



# Market Perspectives

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**November 10, 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 November 4	Monday November 7	Tuesday November 8	Wednesday November 9	Thursday November 10
Change	1.75	-5.25	-8.25	-3.00	-11.25
Closing Price	681.00	675.75	667.50	664.50	653.25
Factors Affecting the Market	Corn futures were basically flat to close out what otherwise has been a volatile trading week. The ups and downs early in the week related to the Ukraine export corridor was left behind by Friday though funds stay long due to the Russian threat.	Corn closed lower after trading both sides of unchanged. This is the third time in recent days that the contract has closed below the 50-day MA, reflecting a shift towards bearish momentum. There is little fresh news to push the market higher, at the same time slow exporting pressures the market lower.	One day before a WASDE report expected to move the corn export estimate lower, the market broke below the \$6.71 support level that had held up for the past two months. Private firms had also been estimating higher yields, but trading did not go below or test the 200-day MA.	Corn closed only slightly lower despite heavy volume since most of the WASDE related trimming occurred on Tuesday. Support was found at \$6.60/bushel and the 100-day MA provides technical support at \$6.50/bushel. USDA is still bullish corn exports.	After the WASDE showed a higher yield and larger carryout, the market continues to grind lower. The disappointing Export Sales report did not help though a flash sale of corn to Mexico was supportive. Nonetheless, trading dipped below the lower Bollinger Band and had a fresh low at 6.52 3/4/bushel.

**Outlook:** After five days of trading, December corn futures are down X cents (0.0 percent) as the market broke through lower support this week at \$6.71/bushel. USDA maintained confidence in its export forecast of 54.61 MMT (2,150 million bushels) even as it raised yield and carryover stocks in its November WASDE report. The agency did lower its forecast for global corn production, exports and ending stocks. U.S. corn ending stocks remain at their lowest level in 10-years and this year's crop is the smallest in three years.

Long positions have been trimmed but not completely exited as there remains many uncertainties in the corn market. At the end of last week, corn speculators had raised their net long position by 11,982 contracts to a total of 196,686. CFTC's report tomorrow will show whether that remains the market position.

As of Sunday, USDA's Crop Progress report indicates the U.S. corn crop is 87 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 231,458 MT, weekly export inspections as of November 3 were down 48 percent from a week earlier and remain well behind the U.S. forecast. Export sales last week were 259,080 MT and overall commitments are down 54 percent from a year ago. However, there was a flash sale of corn to Mexico this week at 338,600 MT. Meanwhile, Conab lowered its forecast for the 2022/23 Brazilian corn crop by 0.4 percent.

Ethanol production remains strong with the EIA reporting yet another week of increased production. At an average of 1,051 thousand barrels produced a day for the week ending November 4, this makes the fourth week in a row of daily output exceeding one million barrels.

