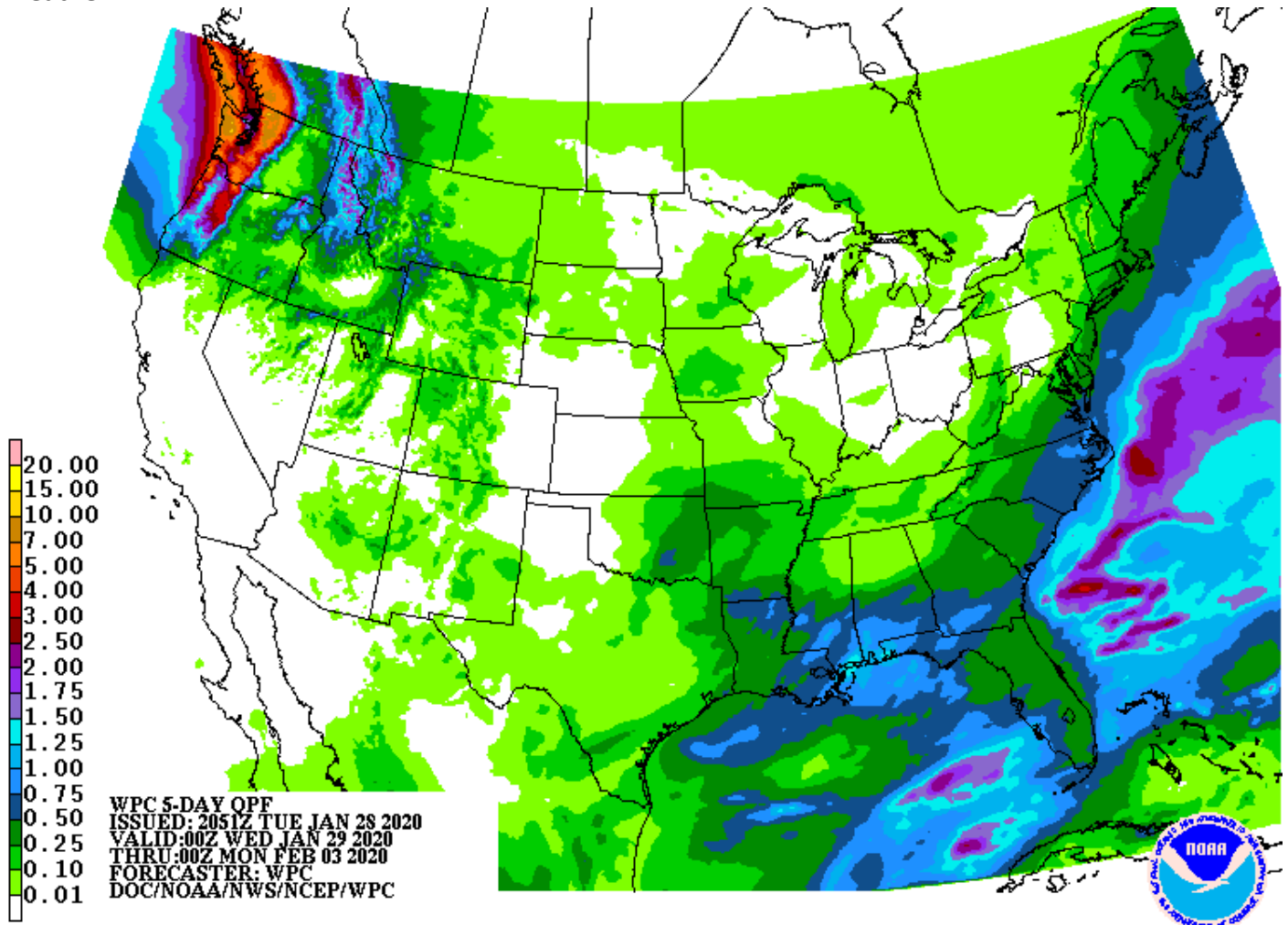




Coronavirus fears continue to weigh on selected commodities. Malaysian palm oil market crashed on Tuesday.

Weather



MARKET WEATHER MENTALITY FOR CORN AND SOYBEANS:

There is still not much reason for concern over Brazil summer crop conditions, but Argentina is still a little worry. Argentina is not likely to see failing rainfall over a large enough area to move markets in a big manner especially not with Brazil’s weather so good.

