



Market Perspectives

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November 3, 2022

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For more information on the contents of this newsletter or the U.S. Grains Council, its mission and programs, please contact Cary Sifferath at (202) 789-0789.

The U.S. Grains Council is a private, non-profit partnership of producers and agribusinesses committed to building and expanding international markets for U.S. barley, corn, grain sorghum and their products. The Council is headquartered in Washington, D.C. and has ten international offices that oversee programs in more than 50 countries. Financial support from our private industry members, including state checkoffs, agribusinesses, state entities and others, triggers federal matching funds from the USDA resulting in a combined program value of more than \$26 million.

Chicago Board of Trade Market News

Week in Review: CME Corn December Contract					
Cents/Bu	Friday October 28	Monday October 31	Tuesday November 1	Wednesday November 2	Thursday November 3
Change	-1.50	10.75	6.25	-10.25	-8.25
Closing Price	680.75	691.50	697.75	687.50	679.25
Factors Affecting the Market	The market tested the 50-day moving average, moving a half-cent below that in low volume trade. It later rebounded to close 1.5 cents lower in continued sideways trading. Sluggish U.S. exports continue to weigh on the market.	Corn futures gapped higher on news that Russia was suspending the Ukraine grain export corridor. There was heavy volume as shorts exited the market. It might have spiked higher except resting sell orders at the \$7.00 mark and farmers selling into the rally kept a lid on it.	Corn rallied a second day, led by soybeans and wheat. However, the rally broke down again as it neared the \$7.00 mark. It was an inside day as the December contract failed to break out of Monday's range. The fundamentals have not changed and so the range remains intact.	Russia's reversal of its position on the Ukraine grain export corridor caused the longs that had been freshly added on Monday to exit from whence they came. Dec. corn was still able to settle above the 20-day moving average and settled at the mid-point of the current sideways trading range.	There was little fresh news except a Fed rate hike and lower export sales that created choppy trade back toward the lower end of the trading range. The close was below the 20-day moving average but stayed above lower support at \$6.75/bushel.

Outlook: After five days of trading, December corn futures are down 3 cents (0.44 percent) as the market continues to trade sideways between support at \$6.71 and resistance at \$7.06/bushel. The fact that slow exports and challenging Mississippi River conditions are not causing a drift lower is testament to the continued strong demand from ethanol and livestock feeding. Next week's November 9 USDA WASDE report could add volatility as analysts are split on whether yields and overall production will be cut or raised for the current harvest. Thus far, the current crop harvest has not placed much pressure on the market.

As of Sunday, USDA's Crop Progress report indicates the corn crop is 76 percent harvested, which is above both last year's pace and the 5-year average. This late in the season, rain or snow could slow removing what is left but no significant delays are expected.

At 422,288 MT, weekly export inspections as of October 27 were down 11 percent from a week earlier and are off 23 percent year to date. Exports need to be 44.5 million bushels each week to hit USDA's forecast but were only 16.6 million bushels last week.

Ethanol demand remains strong with the EIA reporting a third consecutive week of production exceeding 1 million barrels a day. The industry continues to watch natural gas prices and any impacts on demand due to the Fed's interest rate hikes. Meanwhile, feed demand is keeping basis levels in the interior at some of the highest levels in 10 years. However, the price risk remains to downside due to sluggish exports, slowed transport to the Gulf, and increased competition. The river situation is actually

causing some abnormal basis levels as they are weaker closer to the river and stronger when near feed and ethanol plants.

