



# Grains Update

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19 Nov 2024



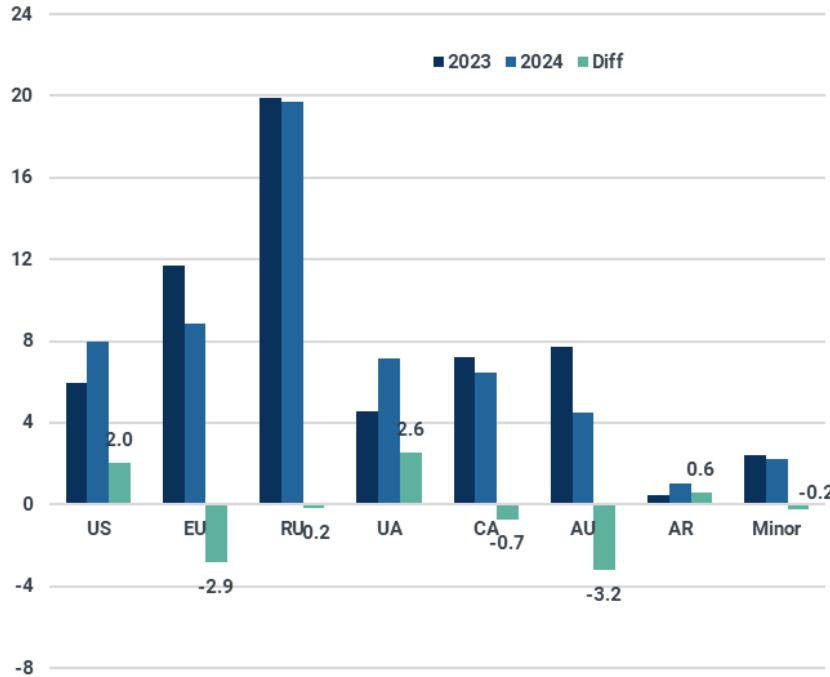
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# Wheat

# Wheat trade and 2025 prospects

Assuming normal weather, production is expected to bounce back from a low

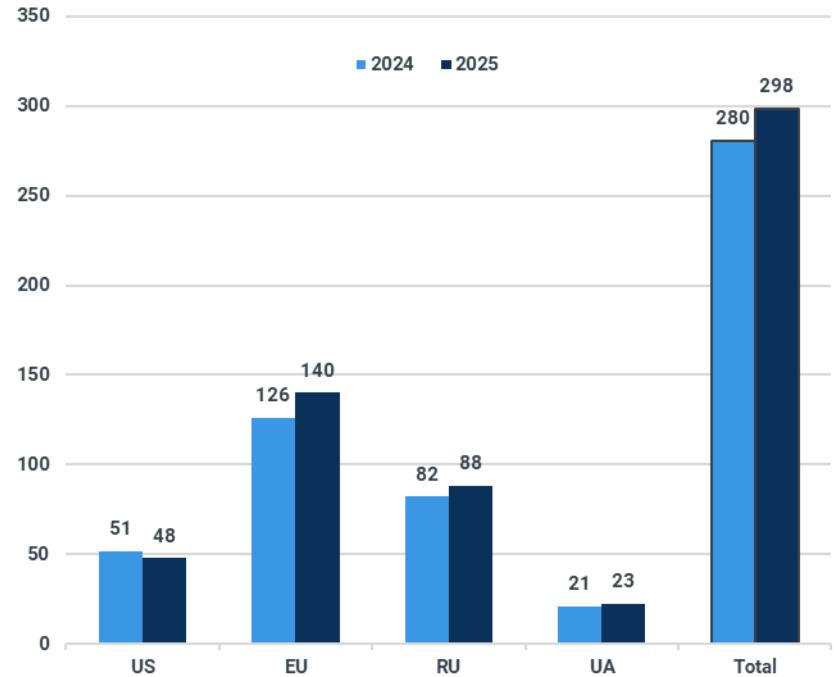
Jul-Oct year-to-date exports (Mt)



Source: Kpler Insight

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Production estimates (Mt)



