



**CURRENT TREND:** Higher **REASON:** USDA issues another massive stocks revision, corn supplies tightened

**EXPORT SALES TOMORROW @ 7:30 AM; NOPA CRUSH FRIDAY @ 11 AM**

**MORNING TRIVIA:** On this day in 1942, Henry Ford patented a car (30% lighter than a regular car) made from this agricultural product...

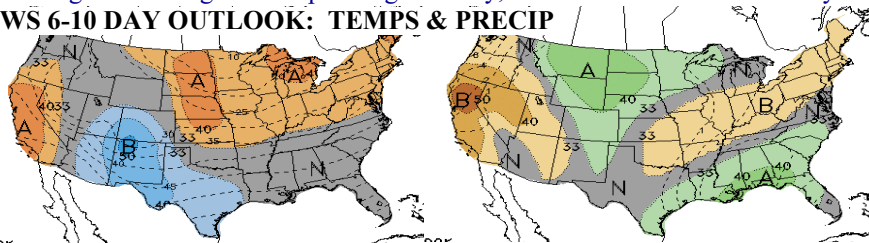
**MARKET HEADLINES**

- *Quick Editorial:* spot corn hit its highest since the July '13 contract rolled off the board after the USDA threw another monkey wrench into their stocks estimates; the situation has tightened up considerably heading into March...
- Egypt's GASC yesterday passed on their tender for wheat for Feb 18-March 5 shipment, after receiving only four offers (likely due to Russian export uncertainty), with the lowest from Romania at just under \$293/tonne FOB.
- South Korea's FLC bought 66k tonnes of South American corn in a private deal this morning, at \$295.50/tonne C&F for February delivery.
- Argentina lifted their 30k-tonne per day limit on corn exports, following a strike by farmers; they will instead create a commission to monitor domestic corn prices, instead of using government intervention to control markets...
- Brazil's Anec estimated corn exports at 2.121 MMT of January, up from 1.174 MMT in Jan 2020, with soybeans at 1.052 MMT, vs 1.669 MMT LY.
- Conab cut their official Brazilian soybean production estimate from 134.45 to 133.7 MMT this month, with corn down from 102.6 to 102.3 MMT.
- In addition to doubling their wheat export tax, Russia's government is considering imposing corn and barley export tariffs as well, for Feb and March.
- Ukraine's State Customs Service reported cumulative wheat exports for calendar 2020 at 16.06 MMT, down almost 10% from 2019, with corn at 27.95 MMT, down 14% from last year. Barley exports rose 22% to 5.05 MMT. The state port authority reported this morning that several ports have restricted cargo operations due to poor weather.
- *January CBOT deliveries:* soybeans 11 contracts, with next trade date 1/8/21.
- *Dec 1 Grain Stocks (000 tonnes):* **Dec 1 2020 / Avg Est / Dec 1 2019**  
Corn: **11.311 / 11.951 / 11.327**  
Beans: **2.933 / 2.920 / 3.252**  
Wheat: **1.674 / 1.695 / 1.841**
- *USDA 2020 Yield Estimates (bpa):* **Jan USDA / Avg Est / Nov USDA**  
Corn: **172.0 / 175.3 / 175.8**  
Beans: **50.2 / 50.5 / 50.7**
- *USDA 2020 Prod Estimates (bln bu):* **Jan USDA / Avg Est / Nov USDA**  
Corn: **14.182 / 14.470 / 14.507**  
Beans: **4.135 / 4.158 / 4.170**
- *USDA 2020/21 Carryout (bln bu):* **Jan USDA / Avg Est / Dec USDA**  
Corn: **1.552 / 1.599 / 1.702**  
Beans: **0.140 / 0.139 / 0.175**  
Wheat: **0.836 / 0.859 / 0.862**
- *World 2020/21 Carryout (MMT):* **Jan USDA / Avg Est / Dec USDA**  
Corn: **283.8 / 283.5 / 289.0**  
Beans: **84.3 / 82.66 / 85.64**  
Wheat: **313.2 / 315.4 / 316.5**

**WEATHER UPDATE**

- Argentina will see decent rains (especially north) Fri/Sat but the forecast is dry otherwise going forward; Brazil had scattered rains over the past 24 hours but good coverage is on tap through Sunday, more scattered in the 6-10 day.

