



**Happy Holidays!**

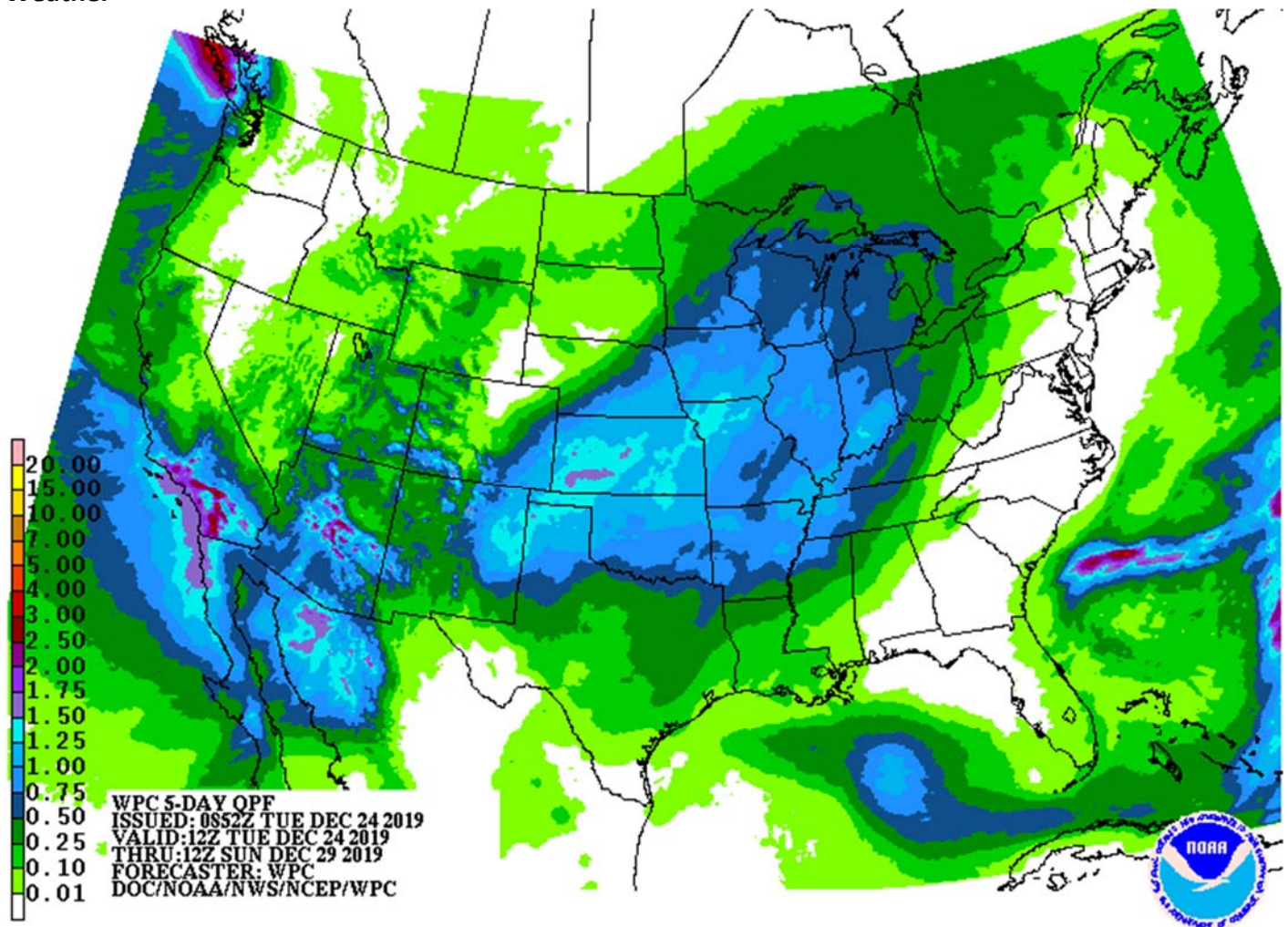
*CBOT will reopen Thursday morning.*

	Corn	Bean	Chi. Wheat	Meal	Oil
FI Est. Managed Fut. Only	(101)	(72)	12	(28)	94
FI Est. Managed Money F&O	(100)	(71)	12	(28)	97

### CME Group Holiday Calendar

<https://www.cmegroup.com/tools-information/holiday-calendar.html>

### Weather



## Weather

*From World Weather Inc.*

### **MARKET WEATHER MENTALITY FOR CORN AND SOYBEANS:**

Brazil and Argentina weather will be favorable over the next two weeks, although the ridge of high pressure in southern Brazil will have to be monitored this week to make sure it is only going to prevail this workweek. If it stays too long there could be a negative impact on some crops.