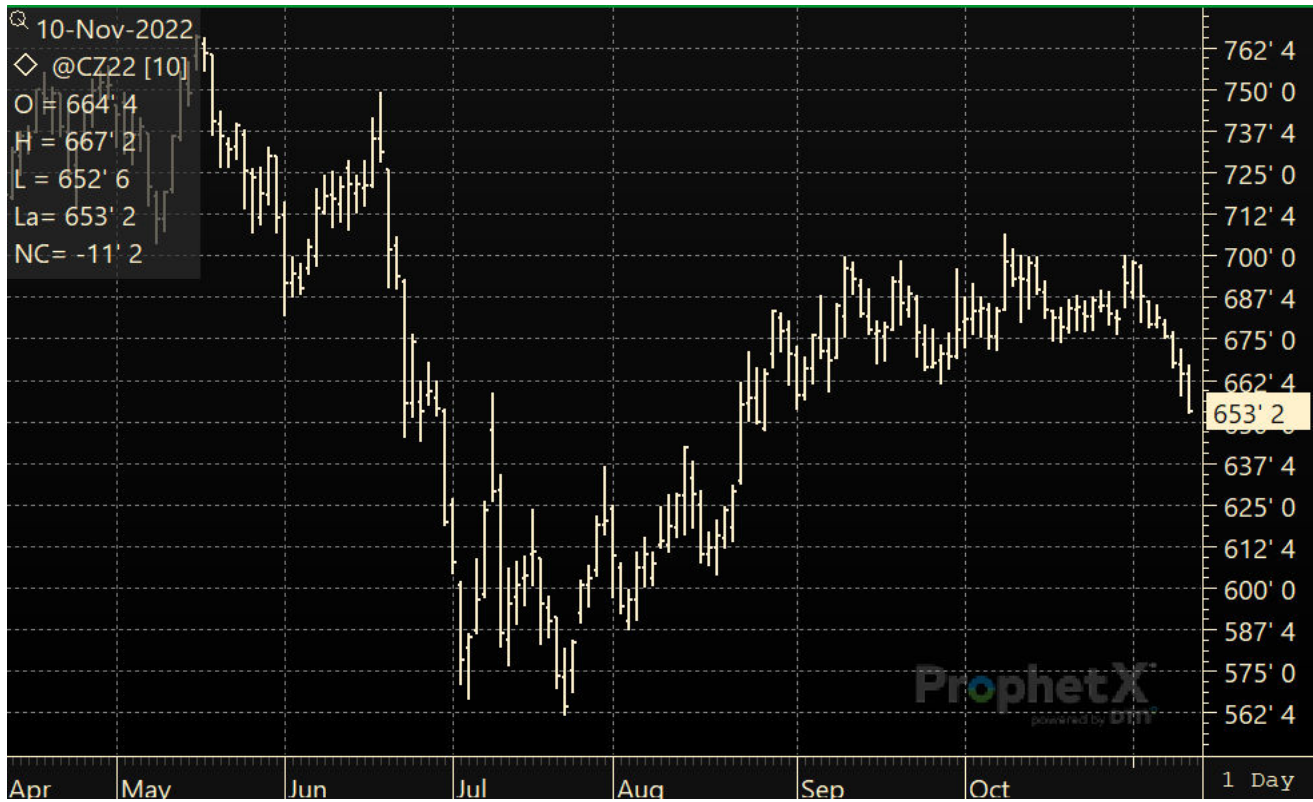
Russia maintains its position that its demands are not being met for extending the current Black Sea grain corridor agreement beyond its current November 19 expiration date. UN officials remain optimistic it will continue but more will be known in just over a week from now.

Interest Rates and Macroeconomic Markets, November 10, 2022						
	Last*	Weekly Change	Weekly % Change	Monthly Change	Monthly % Change	1-Year History
Interest Rates						
U.S. Prime	7.00	0.8	12.0%	0.8	12.0%	
LIBOR (6 Month)	5.16	0.2	3.7%	0.7	14.8%	
LIBOR (1 Year)	5.63	0.1	1.7%	0.6	11.2%	
S&P 500	3,910.7	190.8	5.1%	240.8	6.6%	
Dow Jones Industrials	33,402.0	1,400.7	4.4%	3,363.3	11.2%	
U.S. Dollar	108.4	-4.5	-4.0%	-4.0	-3.5%	
WTI Crude	86.8	-1.4	-1.6%	-2.3	-2.6%	
Brent Crude	93.8	-0.8	-0.9%	-0.7	-0.8%	

Source: DTN ProphetX, World Perspectives, Inc.

\* Last price as of 2:16 PM ET

# CBOT December Corn Futures



Source: DTN ProphetX

**Current Market Values:**

<b>Futures Price Performance: Week Ending November 3, 2022</b>			
<b>Commodity</b>	<b>10-Nov</b>	<b>4-Nov</b>	<b>Net Change</b>
<b>Corn</b>			
Dec 22	653.25	681.00	-27.75
Mar 23	659.50	686.75	-27.25
May 23	659.50	686.75	-27.25
Jul 23	655.25	682.00	-26.75
<b>Soybeans</b>			
Nov 22	1430.50	1451.50	-21.00
Jan 23	1423.00	1462.25	-39.25
Mar 23	1428.00	1469.00	-41.00
May 23	1434.25	1476.00	-41.75
<b>Soymeal</b>			
Dec 22	404.10	420.40	-16.30
Jan 23	400.40	412.80	-12.40
Mar 23	395.30	403.50	-8.20
May 23	392.80	398.80	-6.00
<b>Soyoil</b>			
Dec 22	76.09	77.17	-1.08
Jan 23	73.63	74.85	-1.22
Mar 23	71.36	72.79	-1.43
May 23	69.45	71.01	-1.56
<b>SRW</b>			
Dec 22	803.50	847.75	-44.25
Mar 23	825.75	866.75	-41.00
May 23	837.00	877.25	-40.25
Jul 23	843.25	880.50	-37.25
<b>HRW</b>			
Dec 22	925.25	953.25	-28.00
Mar 23	921.50	950.75	-29.25
May 23	918.00	947.50	-29.50
Jul 23	911.25	939.75	-28.50
<b>MGEX (HRS)</b>			
Dec 22	931.50	954.50	-23.00
Mar 23	944.50	966.50	-22.00
May 23	949.75	973.00	-23.25
Jul 23	948.25	971.25	-23.00

