



Commodity Outlook

StoneX Financial Inc.

FCM Division

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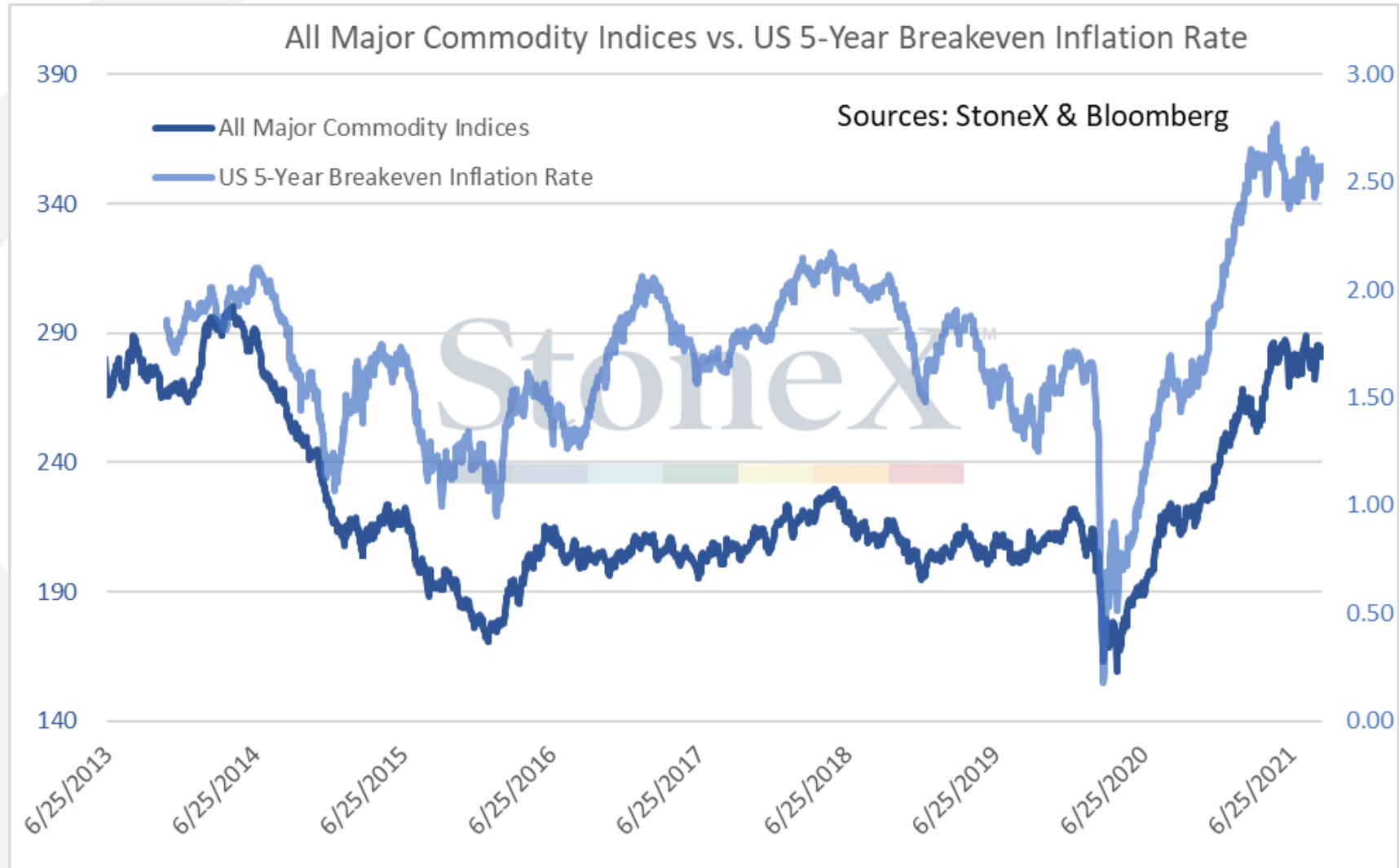
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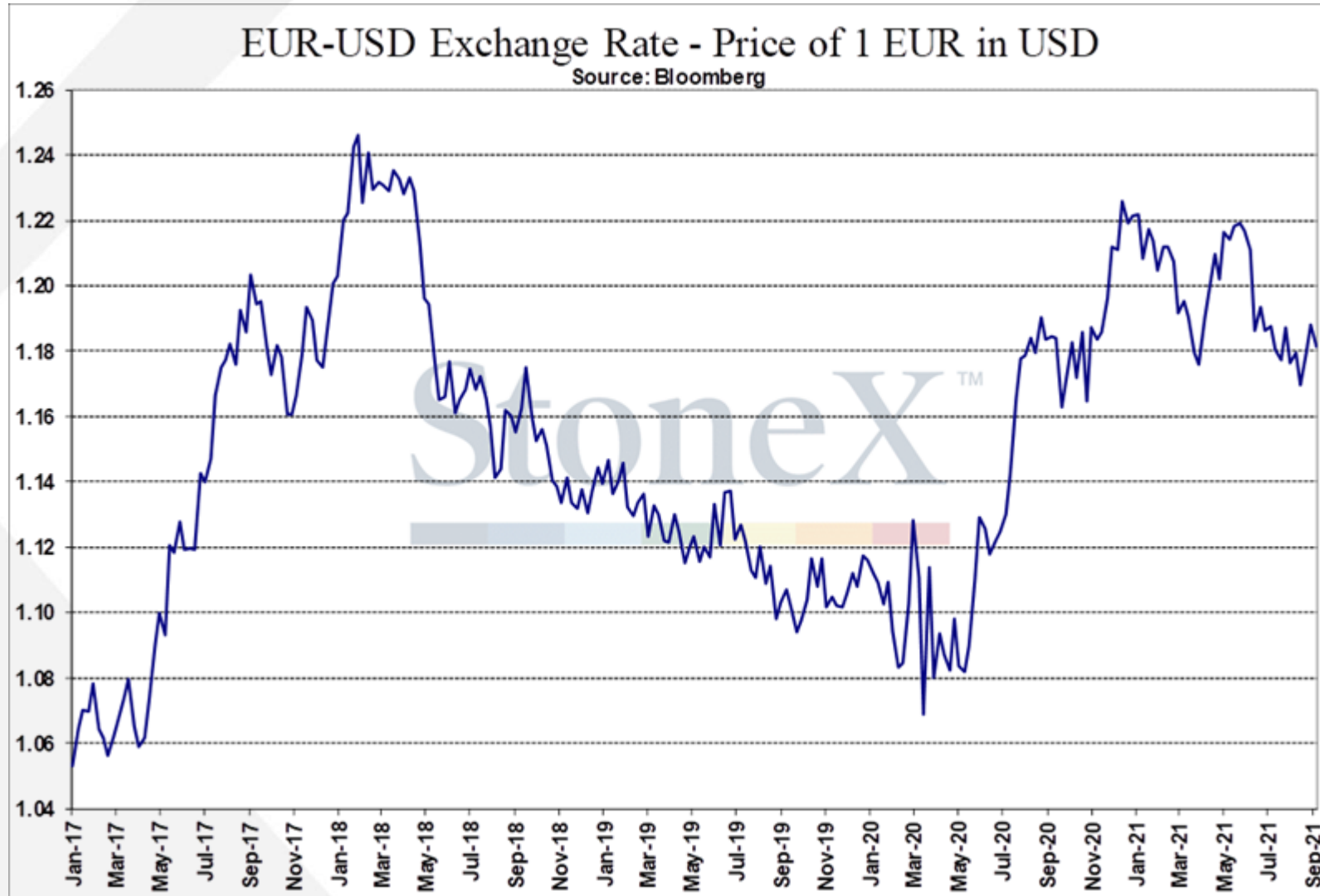
$$P = f(S * D) M$$

**Price is a Function of Supply
and Demand as Modified by
the Flow of Money.**

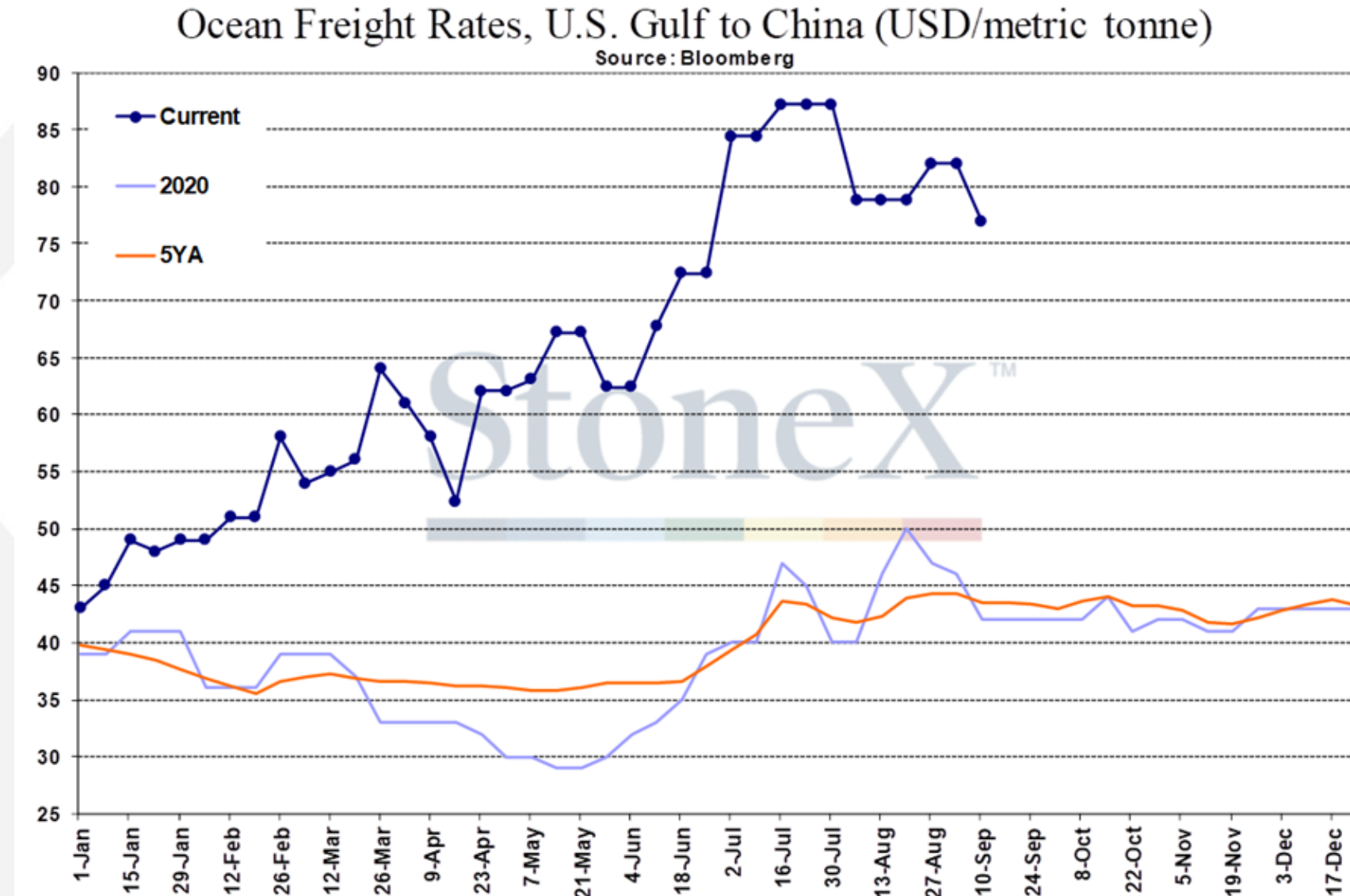
StoneX Commodity Index vs Inflation



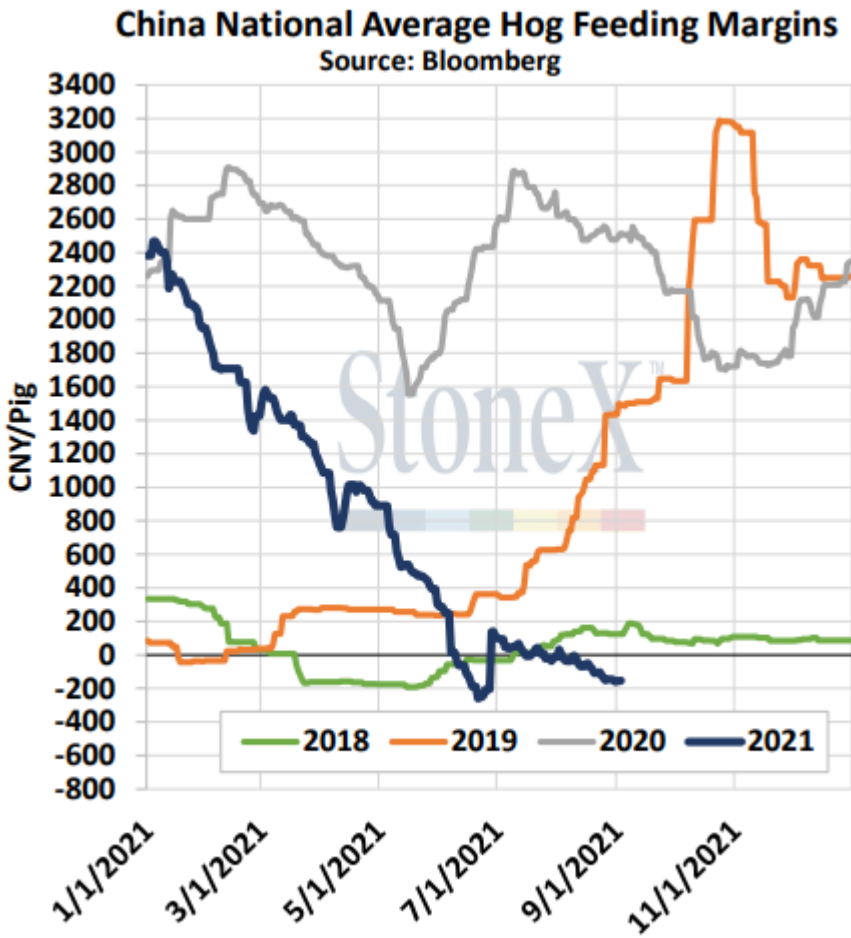
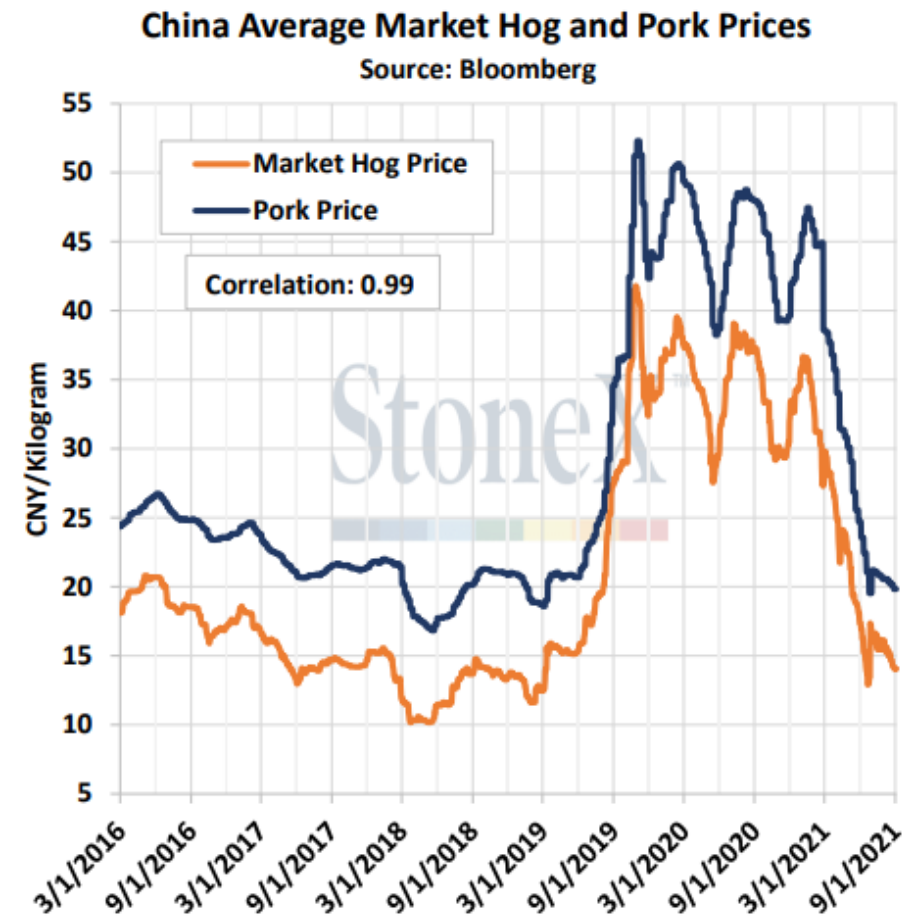
Euro Loses Value vs U.S. Dollar