Weather in eastern Australia improved briefly during the weekend, but this week will trend drier again. South Africa will dry down for a while raising some potential for mild crop stress.

Southeast Asia rainfall will be well mixed and mostly supportive of palm oil development. Rain in China and India will be typical of this time of year with winter crops poised for improvement as spring approaches because of recent past precipitation.

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Southeastern Europe remains too dry, but there is potential for some rain and mountain snow this week from there into Kazakhstan possibly easing long term dryness in Romania, the lower Danube River Basin and parts of Ukraine. The moisture boost will be important for spring planting and early season winter rapeseed development.

Overall, weather today will produce a neutral to slightly bearish bias to market mentality.

MARKET WEATHER MENTALITY FOR WHEAT:

There is still no risk of winterkill around the world for the next couple of weeks. That will leave winter crop conditions mostly unchanged. China crops will improve in the spring because of recent precipitation. India's crops are still expected to yield extremely well.

There is still some concern over Morocco weather and the lack of rain in the southwest may harm production. A few other areas in northern Africa will also need some timely rain in February to protect production potentials.

Middle East wheat conditions are rated favorably, but would benefit from some greater rain. Southeastern Europe, Ukraine, southern Russia and Kazakhstan may get some needed precipitation in the next two weeks to improve soil moisture for spring crop development. Warm weather will continue to minimize the risk of winterkill and some areas may become snow free.

U.S. crops are not likely to experience much change in the next two weeks and the same is true for southeastern Canada.

Overall, weather today will have a neutral bias on market mentality.

Source: World Weather Inc. and FI

Bloomberg Ag Calendar

TUESDAY, JAN. 28:

- AmSpec, Intertek, SGS: Malaysia's Jan. 1-25 Palm Oil Exports, Kuala Lumpur
- HOLIDAY: China, Hong Kong

WEDNESDAY, JAN. 29:

- EIA U.S. weekly ethanol inventories, production, 10:30am
- HOLIDAY: China

THURSDAY, JAN. 30:

- USDA weekly crop net-export sales for corn, soybeans, wheat, 8:30am
- GUS Polish pig population data, Warsaw
- HOLIDAY: China

FRIDAY, JAN. 31:

- ICE Futures Europe weekly commitments of traders report on coffee, cocoa, sugar positions ~1:30pm (~6:30pm London)
- CFTC commitments of traders weekly report on positions for various U.S. futures and options, 3:30pm
- U.S. agricultural prices paid and received, cattle inventory
- Paris Grain Day conference. Topics include outlook for Black Sea/Europe grains and challenges facing the oilseed market
- AmSpec, Intertek, SGS: Malaysia's Jan. 1-31 Palm Oil Exports, Kuala Lumpur

Source: Bloomberg and FI

Macros.

US Durable Goods (DecP): 2.4% (est 0.4%, prevR -3.1%)

Durable Ex Transportation (DecP): -0.1% (est 0.3%, prevR -0.4%)

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Corn.

- Corn futures were higher on spreading, in our opinion, and talk of the possibility US courts may overturn some of the EPA small refinery biofuel waivers. Traders bearish soybeans were hedging by spreading against corn.
- Also lending support to corn is the steady demand despite the coronavirus spread and inferred weaker demand. We are not seeing it fade in the US as Brazil is running low on supplies and Argentina's higher prices. The US will enjoy a 2 to 3-month window steady exports. The active 24-hour window has seen reported corn sales for a sixth day in a row.
- If the biofuel waivers are taken back, then the companies will still need to comply with RFS mandates.
- 2800 CH0 traded 384.75 between 385.5 @ 10:14am CT.
- Technically, CH0 pushed through its 50-day moving average and spurred additional buying but was unable to break the 20-day moving average.
- The Baltic Dry Index fell 7 points or 1.3 percent to 539, a 4-year low.
- President Trump is expected to sign the USMCA on Wednesday.
- Funds were an estimated net buyer of 21,000 corn contracts.

Export Developments

- Under the 24-hour reporting system, private exporters sold 124,355 tons of corn for delivery to Mexico during the 2019-20 marketing year.