Argentina should see timely rainfall in most of the nation over the next two weeks, although there will still be areas of lighter than desired rainfall. Temperatures will be warm, but not excessively hot. Crops are still stressed in the southwest, despite some recent rain. More precipitation is needed in all central and southern crop areas.

South Africa rainfall will be erratic over the next ten days leaving some areas a little too dry while some beneficial crop and field conditions evolve in other areas.

Eastern Australia's summer coarse grain and oilseed crops have been stressed in recent heat and dryness, but irrigated areas remain in the best shape. Rain later this week will likely be too close to the coast to benefit very many crops, but some eastern sorghum might benefit from a little rain this workweek. Temperatures will not be as oppressively hot this week in eastern crop areas.

Winter rapeseed conditions have not changed much in Europe central Asia of China, but some rain in each of these areas will either improve crop conditions later this week or in the spring when seasonal warming returns.

Late season harvest progress in the U.S. will only be able to advance slowly in the next couple of weeks. Warm temperatures and limited precipitation through mid-week this week will help some areas. Snow melt and muddy field conditions will not allow much progress, however.

Overall, weather today will likely support a mixed influence on market mentality.

### **MARKET WEATHER MENTALITY FOR WHEAT AND OTHER SMALL GRAINS:**

Winter wheat conditions in the west-central and southwestern U.S. Plains may improve later this week if the southwestern U.S. storm comes into the Plains as advertised today. The region needs moisture for improved crop establishment in the spring.

Additional rain in the Midwest later this week will maintain wet field conditions in soft red wheat production areas. Crop conditions will not change much, although rising soil temperatures may reduce winter hardiness as this week moves along especially in the south.

Argentina wheat harvesting will advance relatively well for a while as rainfall continues erratic and light. Last week's rain briefly disrupted harvest progress, but might have been good for the most immature crops

Turkey and Syria will receive some needed rain this week improving their establishment potential. Most other areas in the Middle East have seen a good mix of weather this season.

Winter crops in Eastern Europe and the western CIS will not be vulnerable to any winterkill this week as temperatures remain well above average. Snow cover remains minimal

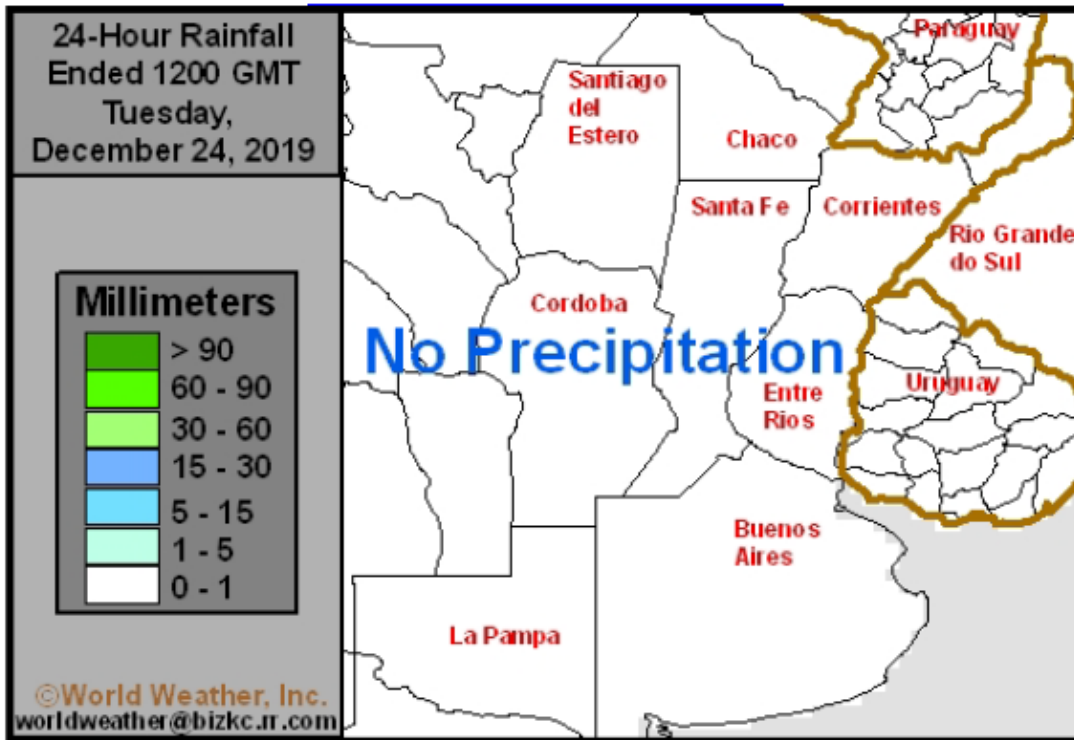
North Africa wheat is rated favorably, but more rain is needed in southwestern Morocco, Tunisia and some interior eastern Algeria locations.