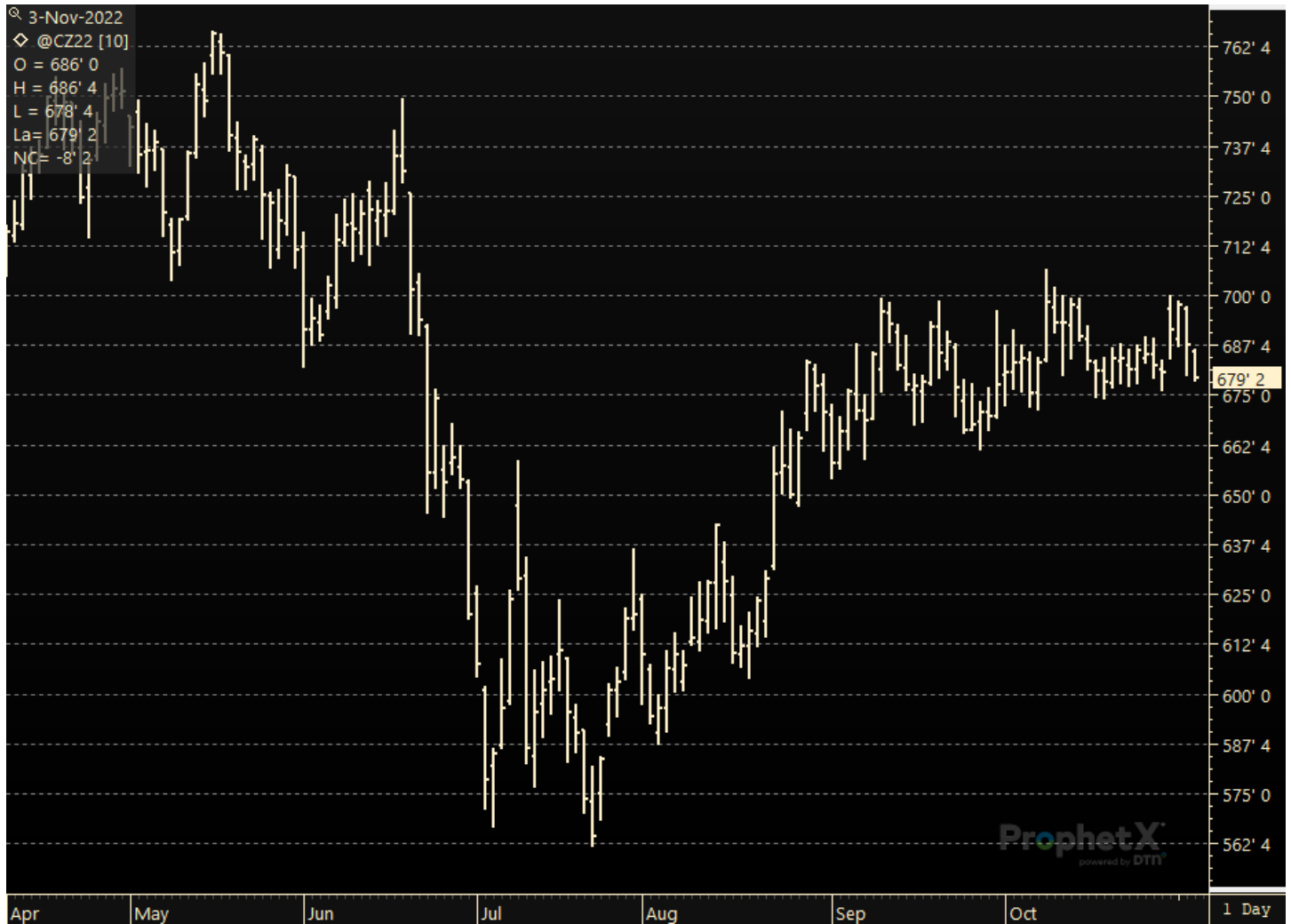
Russia gave the market a bit of a wild ride this week, first announcing it would suspend the Black Sea grain corridor agreement and then reversing that position on Wednesday. It is still not clear what happens when the current agreement expires on November 19, though UN officials express optimism that it will continue.

Interest Rates and Macroeconomic Markets, November 3, 2022						
	Last*	Weekly Change	Weekly % Change	Monthly Change	Monthly % Change	1-Year History
Interest Rates						
U.S. Prime	6.25	0.0	0.0%	0.0	0.0%	
LIBOR (6 Month)	4.97	0.0	0.8%	0.7	16.0%	
LIBOR (1 Year)	5.54	0.1	2.6%	0.7	14.7%	
S&P 500	3,719.9	-87.4	-2.3%	-24.6	-0.7%	
Dow Jones Industrials	32,001.3	-32.0	-0.1%	2,074.3	6.9%	
U.S. Dollar	113.0	2.4	2.2%	0.7	0.6%	
WTI Crude	88.2	-0.9	-1.0%	-0.3	-0.3%	
Brent Crude	94.6	-0.4	-0.5%	0.2	0.2%	

Source: DTN ProphetX, World Perspectives, Inc.