USDA 24-hour

Date reported	Value (tonnes)	Commodity	Destination	Year
28-Jan	124,355	Corn	Mexico	2019/20
27-Jan	111,252	Corn	Japan	2020/21
24-Jan	142,428	Corn	Unknown	2019/20
23-Jan	114,224	Corn	Guatemala	2019/20
23-Jan	29,724	Corn	Guatemala	2020/21
23-Jan	141,000	Corn	Unknown	2019/20
16-Jan	180,000	Soybean cake and meal	Philippines	2019/20

US Weekly Petroleum Status Report - Ethanol

	Ethanol Production		Change		Ethanol Stocks		Change		Days of Ethanol
	FI Production Est.	Mbbl	Last Week	Last Year	FI Stocks Est.	Mbbl	Last Week	Last Year	
12/6/2019		1072	12	2.5%		21,815	1176	-4.7%	19.3
12/13/2019		1064	-8	1.7%		21,798	-17	-8.7%	20.5
12/20/2019		1083	19	3.9%		21,469	-329	-7.2%	20.1
12/27/2019		1066	-17	5.4%		21,034	-435	-9.2%	20.1
1/3/2020		1062	-4	6.2%		22,462	1428	-3.4%	19.8
1/10/2020		1095	33	4.2%		23,006	544	-1.5%	20.5
1/17/2020		1049	-46	1.7%		24,031	1025	2.3%	21.9
1/24/2020	▲	-5			▲	+75			

Source: EIA and FI

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Corn		Change	Oats		Change	Ethanol		Settle	
MARO	386.50	6.00	MARO	305.50	5.00	FEB0	1.31	Spot DDGS IL	
MAY0	392.00	5.25	MAY0	301.75	6.50	MARO	1.35	Cash & CBOT	
JULO	397.25	5.00	JULO	292.50	6.00	APRO	1.37	Corn + Ethanol	
SEPO	394.50	2.75	SEPO	275.25	7.25	MAY0	1.38	Crush	
DECO	397.50	2.25	DECO	270.75	3.75	JUN0	1.38	1.17	
MAR1	407.25	2.25	MAR1	270.75	3.75	JULO	1.38		
Soybean/Corn		Ratio	Spread	Change	Wheat/Corn		Ratio	Spread	Change
MARO	MARO	2.32	508.50	(8.25)	MARO	1.47	183.25	(8.50)	
MAY0	MAY0	2.32	517.00	(7.25)	MAY0	1.45	176.50	(8.00)	
JULO	JULO	2.32	525.00	(7.25)	JULO	1.43	170.00	(8.50)	
SEPO	SEPO	2.35	532.00	(5.50)	SEPO	1.45	177.75	(7.00)	
NOVO	DECO	2.34	533.00	(5.25)	DECO	1.46	182.75	(6.75)	
MAR1	MAR1	2.29	524.50	(5.00)	MAR1	1.44	181.00	(6.00)	
US Corn Basis & Barge Freight									
Gulf Corn			BRAZIL Corn Basis			Chicago		+14 h unch	
JAN	+50 / 55 h na		JLY	+40 / 53 n		dn5/unch	Toledo	+23 h unch	
FEB	+53 / 59 h dn1/dn3		AUG	+38 / 53 u		dn2/unch	Decatur	+16 h up2	
MCH	36 dn3/dn1		SEP	+38 / 53 u		up2/unch	Dayton	+35 h dn2	
APR	+56 / 59 k unch		OCT	+35 / 57 z		up2/dn5	Cedar Rapi	+6 h unch	
MAY	+56 / 59 k unch						Burns Harb	+2 h dn2	
USD/ton: Ukraine Odessa \$ 174.50					Memphis-Cairo Barge Freight (offer)				
US Gulf 3YC Fob Gulf Seller (RTRS) 178.0 178.4 178.8 178.5 179.3 180.2					BrgF MTCT JAN 225 unchanged				
China 2YC Maize Cif Dalian (DCE) 264.9 268.5 271.8 274.5 277.3 279.0					BrgF MTCT FEB 215 unchanged				
Argentina Yellow Maize Fob UpRiver - 191.1 183.8 173.9 - -					BrgF MTCT MAR 230 unchanged				

Source: FI, DJ, Reuters & various trade sources

Updated 1/10/20

- CBOT March corn is seen in a \$3.70 and \$4.05 range

Soybean complex.

