Morning Commentary
November 29, 2022

CORN: LOWER

Demand concerns coming from China after news of their zero covid policy hit headlines this weekend had corn, and most of the grains lower to start the week. However, in the latter half of the day the bean market found some strength which the corn market fed off and rallied off its lows closing the day right around Friday's settlement. The release of export inspections didn't help corn in its push higher yesterday. With this previous week coming in at just 11.9 Mil Bu., the second lowest weekly number we've see this marketing year, we see that while we may be starting to see export sales increase, we are still struggling getting the physical product out of the country. Corn jumped lower by about a penny on the open last night, but this morning we ended the night session within half a penny of the open for most of the contracts setting us up for a move either way today. **At the break, CZ22 was 1 lower.**

SOYBEANS: HIGHER

China continues to be the fly in the ointment as protests expand against the Zero policy. Demand remains to some extent in question, but IMO that is more of a long-term issue on demand growth after all this sorts out, not an immediate big change. If they are mad about being locked down, just see what being hungry does. Argentina is going to get minor nearby relief and then back into the oven with less rain in the extended and nearby forecasts both this a.m. or maybe nearby in more agreement on less moisture. The affects of la Nina are still a threat as we move into Dec. and the main month for Brazilian bean development, most especially for the early crop. US demand continues to be an up and down event as AF keeps the flock numbers limited even when all are attempting to increase production in a profitable environment. We have now surpassed the last big avian flu event in birds euthanized. MO had 9000 put under in a flock just this week. Meanwhile, crude is helping keep bean oil supported, if not the main factor in a rally so far this week. The idea that Venezuela can be up and producing any crude soon is a farce. Not to mention the value and quality of it are questionable and tough to process. World economic health is a better gauge of crude prices and so far the bottom has held. In a typical congressional reversal, the Democratic leadership is now throwing their union supporters under the bus for positive headlines in voting to force the rail workers to accept the deal they worked out in Oct. prior to the election. Even though most are voting to reject it, congress can and likely will vote to force both sides to accept the deal, which power they do have in this instance. Frankly, it does seem like a very good deal. No one should be fully happy about a trade negotiation, or it means it wasn't a true compromise. Be out of any product longs today or risk, taking delivery on first notice day tomorrow.

Beans: V-181,360//OI-630,728(+8,403) Meal: V-144,897/OI-379,883(-8,351) Oil: V-153,002/OI-446,961(+2,257)

At the break, SF23 was 3 ¾ higher.

WHEAT: LOWER

The market ran into heavy pressure from the start of the day session on Monday, with macro market pressure from increasing COVID cases in China, supporting USD and pressuring crude oil to begin the day. The soybean complex found support, but wheat shrugged off buying, as traders are either adding to Chicago shorts or just staying away. Export inspections remain slow, but are still on track to meet the USDA projection, with 7.3 MB reported last week. Mexico led shipments, mostly rail movement, with HRW to Ethiopia and HRS boat to Spain from the Great Lakes. Russian FOB offers remain very cheap, leaving U.S. offers significantly out of the competition, but HRW doesn't need to find export business anyway. Mills were a little more selective to start the week, supporting 11 pro, but trying to buy 13 pro cheaper. Outside markets are modestly supportive this morning, but KC wheat continues the move lower this morning.

At the break, KWZ22 was 5 ½ lower.

CATTLE: STEADY

Last week's cash cattle recaps showed a 5-area average price at its highest level since 2015, and we also wound up getting a material 15K head upward revision to last week's kill estimate. At 596K head that looks to be our largest Thanksgiving weekly kill in my records since 2006. It all keeps the cash cattle markets looking relatively healthy and I do think most expect cash to trade firm again this week despite the lagging futures markets which traded softer again yesterday. Last year the cash markets did trade higher this first week of Dec before moving lower the following three weeks. Yesterday's holiday-delayed weekly CFTC commitment of traders report showed managed money funds as net buyers of 12K contracts on the week. They now own a net long position of 62K contracts which is in the upper third of their historical holdings range, but not what I would call overextended.

Fund Position	Accumulative	Yesterday
Corn	163,735	1,000
Soybeans	94,836	10,000
Soybean Meal	77,032	5,000
Soybean Oil	107,902	5,000
Chicago Wheat	-74,844	-10,000
KC Wheat	17,311	0

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