

11/27/2024

Futures Price Changes

Corn up 1 (Dec) @ 4.21

Corn up 1 (Mar) @ 4.29

Soybeans up 5 (Jan) @ 9.88

Soybeans up 4 (Mar) @ 9.98

Wheat down 3 (Dec) @ 5.37

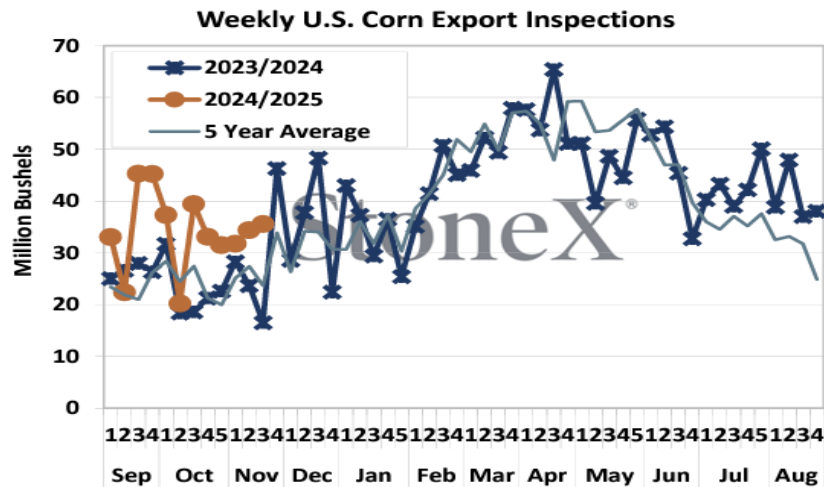
Wheat down 6 (Jul 25) @ 5.69



Perdue Grains Commentary



Good morning. Futures are sharply steady this morning after getting nicked up a bit in yesterday's trading. Soon-to-be President Trump has stirred up numerous markets with his promise of sharp increases in tariffs on his first day in office, with corn being at the center of attention for those that grow it and use it. The 25% tariff news was not received well by either Canada or Mexico but I suspect Canada will do all it can do to be removed from that list prior to January 20. That's going to be a tougher task for Mexico perhaps and given their status as the number 1 importer of corn in the world (mostly from us), the markets will likely stay on edge over the coming weeks. I shared with you a few days back the recent ten-year history of the post-Thanksgiving rally and it's an impressive one. It can't get any better than 10 for 10 but that could be in jeopardy, especially if no weather problems develop south of the Equator. It appears to be clear sailing for them through the middle of December, so we might need some impressive sales and shipment numbers during that stretch to keep the bulls engaged. The funds have quickly built an uncomfortable long position, which also bears watching. I'll continue to lean toward the friendly side due to strong demand but my confidence has been dented a bit.



Please Note: There will be no overnight market tomorrow evening, with the markets re-opening on Friday morning at 9:30. There will be no morning comments on Friday.



Soybean futures weathered the storm better than corn yesterday, which was an expected outcome given where the heftiest tariffs are being targeted. There might have been some relief this week that the Chinese would be hit with "only" an additional 10%. However, that number, while not nearly as large as feared, would still have a negative impact on futures in the coming months, especially if South America continues on its current path to record production.

When we talk about new record production here in the States, it's usually a 50-100 million-bushel or less type of increase. With the USDA making a sharp cut in our yield earlier this month, this year will not be a previously expected record. Production is currently estimated at **4.421 billion**, down from the August estimate of 4.589 billion. It appears that the production number of 4.464 billion from 2021 will retain its title. For comparison purposes and not it a good way, it's quite possible that the combined South American crop could take out this year's record by over 500 million bushels, with 600 million not being out of the question. Despite a very strong stretch of better-than-expected sales and shipments, plus the sharp reduction in yield this month, the current January tick of **\$9.89** is only 16 cents above the 51-month low.



It was another strong day for the equities yesterday, with the NASDAQ and S&P sporting a stronger finish than the Dow. However, the 124-point gain in the Dow puts that index within 140 points of the 45,000-mark, which certainly needs to be looked at as a major milestone. With our economy humming along in strong fashion and optimism being ramped up even further with this month's election results, it's hard to believe that the streak of new record highs won't continue next month. The

Dollar Index has been backing off its recent high and that slide is being magnified this morning, with a very sharp loss being seen.



Energy futures are getting some mild help from the sharply lower Dollar this morning, with the nearby crude contract currently up 20 cents to **\$68.97**. It appears that a ceasefire has been agreed to by Israel and Hezbollah, which will likely cap any rallies in the days and weeks to come. Hopefully, that agreement will be followed shortly by one with the Hamas group, which would likely put some heavy pressure on the energy complex. At that point, the

best and perhaps only support might come from our Treasury Department commencing a major buying spree to refill the SPR.