Will Freight Rates Go Parabolically Higher?



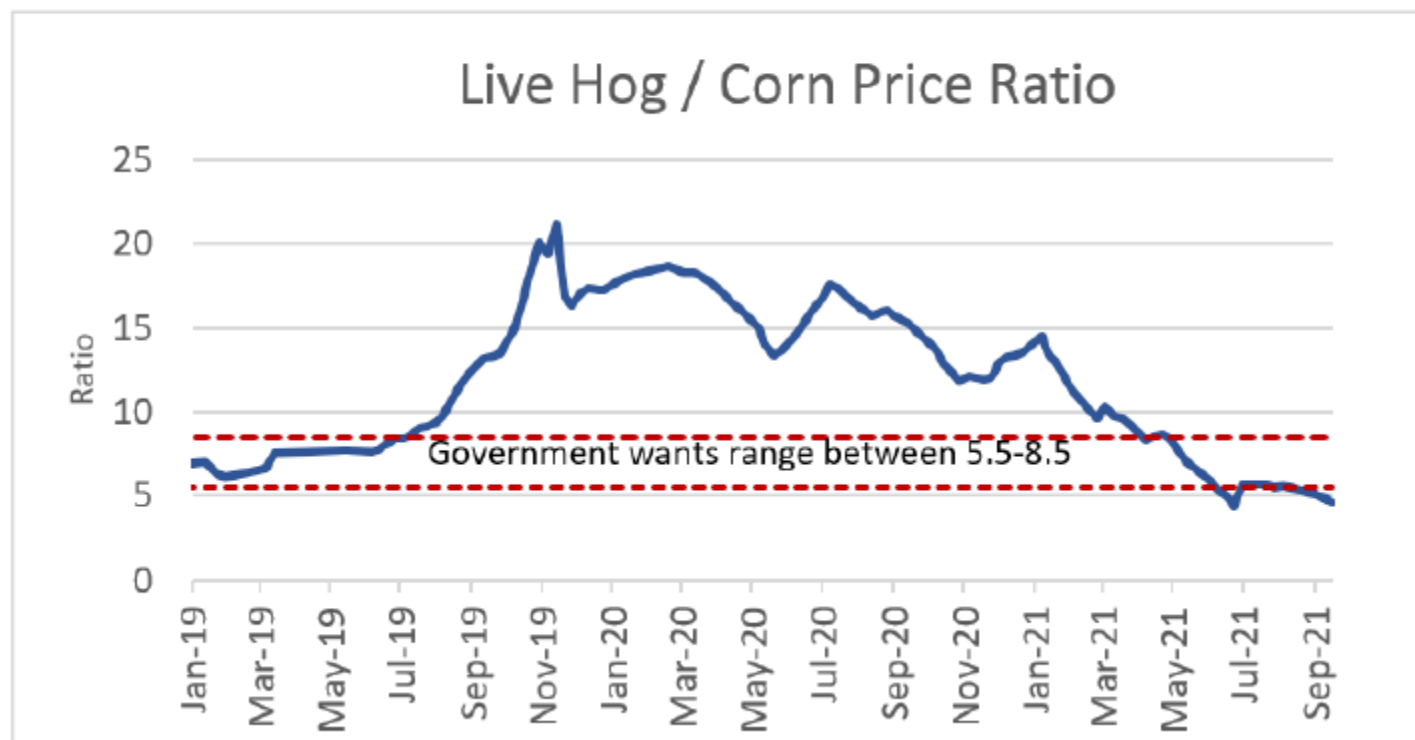
African Swine Fever Update



Hog Prices Swoon Amid High Input Costs

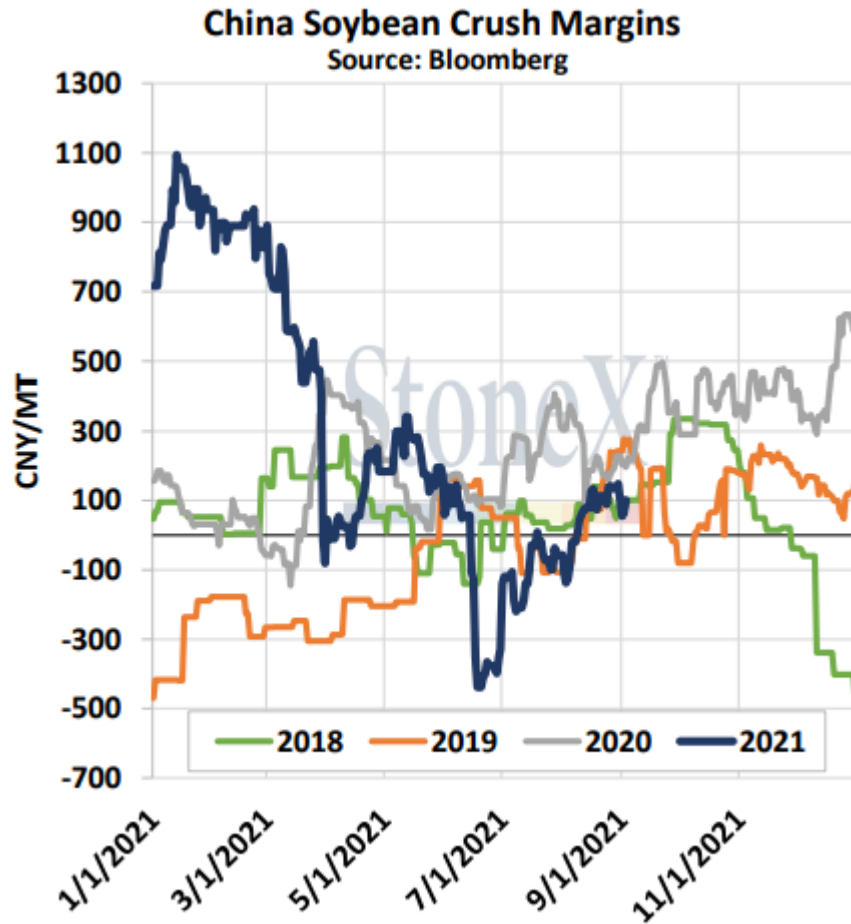
China National Corn Price to Hog Price Ratio

Current Ratio	4.62
Ratio 1 month ago	5.51
Ratio 1 year ago	15.20



Source: China Ministry of Agriculture and Rural Affairs, Hog Information Center

African Swine Fever Update



- **ASF Remains Alive & Well in China, Albeit Managed with Commercialization of the Industry and Expensive Biosecurity.**
- **Cases of ASF in Dominican Republic Raise Risk for Americas.**

China Covid Risk Update

- China Wants to Fill the Stands When it Hosts the Winter Olympics in February.
- It has a Zero-Tolerance Policy Toward Covid.
- Case Numbers are VERY Low, but Intolerable to It.
- Electronic Tracing Used to Quarantine/Test.
- Fear of Quarantine Slows Travel / Movement.
- The Above Ebbs & Flows With Each Outbreak.
- Risks to Energy / Meat Consumption.

U.S. Yields & Production

	2020-21		2020-21	
	Corn	Soybeans	Corn	Soybeans
	<i>Yield in bushels per acre</i>		<i>Production in billions of bushels</i>	
USDA WASDE	176.300	50.600	14.996	4.374
<u><i>Pre-Report Estimates</i></u>				
Average Trade Estimate	175.800	50.400	14.942	4.377
Highest Trade Estimate	178.100	51.200	15.120	4.440
Lowest Trade Estimate	173.600	49.500	14.710	4.310
Previous USDA Estimate	174.600	50.000	14.750	4.339
StoneX	177.500	50.800	15.088	4.379

StoneX estimates are for "final" numbers, not predicting USDA

SOURCE: Reuters Eikon

U.S. New-Crop Ending Stocks

	2021-22		
	Wheat	Corn	Soybeans
	<i>billions of bushels</i>		
USDA Report	0.615	1.408	0.185
Average Trade Estimate	0.616	1.382	0.190
Highest Trade Estimate	0.652	1.612	0.260
Lowest Trade Estimate	0.579	1.018	0.132
Previous USDA Estimate	0.627	1.242	0.155
StoneX	0.619	1.487	0.132

StoneX estimates are for “final” numbers, not predicting USDA

SOURCE: Reuters Eikon

Global Ending Stocks

	2021-22		
	Wheat	Corn	Soybeans
	<i>million metric tons</i>		
USDA Report	283.22	297.63	98.89
<u><i>Pre-Report Estimates</i></u>			
Average Trade Estimate	279.03	286.01	96.89
Highest Trade Estimate	288.00	290.50	98.70
Lowest Trade Estimate	276.00	281.50	91.20
Previous USDA Estimate	279.06	284.63	96.15
 StoneX	 280.60	 289.70	 91.20

