

Market Factors

Bullish vs Bearish



Corn

Futures: December ↓ 14 ¾ - cents (3%)

- US: 71% harvested; 59% LW; 66% avg...
- Corn export sales are up 24% vs YA; shipments up 21%...
- SOAM: BRA 1st crop corn 53% planted (56% YA)... ARG 22% planted



BULLISH MARKET FACTORS

- Export sales off to good start...



BEARISH MARKET FACTORS

- U.S. stocks-to-use forecast >15%...
- Brazil production forecast just below LY record
- China demand slow, so far...

Wheat



- Futures WoW (Dec): CME ↓11¢ (-1.8%); KC ↓27¢ (-4.0%); MPLS ↓11¢ (-1.5%)...
- INT'L PRICES: WoW change in ()... US-HRW, Gulf = \$288 (-10); US-SRW, Gulf = \$254 (-4); ARG, BA = \$313 (+17); FRA, Rouen = \$244 (-11); AUS, Kwinana = \$289 (-5); UKR = *no posted offer*; RUS, Azov = \$232 private
- RUS/UKR: UKR shipping has resumed on humanitarian corridor. In fact, UKR officials said it was never closed - weird... UKR exports are ↓4 MMT from YA (31%)...
- WW: Planting = 87% (85% avg)... Emerged = 64% (64% avg)... Conditions = 47% G-Ex (28% YA); HRW-6 = 46% (19.6% YA); SRW-6 = 62.8% (56.5%)



BULLISH MARKET FACTORS

- World: 1st annual decline in 4-yrs, and smallest ending stocks in 8-yrs
- El Nino brings hot/dry weather to AUS/IND



BEARISH MARKET FACTORS

- US crop slightly larger than expected
- US export demand still slack
- US 36% S/U is almost comfortable
- US corn bearish fundamentals

Soy Complex

Futures: SB (X) ↓ $\frac{3}{4}$ -cents (0.0%); SBO (Z) ↓112 points (2.1%); SBM (Z) ↑\$18.50 (4.4%)

- US: 85% harvested; 76% LW; 78% average...
- BRAZIL: 38.4% planted vs 52.3% LY and 44.9% average...
- SBM futures (Z) up \$75.90/ton; 20.7% since 10/5; (K) up 10.6%...
- Soybean exports sales down 29% vs YA; SBO sales nearly non-existent...



BULLISH MARKET FACTORS

- U.S. ending stocks forecast at 5.5% of use; tight...
- SBM export sales up 43% vs YA...
- SBM exports; another great week...



BEARISH MARKET FACTORS

- Better rain in Brazil...
- SB exports slow...
- SBO exports near ZERO...

Veg Oil

FOB RBD: Palm (Dec) ↓ \$15 (1.8%) to \$807.50 Canola (F) ↓ \$11.20 (1.6%)...

- Canola: Canadian crop likely > 18.0+ MMT; ending stocks estimated over 2.5 MMT...
- Palm: Malaysia stocks forecast to rise 22% to 2.6 MMT in October (Stabro)...
- Malaysian PO exports down 3% (ITS) & 1% (AmSpec) first 25 days of Oct
- SPPOMA production up 5% first 25 days of Oct



