

MORNING GRAIN COMMENTARY

Morning Trends:

Corn: 1 to 3 higher
Wheat: 1 to 2 higher
Soybeans: 2 to 4 lower
Soybean Meal .5 around
Soybean Oil: 20 to 25 lower

The Stories of the Day:

US/China trade on the boil <https://www.msn.com/en-us/news/world/the-u-s-china-feud-gets-nasty/ar-BB16524y?ocid=spartan-dhp-feeds>
China manufacturing while higher in June shows signs of stalling <https://www.msn.com/en-us/money/markets/chinas-factory-activity-likely-slowed-in-june-on-subdued-global-demand-reuters-poll-shows/ar-BB165KHx?li=BBnb7Kz&ocid=spartan-dhp-feeds>

Weather:

A large ridge is developing over the eastern half of the country while a trough continues to build in the west. This pattern will continue through much of next week, through the trough will weaken this weekend. The U.S. and European models are in fair agreement, but the U.S. model likely has too much precipitation in the extended period. I will use the European ensembles. For the outlook period, temperatures on Saturday will be near to above normal across most of the country. This pattern looks to continue through the outlook period, though some coolness may return to the Pacific Northwest and Northern Plains next week. A couple of weak disturbances will bring showers across the far north, and a mid-level disturbance will continue periods of showers across the Southeast. Showers may stretch back through the Southern Plains at times as well. -DTN

NORTHERN PLAINS (SPRING WHEAT/CORN): Scattered showers fell across the region over the weekend, particularly in Montana. The drier sections of Wyoming and the Dakotas did receive moderate precipitation Sunday evening. A slow-developing system will bring multiple rounds of precipitation through the region through Wednesday morning. This should be beneficial for developing crops in the western half of the region. But heat and breezy conditions in the eastern Dakotas will cause some stress before the scattered showers move through. Afterwards, only a couple chances at isolated showers are expected through this weekend. -DTN

CENTRAL/SOUTHERN PLAINS (WINTER WHEAT/CORN): Scattered moderate to heavy showers fell across Nebraska and Kansas this weekend, benefiting developing corn but causing some delays in the winter wheat harvest in Kansas. Showers were relatively absent from cotton growing areas, which continue to be in drought. This looks to remain the case through the week. Relatively dry conditions are expected in the southwest while periods of showers will move across the north and east. The best chances are through Tuesday with isolated chances thereafter. -DTN

MIDWEST (CORN/SOYBEANS/WHEAT): Scattered showers have fallen over most areas this weekend. The rainfall was quite welcome, especially in the east, where short-term deficits may have started to stress developing crops. Scattered showers will continue over the western half of the region through Thursday, with some concern over dryness building into portions of the east, mainly northern Indiana, Michigan, and Ohio. Drier conditions are more likely after Thursday and areas that are missed could see further stress developing. -DTN

DELTA (SOYBEANS/COTTON): Scattered showers moved through the region over the weekend, continuing favorable growing conditions. Periods of isolated to scattered showers will continue this week, especially over northern areas which have been more in need of shower activity recently. -DTN

SOUTHEAST (COTTON): Periods of isolated to scattered showers moved through the region this weekend. The scattered nature meant that some areas were missed, but most areas are in good condition. Isolated to scattered showers will continue through the week, especially over the weekend. This should maintain good prospects on cotton so far this season. -DTN

Monday, June 29, 2020

BRAZIL (CORN/COTTON/WHEAT): Moderate to heavy rain fell over the southern growing regions this weekend, making their way up to Mato Grosso do Sul and Sao Paulo. Areas to the north continue to be dry with little to no rainfall over the last 60 days. A system will continue moderate to heavy rainfall in the south with a system early this week, keeping conditions excellent for filling corn and cotton and developing wheat. Another system looks to do the same this weekend. -DTN

ARGENTINA (WINTER WHEAT): Isolated showers fell toward the east coast but were absent for most of the country this weekend. Temperatures fell below the freezing mark for most of the country each morning since Thursday, perhaps nudging developing wheat toward dormancy. A system moving through Monday and Tuesday will continue showers in the east, but concern over soil moisture deficits for the interior central and southern growing areas continues, as does stress on developing winter wheat. Another couple of cold nights are forecast this week across the south as well. -DTN

EUROPE (WINTER WHEAT/RAPESEED/CORN): Scattered showers turned more isolated over the weekend. Heat last week abated for the northwest while it looks to do so for most of the continent this week as well. A couple of systems will move through the region this week, providing periods of showers to most areas except for the south, where dryness is more welcome for dry down and harvest of winter wheat. Overall, conditions are favorable for most of the summer crops. -DTN

UKRAINE/WEST RUSSIA (WINTER WHEAT/CORN): Scattered showers moved through the majority of the region on Sunday, with falling temperatures as well. Adequate soil moisture in the west contrasts with below normal soil moisture in the east, where stress is more likely, though the showers have helped some. After the system leaves Monday, a couple of systems will graze the west, but areas in the east will again be lacking moisture as heat builds back into the region. Again, conditions look fair to good in the west and fair to poor in the east. Harvest conditions for winter wheat will be much better after Monday. -DTN

CANADIAN PRAIRIES (SPRING WHEAT): Scattered moderate showers fell across a good portion of the region over the weekend, including the drier southeast. In fact, rainfall in eastern Saskatchewan and western Manitoba caused some flooding, where the dryness has been the most pronounced. This system will slowly develop through the middle of the week, with continual periods of showers in Alberta and along that same zone in the east that needs it. A couple more storms will move through later this week and weekend with more isolated showers. Overall, any areas that were concerned over soil moisture will be improving while soggy soils in Alberta continue. Coolness will also slow growth in the west through much of this week. -DTN

AUSTRALIA (WINTER WHEAT): Scattered showers fell over Western Australia this weekend with dry conditions in the east. Showers will miss the eastern wheat belt this week. And while Queensland could use the showers, soil moisture and irrigation reserves remain adequate for now.