StoneX estimates are for “final” numbers, not predicting USDA

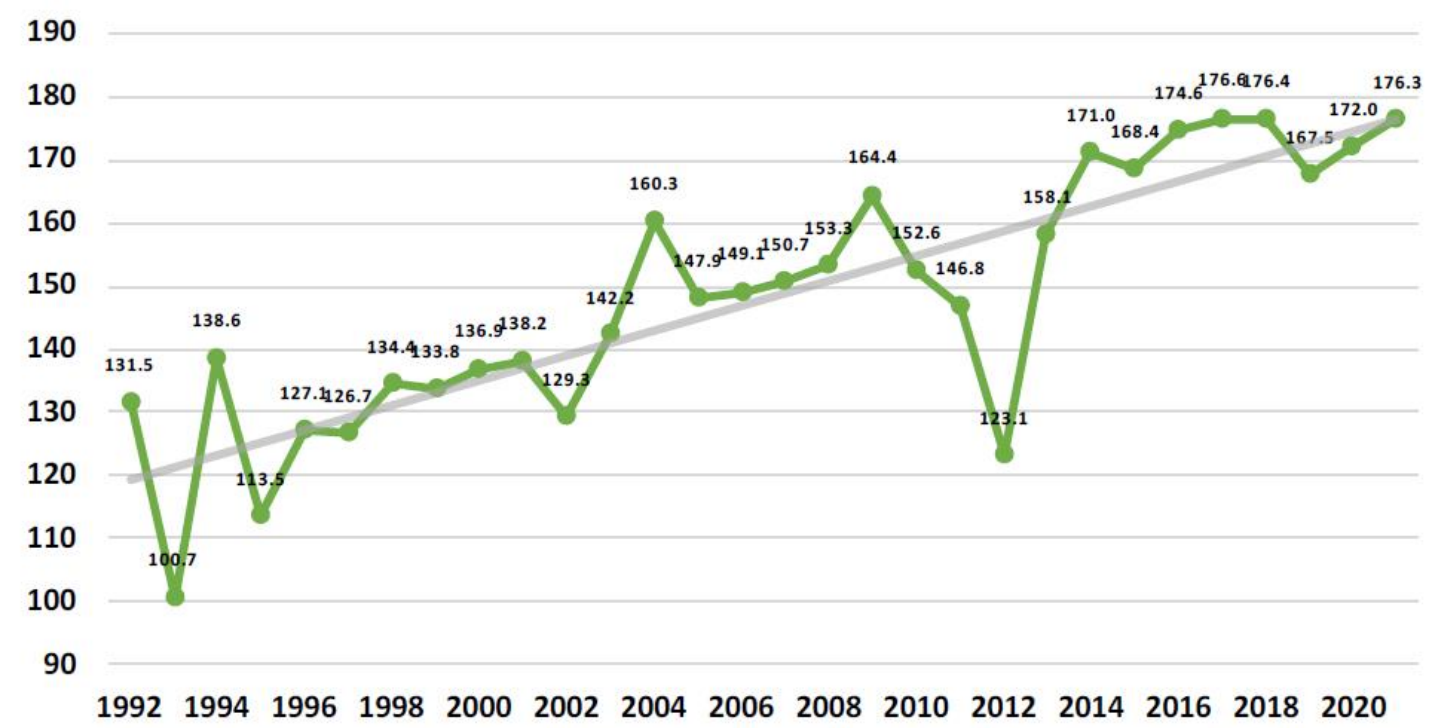
SOURCE: Reuters Eikon



Corn Yield United States



Bushels per Acre



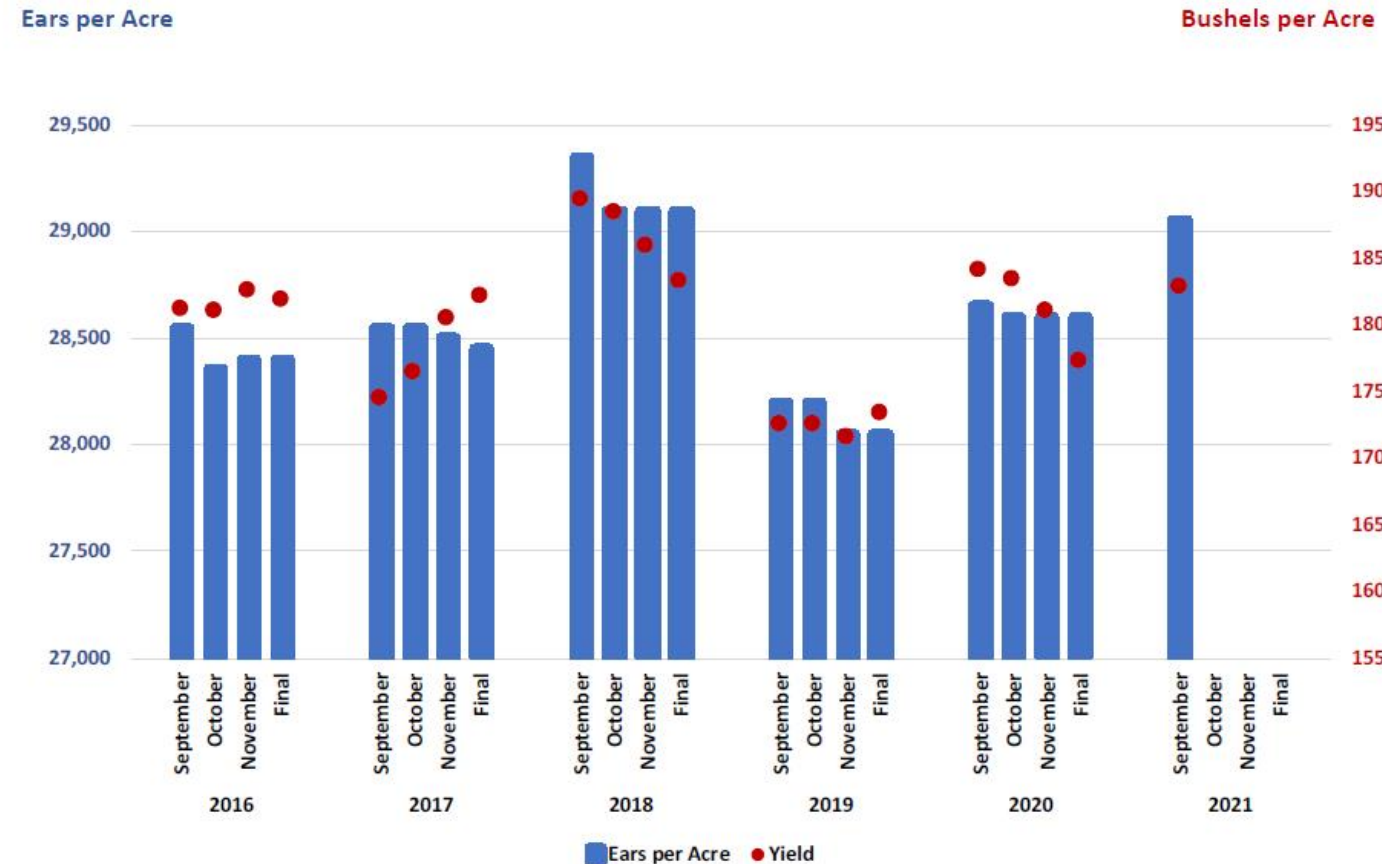
United States Department of Agriculture
National Agricultural Statistics Service

September 10, 2021



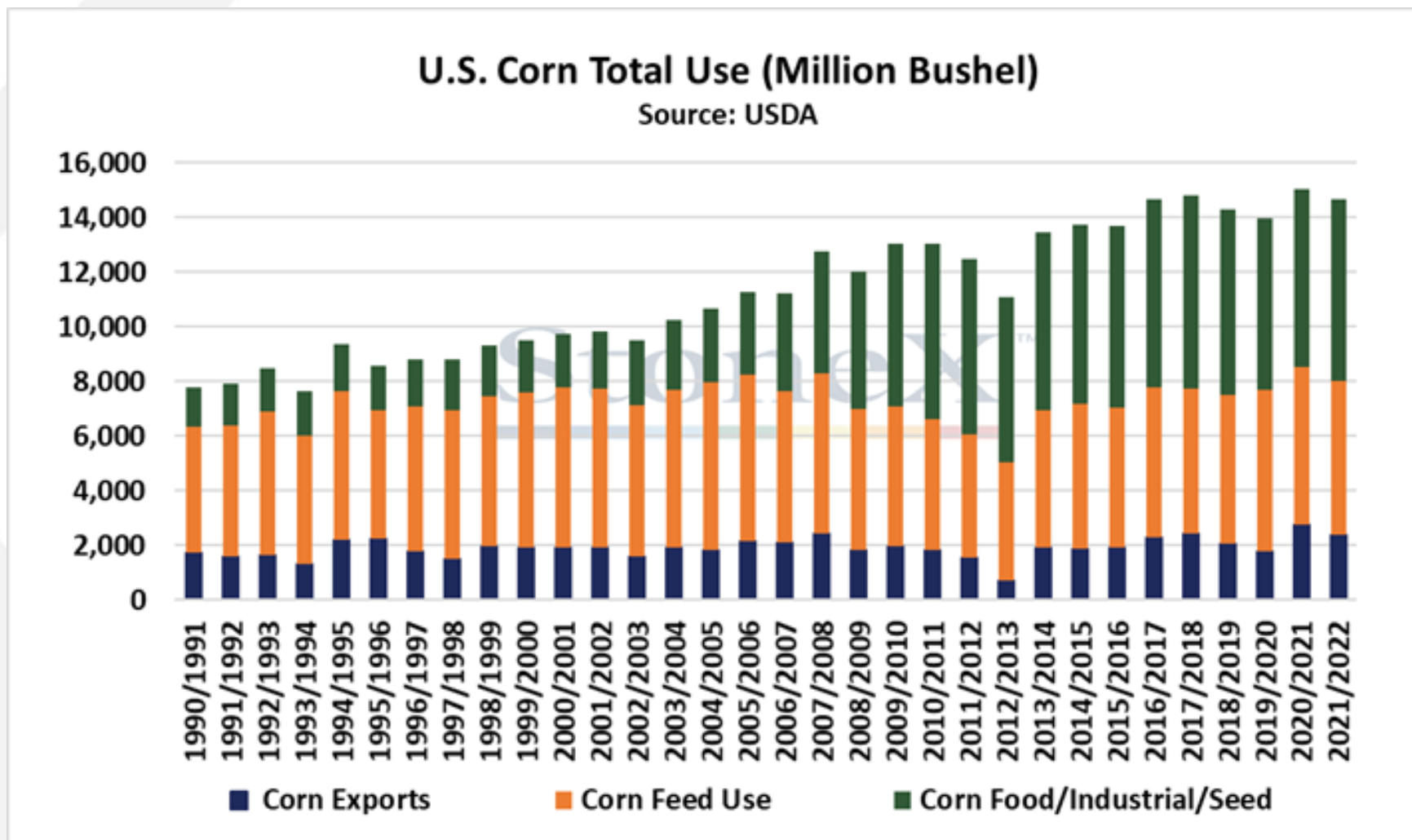
September 2021 Corn Objective Yield

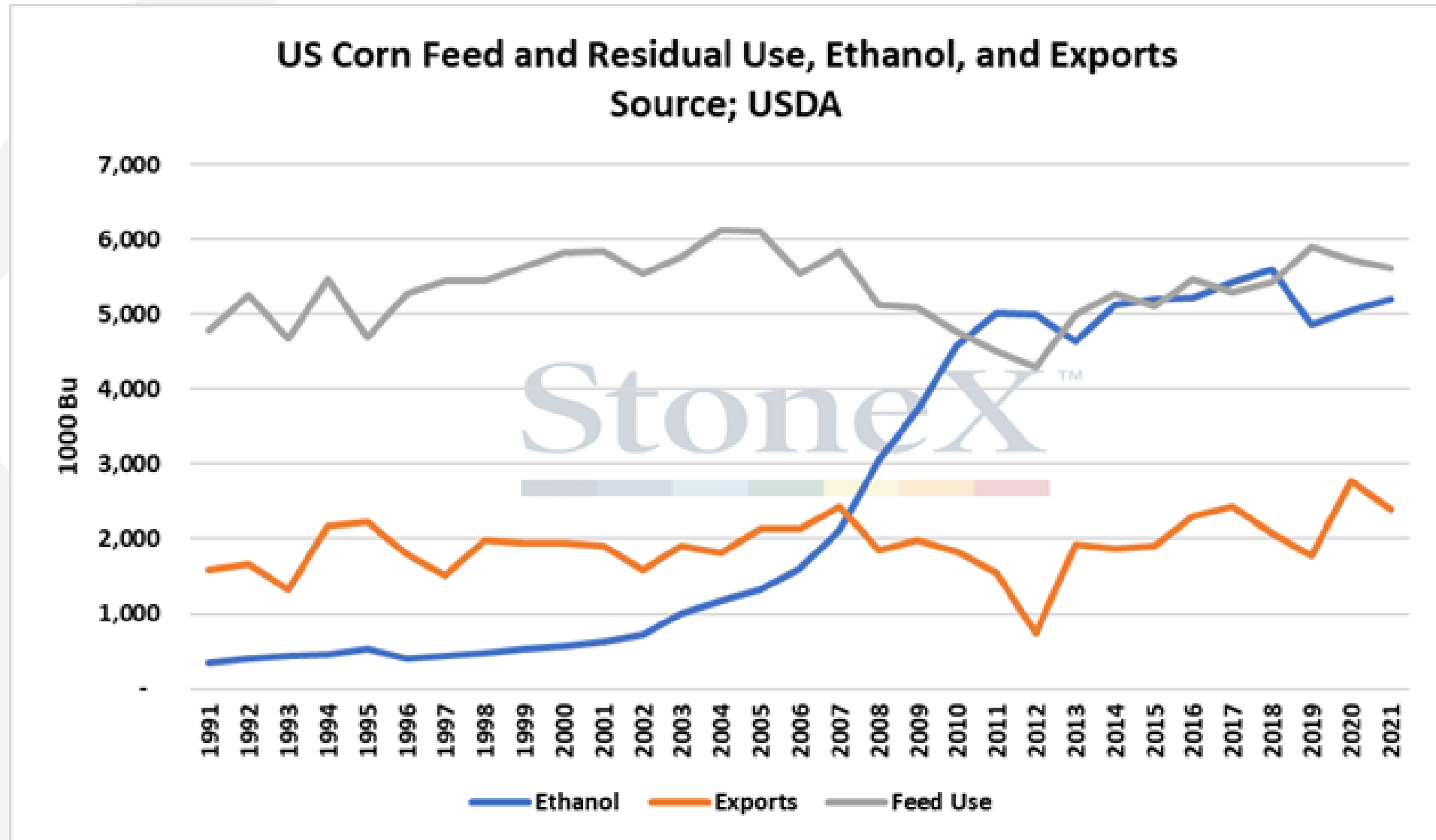
Ears per Acre and Yield for 10 State Region

