

10/30/2024

Futures Price Changes

Corn down 2 (Dec) @ 4.12

Corn down 2 (Mar) @ 4.26

Soybeans up 3 (Nov) @ 9.69

Soybeans up 3 (Jan) @ 9.82

Wheat down 5 (Dec) @ 5.66

Wheat down 6 (Jul 25) @ 6.02



Perdue Grains Commentary



Good morning. Futures are steady as she goes this morning, as the trade attempts to plan its post-harvest plan of attack. The contra-seasonal rally from late August through early October was a highly welcomed event but it did throw some uncertainty on what comes next. Export sales and shipments are running ahead of earlier expectations, which should keep a floor under futures as we move into November. The USDA will update the production number on the 8th and that could determine price movement into the middle of the month. I'm seeing reasons for the national yield to slip lower, remain steady or move a touch higher. How was that for going out on a limb with a bold prediction? If I had to put a guess out this morning, I'd go with slightly lower. Combined with a stronger export number, we could see a respectable rally unfold through the bulk of November. After that, it's going to be mainly about South American weather, as there is going to be no lack of bushels here on the home front. The fall high for the December contract currently stands at **\$4.34 1/4**, which will be the main target for the bulls. That will put the March contract near the \$4.50 mark, which is going to be difficult to resist for getting another tranche of sales on.



Soybean futures have been in a battle lately and that is a bit of a surprise, given that harvest is wrapping up quickly in most areas. Then again, like corn, the contra-seasonal rally of \$1.15 might have gotten the post-harvest rally marketing out of the way early. When that fall high occurred, the rain prospects for the northern Brazilian production areas looked bleak. Now, there is rain in the forecast nearly every day. Their planting pace has gotten close to normal and there are currently no concerns over final yield. The early production projections for Brazil range from 165 to 170 million tonnes, which would be staggering numbers to deal with. Without a scare in Brazil or Argentina, I believe it will be quite difficult to get back to the fall highs. We might get some help from the USDA next Friday, as the super-dry finish to harvest definitely robbed some yield. By next Friday however, we might be in the early discussion stages of what a potential trade war could do to prices.



Wheat futures posted a strong move yesterday, as the first winter crop ratings of the fall revealed some early concerns. Nationally, the good-to-excellent rating came in at **38%**, versus expectations of 47%. Arkansas is sitting at the bottom of the ratings race, with only 10% of its crop in the highest two categories. Oklahoma isn't too far ahead of that with a 21% rating. The soft red crop is in far better shape but also in need of a quality soaking. The good news is, as least for the crop, is the current projection for a major water event to cover over 80% of our major growing regions (hard and soft).



The equity markets were a mixed affair yesterday, with the Dow losing 155 points and the NASDAQ gaining .78%. There are a lot of earnings reports this week and thus far, they've been a mixed bag as well. Overall, there have been no major signs of an economic downturn. If anything, the economy continues to outperform earlier expectations. The markets will have a sharp eye on Friday's key employment report, which might provide some direction as we move into the new month. The question, as always now it seems, is will good employment news be good news for the equities? If unemployment falls more than expected, will the Fed make an additional rate cut before the end of the year?



Energy futures had a very rough start to the week but have since been trying to hold the line since Monday's sharp collapse. I'm currently seeing the nearby crude contract up 48 cents to **\$67.69**, while diesel is up a couple of cents to **\$2.15**. I believe it's easy to say that the next move of consequence will be based on what happens in the Middle East but it is possible that the election could move the needle a bit.



The national radar map is trying to get a little busy in the northern plains this morning but the action is on the light side thus far. The seven-day projected is still looking very wet for Texas, Oklahoma, Missouri, Iowa, Illinois, and Wisconsin. This water will be a major boost for our young wheat crop, as well as a much-needed replenisher for the Mississippi River. The extended maps remain firm in their projection for a major rain event as well. Temperatures will remain above normal for the eastern half

of the country. Down south, there will be no shortage of water for either Brazil or Argentina.

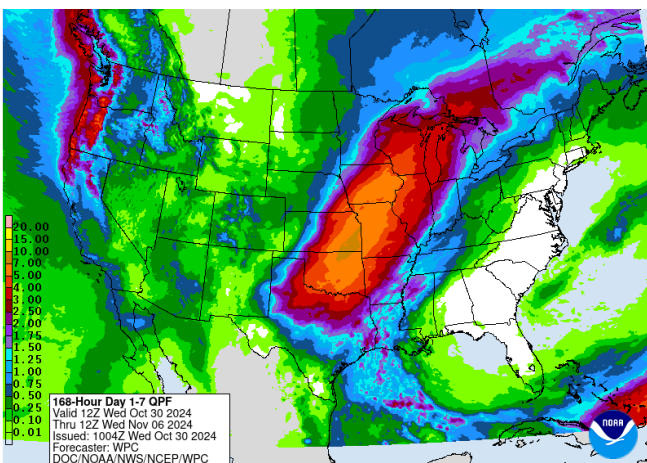
That's all for this morning. I hope your day is a safe and productive one.