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

## U.S. Weather/Crop Progress

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**U.S. Drought Monitor Weather Forecast:** Over the next 5-7 days, it is anticipated that the impact of tropical storm Nicole over the east coast will be significant, bringing a great deal of precipitation from Florida to Maine during the next several days. A winter storm is impacting the northern Plains into the upper Midwest, bringing with it some significant snow while a frontal passage over the Plains will allow for some precipitation from Nebraska south into the lower Mississippi valley. Temperatures during this period look to be well below normal, with portions of the northern Plains 20-24 degrees below normal during this time. Warmer-than-normal temperatures will impact the Northeast and Mid-Atlantic, with temperatures 6-9 degrees above normal.

The 6–10 day outlooks show that temperatures are expected to be well below normal over most of the country, with areas of the Plains having the highest likelihood of recording below-normal temperatures. In contrast, Alaska is anticipating warmer-than-normal temperatures during this time. The greatest chance of above-normal precipitation is over the Southeast as well as through the Rocky Mountains while much of the central Plains and Midwest as well as the West have the greatest chances of having below-normal precipitation.

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 November 3, 2022					
Commodity	Gross Sales (MT)	Exports (MT)	YTD Exports (000 MT)	YTD Bookings (000 MT)	% Change YTD Bookings
Wheat	338,000	151,500	8,966.6	12,493.9	-6%
Corn	380,700	259,400	4,402.1	14,729.7	-54%
Sorghum	30,000	2,400	46.5	353.9	-89%
Barley	0	0	3.9	14.0	-53%

Source: USDA, World Perspectives, Inc.

**Corn:** Net sales of 265,300 MT for 2022/2023 primarily for Mexico (157,500 MT, including decreases of 60,700 MT), Canada (48,800 MT, including decreases of 2,600 MT), Guatemala (29,500 MT), El Salvador (18,500 MT, including decreases of 14,000 MT), and unknown destinations (11,100 MT), were offset by reductions for Honduras (24,200 MT) and Japan (1,500 MT). Exports of 259,400 MT were primarily to Mexico (214,500 MT), Canada (15,600 MT), Nicaragua (7,800 MT), El Salvador (7,000 MT), and Honduras (5,500 MT).

**Barley:** No net sales or exports were reported for the week.

**Sorghum:** Total net sales of 30,000 MT for 2022/2023 were for Sudan. Exports of 2,400 MT were to Mexico.

U.S. Export Inspections: Week Ending November 3, 2022					
Commodity (MT)	Export Inspections		Current Market YTD	Previous YTD	YTD as Percent of Previous
	Current Week	Previous Week			
Barley	0	0	1,561	9,743	16%
Corn	231,458	445,693	4,447,613	6,134,187	73%
Sorghum	4,671	72,154	217,940	504,194	43%
Soybeans	2,591,127	2,586,228	12,812,726	14,190,547	90%
Wheat	180,991	137,082	9,828,111	9,920,116	99%

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 November 3, 2022

Region	YC	% of Total	WC	% of Total	Sorghum	% of Total
Lakes	0	0%	0	0%	0	0%
Atlantic	4,718	2%	0	0%	0	0%
Gulf	34,507	15%	7,000	100%	0	0%
PNW	0	0%	0	0%	0	0%
Interior Export Rail	185,233	83%	0	0%	4,671	100%
<b>Total (Metric Tons)</b>	<b>224,458</b>	<b>100%</b>	<b>7,000</b>	<b>100%</b>	<b>4,671</b>	<b>100%</b>
<b>White Corn Shipments by Country (MT)</b>			7,000	to El Salvador		
<b>Total White Corn</b>			<b>7,000</b>			
<b>Sorghum Shipments by Country (MT)</b>					4,671	to Mexico
<b>Total Sorghum</b>					<b>4,671</b>	

Source: USDA, World Perspectives, Inc.



