

**Large China soybean purchases cannot stop bearish WASDE!**

We came in this morning with a lower overnight trade after a positive market across the board yesterday. Speaking of yesterday, we had bullish news out of exports and Brazilian weather and the Black Sea conflict pushing prices higher. This morning we had more export sales to China and unknown totaling 2.616 MMT of soybeans to China and unknown the last two mornings. Then the USDA released the November WASDE report late morning which brought higher carry outs across the board domestically with higher yields in corn and soybeans. Soybeans were up just 0.3 but corn jumped 1.9 bushels per acre which could have been a lot worse but for the fact that they raised usage by 125 million bushels. They decided to leave soybean usage unchanged, which could change by the January report as we think the soybean balance sheet will remain tight. At the end of the day, the markets capitulated and finished lower across the board with corn down 8 soybeans off 22 and wheat down 11 cents. We expect some negative trade overnight and possibly into tomorrow but look for some support as we still have some friendly undercurrents out there in the world. One thing the WASDE report showed in corn is if you get cheap enough you will find demand. We just need to find some more.

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