

MORNING GRAIN COMMENTARY

Morning Trends:

As of 4:30 AM CDT

Corn: 1 to 2 higher

Wheat: 6 to 8 lower

Soybeans: 7 to 9 higher

Soy Meal 1.0 to 1.5 higher

Soy Oil: 35 to 40 higher

The Stories of the Day:

It's happening... <https://www.msn.com/en-us/news/us/hospitals-prepare-for-first-shots-as-virus-vaccine-shipments-blanket-us/ar-BB1bTHog?li=BBnb7Kz>

US Government Agencies hit by cyber attack

<https://www.msn.com/en-us/news/us/agencies-hacked-in-foreign-cyber-espionage-campaign/ar-BB1bTH6X?li=BBnb7Kz>

Weather: There is a trough in the West and another in the Great Lakes. A progressive pattern continues through the period with a series of several troughs moving through the country over the next 10 days. The U.S. and European models have some good agreement on the overall pattern. They differ on the progression of the storm systems over the next 10 days but not as much as they did last week. I will use a blend of the models but favor the European. For the outlook period, temperatures on Saturday will be near to below normal in the Southwest and East Coast and near to above normal elsewhere. Temperatures will gradually warm above normal for most areas through the period. A frontal boundary may bring some showers east of the Mississippi River this weekend. Other storms may pass through southern Canada early next week, with some minor precipitation impacts over northern areas of the country. -DTN

NORTHERN PLAINS (LIVESTOCK): Isolated snow showers moved through the region over the weekend. Temperatures fell near to below normal but will rise through the week, with little stress on livestock. -DTN

CENTRAL/SOUTHERN PLAINS (WINTER WHEAT/LIVESTOCK): A two-part system brought moderate showers to much of the region, including moderate to heavy snowfall across Oklahoma and the Texas Panhandle. The snowfall will increase soil moisture for wheat going dormant. More snow may be possible over this area early this week, but an overall drier pattern is expected for the region. -DTN

MIDWEST (CORN/WHEAT): A system brought moderate to heavy precipitation across much of the region over the weekend, increasing soil moisture but causing delays to the late corn harvest. A couple of weaker systems will move through the region through the next week with little additional moisture. -DTN

BRAZIL (CORN/SOYBEANS): Scattered moderate to heavy showers occurred over the weekend, just in time for corn and soybeans reaching reproductive stages. Showers will be more concentrated over southern areas this week before migrating further north this weekend and into next week. Areas somewhat missed last week in central Brazil could show signs of further stress before the rains return. -DTN

ARGENTINA (WINTER WHEAT/CORN/SOYBEANS): Scattered moderate to heavy showers fell across the country over the weekend, particularly across the north and northeast. Periods of showers will continue across the northern areas this week. A system will bring more widespread showers Friday and Saturday to the country. Dryness has limited growth and development of corn and soybeans so far this season. With showers being limited again this week, more stress is expected. The system this weekend may bring enough rainfall for a week's worth of dryness, but the region continues to run behind normal. -DTN

EUROPE (WINTER WHEAT): Winter grains have gone into dormancy in good condition across the north and east. Scattered showers fell across Spain and particularly Italy over the weekend. Recent showers have promoted winter wheat development in these areas. Though a storm will likely move into the Mediterranean this week, it will likely come with less showers, though rainfall has been more than adequate thus far. -DTN

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NORTHERN AFRICA (WINTER WHEAT): Scattered moderate showers fell across the eastern half of the region this weekend, with lighter showers in Morocco, where long-term deficits remain large. There is somewhat of a contrast between good conditions for developing winter wheat in the east, and poorer conditions in the west. Despite a system moving into the Mediterranean this week, only some isolated showers are expected across the west. Scattered showers may develop over the east this weekend. -DTN

SOUTH AFRICA (CORN/SUGARCANE): Isolated to scattered showers continue to move through the region, benefiting developing corn and sugarcane. Showers will continue to be in the area through the next week. -DTN

AUSTRALIA (WINTER WHEAT/CANOLA/COTTON/SORGHUM): Scattered showers fell across northern New South Wales and Queensland this weekend. More showers will continue in this area through the week, spreading south to areas that have been a little drier as of late. The late harvest of wheat and canola will see some delays but developing cotton and sorghum will benefit. -DTN

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

Headlines:

- Malaysian February Palm Oil up 42 Ringgits
- Dalian Futures exchange mixed May corn down 14 to the Yuan, May beans down 135, May Meal down 15, May bean oil up 80
- Asian Equity markets were mixed to higher Nikkei up .3%, China's Shanghai up .7%
- European Equity markets start mixed to higher German Dax up .8%, London FTSE 100 up .1%
- MATIF markets are mostly mixed March Corn down .75 to the Euro, Feb Rapeseed up .75, March Wheat down 1.50
- Save the Date...Dec 15th...NOPA Crush...crush expected at 180.0 MBU
- Save the Date...Dec 16th...FOMC meeting results
- Save the Date...Dec 22nd...GDP Q3
- Save the Date...Dec 24th...USA Government closed
- Save the Date...Dec 28th...Bank Holiday UK
- Brexit Talks limited progress being made <https://www.bbc.com/news/uk-northern-ireland-55301470>
- ASF/FAW all quiet, locust Kenya losing the fight <https://www.the-star.co.ke/news/2020-12-13-kenya-losing-fight-against-desert-locust-invasion/>
- Bird Flu its everywhere in Japan <https://www.reuters.com/article/health-birdflu-japan-idUSKBN28O0B3>
- When Putin say jump...Ag Ministry looking at options expects to have ideas in place by Monday <https://www.reuters.com/article/global-grains/grains-wheat-hits-3-week-high-on-russian-export-tax-proposal-idUSL1N2IU067>
- Weekly CFTC MM fund positions as of the close of 12/8 found the MM funds short 5,692 wheat contracts (but long 44,774 KW and long 2,538 MW), long 269,583 corn contracts, long 185,635 bean contracts, long 62,642 meal contracts, long 89,063 bean oil contracts

Commentary:

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The holiday season is almost upon us. And in Ag world we will end Dec with two three-day weekends. This means between now and early next week-end users will be aggressive in making sure there are no holes in their lineups. This should keep a domestic cash bid under the market this week. The holiday season is almost upon us. The Chinese spring festival season in early February means between now and the end of the calendar year end users will be aggressive in making sure there are no holes in their lineups. Over the next couple of weeks, the twin holiday seasons is going to give us a look see at what the spring markets might look like. In other words, the export channels need to be fed daily as long as the export lift of corn and beans continues. This means end users this spring will find even more competition than normal to originate grain. And to make matters even tougher given the pace of grain sales off the farm the end user will be having to originate more grain than ever from the commercial and we all know the commercials play for dollar bills not pennies.

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.