# FOB

Yellow Corn (USD/MT FOB Vessel*)				
YC FOB Vessel Max. 15.0% Moisture	GULF		PNW	
	Basis	Flat Price	Basis	Flat Price
	(#2 YC)	(#2 YC)	(#2 YC)	(#2 YC)
Nov	2.43+Z		2.46+Z	
Dec	1.93+Z		2.46+Z	
Jan	1.51+H	\$318.88	2.01+H	\$338.76
Feb	1.37+H	\$313.56	2.01+H	\$338.76
Mar	1.26+H	\$309.04	1.96+H	\$336.79
Apr	1.15+K	\$304.90	1.96+K	\$336.79

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	\$376.85
November	N/A	N/A	2.70+Z	\$374.88
December	N/A	N/A	2.65+H	\$373.11

#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
Quantity 5,000 MT			

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

*\*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 10, 2022 (USD/MT)**  
 (Quantity, availability, payment, and delivery terms vary)

<b>Delivery Point Quality Min. 35% Pro-fat combined</b>	<b>November</b>	<b>December</b>	<b>January</b>
Barge CIF New Orleans	331	323	325
FOB Vessel GULF	336	335	335
Rail delivered PNW	340	341	348
Rail delivered California	354	357	360
Mid-Bridge Laredo, TX	339	341	347
FOB Lethbridge, Alberta	332	333	341
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)	430	430	435
40 ft. Containers to Indonesia (Jakarta)	430	430	440
40 ft. Containers to Malaysia (Port Kelang)	392	392	402
40 ft. Containers to Vietnam (HCMC)	395	395	405
40 ft. Containers to Japan (Yokohama)	395	395	405
40 ft. containers to Thailand (LCMB)	N/A	N/A	N/A
40 ft. Containers to China (Shanghai)	418	418	425
40 ft. Containers to Bangladesh (Chittagong)	N/A	N/A	N/A
40 ft. Containers to Myanmar (Yangon)	485	485	495
KC Rail Yard (delivered ramp)	N/A	N/A	N/A
Elwood, IL Rail Yard (delivered ramp)	283	284	285

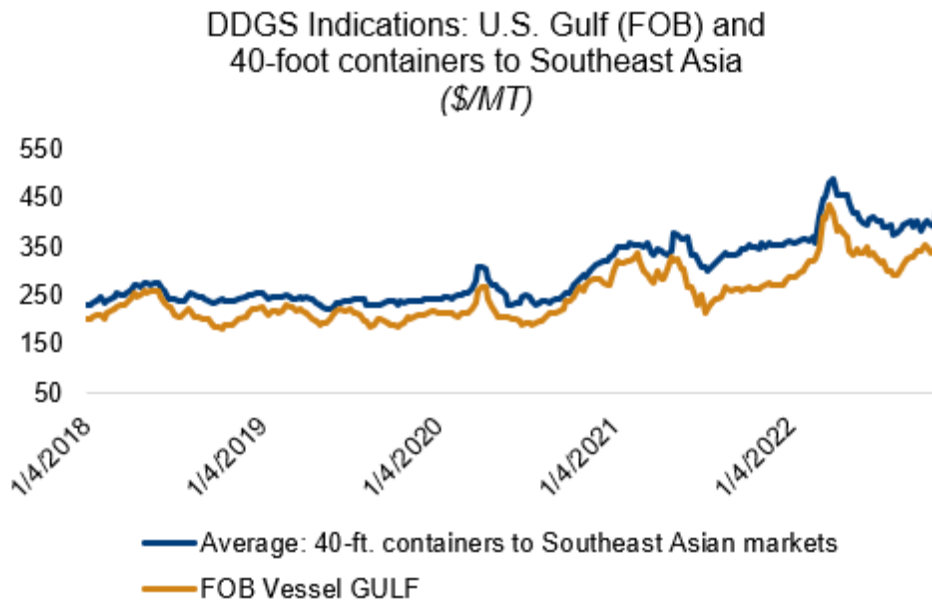
*Source: World Perspectives, Inc. \*Prices are based on offer indications only; terms of delivery, payment and quality may vary from one supplier to another, impacting the actual value of the price.*

