

MORNING GRAIN COMMENTARY

Morning Trends:

Corn: 1 to 3 lower
Wheat: 2 to 4 lower
Soybeans: 3 to 5 lower
Soy Meal 1.5 to 2.0 lower
Soy Oil: 5 to 10 higher

The Stories of the Day:

And now the tough part, the tracking <https://www.msn.com/en-us/news/us/sturgis-motorcycle-rally-rolls-to-a-close-as-virus-tracking-remains-complex/ar-BB184NM1?li=BBnb7Kz>
Pick one for Friday song of the week <https://www.msn.com/en-us/entertainment/news/the-25-best-rock-n-roll-anthems/ss-BB184cAI?li=BBnb7Kz>

Weather: A ridge is located in the Four Corners region with a trough eastern Canada into the Northeast. The ridge will remain firm over the next 10 days. The trough will push northeast over the next few days while another disturbance or two move through Canada in the middle to late week time frame. A trough will become strong and deep over eastern Canada next week. The U.S. and European models are similar for the majority of the period so I will use a blend of the models. The U.S. models are generally colder than the European ones, however, and I will favor the European ones for temperatures. For the outlook period, temperatures on Sunday will be above to well above normal in the West and near to above normal east of the Rockies. Temperatures may rise several degrees over the period through the middle of next week, with cooling near the Canadian border around the middle of next week. Daily scattered showers are expected in the Southeast. Periods of showers will move across the northern tier of the country through the period. And we'll have to watch for a potential tropical storm next week as well. -DTN

NORTHERN PLAINS (SPRING WHEAT/CORN): Isolated showers are expected over the next several days. The overall dryness will be good for harvesting wheat while showers will be beneficial to filling corn where they occur. -DTN

CENTRAL/SOUTHERN PLAINS (CORN/COTTON): Showers will be more likely closer to the Rockies and across the north this week. Showers will benefit filling corn where they occur, but much of the region has above normal soil moisture due to rains over the last month outside of northeast Nebraska, where dryness continues. West Texas has seen relief from the heat, though temperatures are expected to be near to above normal for the week and rainfall chances are low. Stress to boll setting and opening cotton will continue and require further irrigation. -DTN

MIDWEST (CORN/SOYBEANS/WHEAT): Portions of Iowa and the eastern Midwest are and have been turning drier in the last week or two, which could be stressing to filling corn and soybeans, though most of the region is in good shape. Scattered showers will occur mostly across northern areas in the middle of the week and continue through the weekend. -DTN

DELTA (SOYBEANS/COTTON): Showers last week helped to cut into recent dryness for filling cotton and soybeans, but very little shower activity is expected until this weekend, with stress possibly returning or continuing where it was drier last week. -DTN

SOUTHEAST (COTTON): Some dryness continues across Georgia and Alabama where the showers have not been able to keep up with demand as readily, but scattered showers will continue in the region over the next week, benefiting those areas they hit. Being scattered, some areas of dryness will continue or build in areas that are missed. Despite this, conditions are mostly favorable for boll setting and opening cotton. -DTN

BRAZIL (CORN/COTTON/WHEAT): Dry conditions continue to favor the remaining harvest activities for corn and cotton in the central and north, while conditions remain favorable for developing wheat in the south. A front will remain stalled around Parana for much of the week, producing periods of moderate to heavy showers in the

Tuesday, August 18, 2020

region. Some flooding risk will continue with this. Temperatures will fall dramatically late this week and weekend, causing some frosts and potential freezes over southern areas and potentially impacting wheat. -DTN

ARGENTINA (WINTER WHEAT): Dryness continues to be a concern for the interior of the region for the rest of the winter as shower chances have remained further to the east. This week will be no different. And with temperatures below to well below normal, frosts and freezes will continue to limit growth and keep the crop dormant. -DTN

EUROPE (SPRING GRAINS/CORN): A couple of storm systems will continue to produce showers over the course of the week, continuing the mostly favorable conditions for filling crops. Spain and Italy could use more precipitation as it continues to be drier in these areas. -DTN

UKRAINE/WEST RUSSIA (SPRING GRAINS/CORN/SUNFLOWERS): Soils continue to be drier for much of the eastern two thirds of the region, though the Volga Region in Russia has benefited most from scattered showers over the last couple of weeks. The western half of Ukraine looks to have some good chances for showers over the week, but the rest of the region looks to have very little and will continue to stress filling crops. -DTN

CANADIAN PRAIRIES (SPRING WHEAT): Isolated showers and above normal temperatures are expected for most of the week, with better chances for showers across the already wetter sections in the west and east. As the crop continues to mature, the isolated nature of the showers and above normal temperatures should favor more advanced crops while later planted crops will likely suffer, especially in the southwest quarter of the region. -DTN