CHINA (WINTER WHEAT/RAPESEED/CORN/SOYBEANS): Scattered showers continue to fall in the northeast for corn and soybean growth, though warmer temperatures would be favorable for growth. Harvest activities for rapeseed and winter wheat in central China have been interrupted at times by moderate rainfall recently. Moderate showers in the south continued to be beneficial for developing sugarcane and rice. -DTN

INDIA (WINTER WHEAT/RAPESEED/RICE/COTTON): Monsoon moisture continues to spread across the country, and occasionally makes it up into northwest India, where it delays harvesting of winter wheat and rapeseed. Overall, the monsoon has been on normal pace and provided very beneficial moisture to most of the crops in the region. An outbreak of locusts continues in western India from Uttar Pradesh to Madhya Pradesh. Extensive damage has been reported for all crops in the region as the swarms feed on newly planted summer crops. -DTN

Headlines:

- Malaysian September Palm Oil down 35 Ringgits

Monday, June 29, 2020

- Dalian Futures exchange Sept corn up 12 vs. the Yuan, Sept beans up 100, Sept meal down 13, Sept bean oil down 132
- Asian Equity markets were mixed Japan's Nikkei up .4% China's Shanghai down .6%
- European Equity markets start higher, German Dax up .4%, London FTSE 100 up .2%
- MATIF markets are mixed Aug Corn unchanged to the Euro, August Rapeseed down 1.25, Sept Wheat down .25
- Save the Date...June 30th ...Grain Stocks and Planted Acres...expected stocks wheat 980 MBU, corn 4.95 BBU, beans 1.39 BBU...planted acres winter wheat 30.85 million, all wheat 44.7, corn 95.21, beans 84.72
- Save the Date...June 30th...First notice day for CME/MGEX July Ag products
- Save the Date...July 1st...Canada Day
- Save the Date...July 2nd...US Employment Numbers/weekly jobless claims
- Save the Date...July 3rd...National Holiday in the States
- Save the Date...July 10th...US crop production numbers and S&Ds
- Save the Date...July 15th...NOPA Crush
- Fall Armyworm when you go out on a field check looking for FAW and this happens <https://www.msn.com/en-xl/news/other/after-fall-armyworm-havoc-and-covid-19-locust-invasion-is-new-threat-to-food-security/ar-BB1634b4>
- Just because it is an old story does not mean it is going away <https://philippineslifestyle.com/over-300000-pigs-culled-due-to-asf-20-new-outbreaks-recorded/>
- Covid-19EU preparing a list of go and no go nations <https://www.usnews.com/news/world/articles/2020-06-29/eu-to-prepare-list-of-covid-safe-nations-by-tuesday-spain-says>
- Locust, have made it to India's sugar cane growing region <https://www.msn.com/en-us/news/world/locust-swarm-enters-indias-sugar-cane-region/ar-BB164e1Z>
- Siberian Wildfires still burning
- The Libyan Civil War...recap <https://www.nbcnews.com/news/world/libya-plagued-war-decade-after-u-s-backed-forces-toppled-n1231010>
- Indian flooding in the NE becoming more dire by the hour <https://www.reuters.com/article/us-india-floods-idUSKBN2400W0>
- China Flooding in some areas the worst since 1940 <https://www.reuters.com/article/us-china-weather-floods-idUSKBN2400UO>
- Philippine Volcano getting a bit rumbly <https://newsinfo.inquirer.net/1298940/phivolcs-records-20-kanlaon-volcano-quakes-in-24-hours>
- CFTC MM funds reported that as of the close of 6/23 the MM funds were short 48,213 wheat contracts, short 277,479 corn, long 44,285 beans, short 46,012 meal short 721 oil contracts

Commentary:

For a short work week this week will be jammed packed with news. After the close today, fresh weekly crop updates. These crop updates will be the lens we view the USDA's Quarterly Grain Stocks and Planted Acres numbers come Tuesday. Also, on Tuesday it will be first notice day for July Ag contracts. On Thursday, the news will center around the macro markets reactions to the latest US Job Reports. We will have both a weekly jobless

Monday, June 29, 2020

claims report as well as monthly numbers to deal with as we enter a three day weekend here in the states. A three day weekend that will have a full moon. Weather markets can flip on three day weekends. The bottom line we have a lot to deal with this week. The full impact of the USDA Ag reports as well as the macro market news might not be fully felt until the following week which just happens to have a week from this Friday fresh USDA S&Ds. Keep watching this space headline driven price action is about to go into overdrive.

An investment in futures contracts is speculative, involves a high degree of risk and is suitable only for persons who can assume the risk of loss in excess of their margin deposits. You should carefully consider whether futures trading is appropriate for you in light of your investment experience, trade objectives, financial resources, and other relevant circumstances. PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.