BULLISH MARKET FACTORS

- Dryness in Indonesia
- Large RD plant start-ups in 2024

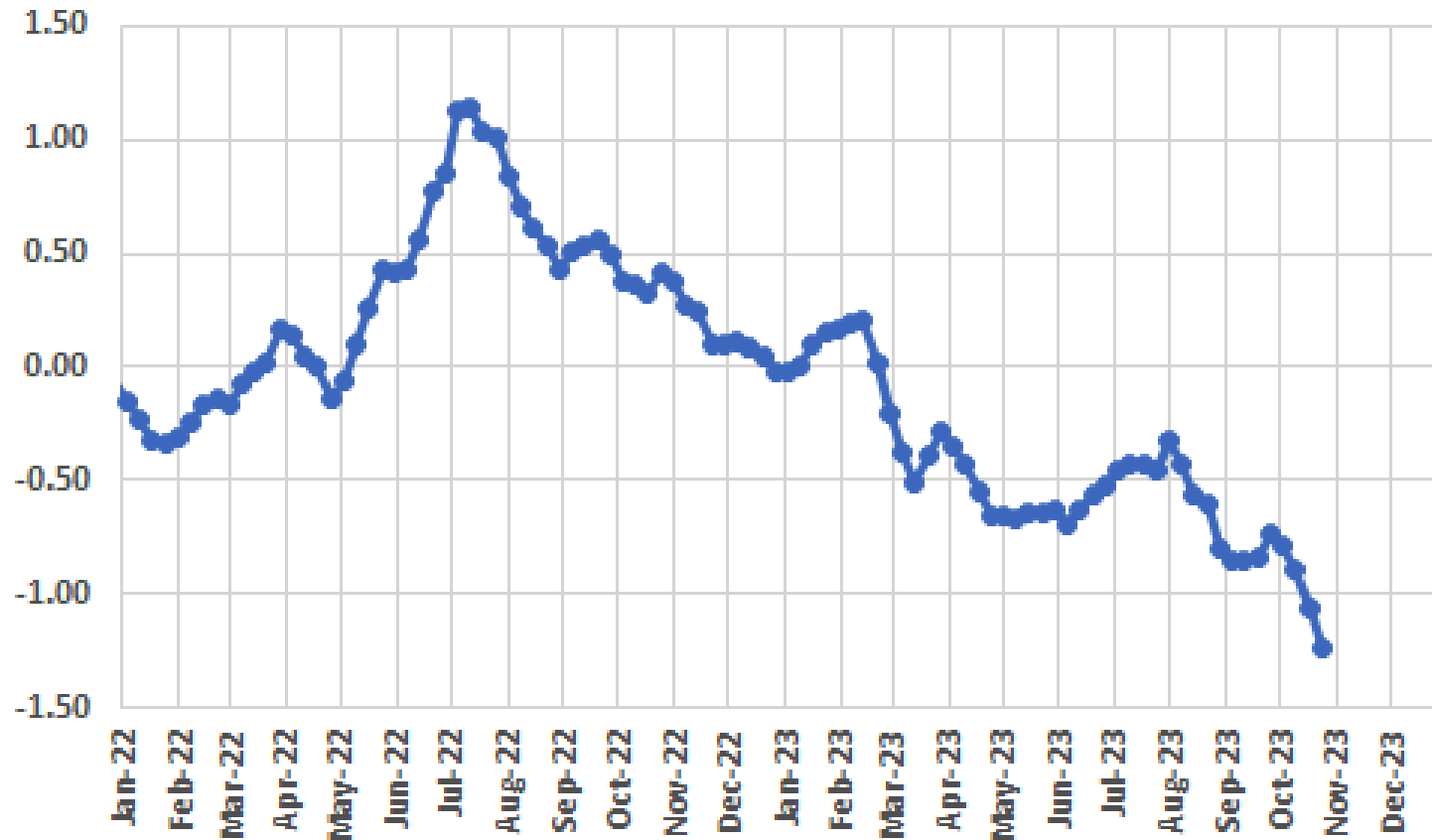


BEARISH MARKET FACTORS

- MPOB palm stocks still rising...
- BD margins negative AND falling
- Canola yields better than expected
- New North American soy/canola crush



Biodiesel Production Margins (\$/Gallon)



Source: AES

As of: 10/27/2023

BD Price	\$/Gal	\$3.62
Crude SBO	\$/LB	\$0.56
Est. Margin (4-Wk Ave)	\$/Gal	(\$1.23)

Softs (Coffee, Cocoa, Sweeteners, OJ)

Futures...

- Frozen Concentrated Orange Juice EOJX23 closed Friday @ \$401.95 vs. \$391.20 WA.
- Cocoa ECOZ23 closed Friday @ \$3,852 vs. \$3,694 WA.
- Sugar No. 11 ESBH23 closed Friday @ \$27.34 vs. \$26.85 WA.
- Coffee EKCZ23 closed Friday @ \$160.95 vs. \$165.25 WA.



BULLISH MARKET FACTORS

- Heavy rainfall across Ivory Coast and Ghana slowing down cocoa harvest.
- ICE exchange coffee stocks still falling as Brazil's major port experiencing bottlenecks.



BEARISH MARKET FACTORS

- Brazilian coffee growing regions finally starting to get some good rains that should benefit this seasons crop.
- Brazilian Center – South sugar mills are extending their sugar crush beyond traditional periods.

Protein Complex

Futures

- Futures: Live Cattle \$182.225 down 1.3% vs Last Week, up 12.5% vs Last Year
- Futures: Feeder Cattle \$236.900 down 2.2% vs Last Week, up 15.4% vs Last Year
- Futures: Lean Hogs \$70.475 up 6.8% vs Last Week, down 15.1% vs Last Year



BULLISH MARKET FACTORS

- The U.S. beef herd continues to contract, producers continue to send heifers (a young female cow that has not borne a calf) to market
- Beef cow slaughter is down, but that is compared to a large liquidation last year



BEARISH MARKET FACTORS

- The pork cutout is down 27% since the peak in July
- Pork bellies are down 55% since last July and account for 67% of the decline in the cutout as “sticky” prices remain in retail and foodservice