- CBOT soybeans and oil traded lower after Malaysian palm oil fell 10 percent overnight. Cases of the coronavirus are booming, and more than 100 deaths are recorded. While the virus is in its infancy, its tracking much attention. The 10 percent drop in palm oil overnight is incomprehensible. We were thinking this might be a buying opportunity, at least for soybean oil.
- Oil World this morning made a good comment. They noted in 2003, during the severe SARS epidemic, vegetable oil consumption in China continued to grow by 8-9%. China domestic soybean meal consumption declined to 19.547 million tons in 2003-04 from 20.157 million in 2002-03. In 2018-19 domestic meal consumption was 66.405 million tons, down from 70.105 million in 2017-18.
- March SBO tested a 31.30 cent support level by trading through it but held the 200-day moving average and bounced to finish marginally lower, but well above the overnight lows.
- Brazilian real was slightly stronger at 4.2053. USD was up 16.
- Funds were an estimated net seller of 3,000 net soybean, 2,000 net soybean meal, and a net 1,000 bean oil contracts.
- China is on holiday through Sunday.
- AmSpec reported January 1-25 palm oil exports down 5.2 percent from the previous period last month to 1.012 million tons.

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- Malaysian palm markets:

MALAYSIA PALM OIL	1/28/2020	Previous		
Futures MYR/MT APR0	2575	2861	-286	\$630 -10.0%
RBD Olien Cash USD/M` Apr20	\$672.00	\$733.50	-61.50	-8.4%

Short EIA recap on the US biodiesel credit extension

<https://www.eia.gov/todayinenergy/detail.php?id=42616&src=email>

Oilseeds Export Developments

- Algeria seeks 35,000 tons of soybean meal on Wednesday for shipment by March 15.

Soybeans	Change	Soybean Meal	Change	Soybean Oil	Change
MARO 895.00	(2.25)	MARO 297.60	(0.20)	MARO 31.46	(0.06)
MAY0 909.00	(2.00)	MAY0 301.90	(0.40)	MAY0 31.83	(0.05)
JULO 922.25	(2.25)	JULO 306.20	(0.30)	JULO 32.21	(0.04)
AUG0 927.00	(2.25)	AUG0 307.60	(0.60)	AUG0 32.30	(0.05)
SEPO 926.50	(2.75)	SEPO 308.70	(0.80)	SEPO 32.37	(0.05)
NOVO 930.50	(3.00)	OCTO 309.30	(0.90)	OCTO 32.41	(0.04)
JAN1 935.75	(3.25)	DECO 312.30	(0.80)	DECO 32.63	(0.02)

Soybeans	Spread	Change	SoyMeal	Spread	Change	SoyOil	Spread	Change
Mar/May	14.00	0.25	Mar/May	4.30	(0.20)	Mar/May	0.37	0.01

Electronic Beans Crush	Oil as %	Meal/Oil \$	Meal	Oil
Month	Margin	of Oil&Meal	Con. Value	Value
MARO	105.78	MARO 34.58%	\$ 10,884	654.72
MAY0	105.31	MAY0 34.52%	\$ 11,092	664.18
JULO	105.70	JULO 34.47%	\$ 11,294	673.64
AUG0	105.02	AUG0 34.43%	\$ 11,380	676.72
SEPO	108.71	SEPO 34.40%	\$ 11,448	679.14
NOVO/DECO	115.49	OCTO 34.38%	\$ 11,484	680.46
JAN1	112.55	DECO 34.31%	\$ 11,652	687.06
MAR1	112.92	JAN1 34.40%	\$ 11,592	687.72
MAY1	112.09	MAR1 34.55%	\$ 11,394	683.76
JUL1	111.65	MAY1 34.51%	\$ 11,460	685.74

US Soybean Complex Basis			
JAN	+54 / 59 h up1/up2		DECATUR +8 h unch
FEB	+53 / 56 h up3/up1	IL SBM	H-26 1/21/2020 SIDNEY +10 h unch
MCH	+52 / h up5	CIF Meal	H 2 1/21/2020 CHICAGO -18 h unch
APR	+ / 53 k up1	Oil FOB NOLA	300 1/21/2020 TOLEDO h preim unch
MAY	+ / 53 k up1	Decatur Oil	50 1/21/2020 BRNS HRBR -2 h unch
			C. RAPIDS -25 h unch