Recent rain in Spain and Portugal has improved winter crop prospects for early spring crop development in February. Additional rain would be welcome.

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

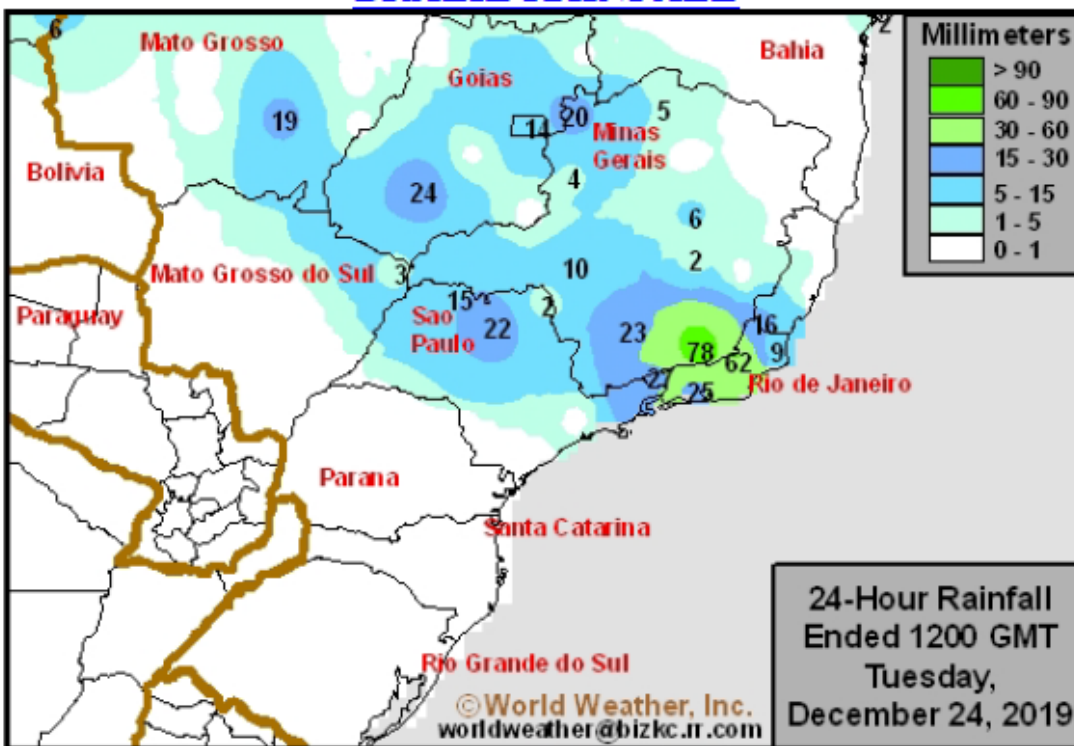
Source: World Weather Inc. and FI

## ARGENTINA RAINFALL



Source: World Weather Inc. and FI

## BRAZIL RAINFALL



Source: World Weather Inc. and FI

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## Bloomberg Ag Calendar

TUESDAY, Dec. 24:

- Unica cane crush, sugar production
- U.S. poultry slaughter, 3pm

WEDNESDAY, Dec. 25:

- Christmas Day

THURSDAY, Dec. 26:

- Boxing Day
- AmSpec releases Malaysia's Dec. 1-25 palm oil export data, 10pm Monday (11am Kuala Lumpur); SGS data due at 3pm KL

FRIDAY, Dec. 27:

- USDA weekly crop net-export sales for corn, soybeans, wheat, 8:30am
- EIA U.S. weekly ethanol inventories, production, 11am
- U.S. agricultural prices paid, received, 3pm
- ICE Futures Europe weekly commitments of traders report on coffee, cocoa, sugar positions ~1:30pm (~6:30pm London)

SATURDAY, Dec. 28:

