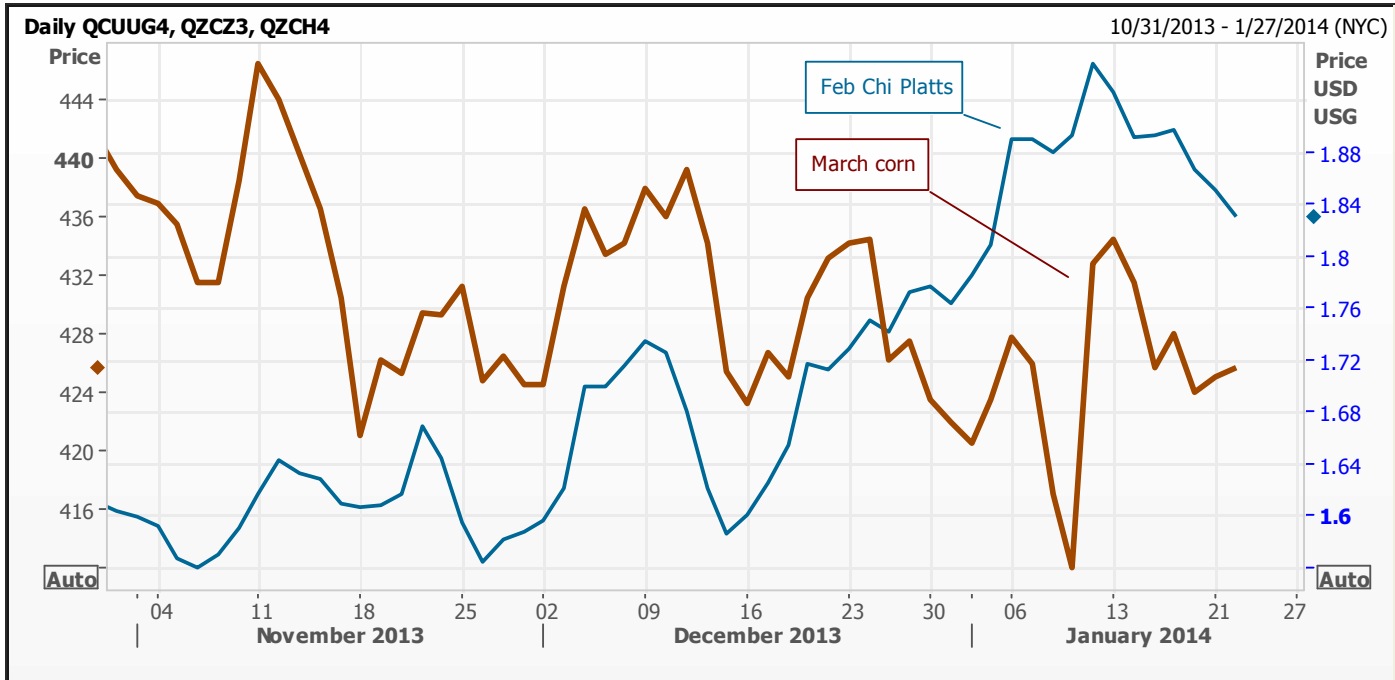


# Closing Grain & Soybean Comments

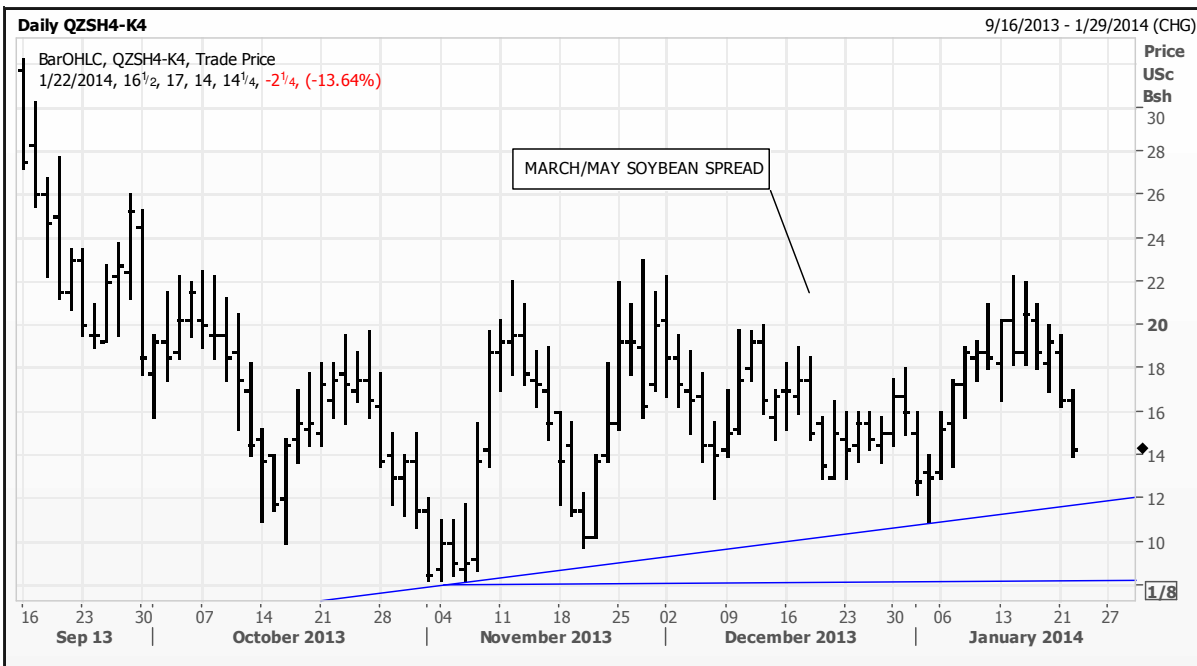
Kevin Riesberg Wednesday January 22, 2014

**CORN:** Corn was steady to slightly firmer in quiet trade today. Cash markets remain firm though ethanol values continue to slide lower (see chart below of Feb Chicago Platts ethanol). Weekly ethanol production and stocks are out tomorrow at 10 am. Export news is quiet though USDA announced Japan booked 2 cargoes of new crop corn.



Weekly export sales report is delayed until Friday because of the holiday on Monday. Weekly deliverable stocks in corn was up slightly from last week, see table. More bitter cold is forecast for the eastern Midwest next week. Expect to see choppy range bound trade the rest of the week in corn with Feb options expiring at the close Friday. \$4.30 remains stiff resistance while support for March is toward \$4.17-4.20. March/May corn spread pulled into 6 1/2 overnight but finding some resistance at that level.

**SOY-COMPLEX:** The soybean market was able to claw its way back to the plus late in the session after taking out



its 200 day moving avg and trigger a small amount of sell-stops. CIF bean basis was softer in the nearby slot though Feb values were holding steady. No fresh confirmation/ talk about Chinese soybean sales being switched from US Gulf to Brazil. Soymeal values bounced as the CCC tenders for 41,240 tons of soymeal for March shipment (results announced

January 29th) headed to the Philippines. Interior bean basis at the processors is steady to firmer with yesterday's futures break choking off any farmer selling. The March/May soybean inverse pulling into less than 15 cents (after trading 22 cents last week) also giving elevators with basis length some breathing room. Deliverable bean stocks this past week were up just over 1/2 mln bu, see table below.

Weather forecast for S. America still has most of Argentina getting some needed rainfall this week though more will be needed in early February. The 6-15 day maps are trending wetter. Argentine farmers continue to hold soybeans off the market as a hedge against the plummeting Argentine peso. One Argentine analyst estimates the Argentine farmer is holding over 300 mln bu of old crop soybeans yet compared to just 59 mln bu a year ago at this time. This in the face of a crop forecast to be 54 mmt vs 49 mmt last year.

