



**ADMIS Monday Grain Comments**

**Tuesday, Jan 20, 2015**

We return from a 3 day holiday weekend to find grain and oilseed prices a bit on the defensive. As of this writing, we have wheat prices down 2 cents, corn down 3, soybeans down 7, soymeal down \$1.50, and soyoil down 25 points. With the major USDA crop reports now in the past from last week, trade focus over the near term is seen centered on South American weather/crop prospects, U.S. export demand/competitiveness, world farmer sell rate/cash markets, and the outside markets/spec money flow.

In wire news, we have Japan, Jordan, and Bangladesh seeking optional-origin wheat. U.S. weekly exports will be out later this morning. A group in Brazil has the soybean crop at 90-91 mt versus USDA 'too optimistic' forecast of 95.5 mt; AgRural puts the Brazilian soybean crop 1% harvested nationwide; the Safrinha corn crop in Brazil is estimated at 3% planted. The Russian Deputy PM was making some news saying Russia may consider a grain export ban, but not yet. Japan's use of corn in animal feed rose in November from a year ago as reliance on alternatives decreases. SGS pegged Malaysian Jan 1-20 palm oil exports at 709,000t versus 906,000t a month ago; ITS 702,000t (911,000t). Soybean and soymeal registrations were cancelled on Friday. The recent Commitment of Traders report still indicated both index and managed money funds holding net long positions across the floor for grains and oilseeds.

Rains of 1-2" inches fell in Argentina, .50-1.50" in most of Brazil, with only northeast regions of Brazil quiet. Rains are seen moving into northeast Brazil and the rest of Brazil, while ideas are mixed for Argentina going forward. Next week sees close to average rains for all areas with temps below average in Argentina, average to above in Brazil.

Things look to remain fairly quiet with average to above average temps in winter wheat areas of the U.S. the next 10 days. The 11-16 day forecast sees fairly quiet weather for the U.S. Plains and Midwest with temps average to above.

Last seen, Gulf SRW wheat at +90H; HRW wheat +120H; gulf corn +66H; gulf beans +79H; PNW corn +90H; PNW beans +100H; the Hereford rail corn market +68H; Decatur corn at +2H; Decatur soybeans +10H; the U.S. interior soymeal basis out west +0H, the east +30H, the gulf +60H, and; the western soyoil basis +0, the east +50, and the gulf +350H.

Brazilian soybeans were +60H, Argentina +30N; Brazil soymeal +30, Argentine N/A; Brazil soyoil +230H, Argentine +350; Brazilian corn was offered at +60U, Argentine corn +67K; Argentine wheat \$253, Brazil N/A.

China's Soybean futures were down 19 yuan/ton, Corn up 1, Soymeal down 29, Soyoil down 18, and Palm Oil down 28. Malaysian palm oil futures were up 11 ringgit (2,320, basis April) supported by a weaker ringgit, still faces grim global commodity markets. European wheat futures were lower at EUR195/ton.

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Soymeal registrations were down 198 lots for a total of 2 now registered; Soybeans down 111 (21).

Preliminary open interest in SRW Wheat from Friday was up roughly 4,100 contracts; Corn up 2,900; Soybeans up 7,200; Soymeal up 2,800 lots; Soyoil up 2,600; and, HRW Wheat up 2,800 contracts.

Funds are estimated net short 5 mil bu of SRW Wheat with options, long 1.015 bil Corn, long 50 mil Soybeans, long 30,000 lots of Soymeal, and net long 55,000 Soyoil.

	Support	Resistance
<b>Mch Beans</b>	<b>971</b>	<b>989</b>
<b>Mch Bean Oil</b>	<b>32.95</b>	<b>33.60</b>
<b>Mch Meal</b>	<b>312.00</b>	<b>326.50</b>
<b>Mch Corn</b>	<b>376</b>	<b>388</b>
<b>May CGO Wheat</b>	<b>528</b>	<b>537</b>
<b>May KC Wheat</b>	<b>571</b>	<b>580</b>
<b>Mch MPL Wheat</b>	<b>574</b>	<b>590</b>

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