- Nothing major scheduled

SUNDAY, Dec. 29:

- Nothing major scheduled

MONDAY, Dec. 30:

- USDA weekly corn, soybean, wheat export inspections, 11am
- CFTC commitments of traders weekly report on positions for various U.S. futures and options, 3:30pm

TUESDAY DECEMBER 31

- AmSpec releases Malaysia's Dec. 1-31 palm oil export data, 10pm Monday (11am Kuala Lumpur); SGS data due at 3pm KL

WEDNESDAY, Jan. 1:

- Nothing major scheduled

THURSDAY, Jan. 2:

- Australia commodity index
- USDA Soybean crush, DDGS production, corn for ethanol, 3pm

FRIDAY, Jan. 3:

- USDA weekly crop net-export sales for corn, soybeans, wheat, 8:30am
- EIA U.S. weekly ethanol inventories, production, 11am
- ICE Futures Europe weekly commitments of traders report on coffee, cocoa, sugar positions ~1:30pm (~6:30pm London)

Source: Bloomberg and FI

## Macros.

- Philadelphia Fed Non-Manufacturing Regional Business Activity Index 13.4 In Dec Vs 20.7 In Nov
- Fed Wage And Benefit Cost Index 45.3 In Dec Vs 36.7 In Nov
- NY Fed Accepts All Of \$24.80 Bln In Bids At Overnight Repo Operation

## Corn

- Despite the USDA reporting a large US hog and pig population as of December 1, CBOT corn futures traded lower. The reversal in soybeans did little to support corn.
- Funds sold an estimated net 4,000 corn contracts on the session.

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- China approved DDGS imports from Bulgaria.
- AKIpress News Agency noted 1,000 tons of Kazakh corns was exported via train in containers to China, first shipment by train in history, a move that represents logistical improvement and opens the door for agriculture trade between both countries. China's appetite for corn has increased in recent years and they no longer rely solely on SA, Ukraine and US corn.
- The Baltic Dry Index fell to a 6-month low to 1,090 points, down roughly 14 percent for this year.
- A Bloomberg poll looks for weekly US ethanol production to be unchanged at 1.064 million barrels from the previous week and stocks to increase 70,000 barrels to 21.877 million.

#### Export Developments

- South Korea's MFG bought 66,000 tons of optional origin corn at around \$209.74 a ton c&f for arrival in South Korea around April 1, 2020.
- India's NAFED seeks 100,000 tons of corn from Ukraine on December 3 with offers valid until December 24 for shipment between Jan. 10 and Jan. 31.

## 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	
11/1/2019		1014	10	-5.1%		21,874	775	-5.5%	20.8
11/8/2019		1030	16	-3.5%		20,985	-889	-10.8%	21.2
11/15/2019		1033	3	-0.9%		20,514	-471	-10.0%	20.3
11/22/2019		1059	26	1.0%		20,277	-237	-11.6%	19.4
11/29/2019		1060	1	-0.8%		20,639	362	-10.4%	19.1
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	▲	-5			▲	-400			

Source: EIA and FI

Corn	Change	Oats	Change	Ethanol	Settle			
MARO	387.50	(1.25)	MARO	285.25	(3.25)	JANO	1.40	Spot DDGS IL
MAYO	394.25	(1.00)	MAYO	283.25	(2.75)	FEBO	1.42	Cash & CBOT
JULO	400.50	(0.75)	JULO	279.50	(1.50)	MARO	1.44	Corn + Ethanol
SEPO	400.50	(0.50)	SEPO	269.00	(1.75)	APRO	1.48	Crush
DECO	402.00	(0.50)	DECO	265.75	(2.75)	MAYO	1.48	1.42
MAR1	411.25	(0.50)	MAR1	265.75	(2.75)	JUNO	1.48	

Soybean/Corn	Ratio	Spread	Change	Wheat/Corn	Ratio	Spread	Change	
MARO	MARO	2.44	557.25	3.75	MARO	1.40	153.50	2.75
MAYO	MAYO	2.43	563.50	3.25	MAYO	1.38	150.50	2.00
JULO	JULO	2.42	568.75	3.00	JULO	1.37	147.00	1.25
SEPO	SEPO	2.42	568.25	2.75	SEPO	1.38	152.75	1.00
NOVO	DECO	2.41	568.75	2.50	DECO	1.40	160.50	0.75
MAR1	MAR1	2.35	554.25	3.00	MAR1	1.39	160.25	0.75

