

## MORNING GRAIN COMMENTARY

### Morning Trends:

As of 4:30 AM CDT

**Corn: 1 to 2 lower**

**Wheat: 1 around**

**Soybeans: 1 to 3 higher**

**Soy Meal 1.0 to 1.5 higher**

**Soy Oil: 5 to 10 lower**

### The Stories of the Day:

What can we say its Friday <https://www.msn.com/en-us/travel/tripideas/eyeballs-and-more-weird-things-that-have-washed-ashore/ss-BB1dIHv2?li=BBnb7Kz>

Sorry TB and TB we cater to the Midwest and BBQ  
<https://www.youtube.com/watch?v=146GSBzn5HA>

**Weather:** There is a trough across much of the country. A reinforcing trough will move through the Rockies this weekend with colder air, continuing the trough across the majority of the country through next week. The more potent portion of the trough may lift northeast at the end of next week, while a ridge begins to develop in the Eastern Pacific. The U.S. and European models are fairly similar but there are some significant differences in how they treat storm systems. I will use a model blend but favor the European. For the outlook period, temperatures on Wednesday will be well below normal across the Plains through the Midwest, and near to above normal in the Southeast and Southwest. Temperatures will fall below to well below normal for all areas east of the Rockies next week while the Southwest remains near to above normal. A front lingering along the Gulf Coast will produce periods of showers through next weekend. -DTN

**NORTHERN PLAINS (LIVESTOCK):** Temperatures well below normal will continue for at least the next 10 days, increasing stress for livestock and newborn calves. -DTN

**CENTRAL/SOUTHERN PLAINS (WINTER WHEAT/LIVESTOCK):** Arctic air will spread across the region this weekend into early next week. Temperatures may get down below zero Fahrenheit for a wide area. With most of the region without snow cover, there is increased risk from winterkill. -DTN

**MIDWEST (WINTER WHEAT):** A system brought moderate precipitation and gusty winds for much of the region Thursday. Arctic air will follow the system this weekend through next week, with temperatures likely falling below zero Fahrenheit for most of the region. This could be damaging to exposed winter wheat across the south. Some additional chances for light to moderate snow are forecast through the middle of next week. -DTN

**BRAZIL (CORN/SOYBEANS):** Scattered showers this week benefited immature corn and soybeans but caused harvest and planting delays. A front moving through the area will stall across Mato Grosso to Minas Gerais this weekend where showers will be more focused going into next week while dryness sets up to the south. The dryness over several days will create a window for safrinha corn planting but more showers are needed for germination and early growth of corn as subsoil moisture continues to be below normal for much of the area. -DTN

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**ARGENTINA (CORN/SOYBEANS):** Recent showers were a major benefit to reproductive to filling corn and soybeans. A somewhat drier pattern is setting up for the next week though some isolated showers may develop. -DTN

**EUROPE (WINTER WHEAT):** Recent precipitation has maintained adequate to surplus soil moisture in the north for dormant winter crops and continuing vegetative winter crops across the south. Periods of showers will continue through the weekend and into next week. -DTN

**NORTHERN AFRICA (WINTER WHEAT):** Much of the region has been dry this week before a system moves through this weekend. Still, vegetative winter crops have favorable conditions. -DTN

**SOUTH AFRICA (CORN/SUGARCANE):** Periods of showers continue provide ample to surplus moisture to the main crop areas through the next week. Crops remain in favorable conditions. -DTN

**AUSTRALIA (COTTON/SORGHUM):** Scattered showers will move through the eastern growing regions into this weekend, followed by a week of dryness. Conditions are still adequate for most cotton and sorghum areas and irrigation levels are still adequate. -DTN

**MALAYSIA/INDONESIA (PALM OIL):** Above normal rainfall this season and continued periods of showers will benefit palm oil prospects. -DTN

## Headlines:

- Malaysian Palm Oil April up 65 Ringgits
- Dalian Futures exchange higher May corn up 42 to the Yuan, May beans up 210, May Meal up 68, May bean oil up 158, May palm oil up 122
- Asian Equity markets were higher Japan's Nikkei up 1.3%, China's Shanghai up .5%
- European Equity markets start mixed German Dax up .2%, London FTSE 100 up .1%
- MATIF markets are mixed March Corn unchanged to the Euro, May Rapeseed down .25, March Wheat down .50
- Save the Date...Feb 5<sup>th</sup>...US Jobs Numbers...expected 104,000 new jobs created...unemployment rate unchanged at 6.7%
- Save the Date...Feb 9<sup>th</sup>...USDA S&Ds...average trade guess for US wheat carryout/Jan USDA 834 MBU/836 MBU, corn 1.392/1.552 BBU, beans 123/140 MBU...world wheat carryout 312.86/313.19 MMT, corn 279.49/283.83 MMT, beans 83.30/84.31 MMT...Argentina corn and bean production corn 47.03/47.50 MMT, beans 47.64/48.00 MMT...Brazil corn 108.40/109.00 MMT, beans 132.46/133.00 MMT
- Save the Date...Feb 12<sup>th</sup>...Chinese New Year
- Save the Date...Feb 15<sup>th</sup>...President's Day in the US
- Save the Date...Feb 16<sup>th</sup>...MLB camps start to open...maybe...Cactus league asking for a delay
- COVID Update <https://www.wsj.com/articles/why-the-covid-19-vaccine-is-more-scarce-than-the-flu-shot-11612521000>
- Indian Farmer Strike update <https://www.msn.com/en-xl/news/other/what-are-the-indian-farmer-strikes-and-how-is-rihanna-involved/ar-BB1dmlhU>
- Argentina Trucker Strike update so far little impact on grain flows to port hubs
- ASF/Bird Flu/FAW all quiet but locust <https://www.msn.com/en-xl/news/other/kenya-says-desert-locust-invasion-increasing/ar-BB1dnLeI>

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- CFTC MM Funds Position report at 2:30 PM CST as of the close of 2/2 we feel the MM Funds were long 5,275 wheat, long 385,729 corn, long 145,590 beans, long 68,090 meal, and long 112,234 bean oil contracts

## Commentary:

It is Friday and as always on Friday the closes are more important than the openings. This seems to be especially true today as overnight volume as reverted back to almost holiday type levels. It has been said by AgResource and others that big market have big ranges. This seems to have held true to start the week, but it feels like the markets have zeroed in on what is fair value before next Tuesday's USDA reset. That means to us WH values technically are and will be pointed in a sideways to lower fashion going into the reports. To move the needle of technical momentum to straight lower a close under 620 is needed; to push towards sideways to higher a close over the 654 would help. CH momentum is pointed straight up, a close over 554 would be good for the bull and close over 560 excellent; to swing sideways to lower a close under 540 would be helpful. SH are in the Clash mode as their momentum is sideways. A close above 1385 start to move the needle to sideways highs a close over 1415 would confirm this: 1345 and lower and the bear will sleep well this weekend.

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.