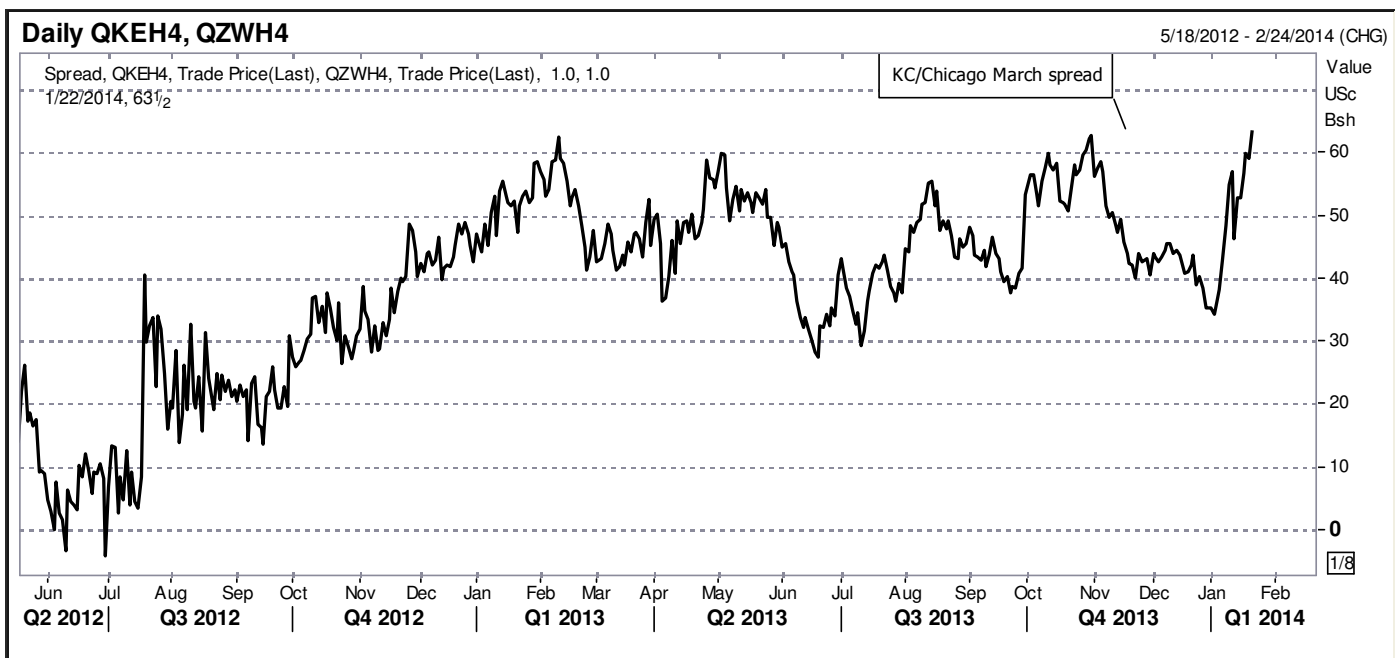
Look for choppy grinding lower trade unless weather models change significantly over the next day or two. Spec funds are still long beans and meal with deteriorating technical picture and looming Brazilian soybean harvest. China's Lunar New Year holiday starts next Friday.

<b>Weekly DELIVERABLE STOCKS:</b>		in million bushels as of: Jan 17, 2014				
	This Wk	This Wk	Chng	Year Ago	Change from Year Ago Totals: mln bu	
CORN:	6.199	5.877	0.322	2.457	Corn	3.74
BEANS	6.714	6.143	0.571	2.855	Beans	3.86
Chicago Wheat	46.209	46.855	-0.646	73.713	Wheat	-27.50
KC Wheat	64.138	66.363	-2.225	86.359	KC wheat	-22.22
Mpls Wheat	19.416	19.762	-0.346	23.328	Mge wht	-3.91

WHEAT: Wheat closed higher in KC and Mpls while Chicago wheat was lower. KC wheat continues to pull away from Chicago as the HRW areas continue to miss needed moisture while the SRW Belt is getting needed snow cover before more bitter cold is seen next week. US wheat also saw a little support as Iraq bought a token cargo from the US (50k tons) while buying 200k tons of Australian (\$335 cif) and 100k tons of Canadian (\$347 a ton cif). The US wheat cargo was done at \$349 a ton cif or \$14 a ton above Australian prices. Algeria booked another 500k tons of option origin wheat but traders indicate it was French wheat. Romania and Bulgaria are thought to be about out of old crop supplies to offer.

US SRW basis is softer while HRW basis has stabilized after last week's break. Deliverable KC wheat supplies fell just over 2.2 mln bu from last week with the biggest declines in Salina and Wichita.

Look for choppy consolidating type trade overnight as WH dances with support at \$5.60.



Have a good night!

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