#### US Corn Basis & Barge Freight

Gulf Corn		BRAZIL Corn Basis		Chicago	+6 h unch
DEC	+38 / 44 z unch	JLY	+30 / 35 n unch	Toledo	+20 h unch
JAN	+46 / 50 h unch	AUG	+30 / 35 u unch/up3	Decatur	+18 h unch
FEB	36 unch	SEP	+30 / 40 u unch	Dayton	+35 h unch
MCH	+57 / 60 h unch	OCT	+28 / u unch	Cedar Rapic	-4 h dn2
APR	+56 / 59 k unch			Burns Harb	-1 h unch
USD/ton:	Ukraine Odessa \$ 163.00			Memphis-Cairo Barge Freight (offer)	
US Gulf 3YC Fob Gulf Seller (RTRS)	174.9 176.5 178.1 178.4 179.0 180.8			BrgF MTCT DEC	220 unchanged
China 2YC Maize Cif Dalian (DCE)	260.9 262.0 263.8 266.3 269.3 272.0			BrgF MTCT JAN	225 unchanged
Argentine Yellow Maize Fob UpRiver	- - 179.8 174.3 - -			BrgF MTCT FEB	230 unchanged

Source: FI, DJ, Reuters & various trade sources

Updated 12/17/19

- Our CBOT March corn trading range is \$3.80 and \$4.10

#### Soybean complex.

- The soon expiring January CBOT soybean contract traded at a fresh 6-week high after opening lower. March soybean failed to test its 6-week high. Follow through support from slow US producer selling was noted. Soybean meal and oil were turned higher as well. Egypt is in for vegetable oils. CBOT March soybean oil is back near its contract high.
- Funds bought an estimated 3,000 soybeans, bought 1,000 soybean meal and bought 2,000 soybean oil.
- The Jan/Mar spread was last 8.25, March premium. There were no changes in soybean registrations, but the 110 soybeans came out of Chicago yesterday now have been related to the 22 barges making their way to the Gulf as we were told Chicago is the cheapest origin. Looking at soybean basis at crush plants, they are up at several locations from the previous week. This tells us the producers are getting friendly soybeans, perhaps on the US/China trade deal announcement, and we don't see them selling until the beginning of 2020 anyway. US producers also have more incentive to sell the July contract with current cost of carry. We think the Jan/Mar soybean spread may narrow to 7.00-7.25 cents.
- Argentina officials are in talks with producers that reside far from the ports and crushing plants to work on a plan to potentially lower export taxes. Soybean export tax increased to 33% from about 25%.
- Traders will be monitoring the high-pressure ridge over Brazil this week as it could yield beneficial rainfall for Argentina, if the ridge drifts into Argentina during the weekend and next week.