**NWS 6-10 DAY OUTLOOK: TEMPS & PRECIP**



**CFTC MANAGED MONEY & RECORD (Since June 2006) POSITIONS:**

	Corn	Beans	Meal	Oil	Chi Wheat	KC Wheat
<b>Daily</b>	40,000	30,000	12,000	0	25,000	0
<b>Est Net</b>	367,208	202,446	109,882	100,158	28,726	53,443
<b>Rec +</b>	409,444	260,433	132,126	125,722	73,662	72,845
<b>Rec -</b>	-344,185	-171,141	-53,070	-110,846	-171,269	-59,640

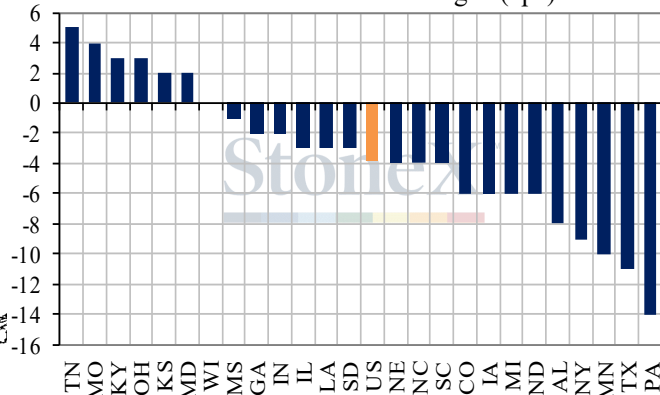
**NIGHT SESSION (to 7:00 AM): Grain Volume: 362,596**

Symbol	High	Low	Last	Chg	Vol
CH1	541.50	522.25	539.00	+21.75	107,218
CK1	544.00	524.50	541.50	+22.50	45,192
CZ1	465.50	455.50	463.50	+6.00	17,291
WH1	680.75	660.00	676.25	+11.25	23,939
KWH1	639.50	617.75	636.25	+13.75	5,805
SH1	1436.50	1418.25	1427.50	+9.25	39,397
SK1	1431.75	1415.50	1423.50	+9.75	11,053
SX1	1186.00	1173.75	1185.00	+8.50	4,719
SMH1	471.40	461.90	466.00	+0.60	9,016
BOH1	43.43	42.58	43.01	+0.38	13,765
CLG1	53.93	53.21	53.44	+0.23	85,749
DXY	90.30	89.89	90.22	+0.16	10,631

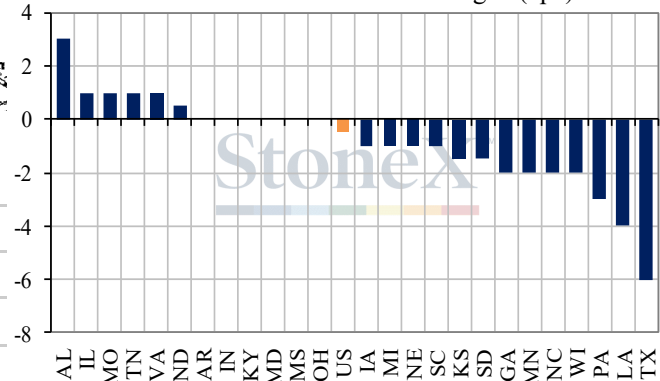
**FUNDAMENTAL UPDATE**

Today's charts show USDA state by state corn and soybean yield changes for the January "final" S&D Report compared to the last yield estimates in November; the government cut the national corn yield by a sharp 3.8 bushels per acre, the largest such cut in more than three decades, and more than double the most bullish reduction expected by any of the trade. It included some pretty substantial losses among plenty of key production states, including MN -10 bpa, IA/MI/ND -6 bpa, NE -4 bpa, and IL/SD -3 bpa each.

USDA Jan Corn Yield Changes (bpa)



USDA Jan Bean Yield Changes (bpa)



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