

MORNING GRAIN COMMENTARY

Morning Trends:

As of 4:30 AM CDT
Corn: 3 to 5 lower
Wheat: 3 to 5 lower
Soybeans: 7 to 9 lower
Soy Meal .5 around
Soy Oil: 40 to 45 lower

The Stories of the Day:

Thanksgiving Holiday <https://www.msn.com/en-us/health/medical/gottlieb-predicts-thanksgiving-will-be-inflection-point-for-winter-coronavirus-surge/ar-BB1aAKgS?li=BBnb7Kz>
Harvest Wheat Australia <https://www.msn.com/en-us/news/world/australian-wheat-farmers-harvest-a-bumper-crop/vi-BB1aBJ8x>

Weather: There is a ridge in the West and trough in the East. The ridge will spread through the country through the early half of the week, pushing the trough through eastern Canada. A weak trough will move across southern Canada in the mid-to-late portions of the week. A large trough will dig into the West this weekend, with the ridge amplifying in the East. The trough will spread into the Central U.S. by the middle of next week while being reinforced in the West. The U.S. and European models are in fair agreement through the period, but treat the storm in the middle of the country next week differently. I will use a blend of the models but favor the European. For the outlook period, temperatures on Saturday will be above to well above normal in the Central and East and falling below normal in the West. Temperatures will continue to fall below normal across the West over the weekend and into the middle of the country by the middle of next week. Widespread precipitation will follow from the West to the Central next week as a major storm system slowly moves through the country ahead of the main trough. -DTN

NORTHERN PLAINS (CORN/LIVESTOCK): Little to no precipitation fell over the weekend. Temperatures fell below freezing Sunday morning. Temperatures will rise well above normal this week, melting any remaining snow and helping to drain fields and allow for more fieldwork to progress. A strong system this weekend will bring strong winds, moderate precipitation including chances for snow, and crashing temperatures into next week. -DTN

CENTRAL/SOUTHERN PLAINS (CORN/WINTER WHEAT/LIVESTOCK): The region was dry over the weekend. Temperatures dipped below freezing Sunday morning in the northwest and may have continued to impact winter wheat in western Kansas. Temperatures will rise well above normal this week, helping to drain fields and allow for additional fieldwork. Recent showers have provided beneficial moisture for development and recovery of winter wheat. A strong system this weekend will bring strong winds, moderate precipitation chances, and crashing temperatures into next week. -DTN

MIDWEST (CORN/SOYBEANS/WHEAT): Scattered showers fell across the north this weekend. Recent showers have benefited winter wheat but caused fieldwork and harvest delays. Dry weather and rising temperatures will benefit a return to fieldwork and harvest activities. A strong system next week will bring strong winds, moderate precipitation, and crashing temperatures. -DTN

DELTA (SOYBEANS/COTTON): Mostly dry weather over the weekend will continue through this week, favoring draining soils and improving conditions for harvest. -DTN

SOUTHEAST (COTTON): Mostly dry weather over the weekend will continue through this week, favoring draining soils and improving conditions for harvest. -DTN

BRAZIL (CORN/SOYBEANS/WHEAT): Scattered showers occurred over central and northern portions of the country this weekend. Periods of showers will continue in these areas of the country through the week with very little shower activity over the south. Fieldwork and planting activities will continue to increase this week. Recent

Monday, November 2, 2020

moderate showers across the south have benefited full-season corn but relative dryness over the next week may be concerning in some areas. -DTN

ARGENTINA (WINTER WHEAT/CORN/SOYBEANS): Dry weather occurred over the weekend. Recent showers have benefited developing winter wheat and boosted soil moisture for emerging corn and soybeans. There is still a long ways to go to end the drought across the country. Scattered showers are expected toward the latter half of the week but stress to corn and soybeans can be expected if showers are too scattered and light. -DTN

EUROPE (WINTER WHEAT): Scattered showers fell across the continent this weekend, maintaining beneficial conditions for winter wheat. A couple of storm systems will move through this week with scattered showers. Showers will be more consistent and heavy over Spain and maybe France as a system cuts off over the region later this week. -DTN