John

If you're pulling these comments up on a laptop or desktop computer, you'll need to right click on the little window next to "Morning Coffee Comments" at the top to get all the graphics and maps to download.

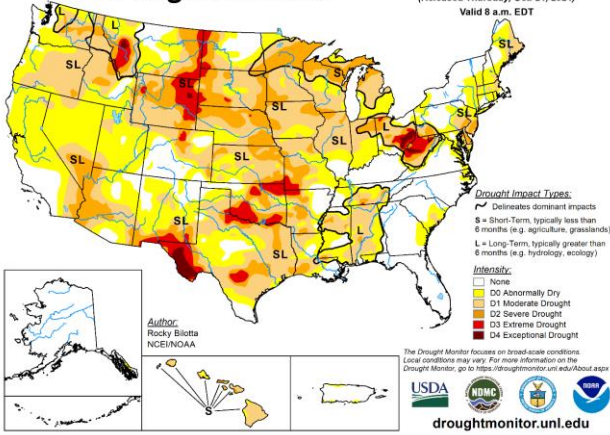
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Seven Day Projected



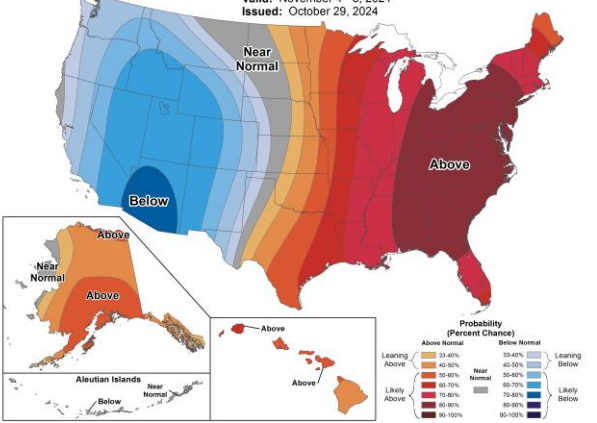
U.S. Drought Monitor

October 22, 2024
 (Released Thursday, Oct. 24, 2024)
 Valid 8 a.m. EDT



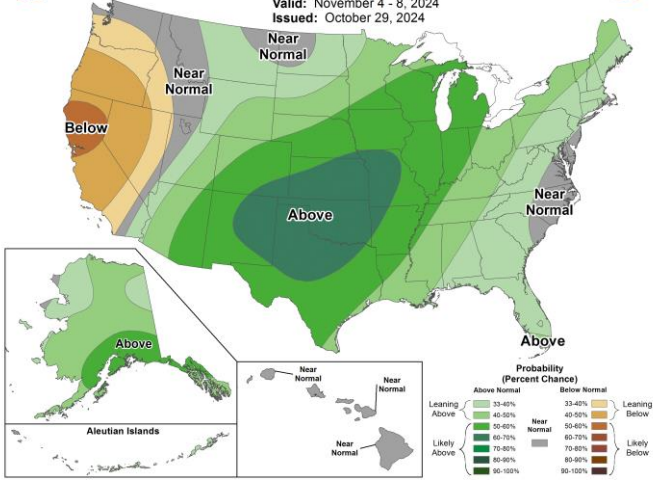
6-10 Day Temperature Outlook

Valid: November 4 - 8, 2024
 Issued: October 29, 2024



6-10 Day Precipitation Outlook

Valid: November 4 - 8, 2024
 Issued: October 29, 2024

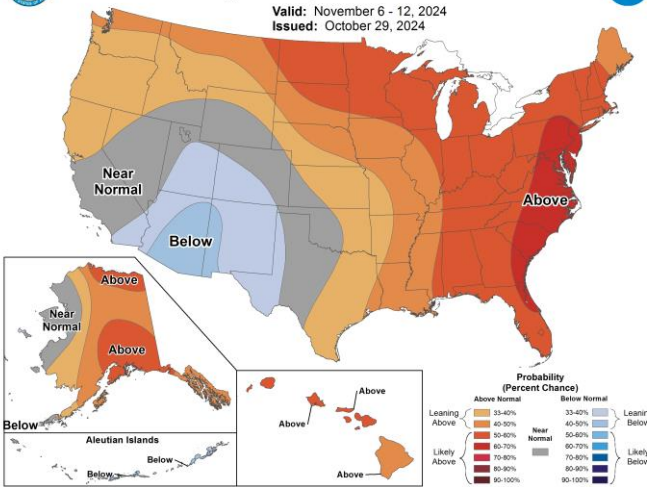




8-14 Day Temperature Outlook



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8-14 Day Precipitation Outlook



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