The national radar map is starting to get busy in the center portion of the country this morning and that appears to be the start of a not-so-pleasant holiday weekend. Temperatures will be falling quickly and the cold stretch will last through the middle of next month. Given the exceptional Fall that we've had thus far, I guess we can't complain much. My flowers are still in bloom and that's a bit unusual for this time of the year. With a projected Friday-morning low of 15 degrees however, I believe their

growing season will come to a very quick end.

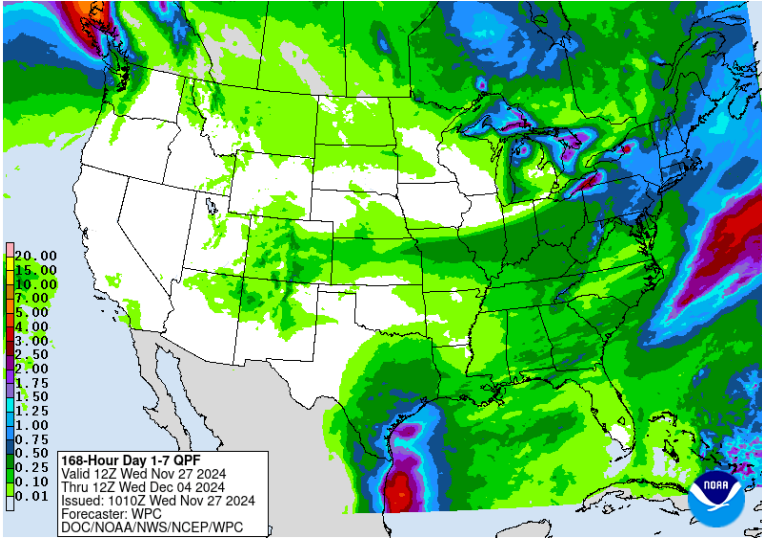
That's all for this morning. As always, I highly appreciate you taking the time to read these comments. Please have an exceptional Thanksgiving weekend and I'll catch you back here on Monday morning.

John

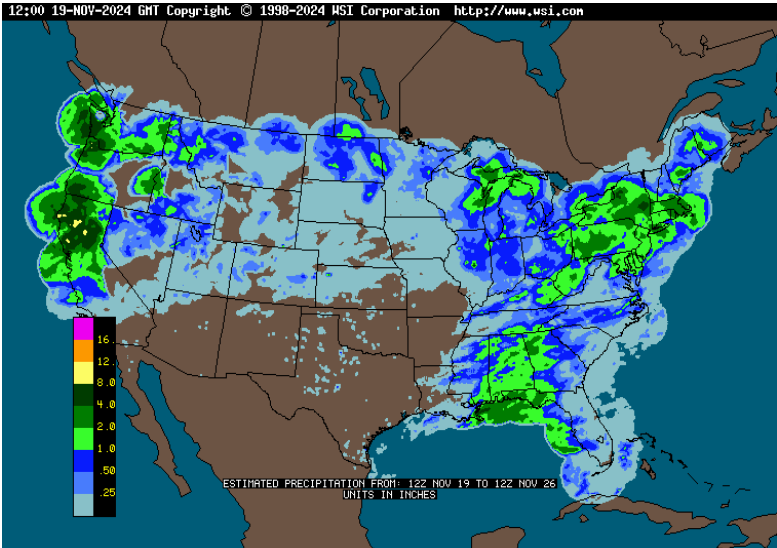
If you're pulling these comments up on a laptop or desktop computer, you'll need to right click on the little window next to "Morning Coffee Comments" at the top to get all the graphics and maps to download.

