monday at $\$92.26$ and is $\$3.26$ higher versus the previous week
- There was a significant surge in the USDA pork carcass cutout value of $\$3.06$ on Monday. This is the largest one-day increase since Nov. 15 and cutout is now at the highest level since Dec. 30

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