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Grain Market Morning Comments:
October 27, 2020

Corn and soybeans finished slightly mixed on Monday but both fought off early session selling pressure. Market weakness continues to be bought and new highs are being put in on a daily or weekly basis. Technically both markets are overbought but continue to move higher with no real corrections so far. China's COFCO Trading estimates that China could import up to 17 MMT of corn this year which is a little higher than the Rabobank estimate but reiterates the bullish sentiment on China corn imports. Harvest progress showed 72% harvested and soybeans were 83% done and a drier 2-week weather forecast should allow for many to finish up. Momentum is still to the upside but will see if lack of export sales this morning will bring some sellers to the market.

Today's Corn Outlook: **Corn lost 1 ½ cents on Monday but are up 2 cents overnight and put in a new high for the move. There is more confirmation of bullish China export demand for corn and the number seems to be moving higher. We will see if overnight strength spills over into the day session.**

Dec Corn Technicals : The corn market remains bulled up and continued trading above 4.12 should open a run at 4.25. The bears would like to see a move under 4.00

Today's Soybean Outlook: **Beans gained 2 ½ cents to start the week and was unchanged overnight. Crush margins and exports remain strong with basis levels extremely firm the front end of the curve remains bullish. South America weather is allowing for the soy planting to catch up but long-term deficits remain. Lack of export sales this morning may give the bears a chance this morning.**

Jan Soybean technicals: We have shifted to the Jan contract. Soybeans are still very bullish and settled above 10.80 on Friday which opens up a move towards 11.00. Bears would like to see trade under 10.70.

Exports:

Weather: **South America received significant a decent amount of rain recently but long term deficits remain for 40% of Brazil corn/soy and much of Argentina as it moves into a drier pattern. Check 5 day rain fall map on PG 2 and South American Map on PG 3.**

Dollar Index: **The dollar is trading 15 ticks lower this morning at 92.89**
Brazilian Real: **The Real is trading 1 tick lower this morning at 1777.**

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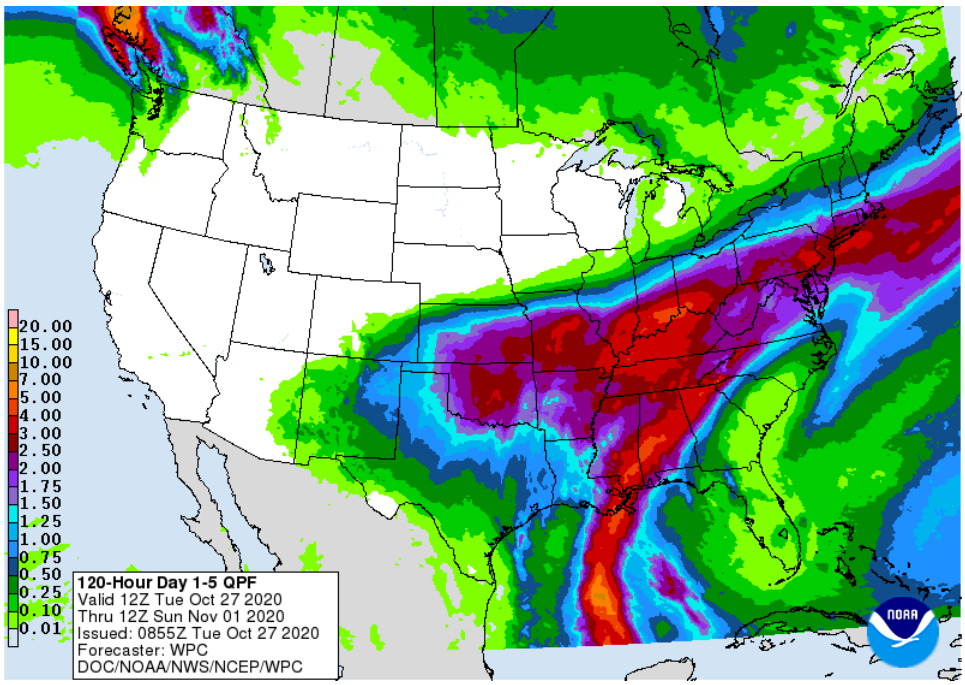
Additional Comments:

5 Day Rainfall Accumulation Forecast



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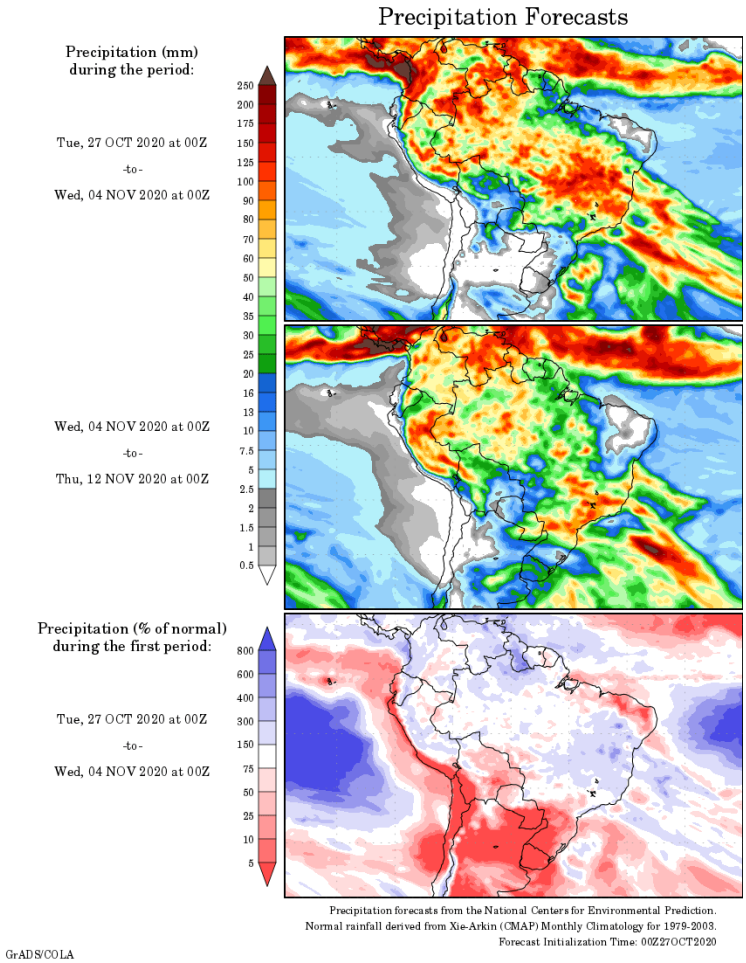

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