UKRAINE/WEST RUSSIA (WINTER WHEAT): Scattered showers, moderate in some cases, fell across the region this weekend and will continue through Tuesday before drying up. The region will take any moisture it can get as severe drought continues to plague the area and delay and limit growth on winter wheat. But with relative dryness following for the rest of the week and weekend, the region is running out of time to develop good root systems before winter. -DTN

NORTHERN AFRICA (WINTER WHEAT): No shower activity developed this weekend. Recent showers have boosted soil moisture prior to winter wheat planting, but more are needed. Western areas look to get more showers in the middle of the week. -DTN

SOUTH AFRICA (CORN): Scattered showers fell over the weekend, continuing to create beneficial conditions as corn planting begins. Scattered moderate to heavy showers will be in the region all week. -DTN

AUSTRALIA (WINTER WHEAT/CANOLA/COTTON/SORGHUM): Scattered showers fell over the weekend, especially in the southeast, maintaining overall favorable conditions for filling winter crops and establishing summer crops. Western areas also saw some much-needed rainfall, but it could be too late for late-filling winter wheat and canola. A couple of systems will move through southern areas this week, limiting showers for Queensland, which could use more rainfall as it remains below normal. -DTN

MALAYSIA/INDONESIA (PALM OIL): Recent and forecast showers have been adequate for palm oil prospects as monsoon showers continue. -DTN

Headlines:

- Malaysian January Palm Oil down 32 to the Ringgits
- Dalian Futures exchange closed mostly lower Jan corn down 28 to the Yuan, Jan beans up 15, Jan Meal down 3, Jan bean oil down 60
- Asian Equity markets were higher Nikkei up 1.4%, China's Shanghai up .1%
- European Equity markets start higher German Dax up .1%, London FTSE 100 .5%
- MATIF markets are lower Jan Corn down .50 to the Euro, Feb Rapeseed down 3.0 Dec Wheat down 2.25
- Save the Date...Nov 3rd...US Election Day
- Save the Date...Nov 5th...FOMC meeting results
- Save the Date...Nov 6th...US monthly jobs reports...expected 530,000 new non-farm jobs, unemployment rates move to 7.7% down from 7.9% and MoM hourly wages up .2%
- Save the Date...Nov 10th...USDA S&Ds

Monday, November 2, 2020

- ASF on the Germany border <https://www.msn.com/en-us/news/world/more-swine-fever-cases-detected-among-germany-e2-80-99s-wild-boars/ar-BB1azD1v>
- Ethiopia locust crisis <https://tinyurl.com/y6ba77xv>
- Brexit under 60 day update talking is good <https://www.thesun.co.uk/news/13051535/brexit-news-latest-farage-trade-deal-deadline-farage-uk-live/>
- Armenia border both sides accuse each other of targeting civilians <https://tinyurl.com/y2tszrbl>
- Our hopes and thoughts of good will with the people of the Philippines <https://www.msn.com/en-gb/news/world/philippines-16-dead-thousands-of-homes-damaged-in-typhoon/ar-BB1aBUGX>
- Sources cited by Reuters in an article Monday suggests Australia's appeal to China to scrap their import tariff on Australian barley has fallen on deaf ears. The Australian gov't back in August requested a formal inquiry by China's commerce ministry into the matter. -DTN
- CFTC MM Funds Position Report as of 10/27 found that the MM Funds were long 48,896 wheat, long 276,235 corn, long 232,717 beans, long 84,279 meal and long 94,426 oil contracts

Commentary:

Most of the news is back loaded this week. The results of the US election and key US Senate Seats may not be known for days. The biggest question post the election will be what happens next to US Covid Relief Aid? Will the lame duck Congress rush a new package forward or will it be targeted relief in 2021 that is introduced? The timing and size of the package could be influenced by the FED meeting results that are due on Thursday. On Friday, the most important US monthly economic numbers will be out. US job numbers will give the macro markets potential insight on how motivated official DC will be in a new relief package. Grain world price action will be interested in the election results to get a sense on where world trade might be headed. For today grain price action will depend on the weekly export inspections as well as after the close the latest crop updates. If the harvest is rolling into the wrap up stage bargain hunting by end users later this week could surface. We feel the USDA weekly crop updates will find that 91% of the winter wheat crop has been planted and that they will find 46% of the crop is good/excellent, 86% of the corn crop has been picked and 93% of the bean crop has been cut

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.