## Distiller's Dried Grains with Solubles (DDGS)

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**DDGS Comments:** Nearby North American delivered DDGS prices were slightly lower this past week, perhaps reflecting the decline in corn values. Continued increases in ethanol production are also creating more coproduct for marketing. Lower transportation costs are yet another factor. Some increase in Mississippi water flows helped lower barge CIF NOLA rates. Plus, there is the benefit of slightly lower U.S. rail rates. Quotes for DDGS delivered Japan were also slightly lower but there were increases in the offers made going into Southeast Asia.

The value of DDGS relative to corn slipped lower this past week to closer to break-even, though the cost per unit of protein for DDGS remains a benefit.



Source: World Perspectives, Inc.

## Country News

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**Argentina:** The government expanded the corn export limit to 20 MMT and is weighing a return to the “soy dollar” to increase revenues from exports. (AgriCensus)

**Brazil:** Conab lowered its estimate of the corn crop by 0.4 percent to 126.4 MMT. Corn exports were kept the same at 45 MMT. The National Association of Cereal Exporters (ANEC) says that corn exports reached 32 MMT in the first ten months of the year, which is more than double 2020 sales. There was 6.24 MMT of corn shipped in October alone but the large volume of exports is creating a logistics crunch. (MercoPress; Refinitiv)

**EU:** FranceAgriMer expects the corn crop this year to be 10.74 MMT, a 3.6 percent decline from last month and the smallest crop since 1990. The yield this year is 16 percent smaller than the five-year average. (Reuters)

**South Africa:** The corn production area in 2022-23 is expected to remain flat at 2.6 million hectares. That should yield 15.6 MMT of maize. (FAS GAIN)

**Taiwan:** The MFIG purchasing group bought 65 KMT of animal feed corn in an international tender that closed on Wednesday. (Reuters)

**Ukraine:** The corn harvest has reached 27 percent as oilseed harvesting slows. (AgriCensus)

## Ocean Freight Markets and Spreads

Bulk Freight Indices for HSS — Heavy Grain, Sorghum and Soybeans*			
November 10, 2022			
Route and Vessel Size	Current Week (USD/MT)	Change from Previous Report	Remarks
55,000 U.S. Gulf-Japan	\$57.50	Down \$0.50	Handymax \$57.50 mt
55,000 U.S. PNW- Japan	\$34.00	Unchanged	Handymax at \$35.50 mt
65,000 U.S. Gulf – China	\$56.50	Down \$0.50	North or South China
PNW to China	\$33.25	Unchanged	
25,000 U.S. Gulf- Veracruz, México	\$24.00	Down \$0.25	3,000 MT daily discharge rate
35-40,000 U.S. Gulf- Veracruz, México	\$20.25	Down \$0.25	Deep draft and 6,000 MT per day discharge rate.
30-38,000 U.S. Gulf- Colombia	\$33.00	Down \$0.50	<u>West Coast Colombia at \$38.00</u>
50,000 USG- E/C Colombia	\$30.50		
<u>East Coast Colombia</u> From Argentina	\$40.00		
40-45,000 U.S. Gulf - Guatemala	\$40.50	Down \$2.00	Acajutla/Quetzal - 8,000 out
30,000 US Gulf-Morocco	\$55.50	Down \$1.00	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt	\$54.50	Down \$1.00	55,000-60,000 mt Egypt Romania - Russia- Ukraine \$22.50 -\$29.00 - \$39.00 - France \$35.00, Bulgaria \$25.00
PNW to Egypt	\$55.00		
58-74,000 U.S. Gulf – Europe – Rotterdam	\$29.50	Up \$0.50	Handymax at +\$2.50 more
Brazil, Santos –China	\$47.50	Unchanged	54-59,000 Supramax-Panamax 60-66,000 Post Panamax 55-60,000 mt
Brazil, Santos –China	\$45.00		
Up-River Port North Brazil	\$51.50		
56-60,000 Argentina-China	\$51.00	Unchanged	Up-River with Top Off Plus \$3.85-\$4.75

Source: D'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:** Vessel owners are hoping that history repeats itself. Over the past 5 years Capesize markets have bottomed out in mid-November and rallied slowly into the new year. But this has been an unusual year and FFA paper values for Q1 2023 are not looking very supportive. At the Baltic Freight Brokers conference in Geneva a speaker told participants that "the bottom is in" for Capesize markets but that may be wishful thinking. Lockdowns continue to weigh on the Chinese economy and cargo growth is questionable. Panamax values are holding up a little better than the Capes at \$13,100/day for December. Physical freight demand remains soft.