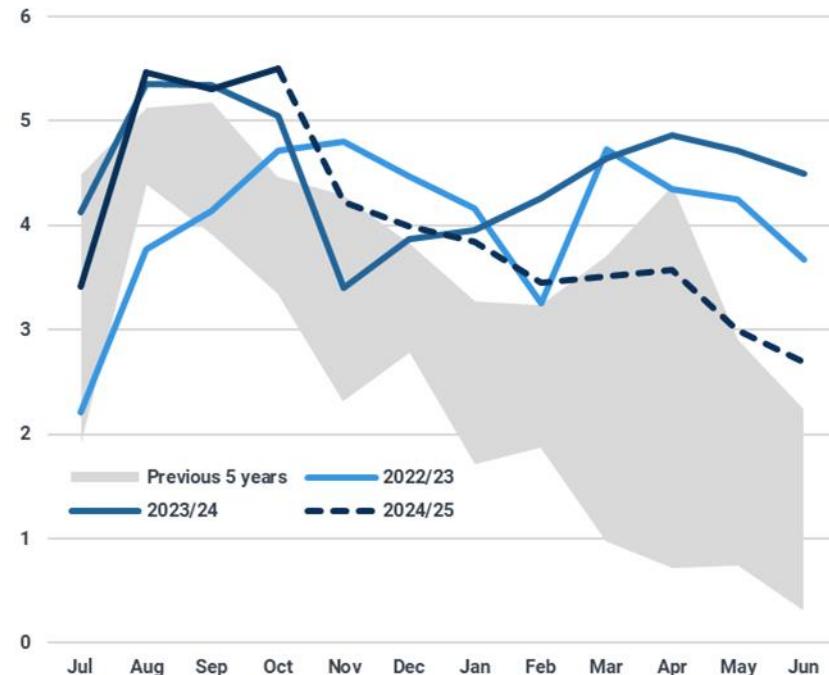
Source: Kpler Insight

# Russian exports and availability

Black sea supplies continue, market now trading 2025 production

- Despite a much lower crop, **year-to-date Russian exports are the same as last year**
- Without forward price visibility, it **remains a spot market** trading current availability
- **Policy uncertainty** around taxes, export rights, price floors and scramble for quotas create pressure to sell – fear of future policy
- Feb-Jun export **quota expected at 10-12 Mt**, significantly lower than 29 Mt in 2024
- **Will the market trade lower availability in H1 2025?**
- Futures likely to **trade new crop supply news**

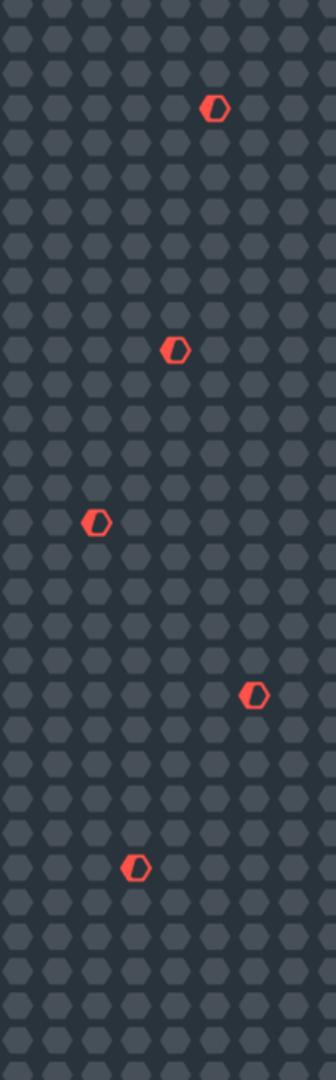
Russia monthly exports (Mt)