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Seven Day Projected

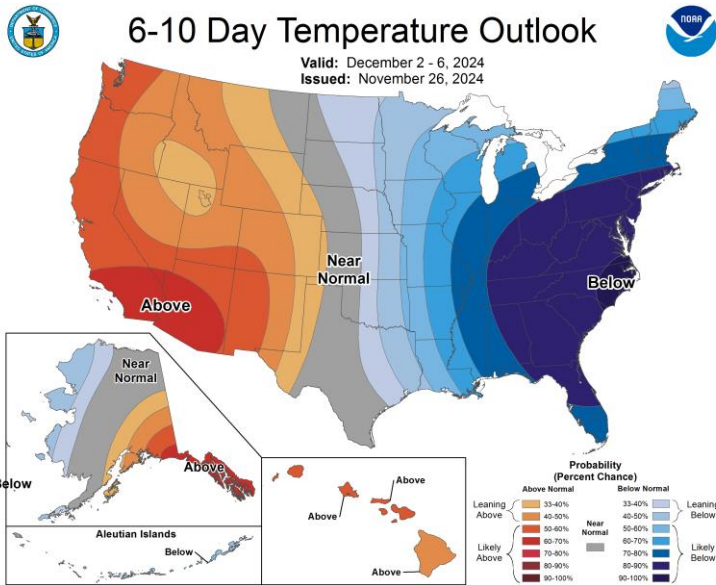
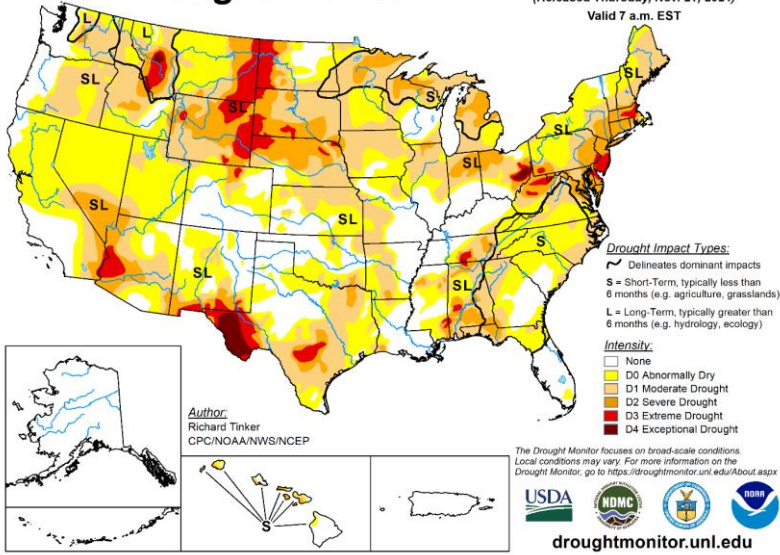


Past Seven Days Precipitation



U.S. Drought Monitor

November 19, 2024
 (Released Thursday, Nov. 21, 2024)
 Valid 7 a.m. EST

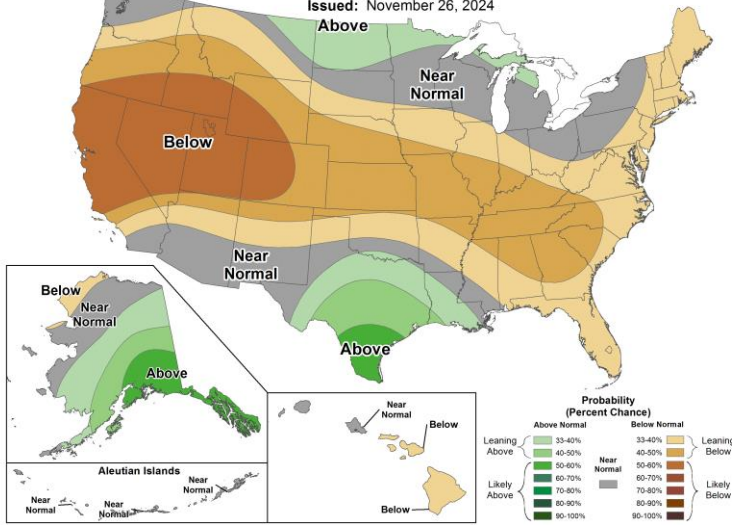




6-10 Day Precipitation Outlook



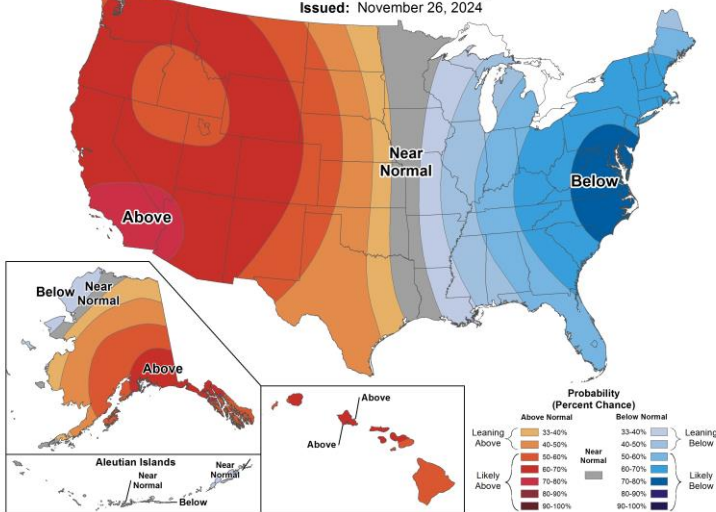
Valid: December 2 - 6, 2024
Issued: November 26, 2024



8-14 Day Temperature Outlook



Valid: December 4 - 10, 2024
Issued: November 26, 2024





8-14 Day Precipitation Outlook



Valid: December 4 - 10, 2024
Issued: November 26, 2024