The low water situation on the Mississippi River has improved slightly and barge deliveries are increasing. U.S. Railroad labor contract negotiations continue without resolution but the potential for a strike has been moved forward into mid-December. 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	20,741	22,732	-1,991	-8.8
P3A: PNW/Pacific– Japan	14,829	1,551	-722	-46.6
S1C: U.S. Gulf-China-S. Japan	23,761	24,086	-325	-1.3

Source: O'Neil Commodity Consulting

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

Source: O'Neil Commodity Consulting

U.S.-Asia Market Spreads					
November 3, 2022	PNW	Gulf	Bushel Spread	MT Spread	Advantage
#2 Corn	1.85	2.35	0.50	\$19.68	PNW
Soybeans	2.20	2.80	0.60	\$22.05	PNW
Ocean Freight	\$56.50	\$33.25	.59-.63	\$23.25	December

Source: O'Neil Commodity Consulting

## Bulk Grain Freight Rates to Europe from Select Origins



Source: World Perspectives, Inc.

**Bulk Grain Freight Rates for Key Suppliers and Destinations**  
November 10, 2022

Origin	Destination	This Week	Monthly Change	Monthly %	Yearly Chang	Yearly %	2-Year History
<i>Panamax/Supramax Vessels</i>							
U.S. Gulf		57.50	-6.25	-9.8%	-20.50	-26.3%	
U.S. PNW	Japan	34.00	-3.00	-8.1%	-8.00	-19.0%	
Argentina		54.50	-2.00	-3.5%	-17.00	-23.8%	
Brazil		46.50	-8.00	-14.7%	-18.00	-27.9%	
U.S. Gulf		56.50	-6.25	-10.0%	-20.50	-26.6%	
U.S. PNW	China	33.25	-3.25	-8.9%	-8.00	-19.4%	
Argentina		512.00	454.00	782.8%	444.75	661.3%	
Brazil		47.50	-11.00	-18.8%	-14.50	-23.4%	
U.S. Gulf		30.00	0.70	2.4%	1.00	3.4%	
Argentina	Europe	47.50	1.20	2.6%	6.00	14.5%	
Brazil		51.50	2.20	4.5%	8.00	18.4%	
Argentina	Saudi Arabia	59.50	-2.00	-3.3%	1.00	1.7%	
Brazil		67.50	2.00	3.1%	3.00	4.7%	
U.S. Gulf		54.50	-5.75	-9.5%	-8.50	-13.5%	
U.S. PNW	Egypt	60.30	9.55	18.8%	6.80	12.7%	
Argentina		60.50	3.00	5.2%	10.00	19.8%	
Brazil		65.50	1.00	1.6%	4.00	6.5%	
<i>Handysize Vessels</i>							
U.S. Gulf		55.50	-5.75	-9.4%	-7.00	-11.2%	
U.S. Great Lakes	Morocco	73.00	24.25	49.7%	23.00	46.0%	
Argentina		53.50	3.00	5.9%	12.00	28.9%	
Brazil		56.50	3.00	5.6%	10.00	21.5%	
U.S. Great Lakes	Europe	71.30	20.35	39.9%	19.10	36.6%	
Brazil		59.20	9.60	19.4%	6.10	11.5%	
Argentina	Algeria	54.50	2.00	3.8%	8.00	17.2%	
Brazil		57.50	3.00	5.5%	11.00	23.7%	
U.S. Gulf		30.50	-5.75	-15.9%	-10.00	-24.7%	
U.S. PNW	Colombia	52.00	10.95	26.7%	6.70	14.8%	
Argentina		40.00	-3.75	-8.6%	-16.00	-28.6%	
<i>Shipping Indexes</i>							
Baltic Dry Index		14.63	-1929.37	-99.2%	-2703.4	-99.5%	

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.