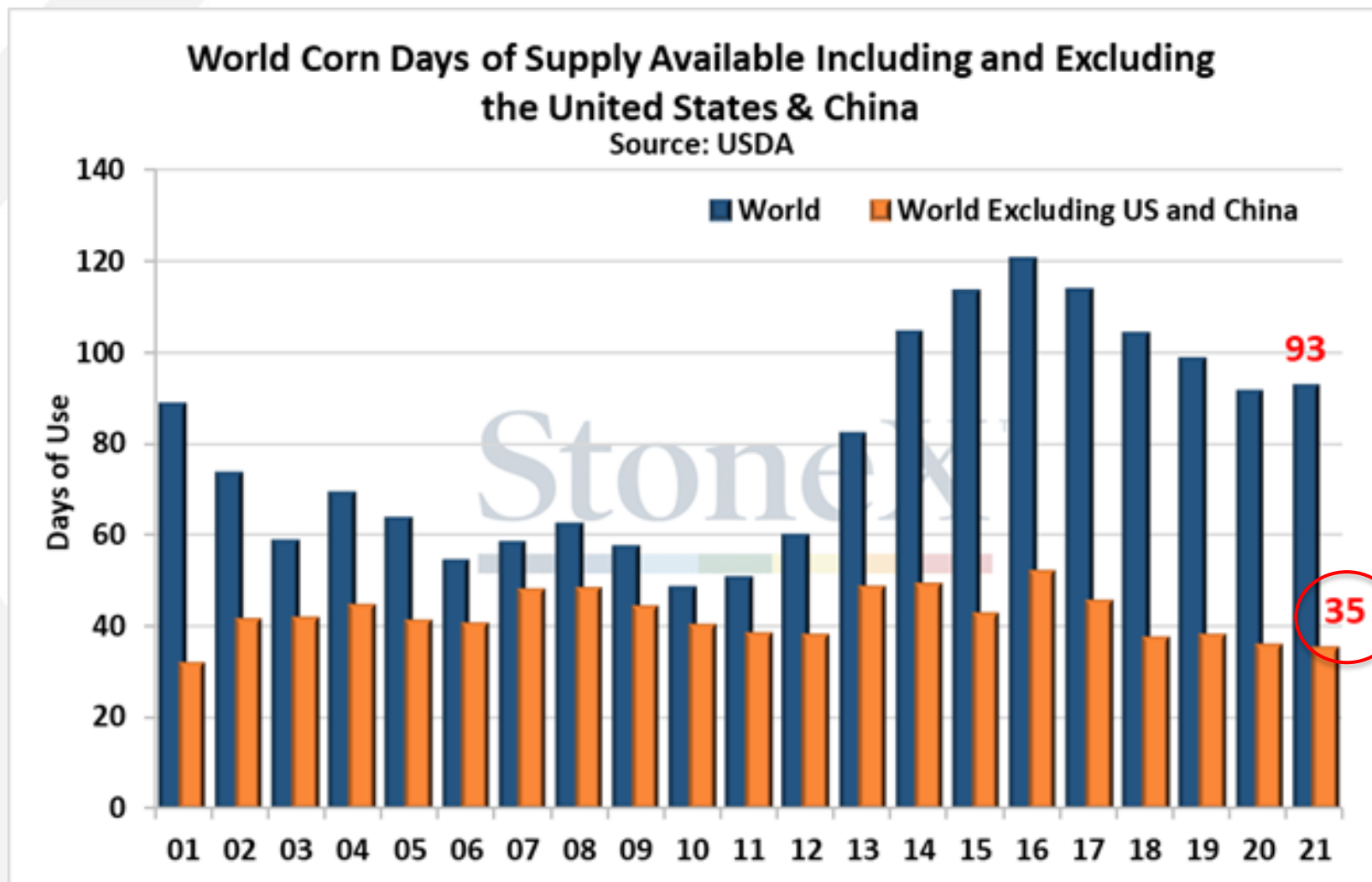


United States Department of Agriculture
National Agricultural Statistics Service

August 12, 2021

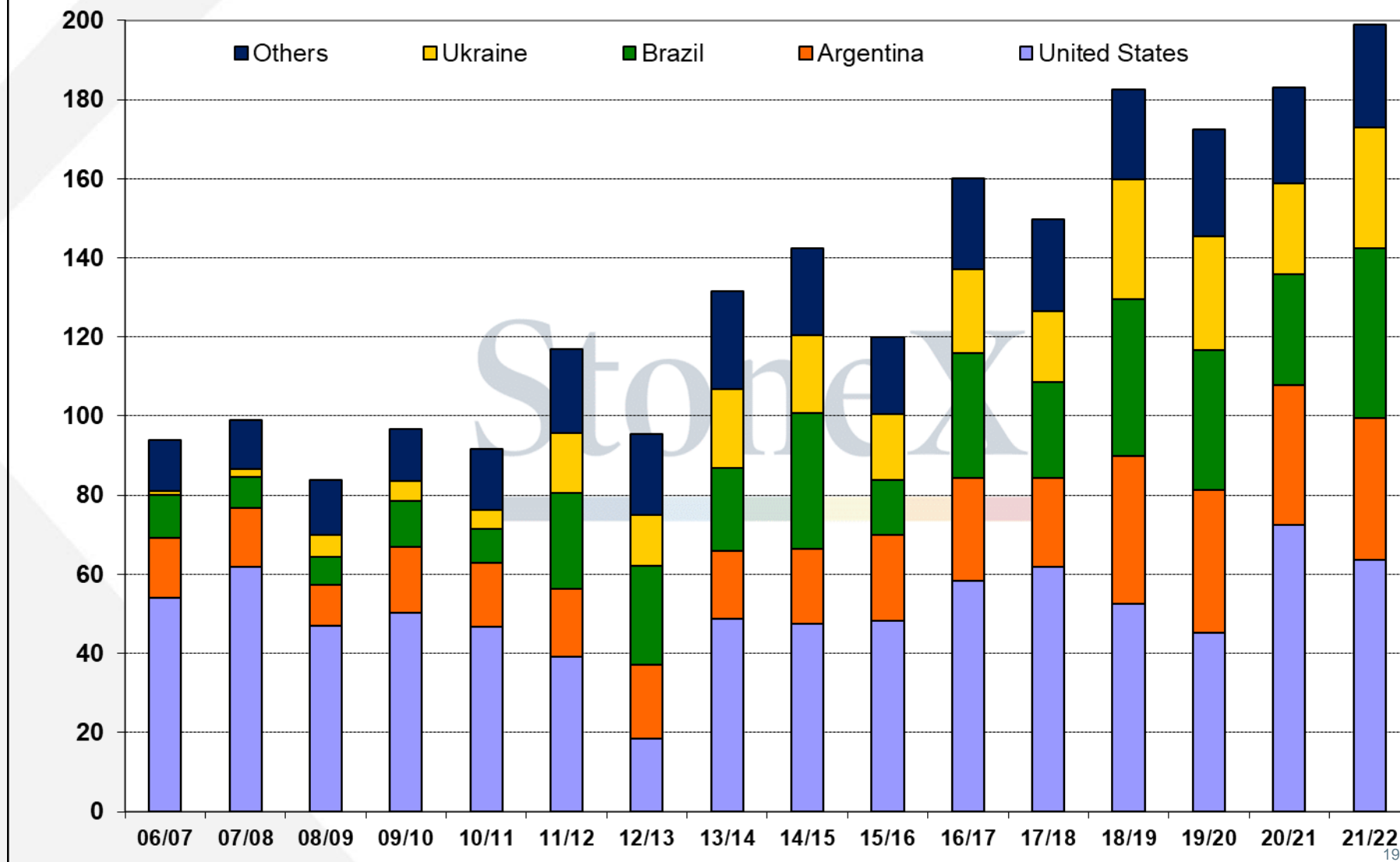


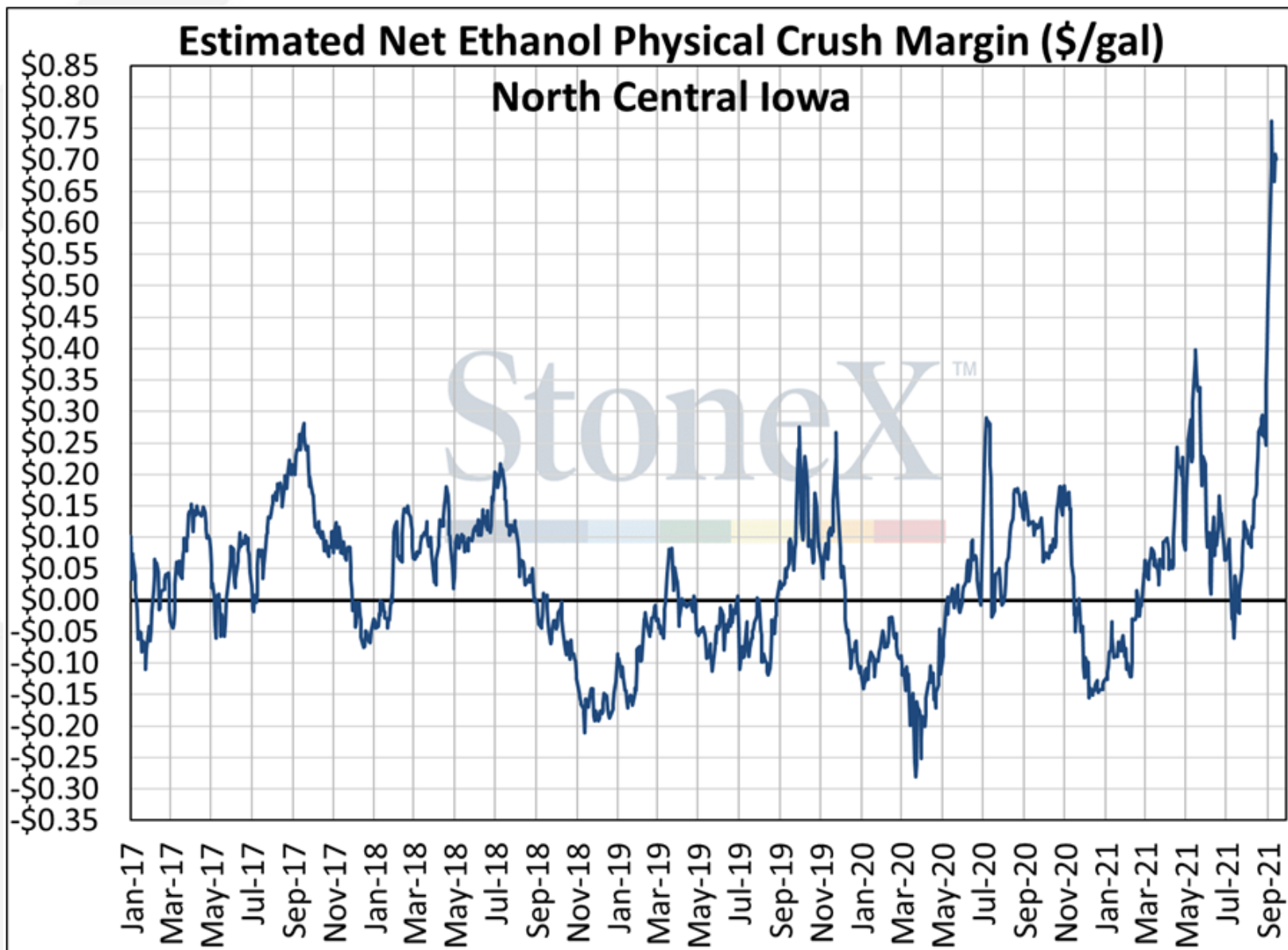


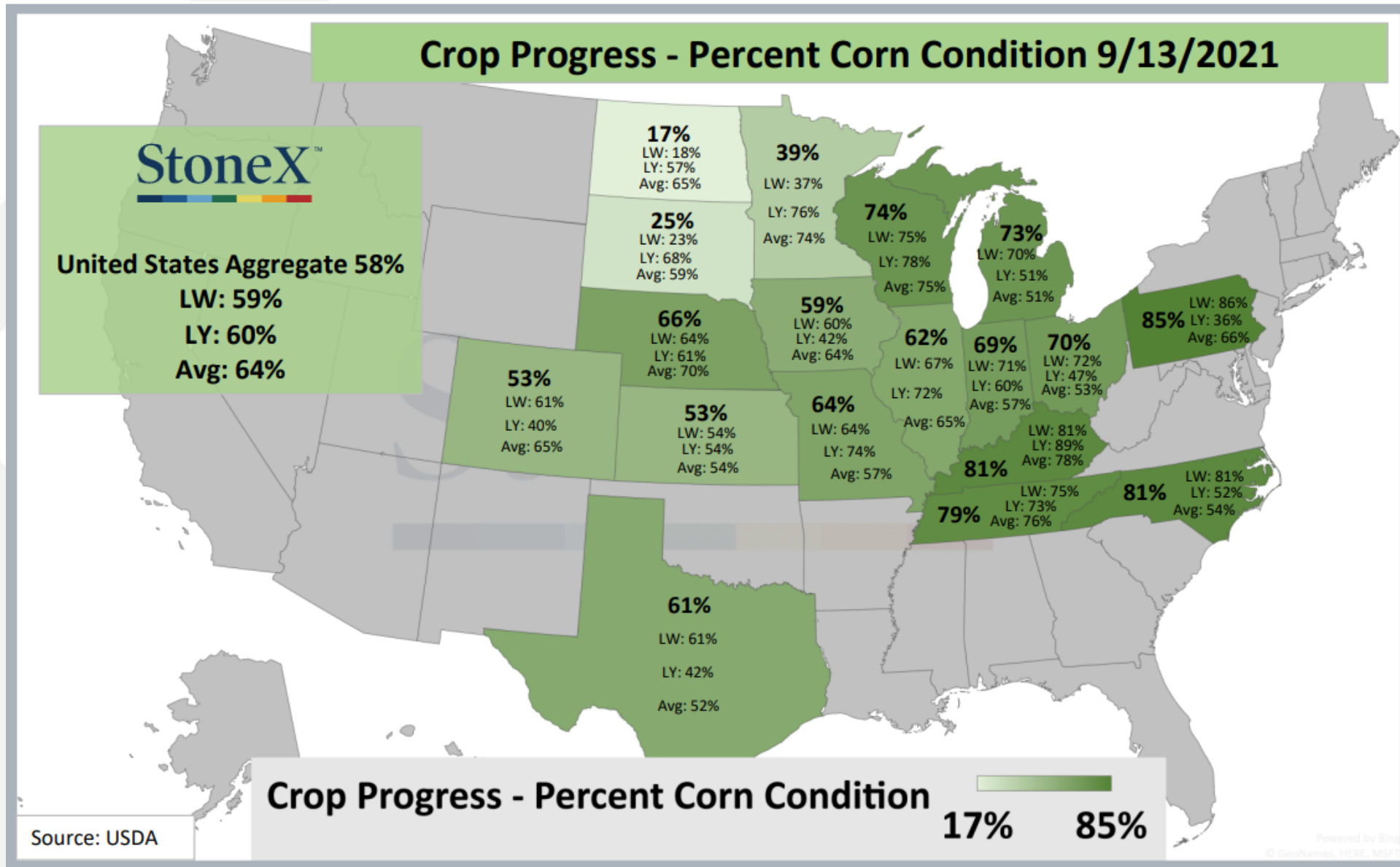


Top World Corn Exporters (MMT)