Source: Kpler Insight

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# Corn

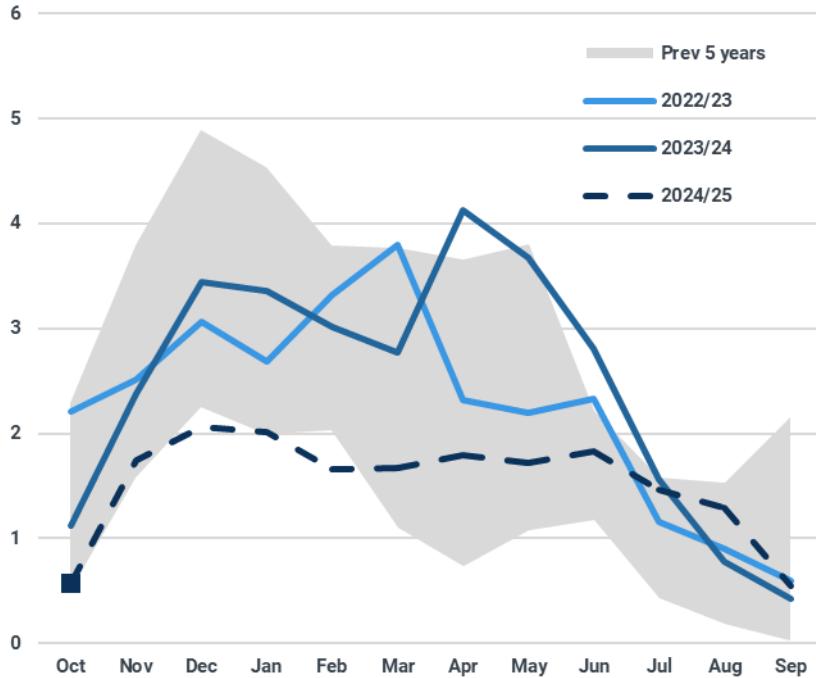


# Corn exports

US corn facing less competition from other origins

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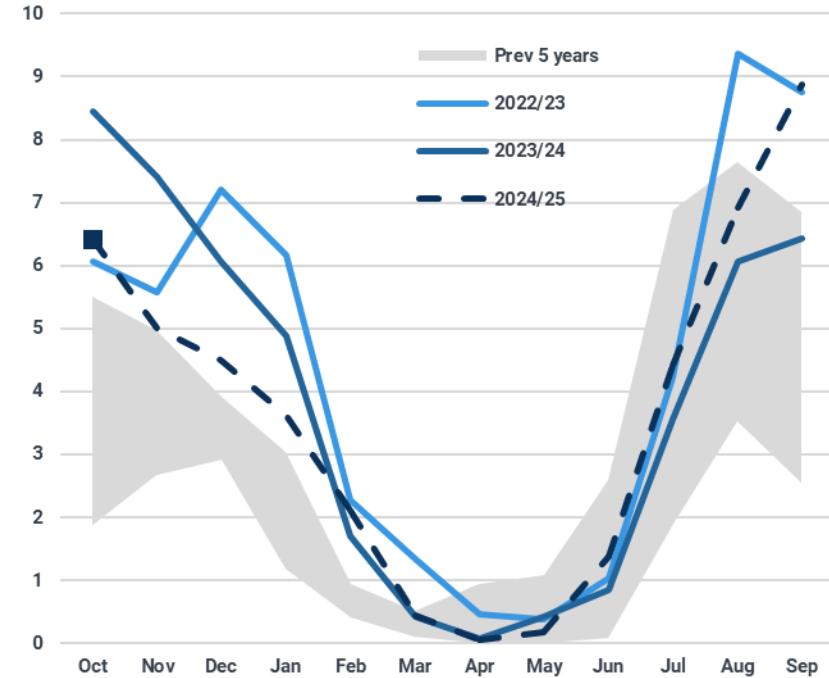
## Ukraine monthly exports (Mt)



Source: Kpler Insight

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## Brazil monthly exports (Mt)