AUSTRALIA (WINTER WHEAT/RAPESEED): Showers will continue over the southern portions of the growing region this week and Queensland is not expected to see much rainfall, which could stress developing wheat and rapeseed. Otherwise, favorable conditions continue across most of the country. -DTN

CHINA (CORN/SOYBEANS/SUGARCANE/RICE): Overall favorable conditions continue in the northeast for reproductive to filling corn and soybeans and in the south for rice and sugarcane. -DTN

INDIA (SUGARCANE/RICE/COTTON/SOYBEANS): Monsoon moisture continues to spread across the country but is lighter than normal in the south. Still, conditions are favorable across most of the region. The outbreak of locusts has started to become contained as swarms migrate westward and control measures are reported to be working. Extensive damage has still been reported for all crops in the region, however. -DTN

Headlines:

- Malaysian October Palm Oil up 16 Ringgits
- Dalian Futures exchange Jan corn up 7 vs. the Yuan, Jan beans up 11, Jan meal up 21, Jan bean oil up 36
- Asian Equity markets were mixed Nikkei closed down .2% China's Shanghai up .4%
- European Equity markets start mixed, German Dax down .2%, London FTSE 100 down .1%
- MATIF markets are mixed to lower Nov Corn down .75 to the Euro, Nov Rapeseed unchanged, Sept Wheat down .50
- Save the Date...Aug 21st...Last trading day CME/MGEX Sept grain options
- Save the Date...Aug 27th...2Q US GDP
- Save the Date...Sept 4th...US employment numbers
- Save the Date...Sept 7th...US Labor Day

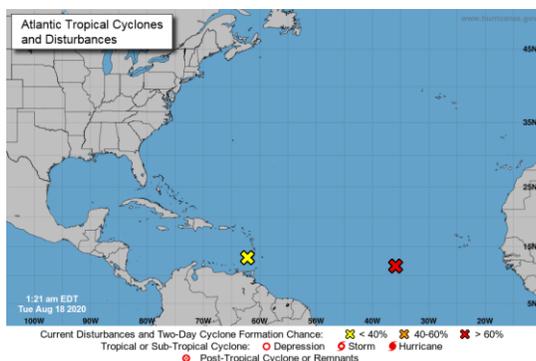
Tuesday, August 18, 2020

- Save the Date...Sept 11th...US S&D numbers
- China makes inroads on a ASF vaccine <https://www.livemint.com/news/world/china-advances-development-of-vaccine-against-virus-that-wiped-out-millions-of-pigs-11597741889473.html>
- Locust season winding down <https://www.hindustantimes.com/cities/central-body-sees-no-locust-threat-in-punjab-haryana/story-bDZJkaoLE5sE1IQSn90iPO.html>
- Fall Armyworm SC researchers making inroads in fighting FAW in sorghum <https://newsstand.clemson.edu/mediarelations/clemson-fall-armyworm-research/>
- Covid-19 some good news??? <https://www.reuters.com/article/us-health-coronavirus-mutation-idUSKCN25E08Y>
- China floods a recap of damage so far <https://uk.reuters.com/article/us-china-floods/chinas-rain-swollen-yangtze-river-triggers-unprecedented-flood-alert-idUKKCN25E0CT>
- COFCO Chief Accountant under investigation: <https://www.reuters.com/article/us-china-cofco-executive-investigation/chief-accountant-of-chinas-agri-giant-cofco-is-under-investigation-graft-watchdog-idUSKCN25E0YT>
- WH places more restrictions on Huawei
- USDA in their weekly ratings place 69% of the corn crop in the good/excellent category and beans at 72%...both down 2% WoW
- USDA announces that because of last week's Derecho they will resurvey IA planted acres, if found that adjustments need to be made, they will make them on the Sept 11th S&D report

Commentary:

Okay then, it feels like yesterday the markets did a good job in putting some weather premium back into place for N. America spring planted crops. It is clear that we need some rain to finish the corn and bean crops in the Corn Belt. It is clear that we have a big problem brewing on the front range of the Rockies with US graze lands. That said even with worst case scenarios for the corn and bean crop finish, the carryouts will be just fine to burdensome. To really get a bull move going off of the recent lows we will need to see not just sustained Chinese demand but Pac Rim buying of US feed grains. On top of that we will need to see the Brazilian spring planting season get off to a poor start. All of this is possible, but all of this might not happen either. The other wild card remains US Presidential Politics. One does not know where this might take us. Case in point, yesterday the WH said that China is meeting its Phase One obligations, but at the same time the WH slapped new restrictions on Huawei's ability to buy needed US technology. Buckle up between the weather and US/Chinese relationship we have a wild fall ahead.

The Mean Season: We have a Yellow X and Red X our concern the Red X may become a Gulf event in 7-9 days





Risk management for a modern world.

Tuesday, August 18, 2020



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