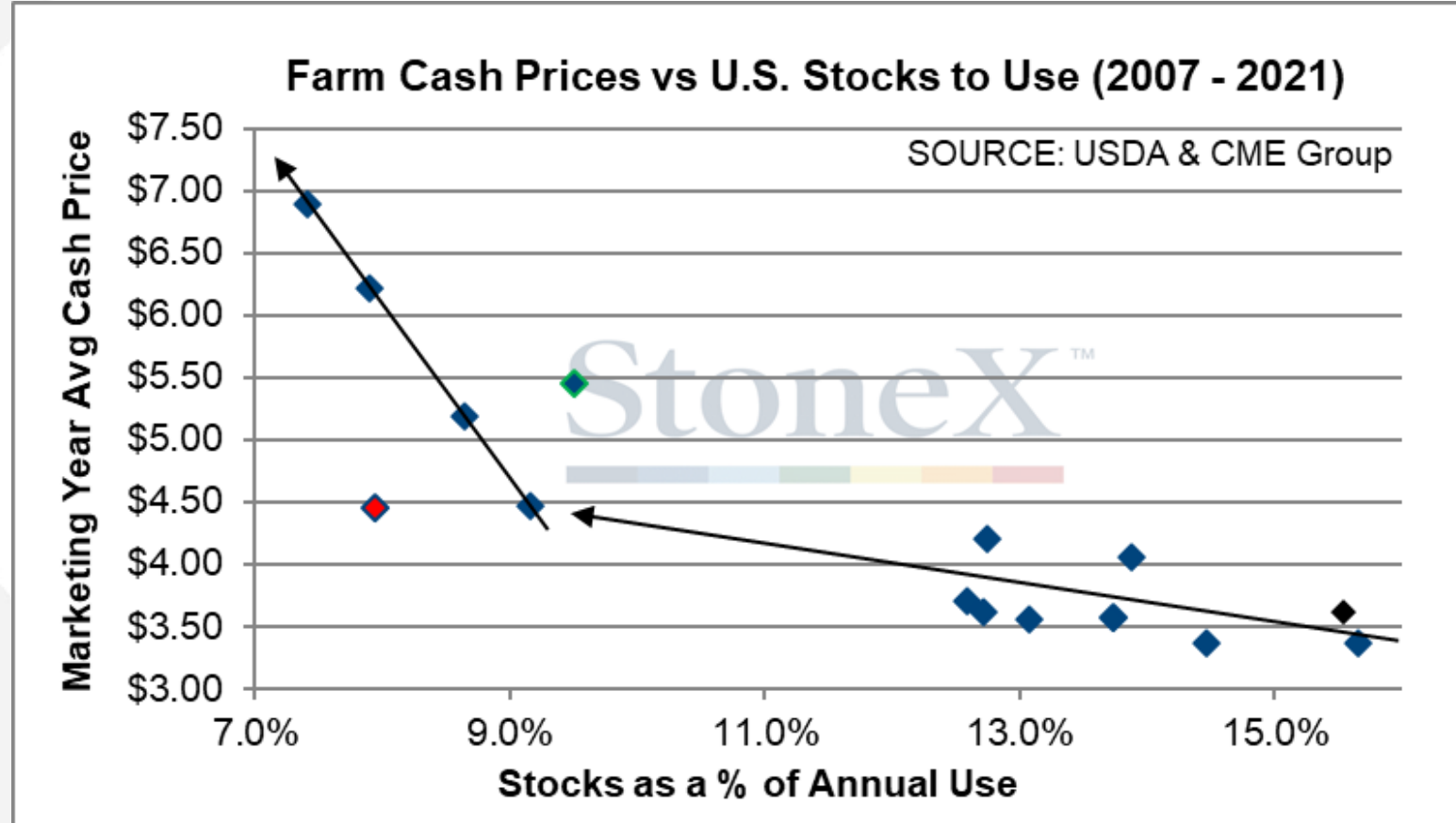
Source: USDA







Corn Prices Escalate Much Faster Below 9% Stocks to Use Ratio



Corn	USDA		StoneX Estimates			
	2020-21	2021-22	2020-21	2021-22	2022-23	2022-23
	Old-Crop	New-Crop	Old-Crop	New-Crop	Alt. #1	Alt. #2
Planted Acres	90.8	93.30	90.8	93.2	91.0	94.0
Harvested Acres	82.5	85.1	82.5	85.0	83.5	86.3
Yield (bpa)	172.0	176.3	172.0	177.5	179.0	179.0
Beginning Stocks	1,919	1,187	1,919	1,237	1,500	1,500
Production	14,182	14,996	14,182	15,088	14,950	15,443
Imports	25	25	25	25	25	40
Total Supply	16,127	16,208	16,126	16,350	16,475	16,983
Feed	5,725	5,700	5,700	5,775	5,900	5,900
Other Domestic	6,470	6,625	6,449	6,675	6,785	6,785
Fuel for Ethanol	5,035	5,200	5,029	5,250	5,350	5,350
Total Domestic Use	12,195	12,325	12,149	12,450	12,685	12,685
Exports	2,745	2,475	2,740	2,400	2,350	2,350
Total Use	14,940	14,800	14,889	14,850	15,035	15,035
Ending Stocks	1,187	1,408	1,237	1,500	1,440	1,948
Stocks to Use	7.9%	9.5%	8.3%	10.1%	9.6%	13.0%
Days of Supply	29.0	34.7	30.3	36.9	35.0	47.3
Average Cash Farm Price	\$4.45	\$5.45	\$4.41	\$4.45	\$4.60	\$3.95

China's CASDE Report

	2019/2020	2020/21 September Estimate	2021/22 August Forecast	2021/22 September Forecast	Percentage change
Corn - crop year Oct-Sept					
Planted acreage (mln hectares)	41.284	41.264	42.67	42.67	0.00%
Output (mln tonnes)	260.77	260.67	271.81	271.81	0.00%
Imports (mln tonnes)	7.6	26	20	20	0.00%
Consumption (mln tonnes)	278.3	282.16	293.7	290.7	-1.02%
Exports (mln tonnes)	0.01	0.02	0.02	0.02	0.00%
Balance (mln tonnes)	-9.94	4.49	-1.91	1.09	157.07%

SOURCE: Reuters

World Corn Supply & Demand

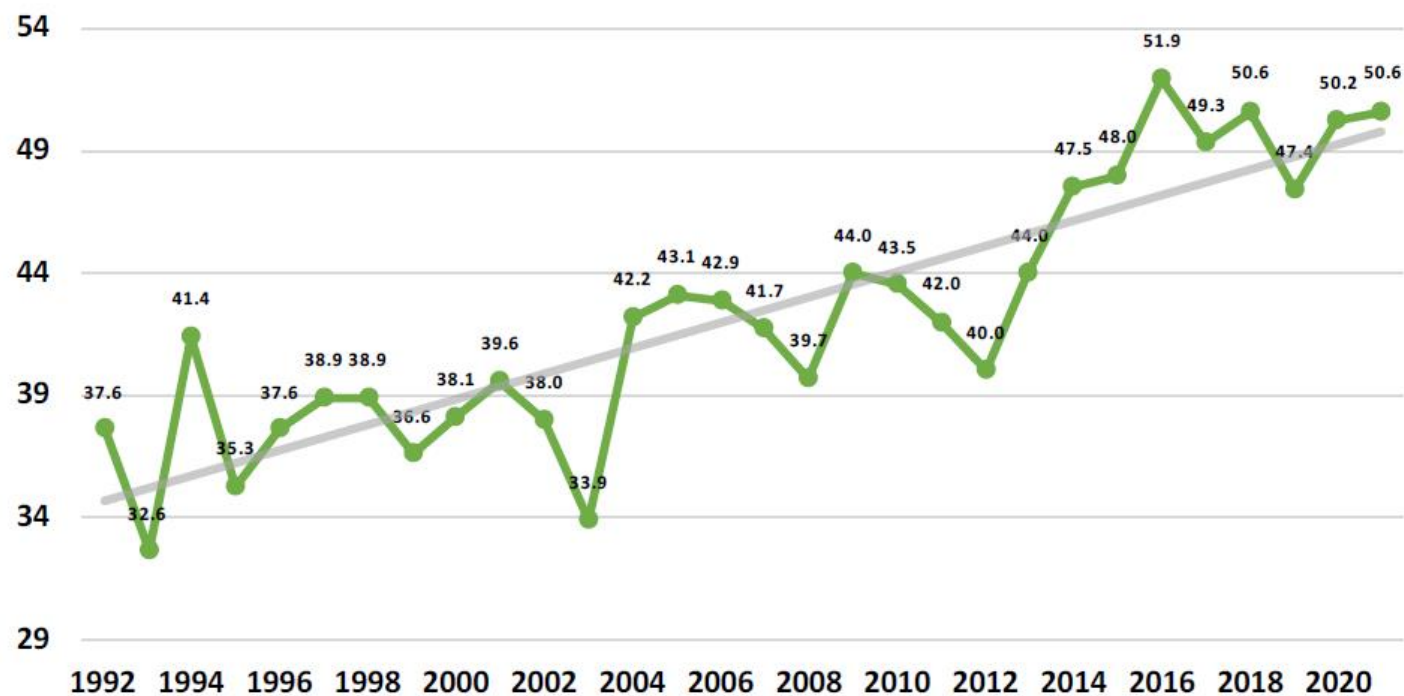
World Corn Supply & Demand (MMT)					EST	EST	EST	EST
	USDA	USDA	USDA	USDA	USDA	USDA	StoneX	StoneX
World	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2020/2021	2021/2022
Carry-In	311.75	351.84	341.46	322.60	306.09	286.48	306.09	281.49
Production	1127.67	1079.46	1127.20	1118.66	1117.11	1197.77	1114.09	1199.81
Imports	138.44	153.12	166.64	167.61	185.10	185.95	182.13	182.67
Total Supply	1577.86	1584.42	1635.31	1608.87	1608.30	1670.20	1602.30	1663.97
Domestic Feed	659.01	673.55	705.44	715.92	725.41	749.24	725.41	749.24
Domestic Usage	1063.94	1093.18	1130.09	1130.37	1142.23	1171.30	1147.28	1175.79
Exports	162.08	149.78	182.62	172.40	179.59	201.27	173.54	194.46
Total Usage	1226.02	1242.95	1312.71	1302.78	1321.82	1372.57	1320.81	1370.25
Carry-Out	351.84	341.46	322.60	306.09	286.48	297.63	281.49	293.73
C/O Use %	28.7%	27.5%	24.6%	23.5%	21.7%	21.7%	21.3%	21.4%

SOURCE: USDA & StoneX



Soybean Yield United States

Bushels per Acre



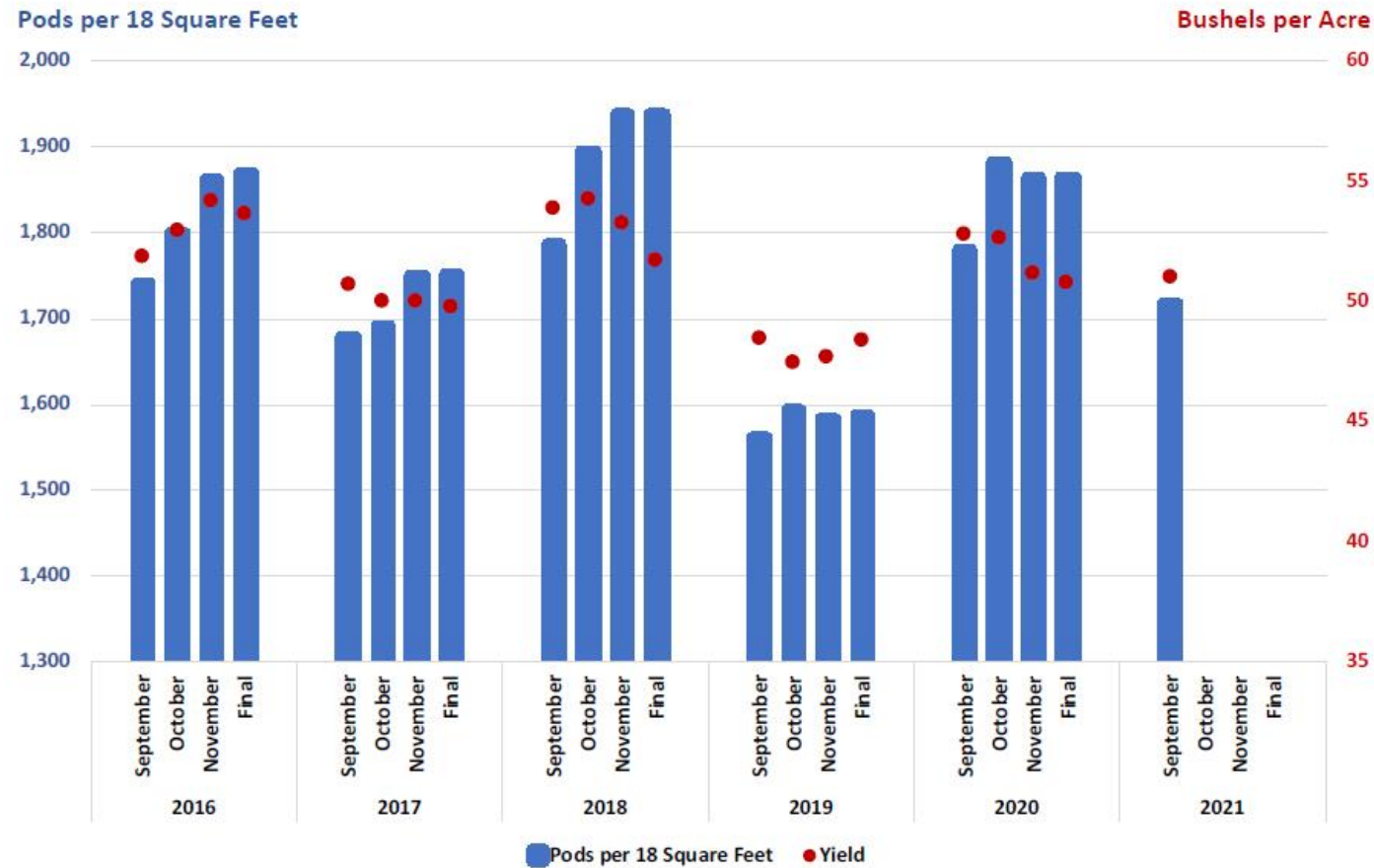
United States Department of Agriculture
National Agricultural Statistics Service