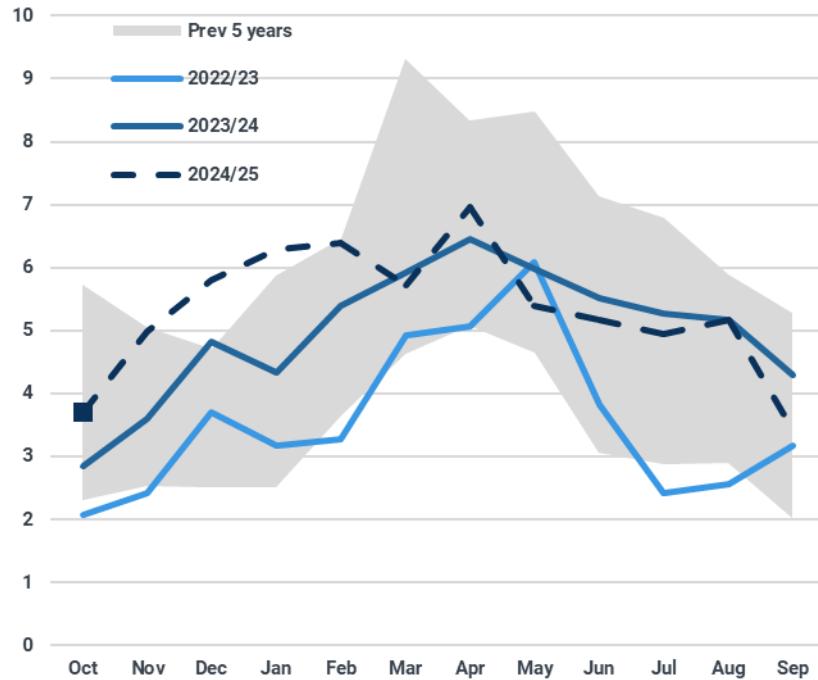


Source: Kpler Insight

# Corn exports

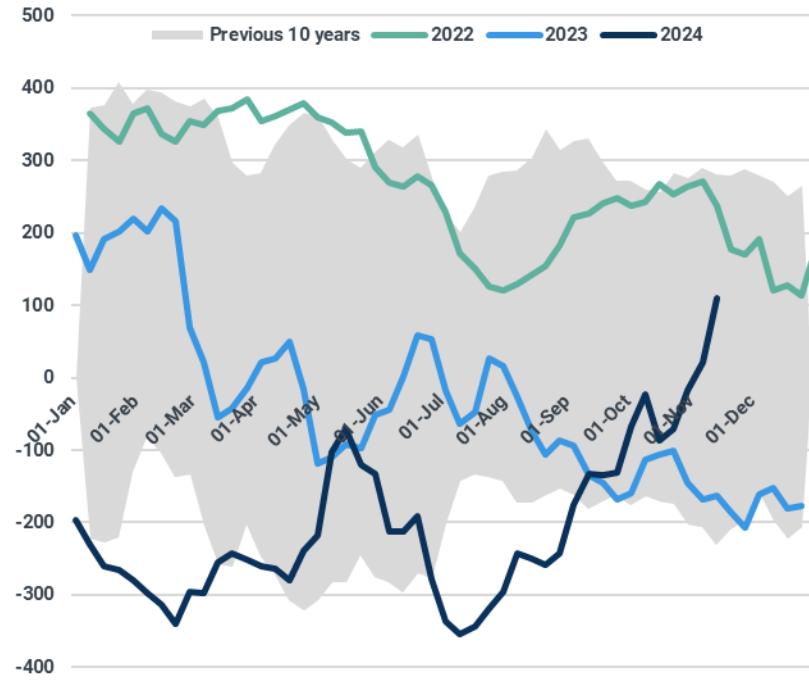
Strong US exports projected at current prices due to lack of competition, but the balance sheet remains heavy

## US corn exports (Mt)



Source: Kpler Insight

## Managed money positions (k lots)



Source: CFTC

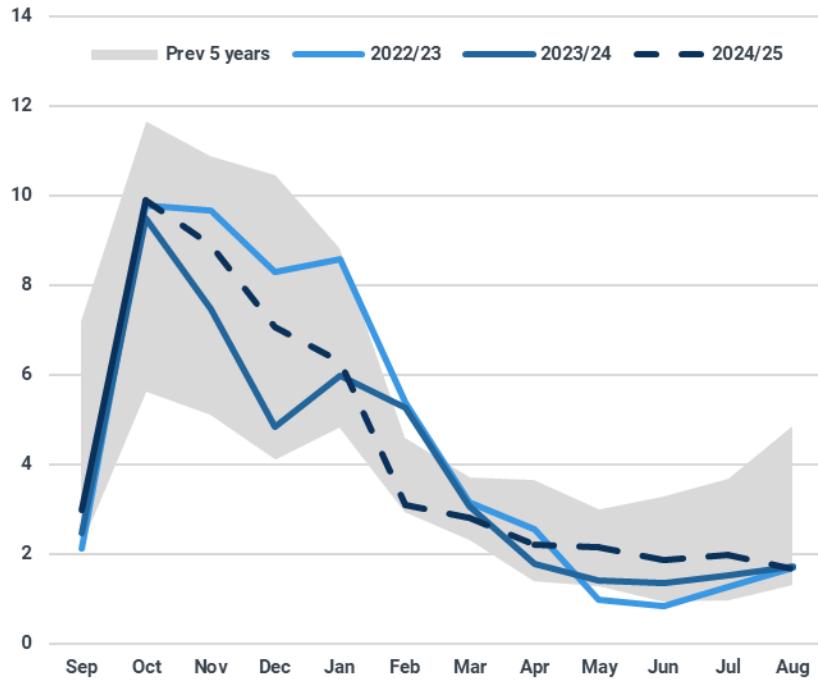
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# Soybean