* Last price as of 5:33 PM ET

CBOT December Corn Futures



Source: DTN ProphetX

Current Market Values:

Futures Price Performance: Week Ending November 3, 2022			
Commodity	3-Nov	28-Oct	Net Change
Corn			
Dec 22	679.25	680.75	-1.50
Mar 23	684.75	686.75	-2.00
May 23	684.75	686.25	-1.50
Jul 23	679.50	680.50	-1.00
Soybeans			
Nov 22	1426.75	1387.75	39.00
Jan 23	1437.00	1400.25	36.75
Mar 23	1444.00	1409.00	35.00
May 23	1451.25	1416.25	35.00
Soymeal			
Dec 22	414.30	425.40	-11.10
Jan 23	407.50	416.20	-8.70
Mar 23	399.30	406.70	-7.40
May 23	395.70	401.80	-6.10
Soyoil			
Dec 22	75.29	71.79	3.50
Jan 23	73.18	69.21	3.97
Mar 23	71.22	66.69	4.53
May 23	69.51	65.03	4.48
SRW			
Dec 22	840.50	829.25	11.25
Mar 23	859.75	849.00	10.75
May 23	869.75	860.00	9.75
Jul 23	871.25	861.50	9.75
HRW			
Dec 22	941.25	925.00	16.25
Mar 23	938.75	924.75	14.00
May 23	935.75	923.75	12.00
Jul 23	929.00	919.00	10.00
MGEX (HRS)			
Dec 22	943.00	945.00	-2.00
Mar 23	955.00	953.00	2.00
May 23	960.75	958.50	2.25
Jul 23	958.75	958.25	0.50

*Price unit: Cents and quarter-cents/bu. (5,000 bu.)

U.S. Weather/Crop Progress

U.S. Drought Monitor Weather Forecast: A cold front passes through bringing showers late this week that spread south to Texas and north to Minnesota and Wisconsin. This moisture will bring some help to the Mississippi River, though not enough. The system will skip over the western and southwestern Plains.

The Climate Prediction Center's 6-10 day outlook (valid November 8-12) has it continued colder and wetter in the West, with near normal temperatures and precipitation in the Midwest, and above normal warmth and moisture in the East. Below normal moisture continues in the lower Mississippi Valley.

The longer-term forecast has a 75 percent chance of La Niña in the Northern Hemisphere winter (December – February), then dropping to a 54 percent chance in March 2023.

Follow this link to view current U.S. and international weather patterns and future outlook: [Weather and Crop Bulletin](#).

U.S. Export Statistics

U.S. Export Sales and Exports: Week Ending October 27, 2022					
Commodity	Gross Sales (MT)	Exports (MT)	YTD Exports (000 MT)	YTD Bookings (000 MT)	% Change YTD Bookings
Wheat	349,500	118,100	8,815.1	12,171.5	-6%
Corn	504,100	450,200	4,145.7	14,467.4	-53%
Sorghum	12,200	9,200	44.1	323.9	-89%
Barley	0	0	3.9	14.0	-53%

Source: USDA, World Perspectives, Inc.

Corn: Net sales of 372,200 MT for 2022/2023 primarily for Mexico (193,000 MT), Japan (132,100 MT, including 107,100 MT switched from unknown destinations), unknown destinations (69,600 MT), Canada (23,100 MT), and Costa Rica (9,900 MT, including decreases of 1,100 MT), were offset by reductions primarily for China (65,900 MT). Exports of 450,200 MT were primarily to China (144,300 MT), Mexico (144,200 MT), Japan (107,100 MT), Jamaica (20,000 MT), and Taiwan (13,100 MT).

Barley: Total net sales reduction of 1,500 MT for 2022/2023 were for Japan. No exports were reported for the week.

Sorghum: Total net sales of 12,200 MT for 2022/2023 were for Mexico. Exports of 9,200 MT were to Mexico.

