

Corn and soybeans had a small pullback for the first time in 2021 but the attempt to sell it cheaper was bought up. Overnight both markets moved higher as bullish fundamentals keep willing sellers out of the market. Both corn and soybeans are just a few cents from the contract highs set earlier in the week. US Corn is the cheapest to export through May out of the gulf. We have WASDE on Tuesday and early estimates have corn carryout at 1.599 billion bushels and soybeans at 139 million bushels. In our estimation the corn number is too large. We believe the carryout for corn is closer to 1.3 billion bushels with corn trading near \$5. The soybean number seems reasonable with the current price levels. This is all a guessing game because even if you are close on the numbers the market reaction will still surprise you but funds are not trimming pre-report that we can tell. It is hard to imagine an overly bullish report considering where prices currently stand so bullish type numbers may still get a decent pull back and then possibly move back higher if bullish fundamentals prevail.

Today's Corn Outlook: Corn lost a penny on Thursday but are 3 cents higher overnight. No real news to sink your teeth into other than the market cannot get a significant break in price. Corn at the gulf is cheapest exportable corn in the world and China's corn is trading north of \$10. Look for continued support unless funds do a late week trim. 4.82 is significant support area for March corn.

Mar Corn Technicals: The corn market is bullish with the possibility of hitting 5.05. The bears need a move under 4.82 to start the turnover.

Today's Soybean Outlook: Beans lost 7.25 cents yesterday but bounced 15 cents higher overnight. Soybeans are trading near contract highs as we finish the first week of the year. There was a good flash sale 343k metric tons of soybeans to unknown yesterday which was the first flash sale since Dec 28th and a new one today for 204K to China.

Mar Soybean technicals: The soybean market is on a bullish tear. March soybeans are poised to move to 14.00. Bears need a close under 12.96 to reverse sentiment.

Exports: 204k tons of soybeans sold to China.

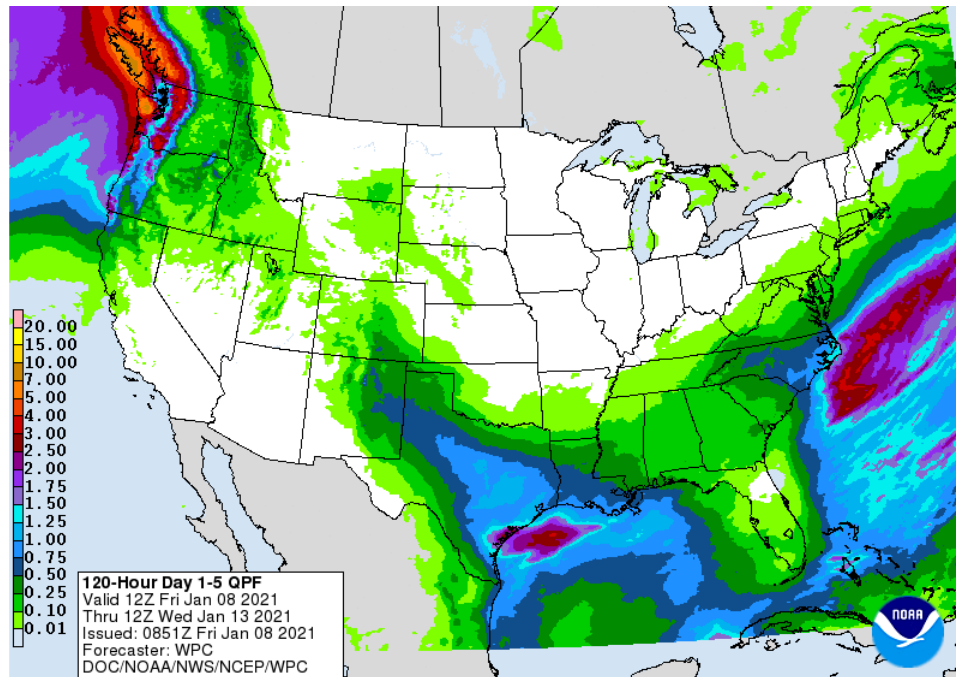
Weather: Brazil has around 1/3 of its corn/soy under stress with a drier pattern coming for C & W. Argy will have greater than half of its corn/soy area under stress mainly in the C & SE. Check 5-day rain fall map on PG 2 and South American Map on PG 3.

Dollar Index: The dollar is trading 3 ticks higher this morning at 89.85.

