

## MORNING GRAIN COMMENTARY

### Morning Trends:

Corn: 3 to 5 lower  
Wheat: 2 to 4 lower  
Soybeans: 3 to 5 lower  
Soy Meal .5 to 1.0 lower  
Soy Oil: 35 to 40 lower

### The Stories of the Day:

37 things not to do <https://www.msn.com/en-us/health/cardio/37-places-youre-most-likely-to-catch-coronavirus/ss-BB16oYoL?li=BBnb7Kz&ocid=spartan-dhp-feeds>  
More stimulus for Americans? <https://www.msn.com/en-us/news/politics/mcconnell-opens-door-to-more-coronavirus-stimulus-checks-for-low-income-americans/ar-BB16pyva?li=BBnb7Kz&ocid=spartan-dhp-feeds>

### Weather:

A large ridge continues to dominate the pattern for the next 10 days while a couple of disturbances will ride on the edge of the ridge across the northern tier of the country. A disturbance late this week will dig into the east this weekend into early next week, otherwise the ridge will remain dominant. The U.S. and European models are in fair agreement so I will use a blend of the models. For the outlook period, temperatures on Sunday will be near to above normal across most of the country. This pattern looks to continue through next week, with perhaps some cooling in the far Northwest U.S. Showers will continue in the Southeast through the middle of next week. A front will move across the northern tier of the country early next week with more focused showers. Another system will develop over the Northern Plains in the middle of next week. Also, some isolated showers will dot the rest of the Plains at times. -DTN

**NORTHERN PLAINS (SPRING WHEAT/CORN):** Scattered showers continue to move across the region, supporting good soil moisture where they occur. A few spots remain dry where the showers have missed. A few disturbances will move across the region with scattered showers through the middle of next week, keeping overall good prospects for developing crops. -DTN

**CENTRAL/SOUTHERN PLAINS (WINTER WHEAT/CORN/COTTON):** Periods of showers have developed over the last few days, including the Texas Panhandle. This likely delayed some of the remaining wheat harvest but will be good for developing corn and cotton. A front will linger across Texas with showers through Wednesday. More isolated showers will dot the region through the week. A couple of disturbances could bring thunderstorms across the north as well. -DTN

**MIDWEST (CORN/SOYBEANS/WHEAT):** Isolated showers continue to pop up across the region this week but will not be widespread enough to be much help to any drier soils in the east. With temperatures above normal, areas that remain dry will be stressed further. Disturbances will likely focus shower activity across the north for anything more substantial for the next couple of days. A trough building into the east later this week may provide much-needed moisture to the eastern states Friday through Sunday. If showers are not as intense as expected or more scattered, dryness will continue to mount in the region. -DTN

**DELTA (SOYBEANS/COTTON):** Periods of isolated to scattered showers will continue through next week, providing adequate soil moisture for developing cotton and soybeans. -DTN

**SOUTHEAST (COTTON):** Periods of isolated to scattered showers will continue through next week, maintaining good prospects on developing cotton. -DTN

**BRAZIL (CORN/COTTON/WHEAT):** Moderate to heavy rain fell over the southern growing regions this weekend into Monday, especially in Rio Grande do Sul, favoring developing wheat. Areas to the north continue to be dry with little to no rainfall over the last 60 days. Any filling corn and cotton are advancing quickly to maturity. A front will linger across the south with moderate to heavy rainfall through early Wednesday. -DTN

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**ARGENTINA (WINTER WHEAT):** Low temperatures dipped near or below the freezing mark over the weekend and showers were scarce, putting interior central and southern winter wheat areas under further stress. Very little chance for rainfall is expected this week and temperatures may continue to fall near or below freezing as well, further stressing wheat. -DTN

**EUROPE (WINTER WHEAT/RAPESEED/CORN):** A couple of systems will bring scattered showers to much of the continent this week, especially the north, benefiting developing summer crops. France may be left out of the shower activity. And after a wet early start to the week, the southeast will become drier, benefiting the winter wheat harvest. -DTN

**UKRAINE/WEST RUSSIA (WINTER WHEAT/CORN):** Heat in the east is stressing summer crops where showers have been less frequent. The heat and dryness will benefit winter wheat harvest activities, however. The heat will continue in the region until a strong front moves through slowly Tuesday through Thursday. Scattered showers will benefit Ukraine but will likely not make it very far into Russia, further stressing summer crops. Showers may have to wait until next week in southern Russia. -DTN

**CANADIAN PRAIRIES (SPRING WHEAT):** Scattered showers fell across mainly northern and eastern areas over the last several days, benefiting developing wheat. Portions of southern Alberta and Saskatchewan were drier but soil moisture in the region is more than adequate due to last week's rains. Overall, favorable conditions continue for much of the region, except for central and northern Alberta where soggy soils and cooler temps have stunted growth. -DTN