U.S. Export Inspections: Week Ending October 27, 2022					
Commodity (MT)	Export Inspections		Current Market YTD	Previous YTD	YTD as Percent of Previous
	Current Week	Previous Week			
Barley	0	147	1,561	9,743	16%
Corn	422,288	472,594	4,192,383	5,474,286	77%
Sorghum	72,154	31,424	213,269	496,496	43%
Soybeans	2,574,060	2,918,705	10,204,854	11,278,684	90%
Wheat	137,082	133,319	9,645,874	9,668,076	100%

Source: USDA/AMS. *Marketing Year is June 1-May 31 for wheat and barley and Sept. 1-Aug. 31 for corn, sorghum and soybeans. Week-to-week reports will vary due to exporter reported conditions & cancellations to previous week's reports.

USDA Grain Inspections for Export Report: Week Ending October 27, 2022

Region	YC	% of Total	WC	% of Total	Sorghum	% of Total
Lakes	0	0%	0	0%	0	0%
Atlantic	0	0%	0	0%	0	0%
Gulf	285,917	69%	7,305	98%	66,740	92%
PNW	0	0%	122	2%	0	0%
Interior Export Rail	128,944	31%	0	0%	5,414	8%
Total (Metric Tons)	414,861	100%	7,427	100%	72,154	100%
White Corn Shipments by Country (MT)			7,305 122	to Colombia to S. Korea		
Total White Corn			7,427			
Sorghum Shipments by Country (MT)					44,740 22,000 5,414	to Sudan to Kenya to Mexico
Total Sorghum					72,154	

Source: USDA, World Perspectives, Inc.

FOB

Yellow Corn (USD/MT FOB Vessel*)				
YC FOB Vessel Max. 15.0% Moisture	GULF		PNW	
	Basis (#2 YC)	Flat Price (#2 YC)	Basis (#2 YC)	Flat Price (#2 YC)
October	2.33+Z	\$358.94	2.46+Z	\$364.15
November	1.98+Z	\$345.31	2.06+Z	\$348.41
December	1.59+H	\$332.07	1.91+H	\$344.67
January	1.43+H	\$325.77	1.91+H	\$344.67
February	1.31+H	\$320.95	1.91+H	\$344.67
March	1.29+K	\$320.26	1.91+K	\$344.67

Sorghum (USD/MT FOB Vessel*)				
#2 YGS FOB Vessel Max 14.0% Moisture	NOLA		TEXAS	
	Basis	Flat Price	Basis	Flat Price
October	N/A	N/A	2.75+Z	\$375.67
November	N/A	N/A	2.70+Z	\$373.70
December	N/A	N/A	2.60+H	\$371.93

#2 White Corn (U.S. \$/MT FOB Vessel*)			
Max. 15.0% Moisture	October	November	December
Gulf	N/A	N/A	N/A

Corn Gluten Feed Pellets (CGFP) (FOB Vessel U.S. \$/MT*)			
	October	November	December
New Orleans	\$310	\$310	\$310
<i>Quantity 5,000 MT</i>			

Corn Gluten Meal (CGM) (FOB Vessel U.S. \$/MT*)			
Bulk 60% Pro.	October	November	December
New Orleans	\$780	\$780	\$780
<i>*5-10,000 MT Minimum</i>			

**Prices are based on offer indications only. Quoted prices are believed to reflect current market conditions but may vary from actual offers. Terms of delivery, payment, and quality may vary from one supplier to another, impacting the actual value of the price.*

DDGS Price Table: November 3, 2022 (USD/MT)
 (Quantity, availability, payment, and delivery terms vary)

Delivery Point Quality Min. 35% Pro-fat combined	November	December	January
Barge CIF New Orleans	336	334	336
FOB Vessel GULF	349	346	343
Rail delivered PNW	342	342	346
Rail delivered California	360	362	365
Mid-Bridge Laredo, TX	343	346	349
FOB Lethbridge, Alberta	327	328	329
40 ft. Containers to South Korea (Busan)	N/A	N/A	N/A
40 ft. Containers to Taiwan (Kaohsiung)	350	350	360
40 ft. Containers to Philippines (Manila)	410	410	415
40 ft. Containers to Indonesia (Jakarta)	418	418	428
40 ft. Containers to Malaysia (Port Kelang)	400	400	410
40 ft. Containers to Vietnam (HCMC)	403	403	413
40 ft. Containers to Japan (Yokohama)	400	400	410
40 ft. containers to Thailand (LCMB)	408	408	418
40 ft. Containers to China (Shanghai)	408	408	418
40 ft. Containers to Bangladesh (Chittagong)	N/A	N/A	N/A
40 ft. Containers to Myanmar (Yangon)	442	442	452
KC Rail Yard (delivered ramp)	303	305	306
Elwood, IL Rail Yard (delivered ramp)	298	300	301