Proteins Prices – Weekly Average Price



		Current Week 10/28/2023	% Change from Last Week	% Change from Prior Year
Beef	Choice Beef Cutout	306.49	0.61%	17.34%
	Rib, Primal, Choice	516.95	-2.43%	18.08%
	Round, Primal, Choice	271.41	0.17%	19.72%
	Chuck, Primal, Choice	264.85	1.72%	17.99%
	Fresh Beef 50's Trimmings	80.11	-4.81%	14.34%
	Fresh Beef 90's Trimmings	285.84	-2.76%	14.28%
Pork	Pork Cutout	86.97	-2.02%	-12.67%
	Ham, Primal	80.56	-0.15%	-24.11%
	Belly, Primal	107.46	-0.80%	-23.31%
	Loin, Primal	88.56	-3.68%	1.29%
	Fresh Pork 72"s Trimmings	73.31	-2.55%	-28.20%
Poultry	National Composite Whole Bird Index	113.13	0.05%	-7.71%
	National Leg Quarters	40.72	-1.00%	16.11%
	National Breast B/S	141.23	-9.75%	33.80%

Dairy Complex

Futures

- Futures: Class III Milk \$17.40 down 4% vs Last Week, down 12% vs Last Year
- Spot: Cheese Block \$1.73 down 3.2% vs Last Week, down 11.7% vs Last Year
- Spot: Butter \$3.20 down 4.8% vs Last Week, up 1.9% vs Last Year



BULLISH MARKET FACTORS

- Milk basis numbers remain seasonally strong, higher than last week and higher than the five-year average
- Cheese stocks for the month of September went down when we normally see an increase in product in Cold Storage



BEARISH MARKET FACTORS

- U.S. cheese prices remain higher than New Zealand and the EU as those markets remain around \$1.65 - \$1.70
- U.S. cold storage report shows butter shows stocks decline less than anticipated, cream prices have begun to move lower as more cream becomes available

Currencies / Financial Markets



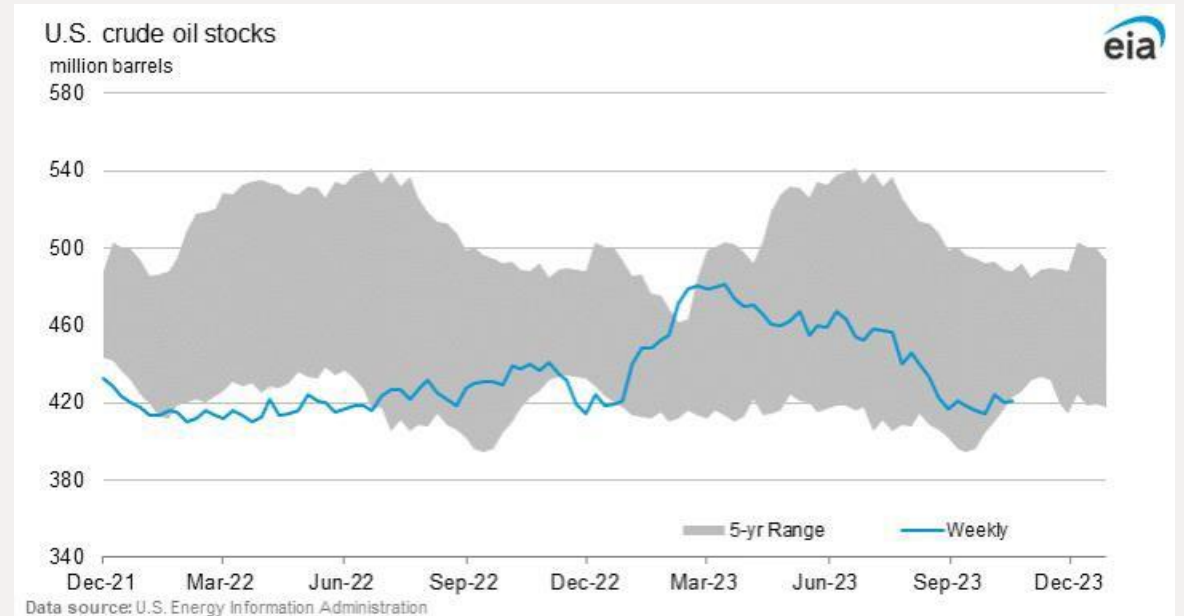
- Weekly jobless claims 210,000 up 10,000 from WA. The 4-week average is 207,500 up 1,250 from last week.
- The Fed is meeting this week. There is a high probability that the FOMC will leave short term rates unchanged.

	Spot	Last Week	Last Year
US \$	106.180	105.570	111.540
CAD \$	1.383	1.369	1.362
Euro €	1.061	1.067	0.988
Chinese ¥	7.326	7.310	7.336
Brazilian R\$	5.045	5.011	5.179
Arg ₳	350.000	350.020	156.890

Energy



- Dec natural gas ended the week up \$.2250 ending at \$3.4830
- Dec crude oil down \$2.54 last week ending at \$85.54
- US crude stocks saw a small build last week but continue to be historically low. US weekly crude oil production has been at the highest levels we have seen. Seasonally, we should start to see crude inventories build.



	This Week	Last Week	Change
Baker Hughes Rig Count	504	502	2
US Weekly Crude Oil Production	13,200	13,200	0
Crude Stocks	421,100	419,700	1,400

1-Week Percentage Change (As of Fri-27-Oct-2023)