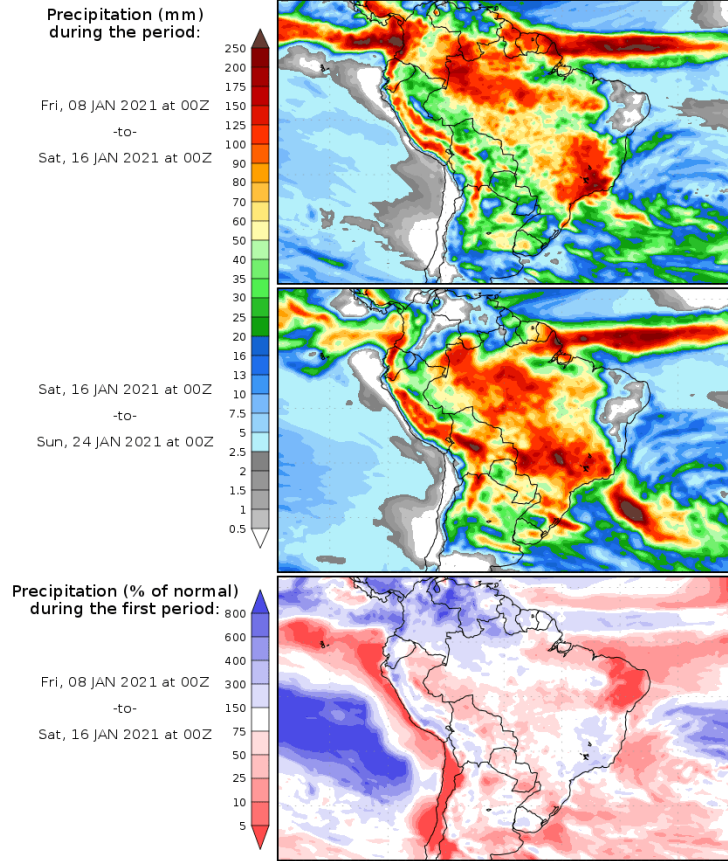
Brazilian Real: The Real is trading **26 ticks higher** this morning at 1876.

Additional Comments:

5 Day Rainfall Accumulation Forecast

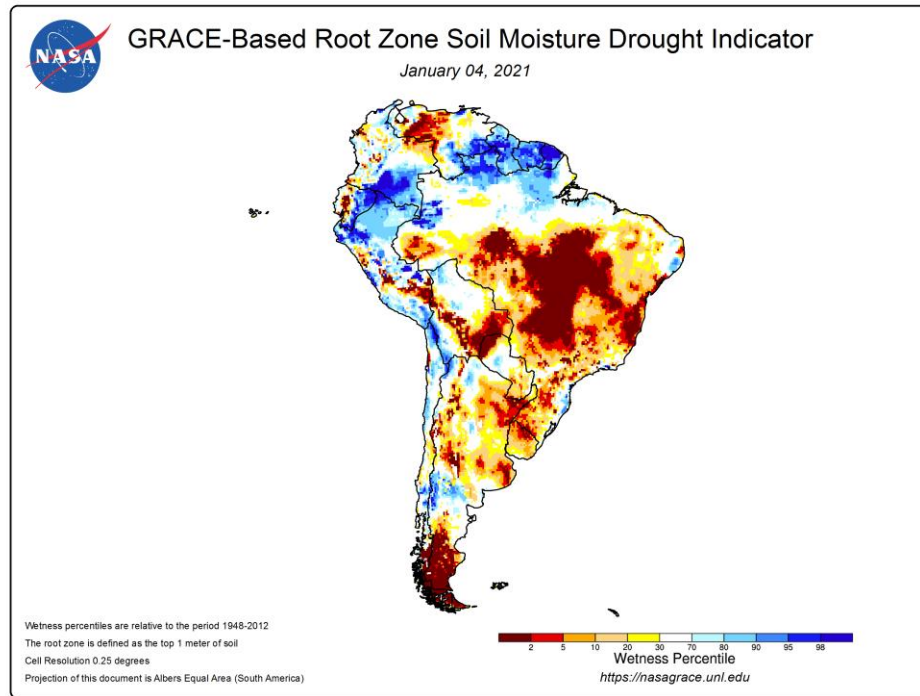


Precipitation Forecasts



Precipitation forecasts from the National Centers for Environmental Prediction.
Normal rainfall derived from Xie-Arkin (CMAP) Monthly Climatology for 1979-2003.
Forecast Initialization Time: 00Z08JAN2021

GRADS/COLA



Disclaimer

<https://www.nfcmarkets.com/disclaimer/>