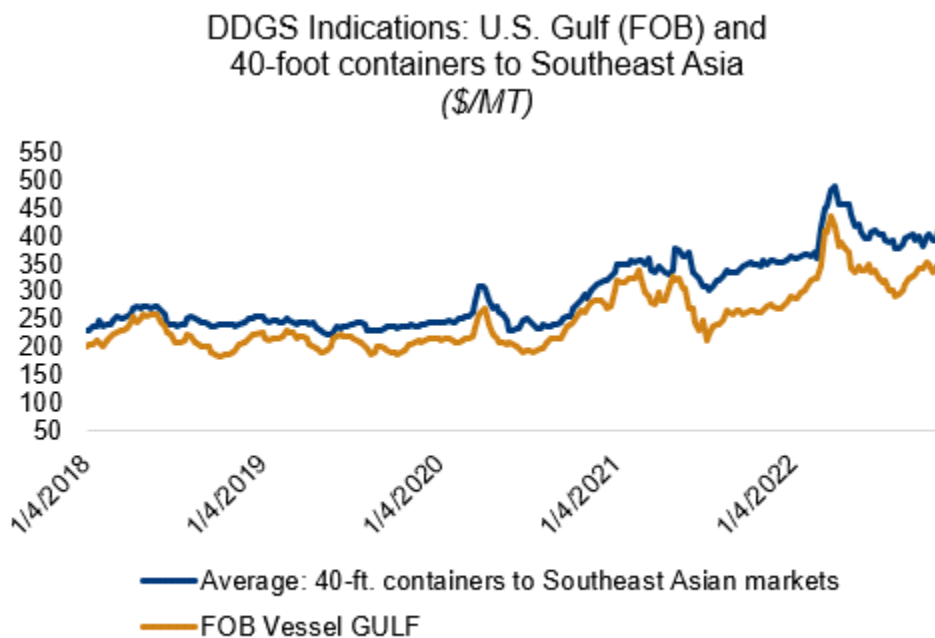
*Source: World Perspectives, Inc. *Prices are based on offer indications only; terms of delivery, payment and quality may vary from one supplier to another, impacting the actual value of the price.*

Distiller's Dried Grains with Solubles (DDGS)

DDGS Comments: DDGS values are \$5-7 higher this week due to strong feed demand in the Midwest and continued adjustment to September's lower production. Barge rates should be easing as recent rains have enabled a slight increase in the allowable draft for vessels.

The DDGS/Kansas City soymeal ratio has DDGS priced at about half the cost of soymeal. Meanwhile, the DDGS/cash corn ratio edged slightly higher this week to 102 percent, still below the three-year average of 1.06.

On the export market, Barge CIF NOLA prices are \$11 higher for November shipment, erasing all of last week's declines as barge rates rally again. Offers for DDGS on barges for December and January are up \$7 and \$4/MT, respectively. FOB NOLA offers are up \$9 for November at \$345/MT for 35 percent pro-fat and near \$335-330/MT for 34 percent pro-fat. Offers for 40-foot containers to Asia are up \$10-15 at \$407/MT this week.



Source: World Perspectives, Inc.

Country News

Argentina: The Buenos Aires Grains Exchange says the first rains in nearly five months have boosted the prospects for the 2022/23 corn crop. (Refinitiv)

Brazil: Chinese authorities have updated a list of Brazilian trading firms that will be authorized to deliver corn. More than half of the 2022/23 corn crop has been planted. (Refinitiv)

EU: The French corn harvest is nearly complete. FEFAC forecasts a 3.6 percent drop in EU animal feed production due to the war and disease. (AgriCensus)

Mexico: Deputy Agriculture Minister Victor Suarez says his country will begin negotiating with farmers to deliver non-GMO corn for importation. (Reuters)

South Korea: MFG purchased 134 KMT of corn at \$330-\$331/MT for arrival in February 2023. KFA bought 65 KMT of corn in a private deal believed to be priced at \$332.45/MT plus \$1.50/MT for additional port discharges. (Refinitiv; AgriCensus)