September 10, 2021

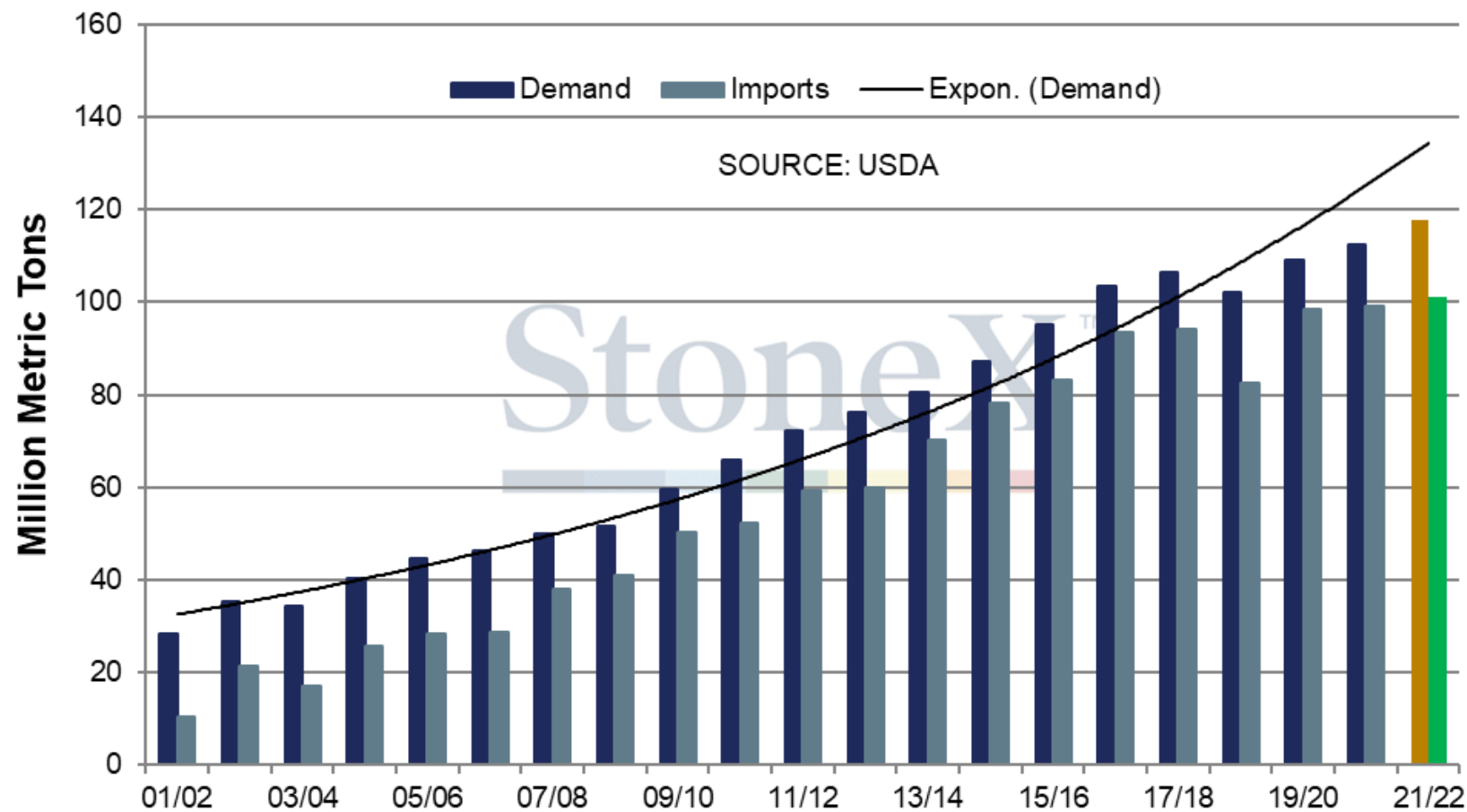


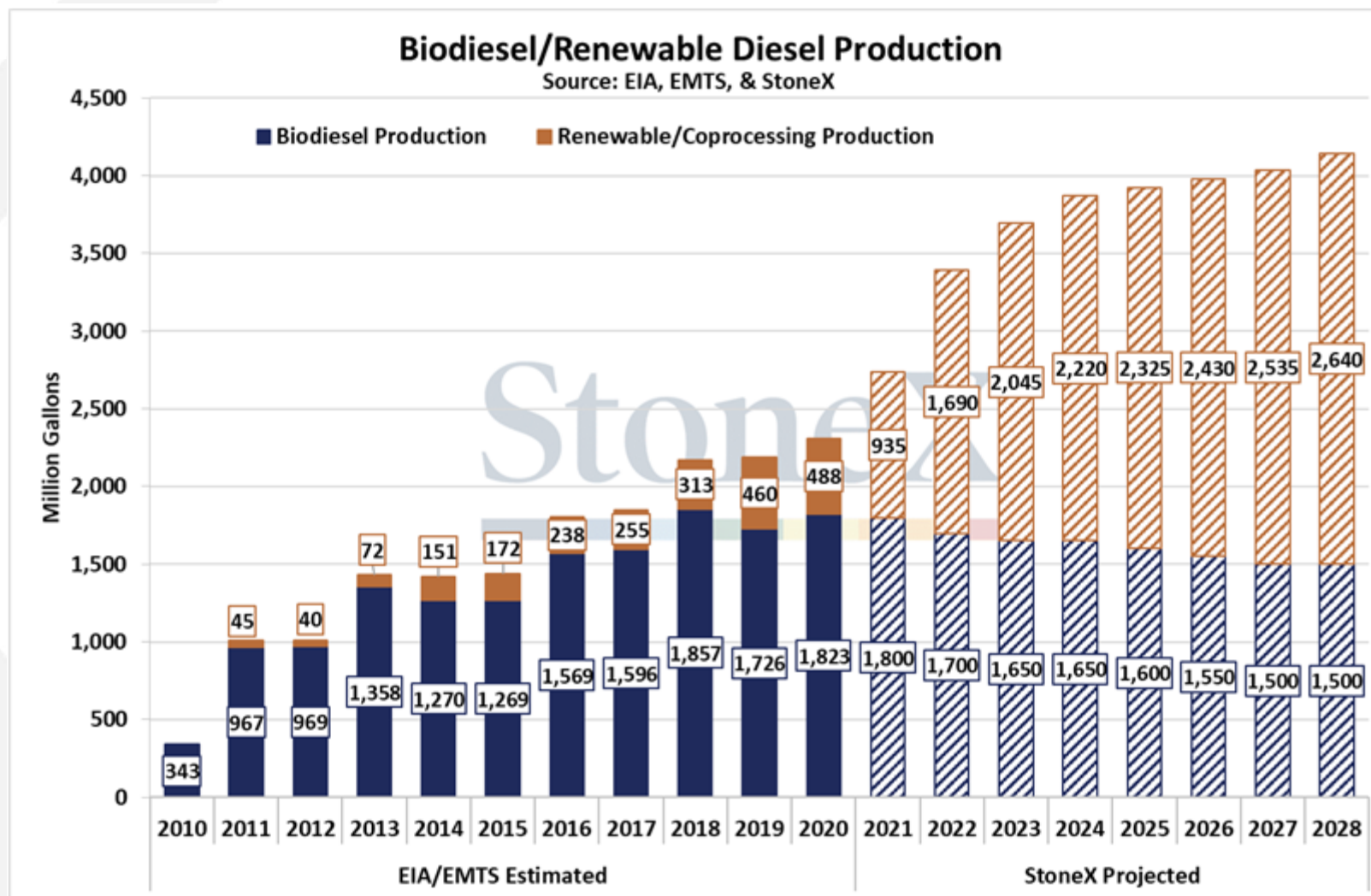
September 2021 Soybean Objective Yield

Pods per 18 Square Feet and Yield for 11 State Region



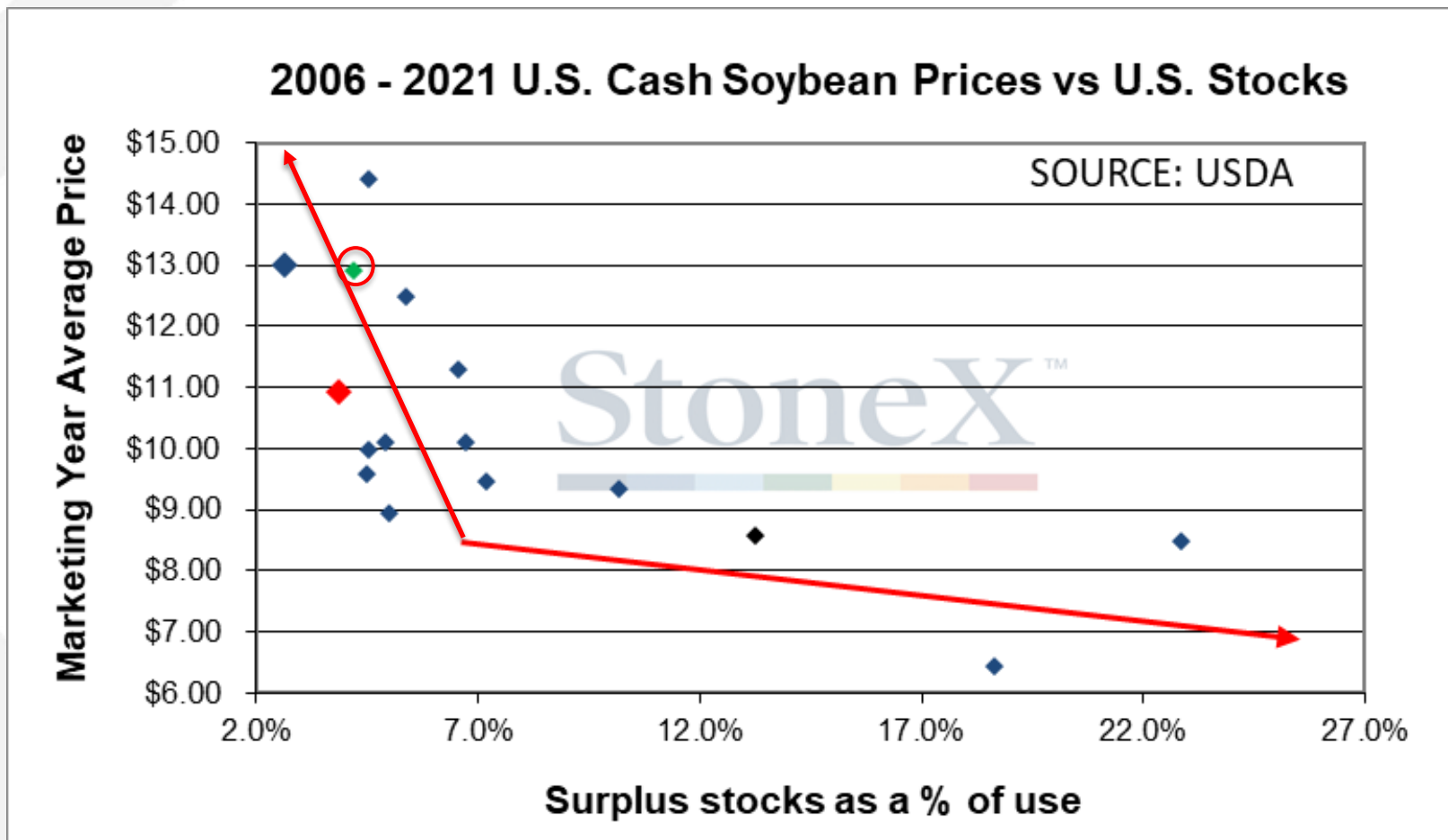
China Soybean Demand Recovery Slows

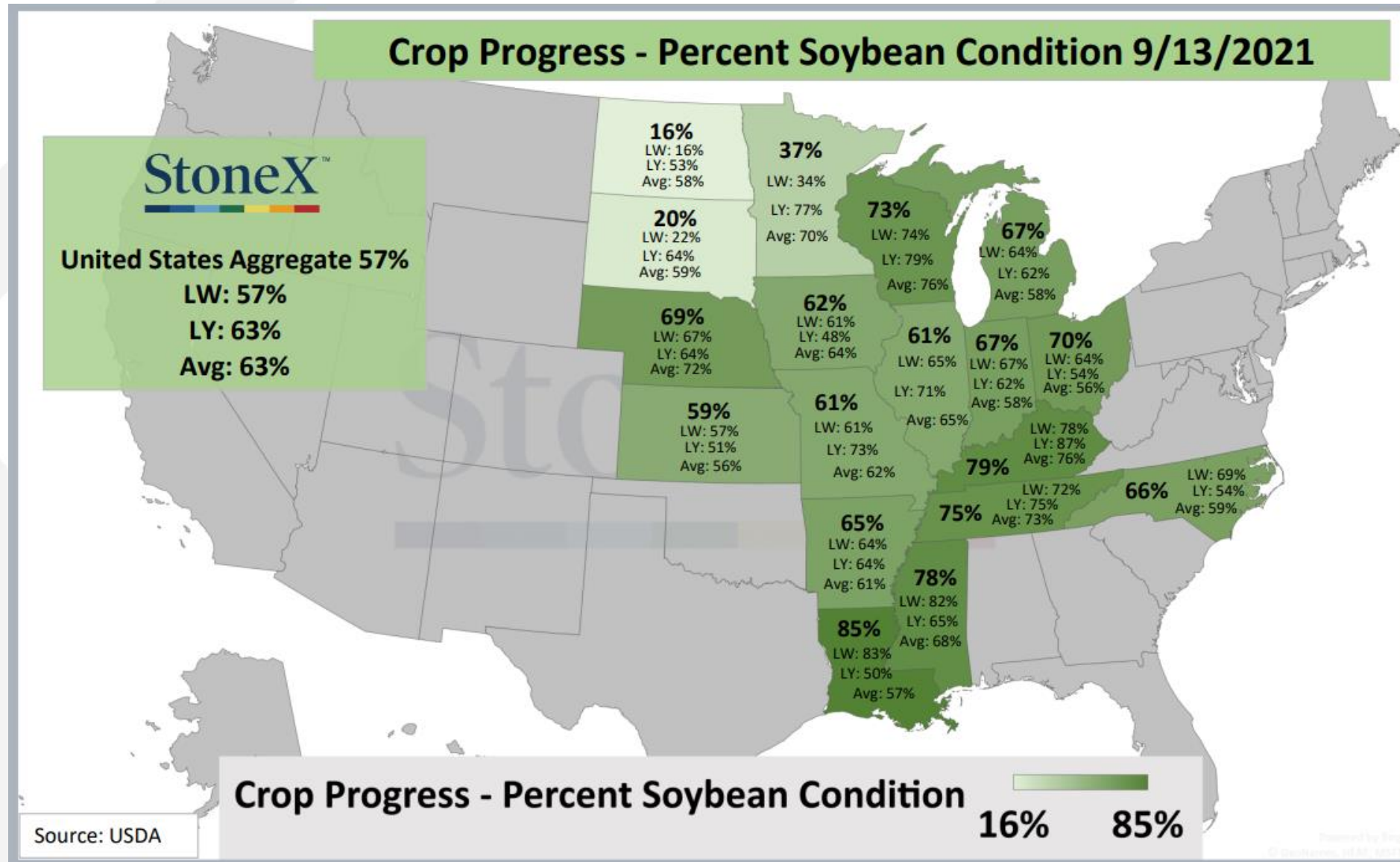




Soybean Oil Share of Crush Value Based on CBOT Futures







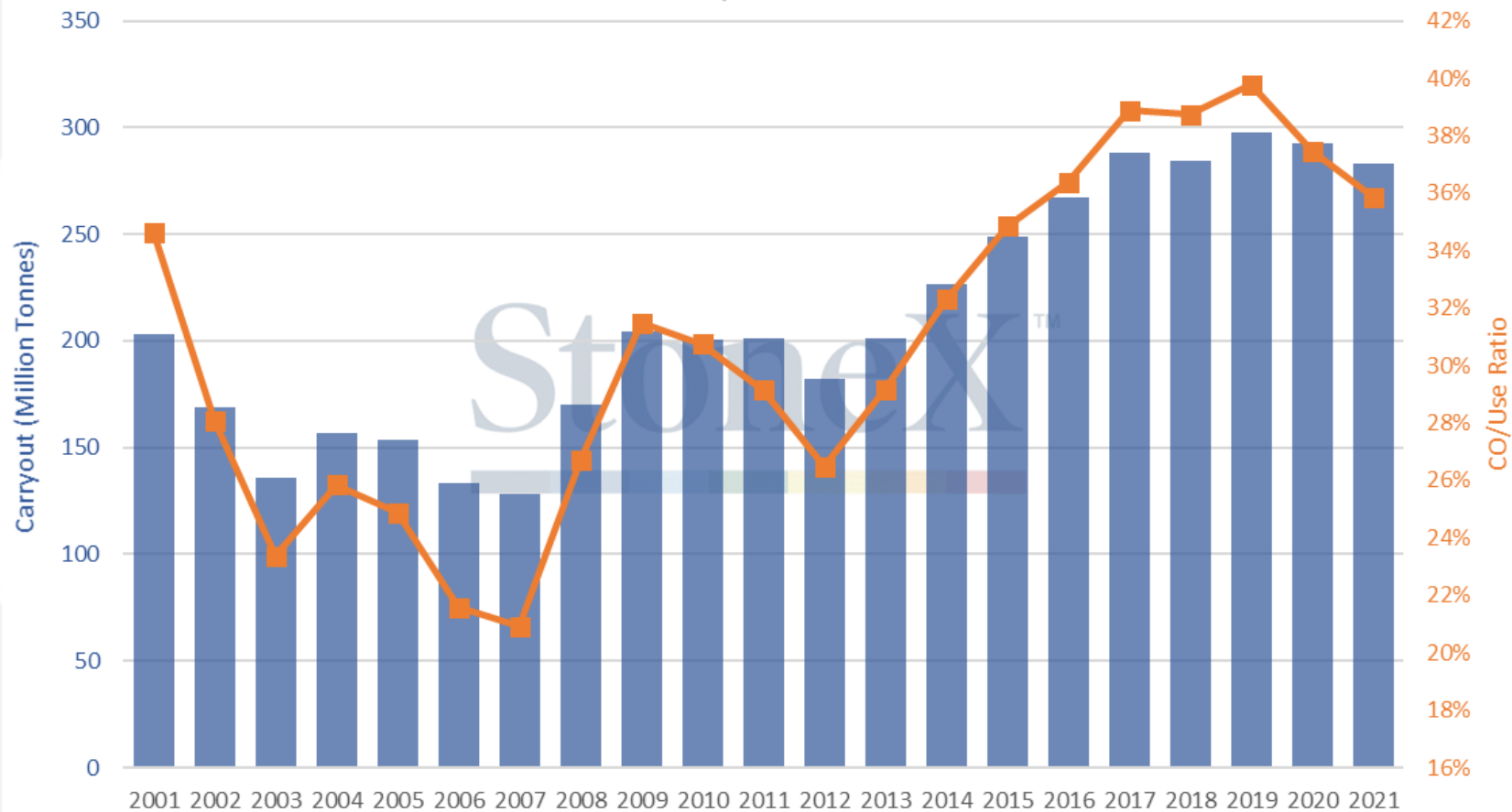
Soybeans	USDA		StoneX Estimates			
	2020-21	2021-22	2020-21	2021-22	2022-23	2022-23
	Old-Crop	New-Crop	Old-Crop	New-Crop	Alt #1	Alt #2
Planted Acres	83.1	87.2	83.1	87.1	89.0	91.0
Harvested Acres	82.3	86.4	82.3	86.2	88.0	90.0
Yield (bpa)	50.2	50.6	50.2	50.8	50.2	50.2
Beginning Stocks	525	175	525	164	132	132
Production	4,135	4,374	4,135	4,379	4,418	4,517
Imports	20	25	20	20	22	22
Total Supply	4,680	4,574	4,680	4,563	4,572	4,671
Crush	2,140	2,180	2,140	2,210	2,250	2,250
Other Domestic	105	118	121	116	125	125
Total Domestic Use	2,245	2,298	2,261	2,326	2,375	2,375
Exports	2,260	2,090	2,255	2,105	2,020	2,020
Total Use	4,505	4,389	4,516	4,431	4,395	4,395
Ending Stocks	175	185	164	132	177	276
Stocks to Use	3.9%	4.2%	3.6%	3.0%	4.0%	6.3%
Days of Supply	14.2	15.4	13.3	10.9	14.7	22.9
Average Cash Farm Price	\$10.90	\$12.90	\$10.95	\$14.35	\$13.25	\$10.15

