

Morning Grain Comments

Thursday, May 4th, 2023



CURRENT TREND: Lower

Grains settle back after sharp wheat fueled reversal yesterday

Trivia: Ernest Hemingway won a Pulitzer Prize for *The Old Man and the Sea*, on this day of a year in which decade?

Soybeans

Soybeans down .10 today. South America's soybean crop continues to get larger and cheaper SA exports will continue to pressure the US market. Chinese demand remains in question as crush margin is not as attractive as Chinese crushers would like to see. Funds remain bearish on commodities and soybeans are no exception.

Corn

Corn prices continue to trade near lows. The old crop July contract is under \$6 futures and the new crop December contract is trading water slightly about \$5 futures. The Brazilian crop seems to be getting larger. China has recently cancelled some US purchases and it seems there will be a fair amount of cheaper South American corn on the world export markets soon. Here in the US planting progress is at the five year average and although much of the country is cold and wet this week, perhaps slowing progress the 6-10 day forecast is calling for much better conditions throughout much of the corn belt.

Wheat

Wheat up .22 this morning. Overnight there was a drone attack at the Kremlin. Russia is blaming Ukraine and Ukraine is denying any responsibility. This drone attack led to bears covering some of their short positions. Turkey, Russia and Ukraine are scheduled to meet this Friday to negotiate the renewal of the grain export deal. This drone attack certainly adds pressure to that meeting. Here in the US and Canada spring wheat planting well behind seasonal averages, 12% vs 22% five year average.