Ukraine: The corn harvest is more than a fifth completed. (AgriCensus)

Ocean Freight Markets and Spreads

Bulk Freight Indices for HSS — Heavy Grain, Sorghum and Soybeans*			
November 3, 2022			
Route and Vessel Size	Current Week (USD/MT)	Change from Previous Report	Remarks
55,000 U.S. Gulf-Japan	\$58.00	Down \$4.00	Handymax \$58.00 mt
55,000 U.S. PNW- Japan	\$34.00	Down \$1.50	Handymax at \$35.50 mt
66,000 U.S. Gulf – China	\$57.00	Down \$4.00	North or South China
PNW to China	\$33.25	Down \$1.75	
25,000 U.S. Gulf - Veracruz, México	\$24.25	Down \$1.25	3,000 MT daily discharge rate
30-36,000+ U.S. Gulf - Veracruz, México	\$20.50	Down \$1.50	Deep draft and 6,000 MT per day discharge rate.
30-38,000 U.S. Gulf - Colombia	\$33.50	Down \$2.00	West Coast Colombia at \$38.50
<u>50,000 MT U.S. Gulf to East Coast Colombia</u>	\$31.00		
From Argentina	\$41.00		
43-45,000 U.S. Gulf - Guatemala	\$40.50	Down \$2.00	Acajutla/Quetzal - 8,000 out
26-30,000 US Gulf - Morocco	\$56.50	Down \$3.50	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt	\$55.50	Down \$3.50	55,000-60,000 mt Egypt Romania - Russia- Ukraine \$25.50 - \$26.00 - \$39.00 - France \$39.00, Bulgaria \$27.00
PNW to Egypt	\$56.00		
60-70,000 U.S. Gulf – Europe, Rotterdam	\$29.00	Down \$1.00	Handymax at +\$2.50 more
Brazil, Santos – China	\$47.50	Down \$3.50	54-59,000 Supramax-Panamax
Brazil, Santos – China	\$45.00		60-66,000 Post Panamax
Northern Coast Brazil - China	\$51.50		55-60,000 mt
56-60,000 Argentina/Rosario-China, Deep Draft	\$51.00	Down \$3.50	Up-River with Top Off Plus \$3.85-\$4.75

Source: O'Neil Commodity Consulting

*Numbers for this table based on previous night's closing values.

Ocean Freight Comments

Transportation and Export Report: Jay O'Neil, O'Neil Commodity Consulting: Capesize FFA paper markets found some support this week from a rumor about China establishing a committee to consider potential ways to exit COVID lockdowns by March 2023. China news effects markets and Dry Bulk markets are always looking for supportive news. Despite this rumor, markets closed lower for the week. Panamax values are holding up a little better than the Capes at \$12,500/day for December. Physical freight demand is soft. The low water situation on the Mississippi River has improved slightly with some rains and barge drafts have increased by 1.5 feet and looking to increase more within the next week. U.S. Railroad labor contract negotiations continue without resolution and fears of a potential rail strike remain. Much the same is true for the ILWU union contract negotiations at West Coast Container ports.

Baltic-Panamax Dry-Bulk Indices				
November 3, 2022	This Week	Last Week	Difference	Percent Change
Route				
P2A: Gulf/Atlantic – Japan	22,732	25,591	-2,859	-11.2
P3A: PNW/Pacific– Japan	15,551	17,156	-1,605	-9.4
S1C: U.S. Gulf-China-S. Japan	24,086	26,179	-2,093	-8.0