**AUSTRALIA (WINTER WHEAT):** Scattered showers over the weekend fell across Victoria but missed much of the eastern wheat belt. Soil moisture and irrigation reserves remain adequate in the east, but showers would still be welcome, especially in Queensland. A system may do just that Friday through the weekend. -DTN

**CHINA (WINTER WHEAT/RAPESEED/CORN/SOYBEANS):** Scattered showers continue to fall in the northeast, benefiting developing corn and soybeans, 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, though intense rainfall this season near the Yangtze River has caused significant flooding. -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. The 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
- Dalian Futures exchange Sept corn up 5 vs. the Yuan, Sept beans down 41, Sept meal up 7, Sept bean oil down 18
- Asian Equity markets were mixed Japan's Nikkei down .4% China's Shanghai up .4%
- European Equity markets start mixed, German Dax down 1.1%, London FTSE 100 down 1.0%
- MATIF markets are steady mixed Aug Corn up .50 to the Euro, August Rapeseed up .50, Sept Wheat down .25
- Save the Date...July 9<sup>th</sup>...weekly jobless claims
- Save the Date...July 10<sup>th</sup>...US crop production numbers and S&Ds

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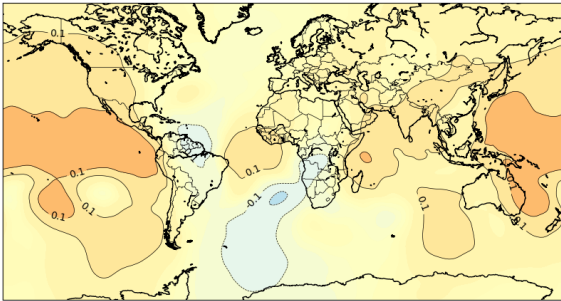
- Save the Date...July 10<sup>th</sup>... The Malaysian Palm Oil Board is scheduled to release its June supply and demand data -QT
- Save the Date...July 15<sup>th</sup>...NOPA Crush
- Save the Date...July 23<sup>rd</sup> & 24<sup>th</sup>...Japanese holidays
- Fall Armyworm, still munching
- African Swine Fever control with better additives? <https://phys.org/news/2020-07-additives-mitigate-african-swine-fever.html>
- Covid-19 not a great list to be on <https://www.npr.org/sections/coronavirus-live-updates/2020/07/07/888104453/india-surpasses-russia-in-reported-coronavirus-infections>
- Locust now if only covid-19 would do this <https://www.msn.com/en-xl/news/other/weather-comes-to-farmers-rescue-as-locust-swarms-disappear-inside-nepal/ar-BB16pWc4>
- The Libyan Civil War, <https://sg.finance.yahoo.com/news/oil-prices-slip-weak-japan-005903738.html>
- China Flooding Season continues to cause havoc <https://www.msn.com/en-xl/news/other/flood-destroys-ancient-bridge-in-east-china/ar-BB16qswH>
- Indian Flood season not much better than China <https://sports.yahoo.com/deadly-monsoon-flooding-forces-evacuations-151253821.html>
- As of the close of 6/30 the CFTC tonight said that MM funds were short 38,812 wheat, short 202,648 corn, long 67,836 beans, short 52,497 meal and long 847 oil contracts
- USDA rated corn in the good/excellent category at 71%, beans at 71%, spring wheat at 70%, winter wheat harvest at 56% complete
- GASC looking wheat, shipment Aug 8-18<sup>th</sup>
- Talk yesterday that China booked 2-3 cargos of beans out of the PNW

## Commentary:

I get it, I am old. I get it not everyone enjoys 1980s music. That said I can not help feel that market bears have got to be singing that rock and roll standard from Pat Benatar, "Hit Me With Your Best Shot." The bulls yesterday fired off stories of Chinese demand for corn and beans as well as adverse weather here in the states and yet the bear seems like they are taking back control of the market. Market bears this AM are pointing out that even with further declines in the crop ratings over the next two weeks there remains an excellent chance that corn will yield at 178.5 or higher for a national average. Market bears are pointing out that elevated Chinese corn demand can be handle by the robust US stocks. Market bears pointing out that as the US sees a spike in Covid-19 infections the return to normal driving patterns in the US will take a dip. But more than anything that is giving a pep to the step of the bear this AM is the fact that the liquidation of the burdensome MM Fund length in corn has proceeded at a faster and more orderly pace than expected. With a potential bearish USDA S&D report to end the week, the bear to the bull this morning, along with Ms. Benatar, are saying "Fire Away."

Seems like the whole world is a tad dry: July Velocity Potential (MJO Signal)

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