#### Oilseeds Export Developments

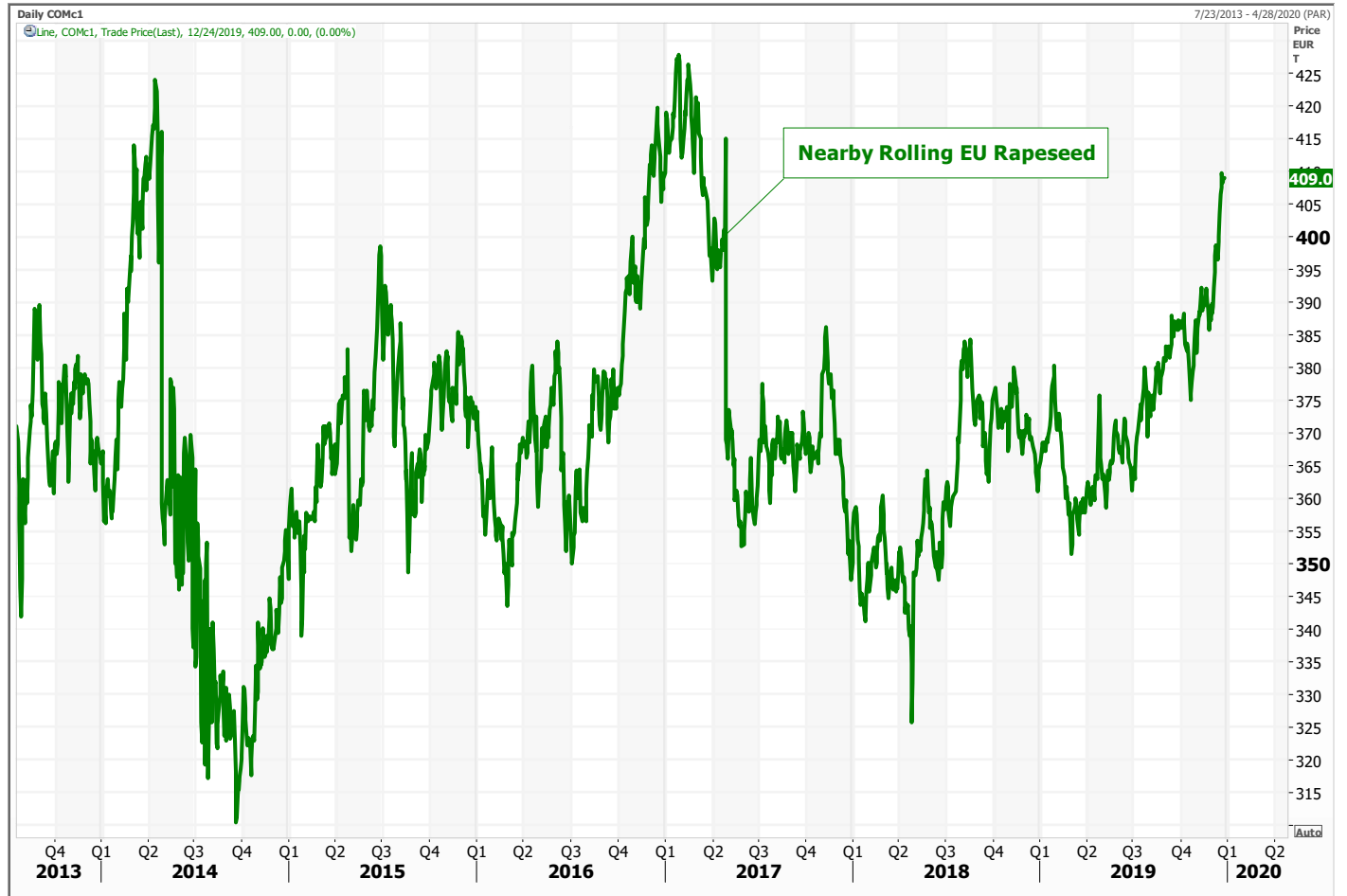
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- Egypt's GASC seeks 30,000 tons of soyoil and 10,000 tons of sunflower oil on December 30 for arrival on Feb. 5-20. They are in for local vegetable oils as well.

*EU Rapeseed*



Source: Refinitiv and FI

Soybeans			Soybean Meal			Soybean Oil		
		Change			Change			Change
JAN0	936.50	2.50	JAN0	301.80	0.40	JAN0	33.88	0.10
MAR0	944.75	2.50	MAR0	306.10	0.30	MAR0	34.16	0.11
MAY0	957.75	2.25	MAY0	309.30	0.20	MAY0	34.46	0.11
JUL0	969.25	2.25	JUL0	312.50	0.40	JUL0	34.74	0.09
AUG0	972.75	2.25	AUG0	313.60	0.60	AUG0	34.81	0.11
SEPO	968.75	2.25	SEPO	314.00	0.50	SEPO	34.86	0.12
NOV0	970.75	2.00	OCT0	313.80	0.50	OCT0	34.86	0.12

Soybeans	Spread	Change	SoyMeal	Spread	Change	SoyOil	Spread	Change
Jan/Mar	8.25	0.00	Mar/May	3.20	(0.10)	Mar/May	0.30	0.00

Electronic Beans Crush		Oil as %	Meal/Oil \$	Meal	Oil		
Month	Margin	of Oil&Meal	Con. Value	Value	Value		
JAN0	100.14	JAN0 35.95%	\$ 9,852	663.96	372.68		
MAR0	104.43	MAR0 35.81%	\$ 10,114	673.42	375.76	EUR/USD	1.1087
MAY0	101.77	MAY0 35.78%	\$ 10,254	680.46	379.06	Brazil Real	4.0833
JUL0	100.39	JUL0 35.73%	\$ 10,406	687.50	382.14	Malaysia Bid	4.1350
AUG0	100.08	AUG0 35.69%	\$ 10,474	689.92	382.91	China RMB	7.0064
SEPO	105.51	SEPO 35.70%	\$ 10,484	690.80	383.46	AUD	0.6925
NOV0/DEC0	108.46	OCT0 35.71%	\$ 10,464	690.36	383.46	CME Bitcoin	7208
JAN1	103.54	DEC0 35.64%	\$ 10,588	694.54	384.67	3M Libor	1.9605
MAR1	104.80	JAN1 35.74%	\$ 10,456	691.90	384.89	Prime rate	4.7500
MAY1	105.37	MAR1 35.81%	\$ 10,326	687.06	383.24		