# Export seasonality

A trade war with China will only play out in 2025/26 MY

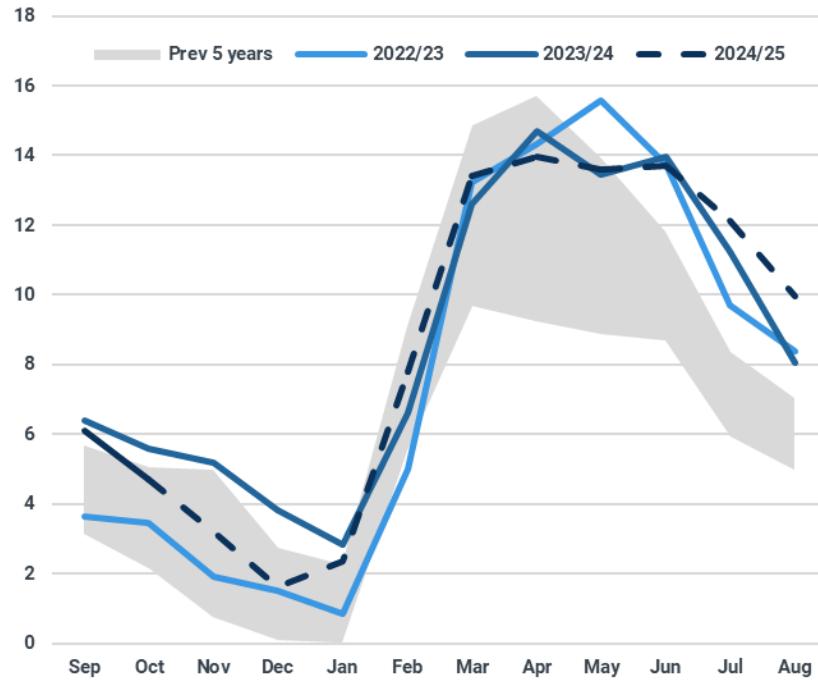
US monthly exports (Mt)



Source: Kpler Insight

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Brazil monthly exports (Mt)



