

Is this what inflation looks like?

Soybeans were up over 30 cents early in the session yesterday before falling back a little finishing 25 cents higher. Corn was dragged along finishing 4 cents higher. Fundamentals are not supporting this last leg up. Funds are active buyers and that looks to be a function of an inflation play. Balance sheets are not that tight even though the cash markets are incredibly strong in many areas the futures market act like tightness will carry into the new year. This may be what inflation looks like and could maintain a big cushion under prices until the cash market backs off. Weekly exports were slightly better than expected but mostly inline. Watch yesterday's highs of 589.5 in March corn and 1289.25 for Jan soybeans.

Today's Corn Outlook: Corn added 4 cents yesterday and are up 2.5 cents overnight. Weekly corn exports were 1.044 million tons which were slightly better than expected. The market has been incredibly strong and could continue to move higher but producers should take advantage of these prices and sell cash or protect with on the board. This inflation case is pushing this last leg higher and may be getting close to a pull back. \$6 seems like it would put a pretty good cap on things. Need to ring the cash register once in a while.

March Corn Technicals : Corn market has turned bullish and looking to challenge the monthly high at 5.93 ¼. Bears need March to close below 5.68.

Today's Soybean Outlook: Beans added 25.75 cents yesterday and are up another 6 cents overnight. Weekly exports were 1.374 million tons and were inline with expectations. Inflationary fund buying is pushing prices higher and though the flash sales have been good this week we are over 25% behind pace. We are looking to sell cash soybeans up here and sell some '22 soybeans as well.

January Soybean Technicals: The soybean market is bullish and next resistance is 12.97. Bears need a move under 12.20.

Exports: None to report.

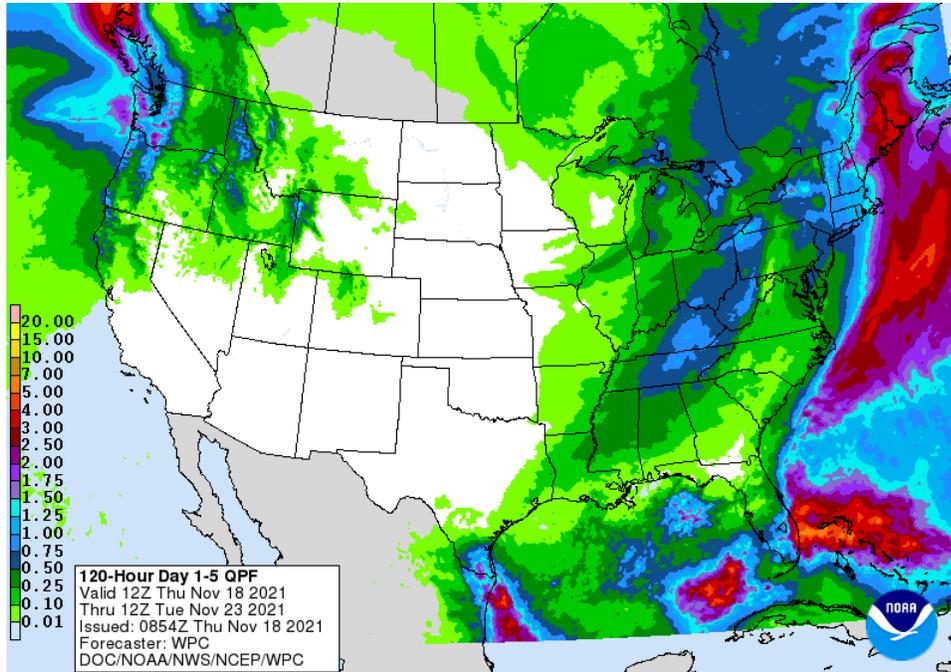
Weather: Corn belt mostly drier this week. S. Brazil rains less than expected overnight.

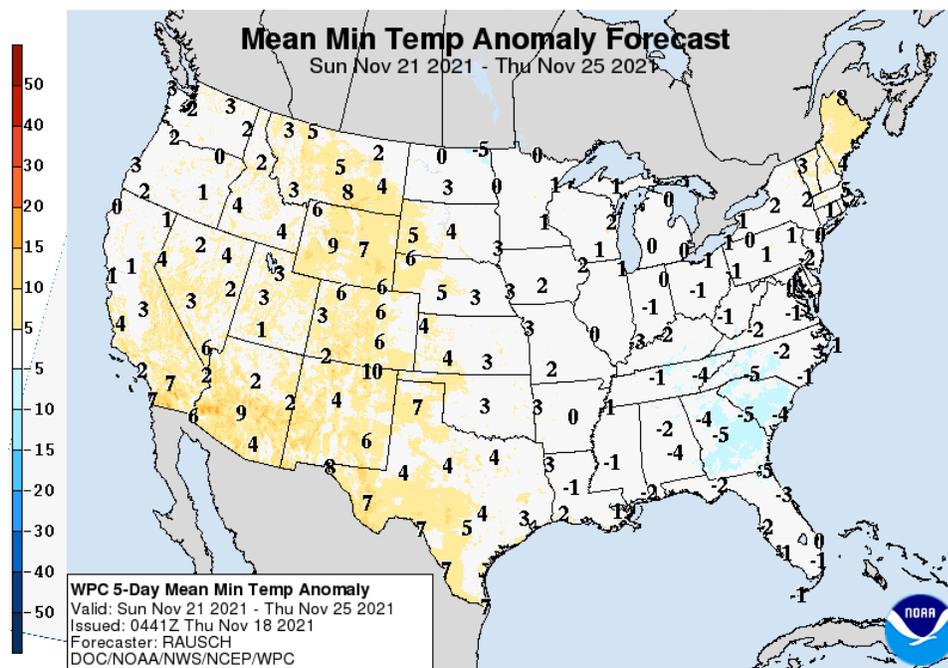
Dollar Index: The dollar is trading 9 ticks lower this morning at 95.73.

Brazilian Real: The Real is trading 8 ticks lower this morning at 18.00.

Additional Comments:

5 Day Rainfall Accumulation Forecast





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