#### US Soybean Complex Basis

DEC	+63 / 68 f unch			DECATUR	+18 f unch
JAN	+65 / 67 f up1/unch	IL SBM	F-28 12/10/2019	SIDNEY	+15 f unch
FEB	+54 / 60 h unch	CIF Meal	F 0 12/10/2019	CHICAGO	-10 f unch
MCH	+51 / h unch	Oil FOB NOLA	300 12/17/2019	TOLEDO	-5 f dn3
APR	+47 / 55 k unch	Decatur Oil	25 12/17/2019	BRNS HRBR	f price unch
				C. RAPIDS	-15 f unch

Brazil Soybeans Paranagua fob		Brazil Meal Paranagua		Brazil Oil Paranagua	
JAN	+72 / +85 f up7/dn5	JAN	-2 / +5 f unch	JAN	+130 / +250 f unch
FEB	+50 / +59 f dn6/up1	FEB	-10 / -8 f unch	FEB	+180 / +250 f unch
MAR	+37 / +50 h dn8/up2	MCH	-14 / -11 h unch	MCH	+90 / +140 h unch
APR	+30 / +38 h dn4/unch	APR	-20 / -15 h unch	APR	-50 / +10 k unch
MAY	+35 / +45 h dn5/unch	MAY	-20 / -17 k unch/dn2	MAY	-50 / +10 k unch
	Argentina meal	303	-3.2	Argentina oil	Spot fob 36.6 2.45

Source: FI, DJ, Reuters & various trade sources

Updated 12/23/19

- CBOT March soybeans are seen in a \$9.00-\$9.60 range
- March soybean meal \$295-\$315 range
- March soybean oil 33.00-36.00 range
- Upside on oil share is seen at 36.5 percent (lowered half percent)

#### Wheat

- After a two-sided trade on Monday, US wheat futures appreciated on technical buying and a smaller than expected Russian wheat crop. Morocco will lower its import duty on soft wheat early January.
- Funds bought an estimated net 1,000 wheat on the session.
- March Paris wheat futures settled up 0.25 euro or 0.3% at 187.25 euros a ton.

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- Morocco set a timeframe to suspend its soft wheat customs duty. From Jan. 2 to April 30 they will suspend the 35% duty.
- Reuters: Russian state-controlled grain trader United Grain Company (UGC) has drafted a new strategy aimed at increasing its own grain purchases and trade to 8 million tons a year by 2024, Russian daily the Kommersant reported on Monday.
- Russia's government reported the wheat crop for 2019-20 at 74.3 million tons, below the Deputy Prime Minister's previous statement of around 75 million tons.
- A winter storm is expected in the U.S. central and southwestern Plains late this week and into the weekend. Heavy snow is expected from Colorado to Nebraska.
- China's Shanghai Futures Exchange will loosen trading position limits on product contracts next year to encourage trading.

#### Export Developments.

- Japan's Ministry of Agriculture, Forestry and Fisheries (MAFF) in an SBS import tender on December 25 seeks 120,000 tons of feed wheat and 200,000 tons of feed barley for arrival in Japan by March 12.
- Mauritius seeks 95,000 tons of optional origin wheat flour on Jan. 10, 2020, for shipment between July 1, 2020, and June 20, 2021.
- Syria seeks 200,000 tons of soft wheat from Russia on January 20, 2020. They are in for 150,000 tons of wheat from Russia on December 18.

#### Rice/Other

- South Korea is in for 42,222 tons of rice for April-June arrival on Dec 27. Reuters: Details of the tender are as follows:

TONNES(M/T)	GRAIN TYPE	ARRIVAL/PORT
3,000	Milled Long	April 30, 2020/Busan
17,000	Milled Medium	June 30, 2020/Busan
22,222	Brown Medium	June 30, 2020/Busan

- Syria seeks 45,000 tons of white rice on Jan. 6, 2020. (Reuters) Short grain white rice of third or fourth class was sought. No specific country of origin was specified in the tender, traders said. Some 25,000 tons was sought for supply 90 days after confirmation of the order and 20,000 tons 180 days after supply of the first consignment. The rice was sought packed in bags and offers should be submitted in euros. A previous tender from the agency for 45,000 tons of rice with similar conditions had closed on Nov. 13.