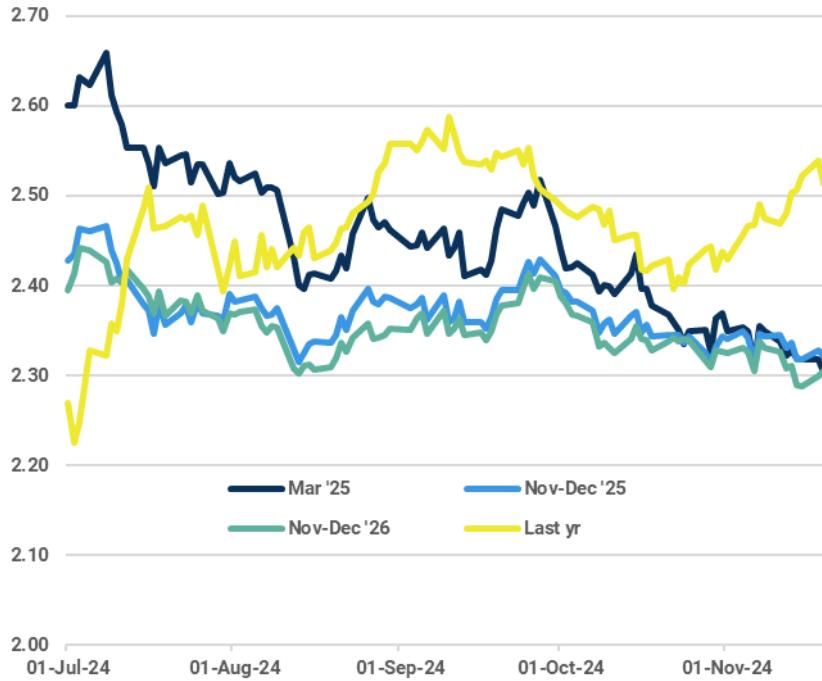
Source: Kpler Insight

# 2025 production prospects

The soy-corn ratio will affect planted acreage

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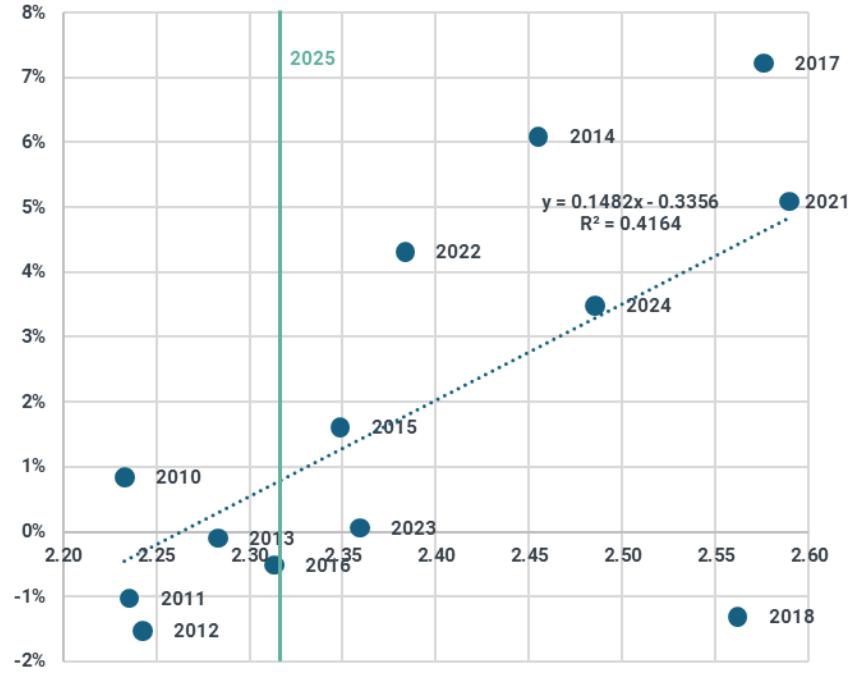
## Soybean-corn price ratios



Source: Kpler Insight

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## Soybean acreage change vs. soy-corn ratio



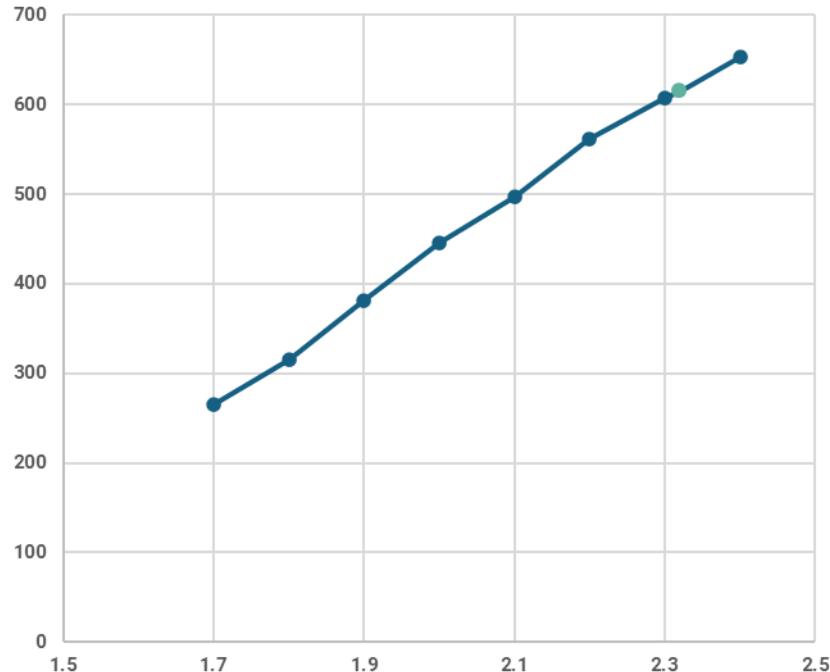
Source: Kpler Insight

# 2025/26 ending stocks

A trade war scenario will affect US ending stocks in Aug 2026

- Will there be a US-China trade war?
- Current soy-corn ratio should **increase US soy acreage** in 2025 by 0.9%
- Projected record production in Brazil allows China to import BR soy and **stock up through 2025** in anticipation of a trade war
- **2025/26 exports will suffer** in case of a trade war and low Chinese imports from the US
- Aug-26 US ending **stocks are projected to increase** to ~615 mbu, at current prices
- Conversely, to maintain stocks unchanged, a **soy-corn ratio of 1.9-2.0 is required**

Aug 2026 ending stocks (mbu) vs. soy-corn ratio



Source: Kpler Insight

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# Outlook

# What to look out for?

## Short-term market drivers

- Soybean
  - Brazil planting progress and growing season weather
  - US sales and inspections – weekly/ monthly
  - US & China trade policy
- Corn
  - Sales and importer demand (Asia/ China)
  - South American weather (Nov onwards)
- Wheat
  - Northern Hemisphere winter weather (2025 crop)
  - Australia, Argentina finishing weather, crop size
  - Russian policy & demand

**Wheat-corn spread, Dec-25 (¢/bu)**



Source: MarketView



## Reach out!

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