



CBOT Morning Newsletter

Thursday, May 23, 2013

CN: -3.50 WN: +4.00 SN: -2.00 SMN: -2.00 BON: -0.24
 Prices as of: 8:26 AM CT CL: -1.95 GC: +27.20 DX: -0.589

	US Export Sales		Estimate Range			US Export Sales		Estimate Range	
	12/13	13/14				12/13	13/14		
Wheat	239.0 kmt	713.6 kmt	400 kmt	700 kmt	Soybeans	183.5 kmt	838.9 kmt	400 kmt	800 kmt
Corn	104.6 kmt	341.6 kmt	200 kmt	500 kmt	Soymeal	131.2 kmt	125.4 kmt	100 kmt	225 kmt
					Soyoil	9.6 kmt	0.0 kmt	0 kmt	15 kmt

Soybeans

- Soybeans saw an impressive week of sales with old/new crop combined sales of 1.022 MMT, solidly above market expectations of 400-800k. Decent old crop sales of 184k tonnes (6.7 million bushels) were reported and were above the roughly 3.4 million bushels/week average currently needed to reach the USDA's export projection of 1.350 billion bushels. However, with two of the last six weeks seeing net cancellations of old crop sales, total sales over the last six weeks combined have been only 1.6 million bushels. Total commitments for 2012/13 of 1.348 billion bushels are up 2% from last year. Total new crop commitments of 356 million bushels compare to new crop sales at this time last year of 387 million. USDA reported the sale of 115k tonnes of new crop soybeans to China in the daily reporting system today as well.
- Soybean meal sales were impressive again at 131k tonnes and continue to run sharply better than the USDA's export estimate reflects. Sales only need to average a miniscule 11k tonnes/week to reach their newly-raised 2012/13 export projection of 9.9 million tons. Incredibly, total commitments of 8.924 MMT (9.837 million tons) are essentially already at the USDA's current projection with 4 1/2 months to go in the marketing year.
- China announced they will stockpile 5 MMT of rapeseed from this year's domestic harvest, paying 2% more than last year at the equivalent of \$824/tonne, as a way to help support farmers and encourage production. However, this could actually encourage additional imports as imported supplies at China's southern ports are currently substantially lower-priced at around \$700/tonne.
- China has reported agreed (in principle) to allow the resumption of oilmeal imports from India following a near year and a half ban due to the discovery of contaminants in a shipment of rapeseed meal in January 2012. Changes in India's handling of oilmeals will prevent this from occurring in the future. The exact timing of resumed exports is unknown. Prior to the ban, India was exporting around 400k tonnes of rapeseed meal and 100k tonnes soybean meal to India annually.

Corn

- The story remains the same for corn export sales with another very disappointing week being reported for old crop with just 105k tonnes (4.1 million bushels) in sales for the week, falling notably short of the rather meager "needed" weekly sales of 8.2 million bushels/week to reach the USDA's export projection of 750 million bushels. Sales over the last three weeks have averaged just 5.8 million bushels/week. Total commitments of 677 million bushels are down 55% from last year, while the USDA is currently estimating 2012/13 exports to be down 51% from last year.
- Strategie Grains estimated the EU-27 corn crop at 64.5 MMT, essentially unchanged from their previous estimate, and compares to last year's 54.7 MMT crop. USDA estimated the EU corn crop at 63.8 MMT in the May WASDE report.

Wheat

- Old crop sales this week of 239k tonnes (8.8 million bushels) were below the calculated needed sales of 13.2 million when we attempt to account for expected carry-over sales to next year and donations. Total commitments are still at just 996 million bushels, nearly 30 million below the USDA's old crop export projection. Given the wheat balance sheet, though, final exports being +/- 20 million from the current estimate is largely inconsequential. New crop sales were solid at 714k tonnes (26.2 million bushels) and put total sales for the week at 953k tonnes, well above market expectations of 400-700k.
- Strategie Grains marginally lowered their estimate of this year's EU-27 soft wheat crop to 129.8 MMT from 130.0 MMT previously. While Strategie Grains did not provide a year-ago comparison, Coceral, another European analytical group, showed last year's soft wheat crop at 123.8 MMT.

Weather

The forecast sees enough wet weather to slow fieldwork the next 10 days, but some intervals of dry weather will occur. Things will be fairly quiet in most areas today and tomorrow. Moderate rains are then seen for central and southern sections over the holiday weekend and then into the north the middle to end of next week, with the activity to spread south the following weekend.

Dalian Commodity Exchange

	Contract	Closing Price	Change
Soybean	Sep 2013	4807	-19
Corn	Sep 2013	2428	-7

Malaysian Bursa Exchange

	Contract	Settlement Price	Change
Palm Oil	Jul 2013	2378	+16

	Previous Day Close	Last	Change	14 Day RSI	9 Day MAvg	20 Day MAvg	50 Day MAvg
Corn (N)	658.50	655.00	-3.50	50.76	648.58	645.98	653.83
Beans (N)	1494.25	1492.25	-2.00	67.33	1439.86	1410.16	1394.74
Meal (N)	440.60	438.60	-2.00	65.81	422.09	413.85	407.01
SBO (N)	49.64	49.40	-0.24	51.06	49.48	49.28	49.56
Wheat (N)	688.50	692.50	+4.00	41.57	693.75	704.96	707.85
MWheat (N)	807.75	810.00	+2.25	50.54	808.64	812.46	802.57
KC Wheat (N)	743.25	747.00	+3.75	43.88	750.17	761.70	753.92

	1-5 Day Forecast	6-10 Day Forecast
W Corn Belt	Mainly dry today-.35-.80"/iso+ / 75% Friday night into weekend	Temp-Avg/Above Precip-Avg/Above
E Corn Belt	<.25" east today, then .30-.80" in IL/SW IN over the weekend	Temp-Avg/Above Precip-Avg/Above
U.S. HRW	Mainly dry today, then .30-.80"	Temp-Average Precip-Below
U.S. Spring Wheat	Mainly dry through Sunday	Temp-Avg/Above Precip-Avg/Below
Europe	.35-1"/iso+ / 75%	Temp-Average Precip-Avg/Above
FSU	.25-.75"/iso+ in Ukraine; .35-.85" in Russian growing areas	Temp-Avg/Above Precip-Avg/Above
Australia	Rains finish up in the east today, then dry	Temp-Average Precip-Avg/Below