Chicago Wheat			KC Wheat			MN Wheat		
		Change			Change	Settle		Change
MARO	541.00	1.50	MARO	460.50	2.00	MARO	543.00	5.75
MAY0	544.75	1.00	MAY0	468.75	2.00	MAY0	551.50	5.75
JULO	547.50	0.50	JULO	476.25	1.75	JULO	559.50	5.00
SEPO	553.25	0.50	SEPO	484.00	1.75	SEPO	568.50	4.50
DECO	562.50	0.25	DECO	494.25	2.00	DECO	582.50	5.00
MAR1	571.50	0.25	MAR1	504.50	2.25	MAR1	594.75	5.00
MAY1	571.25	0.00	MAY1	508.50	3.00	MAY1	600.50	4.75

Chicago Rice			Change					
JANO	12.94	0.025	MARO	13.14	0.015	MAY0	13.27	0.010

US Wheat Basis							
Gulf SRW Wheat		Gulf HRW Wheat			Chicago mill		+25 z unch
DEC	+100 / h unch	DEC	165 / h unch	Toledo			+18 h unch
JAN	+105 / h unch	JAN	170 / h unch	PNW US Soft White 10.5% protein			
FEB	+110 / h unch	FEB	170 / h unch	PNW DEC	605	unchanged	
MCH	+110 / h unch	MCH	170 / h unch	PNW JAN	610	unchanged	
0-Jan		0-Jan		PNW FEB	615	unchanged	
				PNW MAR	620	unchanged	

Euronext EU Wheat		Change	OI	OI Change	World Prices \$/ton		Change
MARO	187.00	0.00	166,775	(7,819)	US SRW FOB	\$245.96	\$1.03
MAY0	187.63	0.38	88,536	(1,088)	US HRW FOB	\$236.40	\$1.40
SEPO	184.49	0.74	35,930	(2,098)	Rouen FOB 11%	\$206.22	\$0.50
DECO	187.00	0.00	39,698	(162)	Russia FOB 12%	\$216.00	\$3.00
EUR	1.1087				Ukr. FOB feed (Odessa)	\$210.50	\$0.00
					Arg. Bread FOB 12%	\$244.53	(\$1.37)
CME Black 12.5%	\$212.75	\$0.00	Platts/USD	AUS WHEAT DEC9	\$259.00	\$0.00	

Source: FI, DJ, Reuters & various trade sources

Updated 12/17/19

- CBOT Chicago March wheat is seen in a \$5.30-\$5.80 range
- CBOT KC March wheat is seen in a \$4.60-\$4.85 range
- MN March wheat is seen in a \$5.25-\$5.55 range
- We like KC wheat over Chicago wheat.

## USDA Export Sales Estimates/Results in 000 tons

	ESTIMATED 12/19/2019			ACTUAL This Week			12/12/2019 Last Week			12/20/2018 Year Ago			
<b>Beans</b>	19/20	900-1200		19/20	<b>1,430.6</b>		19/20	1,430.6		18/19	2,391.0		
	n/c	0-50		n/c	<b>36.3</b>		n/c	36.3		n/c	14.0		
				Sales to China 689.6			Sales to China 689.6			Sales to China 1,466.0			
<b>Meal</b>			Shipped			<b>Shipped</b>			Shipped			Shipped	
	19-20	100-175	200-300	19/20	<b>83.5</b>		<b>273.0</b>	19/20	83.5	273.0	18/19	41.0	302.0
	19/20									n/c	0.0		
<b>Oil</b>			Shipped			<b>Shipped</b>			Shipped			Shipped	
	19-20	15-30	10-20	19/20	<b>28.0</b>		<b>16.2</b>	19/20	28.0	16.2	18/19	16.0	8.0
	19/20									n/c	0.0		
			Sales to China 0.0			Sales to China 0.0			Sales to China				
<b>Corn</b>	19/20	900-1200		19/20	<b>1,709.4</b>		19/20	1,709.4		18/19	1,699.0		
	n/c	0-100		n/c	<b>536.1</b>		n/c	536.1		n/c	53.0		
				Sales to China 0.0			Sales to China 0.0			Sales to China 0.0			
<b>Wheat</b>	19/20	300-500		19/20	<b>868.6</b>		19/20	868.6		18/19	514.0		
	n/c	0.0		n/c	<b>0.0</b>		n/c	0.0		n/c	76.1		

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

Source: Futures International and USDA

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