Brazil Soybeans Paranagua fob		Brazil Meal Paranagua		Brazil Oil Paranagua	
FEB	+56 / +73 h unch	FEB	n/q -	JAN	nq na
MAR	+50 / +60 h dn2/up1	MCH	-6 / -3 h dn2/unch	FEB	+300 / +380 h up10/up20
APR	+40 / +45 k unch	APR	-14 / -12 k dn1/unch	MCH	+190 / +340 h dn20/up90
MAY	+43 / +50 k unch	MAY	-14 / -12 k unch/up2	APR	+80 / +150 k up30/up40
JUNE	+51 / +55 n up5/unch	JUNE	-20 / -17 n unch/up1	MAY	+60 / +200 k up10/up90
	Argentina meal	307 5.6	Argentina oil:	Spot fob	34.6 2.78

Source: FI, DJ, Reuters & various trade sources

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Updated 1/24/20

- *CBOT March soybeans are seen in a \$8.85-\$9.20 range*
- *March soybean meal is seen a \$285 and \$305 range*
- *March soybean oil 32.15-33.50 range*
- *Changes suggest crush should remain at high/current levels for short term*

Wheat

- Another risk off session. US wheat futures were lower on global food demand fears, yet world import tenders continue to flourish. Syria and Algeria are in for wheat. The rebound in prices yesterday off absolute contract lows is an indicator the markets may have seen a short-term bottom. But prices continue to wane as traders try to get a handle over the spread of the virus. One bearish aspect for US wheat was a Bloomberg story citing China bought Canadian, French and Australian wheat over the past couple of months. More than 1 million tons was thought to be procured.
- March Paris wheat futures ended 0.25 euros higher @ 194.50 euros.
- Funds were net sellers of an estimated net 3,000 wheat futures.
- Last week China bought 150,000 tons of wheat from Australia, which was a surprise to many traders.
- Egypt said they enough wheat reserves through the end of June.

Export Developments.

- Jordan bought 60,000 tons of wheat at \$226.40/ton c&f for FH August shipment.
- Algeria seeks 50,000 tons of feed barley on Thursday, valid until Friday, for Feb 16-29 shipment.
- Syria seeks 200,000 tons of wheat from Russia on February 17 for shipment within 60 days of contract signing.
- Japan seeks 120,000 tons of feed wheat and 200,000 tons of feed barley on January 29 for arrival by March 19.

Rice/Other

- South Korea seeks 77,778 tons of non-glutinous brown rice for arrival between March and May, on Jan. 30. Details of the tender are as follows:
TONNES(M/T) GRAIN TYPE ORIGIN ARRIVAL/PORT
20,000 Brown Short China March 15-31/Gunsan
20,000 Brown Short China April 30/Masan
15,556 Brown Short China May 31/Donghae
22,222 Brown Medium U.S. May 31/Incheon
- Mauritius seeks up to 6,000 tons of long grain white rice on Feb. 3, optional origin, for delivery between May 1 and July 31.

Chicago Wheat			KC Wheat			MN Wheat Settle		
		Change			Change			Change
MARO	569.75	(2.50)	MARO	482.00	(4.50)	MARO	542.25	(5.00)
MAY0	568.50	(2.75)	MAY0	489.25	(5.00)	MAY0	551.50	(5.25)
JULO	567.25	(3.50)	JULO	496.75	(4.75)	JULO	559.75	(4.50)
SEPO	572.25	(4.25)	SEPO	504.50	(4.50)	SEPO	568.75	(4.50)
DECO	580.25	(4.50)	DECO	514.75	(4.75)	DECO	579.75	(4.25)
MAR1	588.25	(3.75)	MAR1	525.00	(4.50)	MAR1	591.00	(4.00)
MAY1	583.75	(4.50)	MAY1	527.00	(4.25)	MAY1	596.25	(4.75)

Chicago Rice			Change					
MARO	13.59	0.115	MAY0	13.69	0.125	JULO	13.49	0.080

US Wheat Basis					
Gulf SRW Wheat		Gulf HRW Wheat		Chicago mill	
JAN	+100 / 120 h unch	JAN	166 / h unch	Toledo	+30 h unch
FEB	+112 / 120 h up12/unch	FEB	170 / h unch	PNW US Soft White 10.5% protein	+15 h unch
MCH	+112 / h up12/unch	MCH	170 / h unch	PNW JAN	630 +5.00
APR	+110 / k unch	APR	166 / k unch	PNW FEB	635 +3.00
MAY	+110 / k unch	MAY	166 / k unch	PNW MAR	642 unchanged
	dn5			PNW APR	646 unchanged