World Soybean Supply & Demand

World Soybean Supply & Demand (MMT)					EST	EST	EST	EST
	USDA	USDA	USDA	USDA	USDA	USDA	StoneX	StoneX
World	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2020/2021	2021/2022
Carry-In	78.65	94.89	100.86	114.71	95.90	95.08	95.90	89.21
Production	350.18	344.19	361.33	339.73	363.27	384.42	360.97	376.03
Imports	144.82	153.82	145.79	164.97	166.71	170.94	166.71	174.36
Total Supply	573.65	592.90	607.97	619.41	625.88	650.44	623.58	639.59
Crush	287.67	295.00	298.68	312.43	317.99	329.35	317.99	329.35
Domestic Usage	331.20	338.80	344.33	358.44	365.06	378.37	366.61	380.49
Exports	147.57	153.24	148.94	165.06	165.74	173.17	167.77	172.85
Total Usage	478.77	492.04	493.27	523.50	530.81	551.54	534.38	553.34
Carry-Out	94.89	100.86	114.71	95.90	95.08	98.89	89.21	86.26
C/O Use %	28.6%	29.8%	33.3%	26.8%	26.0%	26.1%	24.3%	22.7%

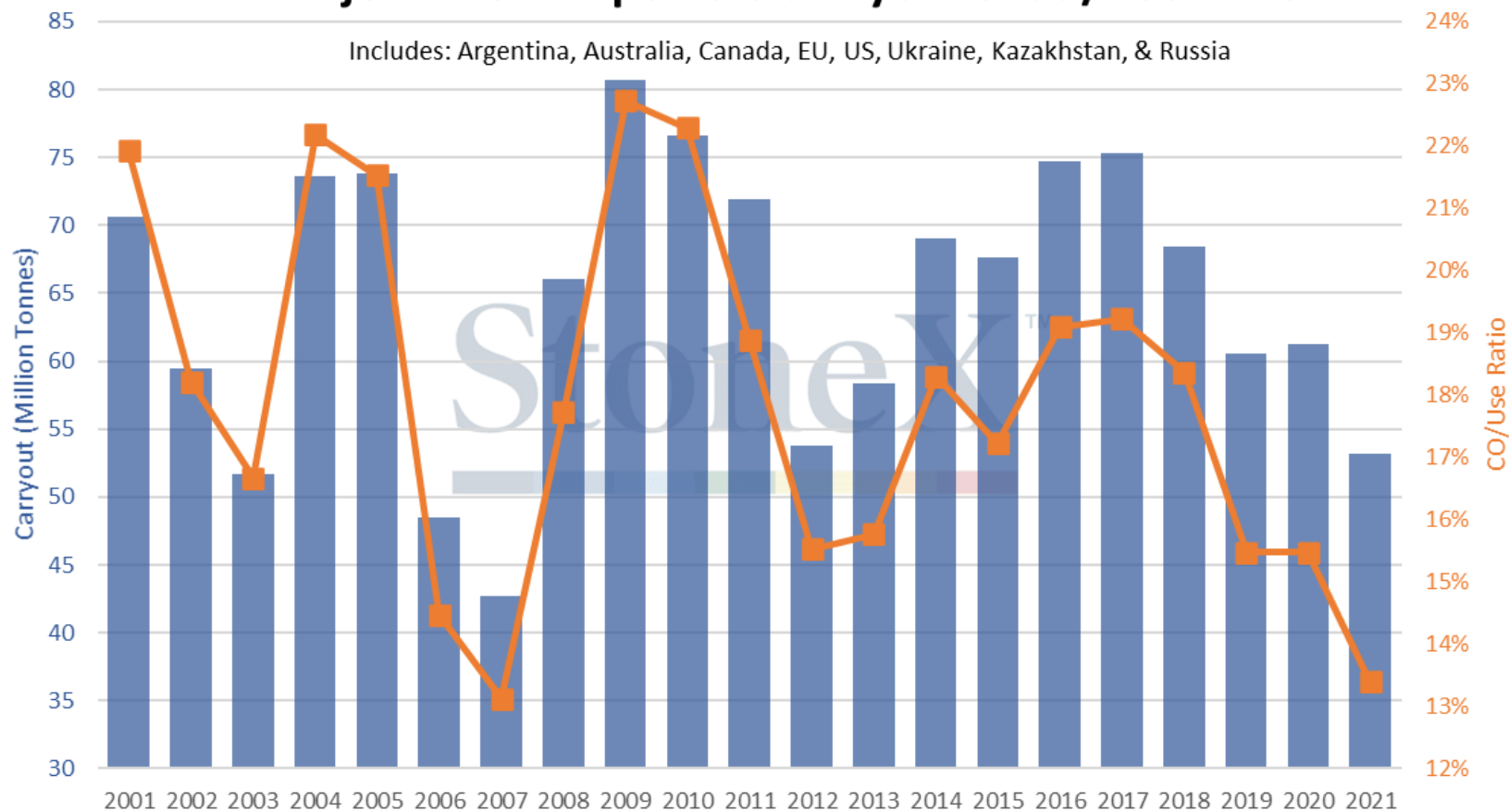
SOURCE: USDA & StoneX

World Wheat Carryout vs. CO/Use Ratio



Source: USDA WASDE

Major Wheat Exporters Carryout & CO/Use Ratio



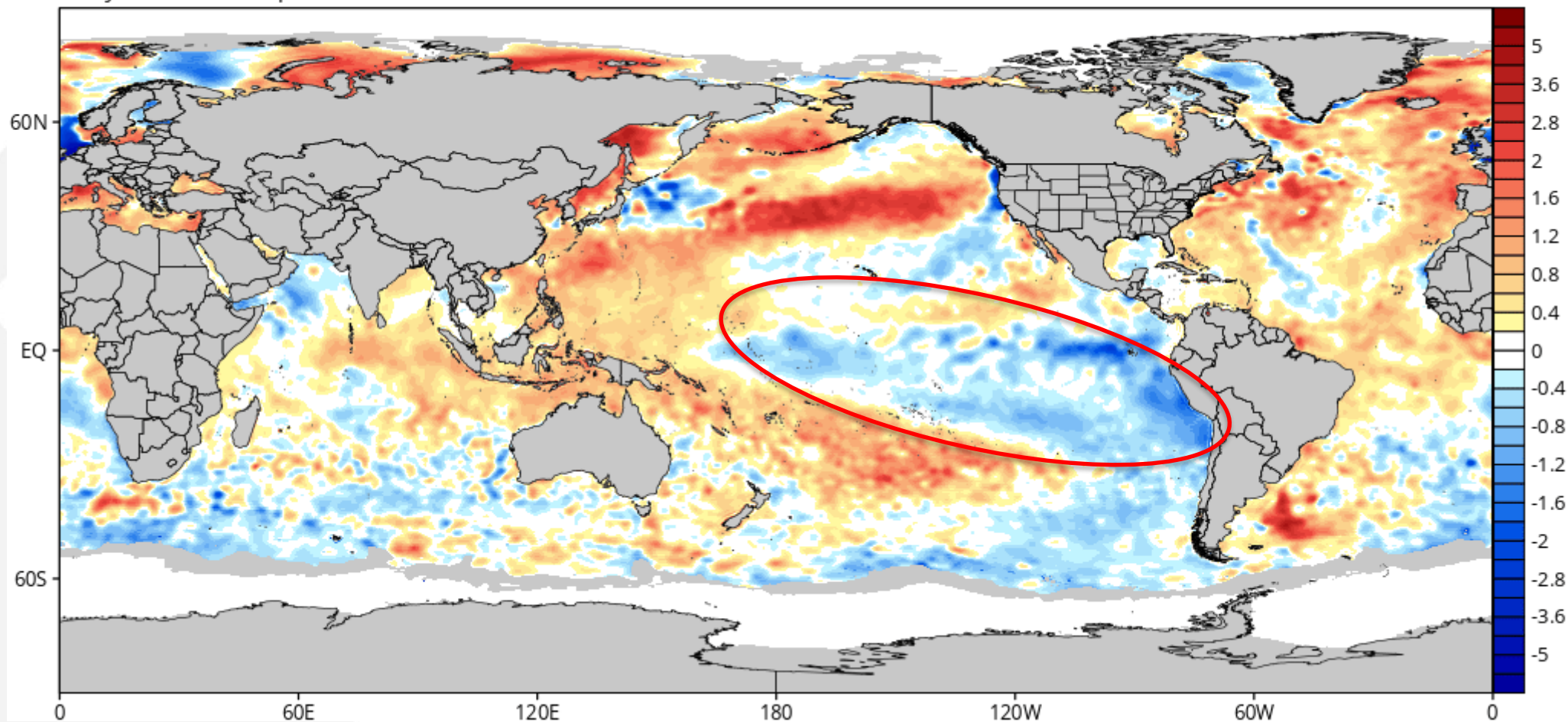
Source: USDA WASDE

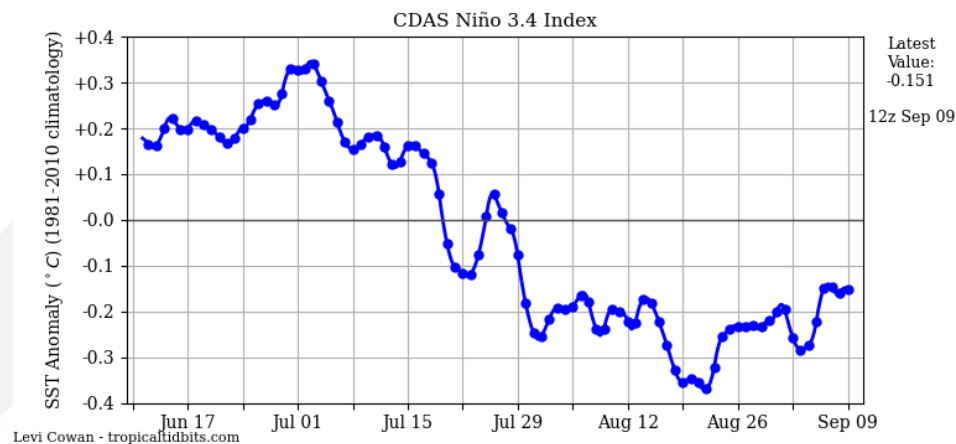
Slipping Back Into La Nina

CDAS Sea Surface Temperature Anomaly (°C) (based on CFSR 1981-2010 Climatology)

