

MORNING WIRE
Thursday January 19th, 2023

Overnight ags were a quiet slightly lower affair. Row crops had beans a nickel lower on a narrow range inside night, meal a slightly lower inside night, and beanoil a slightly lower inside night. Corn was 2 cents lower, meaningless technically although it put corns overnight low right at the 200 day ma for CH3 on the daily chart. US wheats were unch at MGE, slightly lower in Chicago, and about a nickel lower in KC in the front month March contracts. Wheat calendar spreads were also a quiet nearly unch affair with the "big move" WK/WN up ¼ of a cent last tick overnight. World ags had Dalian meal lower but an inside night, Malaysian palmoil unch on almost no range holding above the Dec-Jan lows, Dalian corn a lower night but holing in the narrow Jan range near contract highs, and Matif wheat slightly lower but above Tuesdays contract lows on its daily chart. There just wasn't much going on overnight.

Private exporters this AM reported the sale of 195,000 MT of US corn to Mexico for 2022/23 delivery.

Egypt's corn tender for Feb 10 – 25 shipment with payment at sight terms, for corn that will be sold by the private sector via Egypt's newly launched commodities exchange to address a feed shortage and inflation, received the following best offers on a C&F basis, no results yet:

Nibulon 30,000 MT Ukrainian at \$336
ADM two 55,000 MT cargos of US at \$337.93
Ameropa 50,000 MT Romanian at \$339
Cofco 55,000 MT US at \$345
Agrochirnogi 30,000 MT Romanian at \$360
Viterra 60,000 MT Brazilian at \$370
Egyptian African 36,000 MT Argentine at \$370
Viterra 60,000 MT Argentine at \$380

Overnight/recent news:

- 1) Russian ag ministry overnight said it expects Russia to export 55-60 MMT of grain total in 2022/23 and it has no plans to lower the grain export quota. This in response to Putin Tuesday saying Russia needs to maintain stable food reserves, if necessary by restricting some exports. Apparently its not necessary.
- 2) Tunisia bought 125,000 MT of durum on their tender that closed overnight. Casillo sold three 25,000 MT cargos at \$489.49 - \$494.49 C&F, Viterra sold one at \$493.09, and Amber sold one at \$492.29. All for Feb 15-Apr 5 shipment depending on origin.
- 3) Philippine importer group bought 110,000 MT of feed wheat from Australia at unknown prices for Apr 16-June 25 shipment from CBH on their tender for up to 165,000 MT that closed overnight.
- 4) S American AM weather update is the same, heavy rain expected for the SW half of Arg ag area this weekend but limited rains north, more rain expected now next Tues-Fri with possibly heavy total precip and certainly moderate amounts, and then dry through the end of the 10 day window but with the deferred 11-14 day out forecast hinting at further rains to come. Brazil forecasts continue cool and wet in the north and no rain for southern RGdS until next weekend (not this weekend).

Macros:

A quick run through all the major ag currencies:

USDx is nearly unch at nearly yesterdays daily chart contract lows and looking awfully bearish on the monthly continuation chart.

Euro is unch near contract highs on its daily chart and looking awfully bullish on the monthly continuation chart. Ruble to the extent it trades is in the middle of the past 4 months narrow range and going nowhere in LH 22-current on the monthly continuation chart.

Canadian dollar was lower yesterday but is unch overnight in the middle of the past 3 months small range on the daily chart and going nowhere near 10 year lows on the monthly continuation.

Australian dollar reversed from multi-month highs yesterday for an outside lower day and overnight continued lower, but its still above the prior Nov-Dec highs barely on the daily chart, while on its monthly continuation its in the middle of the range since 2015.

Brazilian Real looks like Australian dollar on its daily chart with an outside lower reversal from multimonth lows yesterday and further break overnight, but its monthly chart is absolutely flat sideways in a very narrow range near 25 year lows since early 2020.

Japanese Yen is about unch near prior 6 month highs from back in early August on its daily chart, while the monthly has rallied the past few months from new lows since 1998 back up above the old 2002 lows but not above the 2006-2021 lows:



Crude reversed to lower on a big bar that was first significantly higher yesterday, and is following through with additional break overnight. Still nearer Dec highs though on the daily chart than anything, but it did fail at late Dec highs so far yesterday. Crude is one to watch today to see if the break continues or its just profit taking by new longs and additional strength will soon occur. Monthly crude chart is still above the 50 retrace of the 2020-2022 rally that held so far last month and this month. That level of 74.00-77.00 is also the old 2018 monthly chart highs. Current price is 79.00 so theres a lot going on technically both on the daily and monthly crude charts to watch. Gold and silver both reverses from highs yesterday. Gold is about unch overnight while silver continues slightly lower overnight. Neither is bearish looking yet. US stock markets are lower third day in a row. Dow is testing Dec lows while S&P is only half way from the Jan highs to the Dec lows. US interest rate futures were higher but are now unch overnight. Bonds are holding right at prior Dec highs while notes rallied above the Dec highs yesterday and while they are now slightly lower overnight its still above those old prior Dec highs.

Tenders:

Jan 19 S Korea's Agro-Fisheries for 19,000 MT opt-origin GMO free soybeans for Feb-Apr 2024 delivery.