Euronext EU Wheat		Change	OI	OI Change	World Prices \$/ton		Change
MARO	195.00	0.75	186,338	5,995	US SRW FOB	\$257.88	\$0.44
MAY0	193.75	0.00	121,117	5,135	US HRW FOB	\$244.90	\$0.20
SEPO	186.50	0.00	54,938	(1,837)	Rouen FOB 11%	\$211.60	\$0.75
DECO	188.25	(0.50)	72,190	1,619	Russia FOB 12%	\$231.00	\$5.00
EUR	1.1021				Ukr. FOB feed (Odessa)	\$217.50	\$0.00
					Arg. Bread FOB 12%	\$259.68	\$0.00

Source: FI, DJ, Reuters & various trade sources

Updated 1/10/20

- CBOT Chicago March wheat is seen in a \$5.40-\$5.90 range
- CBOT KC March wheat is seen in a \$4.70-\$5.30 range
- MN March wheat is seen in a \$5.40-\$5.85 range

Traditional Daily Estimate of Funds 1/21/20

(Neg)-"Short" Pos-"Long"

	Corn	Bean	Chi. Wheat	Meal	Oil
Act	48.0	17.6	47.7	(6.8)	115.8
22-Jan	5.0	(6.0)	(5.0)	(4.0)	4.0
23-Jan	14.0	(5.0)	4.0	3.0	(4.0)
24-Jan	(11.0)	(4.0)	(4.0)	(2.0)	(5.0)
27-Jan	(16.0)	(6.0)	(4.0)	(3.0)	(6.0)
28-Jan	21.0	(3.0)	(3.0)	(2.0)	(1.0)
FI Est. of Futures Only 1/21/20	61.0	(6.4)	35.7	(14.8)	103.8
FI Est. Futures & Options	(3.9)	(17.3)	33.9	(23.4)	99.4
Futures only record long	498.2 2/1/2011	260.4 6/27/2017	86.5 8/7/2018	167.5 5/1/2018	160.2 11/1/2016
Futures only record short	(173.1) 4/26/2019	(118.3) 4/30/2019	(130.0) 4/25/2017	(49.5) 3/1/2016	(69.8) 9/18/2018
Futures and options record net long	458.5 9/28/2010	259.8 5/1/2012	64.8 8/7/2012	132.1 5/1/2018	159.2 1/1/2016
Futures and options record net short	(270.6) 4/26/2019	(132.0) 4/30/2019	(143.3) 4/25/2017	(64.1) 3/1/2016	(77.8) 9/18/2018

Managed Money Daily Estimate of Funds 1/21/20

Latest CFTC Fut. Only	Corn (65.9)	Bean (19.3)	Chi. Wheat 39.3	Meal (36.0)	Oil 99.9
Latest CFTC F&O	(67.8)	(13.7)	41.7	(36.7)	101.3
FI Est. Managed Money F&O	Corn (55)	Bean (38)	Chi. Wheat 30	Meal (45)	Oil 89
FI Est. Managed Money F&O	(89)	(30)	39	(40)	94

Index Funds Latest Positions (as of last Tuesday)

Index Futures & Options	273.8	169.7	101.8	NA	123.1
Change From Previous Week	5.8	9.5	0.6	NA	(1.9)

Source: Reuters, CFTC & FI (FI est. are noted with latest date)

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USDA Export Sales Estimates/Results in 000 tons

	ESTIMATED 1/23/2020			1/16/2020 Last Week			1/24/2019 Year Ago		
Beans	19/20	700-950		19/20	790.0		18/19	NA	
	n/c	0-100		n/c	120.7		n/c	NA	
					Sales to China	225.9		Sales to China NA	
Meal			Shipped			Shipped		Shipped	
	19-20	300-500	200-300	19/20	641.9	231.6	18/19	NA	NA
	19/20						n/c	NA	
Oil			Shipped			Shipped		Shipped	
	19-20	10-20	15-30	19/20	55.6	2.5	18/19	NA	NA
							n/c	NA	
					Sales to China	0.0		Sales to China NA	
Corn	19/20	800-1100		19/20	1,006.9		18/19	NA	
	n/c	30-60		n/c	2.0		n/c	NA	
					Sales to China	0.0		Sales to China NA	
Wheat	19/20	450-650		19/20	696.0		18/19	NA	
	n/c	0-50		n/c	46.0		n/c	NA	

o/c=Old Crop, n/c= New Crop

Source: Futures International and USDA

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