Source: O'Neil Commodity Consulting

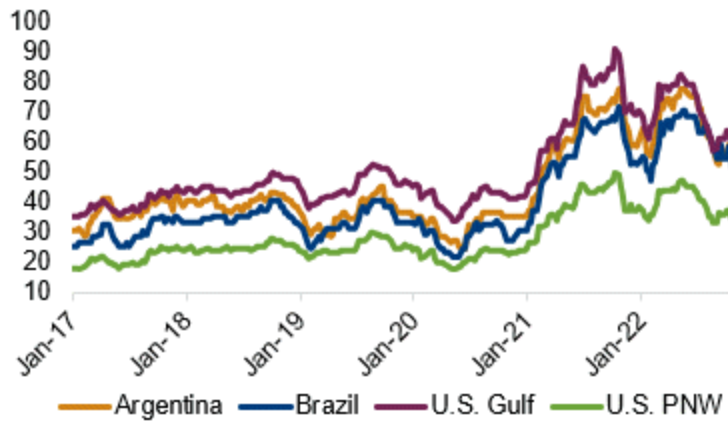
Capesize Vessel Freight Values	
Western Australia to South China (iron ore)	
Four weeks ago:	\$8.15-9.50
Three weeks ago:	\$8.50-9.45
Two weeks ago:	\$8.75-9.30
One week ago:	\$8.80-9.10
This week	\$8.10-8.40

Source: O'Neil Commodity Consulting

U.S.-Asia Market Spreads					
November 3, 2022	PNW	Gulf	Bushel Spread	MT Spread	Advantage
#2 Corn	245.00	235.00	10.00	\$393.68	GULF
Soybeans	300.00	250.00	50.00	\$1,837.19	GULF
Ocean Freight	\$33.25	\$57.00	0.6-0.65	\$23.75	December

Source: O'Neil Commodity Consulting

Bulk Grain Freight Rates to Japan from Select Origins



Source: World Perspectives, Inc.

Bulk Grain Freight Rates for Key Suppliers and Destinations
November 3, 2022

Origin	Destination	This Week	Monthly Change	Monthly % Change	Yearly Change	Yearly % Change	2-Year History
<i>Panamax/Supramax Vessels</i>							
U.S. Gulf		58.00	-3.25	-5.3%	-26.50	-31.4%	
U.S. PNW	Japan	34.00	-2.00	-5.6%	-11.25	-24.9%	
Argentina		56.50	0.00	0.0%	-20.00	-26.1%	
Brazil		50.50	-4.00	-7.3%	-19.60	-28.0%	
U.S. Gulf		57.00	-3.25	-5.4%	-26.50	-31.7%	
U.S. PNW	China	33.25	-2.25	-6.3%	-11.25	-25.3%	
Argentina		51.00	-4.00	-7.3%	-20.50	-28.7%	
Brazil		51.50	-7.00	-12.0%	-14.75	-22.3%	
U.S. Gulf		30.30	1.00	3.4%	-0.70	-2.3%	
Argentina	Europe	46.50	1.20	2.6%	5.00	12.0%	
Brazil		51.50	3.20	6.6%	5.00	10.8%	
Argentina	Saudi Arabia	59.50	-2.00	-3.3%	1.00	1.7%	
Brazil		66.50	1.00	1.5%	2.00	3.1%	
U.S. Gulf		55.00	-3.25	-5.6%	-14.00	-20.3%	
U.S. PNW	Egypt	60.30	11.55	23.7%	0.80	1.3%	
Argentina		60.50	3.00	5.2%	9.00	17.5%	
Brazil		65.50	1.00	1.6%	5.00	8.3%	
<i>Handysize Vessels</i>							
U.S. Gulf		65.50	6.25	10.5%	-2.00	-3.0%	
U.S. Great Lakes	Morocco	73.00	26.25	56.1%	18.00	32.7%	
Argentina		53.50	3.00	5.9%	12.00	28.9%	
Brazil		56.50	3.00	5.6%	11.00	24.2%	
U.S. Great Lakes	Europe	71.30	22.35	45.7%	14.10	24.7%	
Brazil		59.20	9.60	19.4%	1.85	3.2%	
Argentina	Algeria	54.50	2.00	3.8%	9.00	19.8%	
Brazil		57.50	3.00	5.5%	12.00	26.4%	
U.S. Gulf		33.50	-1.75	-5.0%	-10.50	-23.9%	
U.S. PNW	Colombia	52.00	11.95	29.8%	3.20	6.6%	
Argentina		41.00	-1.75	-4.1%	-19.00	-31.7%	
<i>Shipping Indexes</i>							
Baltic Dry Index		1463	-325	-18.2%	-1965	-57.3%	

Source: World Perspectives, Inc.

Note: Quoted rates are believed to reflect current market conditions but may vary from actual offers.

Rates may differ based on delivery terms, demurrage, and other factors.

Indications for some routes were corrected on 20 and 27 Oct. 2022.