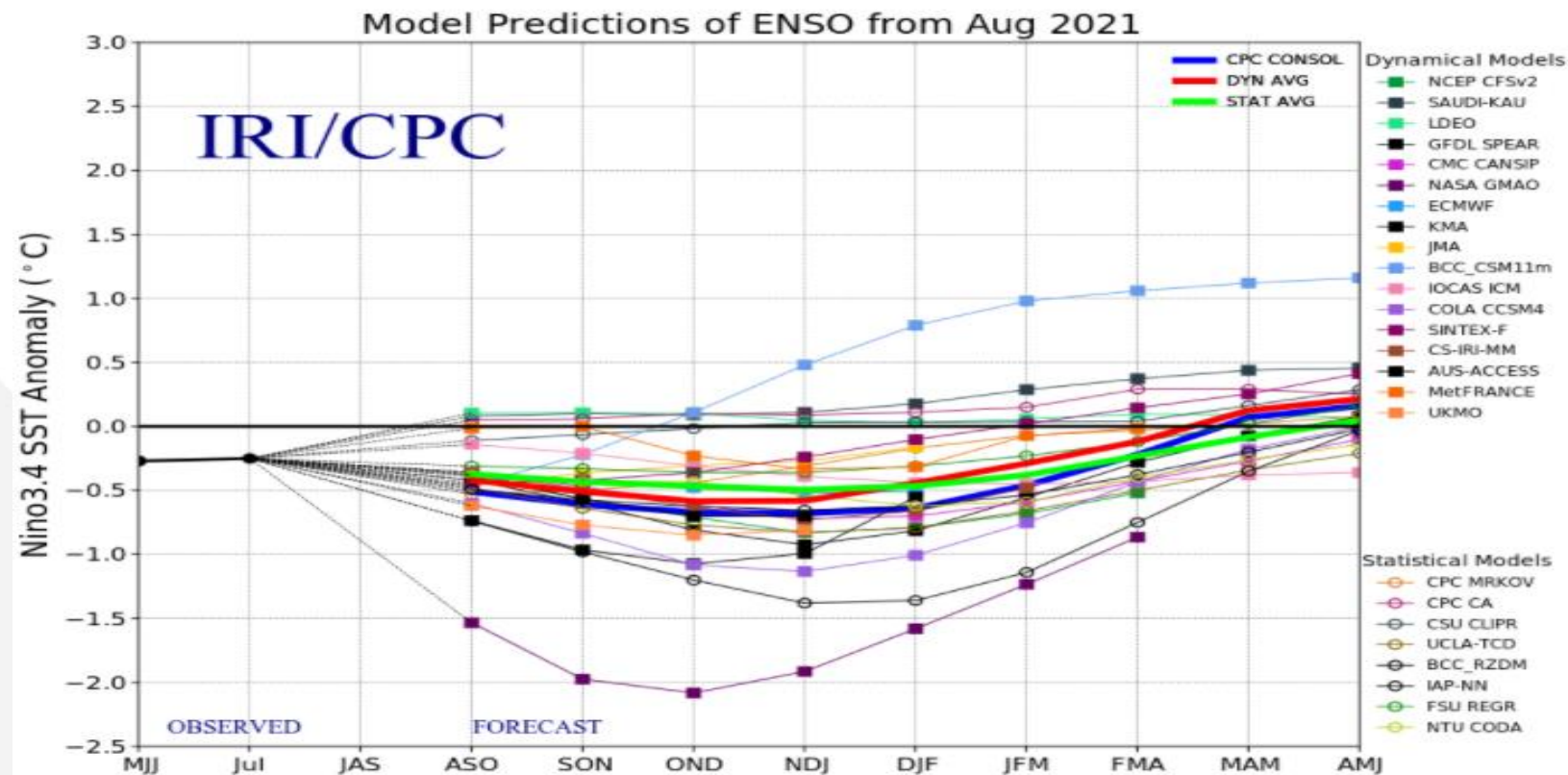
Analysis Time: 12z Sep 16 2021

TROPICALTIDBITS.COM



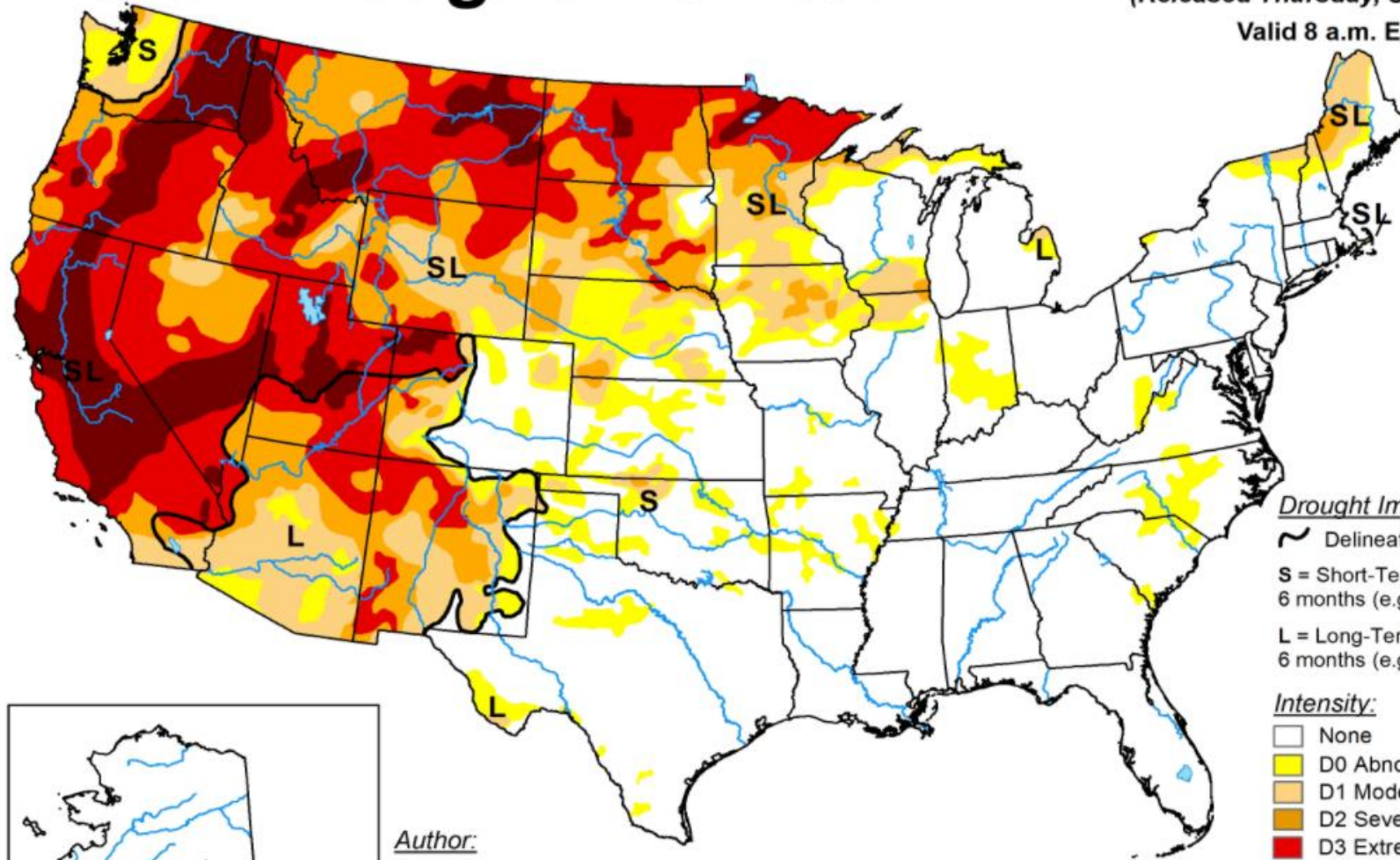


ENSO Cycle Currently Moving Toward La Nina For This Fall.



U.S. Drought Monitor

September 7, 2021
(Released Thursday, Sep. 9, 2021)
Valid 8 a.m. EDT

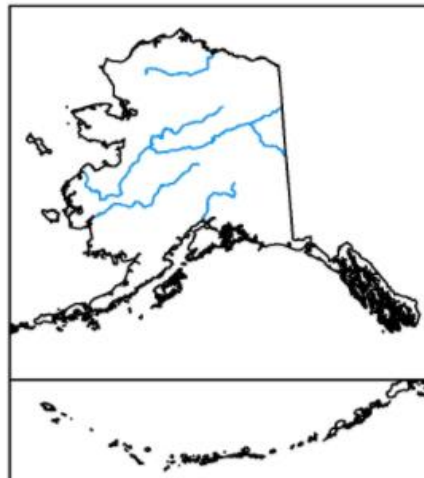


Drought Impact Types:

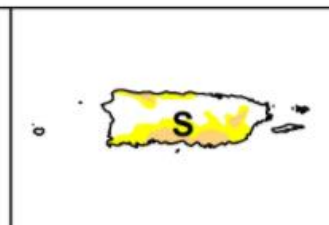
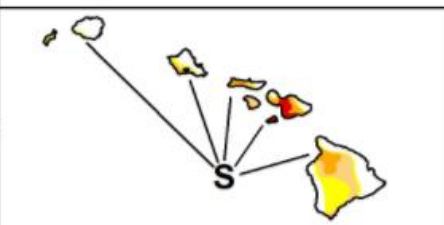
- ~ Delineates dominant impacts
- S = Short-Term, typically less than 6 months (e.g. agriculture, grasslands)
- L = Long-Term, typically greater than 6 months (e.g. hydrology, ecology)

Intensity:

- None
- D0 Abnormally Dry
- D1 Moderate Drought
- D2 Severe Drought
- D3 Extreme Drought
- D4 Exceptional Drought



Author:
David Simeral
Western Regional Climate Center



The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. For more information on the Drought Monitor, go to <https://droughtmonitor.unl.edu/About.aspx>

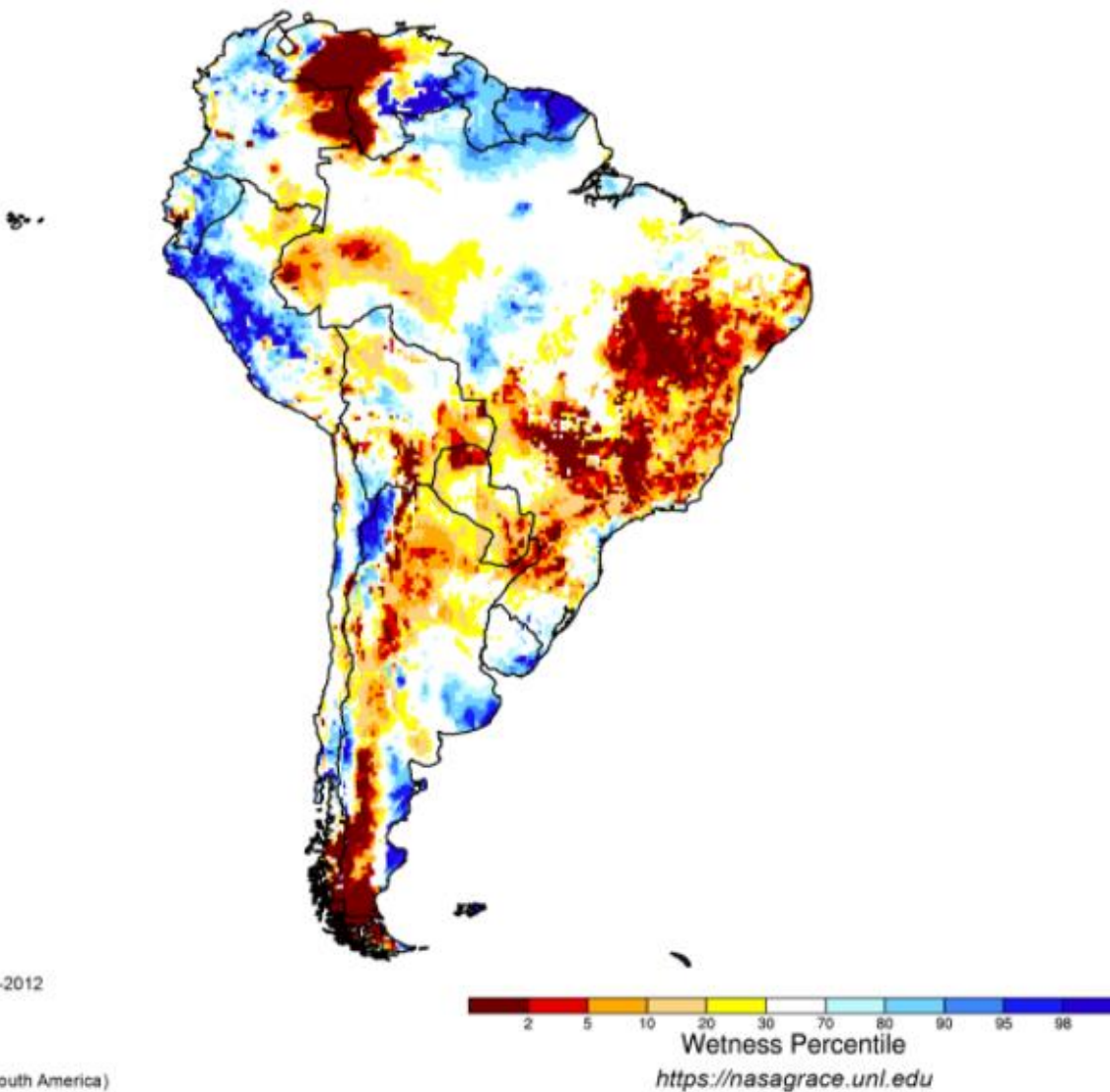


droughtmonitor.unl.edu



GRACE-Based Root Zone Soil Moisture Drought Indicator

September 13, 2021



Biden Administration vs Farmers:

- U.S. Farmers are Nearly Unanimous in Opposition to Biden Agenda – Highly Unusual and Very Rare.
 - Tax Policy
 - Environmental Policy
 - Afghanistan
- Biden So Far More Supportive of Biofuels Programs.
 - Attempts to Re-Establish Support Ahead of Mid-Term Elections.

Corn / Soybean Take Home Points:

- **USDA's Acreage & Yield Adjustments Within Trade Expectations.**
- **Focus is Now on Harvest Returns.**
- **La Nina's Return Keeps Supply Risks in Play.**
- **China Seeks Self-Sufficiency, but That Can't Happen for Soybeans, & Likely Just 85% for Corn.**
- **U.S. & Global Corn / Soybean Stocks Expected to Remain Relatively Tight Over the Coming Year.**



THANK YOU

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