



John Stewart AND ASSOCIATES

www.jpsi.com

September 28, 2023

Corn

Corn continued its bounce higher to the top end of the range we've been in since August. December futures up 5 ¼ cents, settling the day at \$4.88 ½. Weekly corn export inspections were within the expected trade range at 841,800 metric tonnes. Mexico, unknown, Columbia and Japan made up the bulk of the sales. We are behind a year ago pace for this marketing year, at 12.57 million metric tonnes cumulative sales vs 12.99 a year ago. River levels remain concerning, with the latest Mississippi River levels at -10.62 ft, the third lowest on record. USDA Quarterly Stocks report is due out Friday. Average quarterly stocks estimate sits at 1.429 billion bushels. This compares to the September WASDE at 1.452 billion bushels. At this point, the US Government is at risk of shutting down if no agreement is made before midnight on October 1. This would affect all USDA reports – including the EIA/ethanol data, crop progress, weekly export sales etc...

Beans

Weakness in bean oil was only partially offset by the meal gain to ultimately lead SX to another lower day, although the inability to close below \$13.00 keeps a supportive tone ahead of tomorrow's stocks report. SX spent the bulk of the day lower but came well off its lows as an active selling month a quarter will come to a close tomorrow prompting some positioning up. Export sales came in below expectations at 24M bu and are now 34% behind last years pace vs USDA forecasted 23% drop. China goes on holiday next week and traders are expecting things to remain quiet as the US ramps up bean harvest. US & Brail CNF China remain tightly competitive through Nov then Brazil quickly takes the reigns. Talks of PNW being switched to Argentina as the country continues to originate beans on their favorable peso rate given their desperate need for USD in their economy. Rumors are of 3.42MMT originated to this point. There have also been rumors of exporters washing a couple of Oct cargos out of the US. BN freight was seen sharply lower and new lows in SX/SF of -20'4 would support these headline. Fridays stocks are seen at 242M bu vs 250 on Sep WASDE report. This would be the lowest since 15/16 (197M) if realized. The late weakness in SU/SX and now SX/SF gives me pause in erroring to the lower end. Historically the tighter the stocks are the more that are found. In general this report tilts bearish 61% of the time.

Products: Meal was the king today but once again failed to move above 100 day (393). Good export sales helped at 362k tons, in line with expectations. Bean oil continues to see minimal export sales as domestic demand remains fiercely strong given RD demand. The demand pull has out paced the EPA blend mandate and this could begin to be felt in Q4. Crusher downtime is mostly behind and we should see strong crush as many expansion projects have been complete and some new builds look to come online prior to the end of the year. Oil share sits at 42.7%.

Wheat

Wheat markets were lower again, as trade seems to be erasing quality premiums built into HRW & HRS. Last 8 trading sessions have seen MWEZ23 (HRS) losing \$0.27 ½ to ZWZ23 (SRW) @ +\$1.68 ¼, & KEZ23 down \$0.40 ¾ @ +\$1.06 ¼ to ZWZ23; this price action seems polar opposite of what is occurring in the world market, ample feed wheat & supplies growing, while quality milling wheat supplies seem to be shrinking by the day. Exports sales showed a small pick-up in demand this week, as 544.5 TMT (20.0 MBU) was reported featuring Philippines taking 115.0 TMT, S. Korea 90.4 TMT, Japan 90.0 TMT & China 69.1 (68.3 HRS) TMT. YTD sales running 85.8% of year ago, while USDA projection suggests pace s/b closer to 92.2%; noticed HRS sales running 105.6% vs USDA projection 100.5% compared to SRW @ 99.2% vs 126.2% & HRW @ 54.1% vs 69.2%. The US Dollar Index \$105.93, down 0.43 finally relaxed today. WZ23 settled ¾ cent lower @ \$5.78 ¾; KWZ23 finished down 9 ½ cents settling @ \$6.85, and MWZ23 fell 3 ¾ cents, settling @ \$7.47. Trade estimates for tomorrow's NASS report are Sep 1st Wheat Stocks estimated 1.770 BBU; Small Grains Summary has All Wheat estimate of 1.732 (USDA SEP #1.734); HRW 584 (585), SRW 440 (440), & Other Spring 448 (450).

CASH BASIS BIDS	Nearby	Nov
Corn Cif Nola	99+Z	83+Z
Truck Hennepin	60-Z	7-Z
Truck St Louis	85-Z	16+Z
Columbus CSX	20-Z	40-Z
Fort Wayne NS	15-Z	35-Z
Dlvd Hereford	115+Z	115+Z
Dlvd PNW	117+Z	117+Z
Nebraska Grp 3	00+Z	05+Z
Dlvd Decatur	10-Z	07-Z
Beans Cif Nola	78+X	68+X
Truck Hennepin	92-X	25-X
Truck St Louis	119-X	84-X
Dlvd Decatur	20-X	10+X
Dlvd Des Moines	35-X	15-X
IL R Barge Frt.	1100	615
BNSF Shuttle Frt.	\$200+	Tariff

Trading commodity futures, options on futures, cash commodities and over-the-counter derivative products involve substantial risk of loss and may not be suitable for all investors. John Stewart & Associates, Inc. does not accept orders to buy or sell by e-mail. The information contained in this message has been obtained from sources believed to be reliable but is not guaranteed as to its accuracy or completeness. Opinions are solely those of the author, subject to change at any time, and do not constitute a solicitation to buy or sell commodity futures, options, or over-the-counter derivative products. Past performance is not indicative of future results. © John Stewart & Associates, Inc. 2023.