

MORNING GRAIN COMMENTARY

Morning Trends:

As of 4:30 AM CDT

Corn: 6 to 8 higher

Wheat: 1 to 3 higher

Soybeans: 3 to 5 higher

Soy Meal 2.0 to 2.5 higher

Soy Oil: 20 to 25 lower

The Stories of the Day:

Winter Storm to pound NE US <https://www.msn.com/en-us/weather/topstories/blizzard-to-bury-northeast-in-feet-of-snow/ar-BB1dgiAy?li=BBnb7Kz>

A check of Mr. Kim <https://www.msn.com/en-us/news/world/hear-defected-north-korean-diplomats-prediction-about-kim-jong-un/vi-BB1dgHSZ>

Weather: South America weather in the coming days will feature more rain for Brazil including in the harvest areas of Parana. While this rain will be welcomed for recharging the Parana River Basin rains right now will amp up the fear of fungal infestation for the bean crop that is waiting to be harvested. The NE US will be the feature talking point about N. American weather for the next few days. That said a potential outbreak of Arctic Air next week will have animals in the N. Plains gobbling up food. Of more importance though with the Arctic Outbreak will be how far West and South the temps will dive. Yes we have been growing wheat outside for a long time but that said wind and cold temps are no friends of winter wheat.

Headlines:

- Malaysian April Palm Oil no quote today
- Dalian Futures exchange mixed May corn up 54 to the Yuan, May beans down 38, May Meal up 9, May bean oil down 56, May palm oil down 58
- Asian Equity markets were higher Japan's Nikkei up 1.6%, China's Shanghai up .6%
- European Equity markets start higher German Dax up .9%, London FTSE 100 up .6%
- MATIF markets are mixed March Corn up .75 to the Euro, Feb Rapeseed up 2.25, March Wheat down .25

Monday, February 1, 2021

- Save the Date...Feb 5th...US Jobs Numbers
- Save the Date...Feb 9th...USDA S&Ds
- Save the Date...Feb 16th...MLB camps start to open...maybe...Cactus league asking for a delay

- COVID Update <https://www.msn.com/en-us/health/medical/covid-19-hospitalizations-drop-but-january-has-been-the-deadliest-month-of-the-pandemic-here-s-what-to-expect-next/ar-BB1dfJ2o>
- Bird Flu <https://www.theguardian.com/world/2021/jan/30/bird-flu-caused-deaths-of-750-pelicans-at-senegal-bird-sanctuary>
- Indian Farmer Strike <https://abcnews.go.com/International/wireStory/indian-farmers-begin-hunger-strike-amid-fury-modi-75578084>
- Potential Brazilian Trucker Strike looming <https://www.nasdaq.com/articles/brazil-unlikely-to-see-major-truckers-strike-union-official-says-2021-01-29>
- Weekly CFTC MM fund position report found that the MM Funds as of the close of 1/26 were long 60,239 KW, long 21,275 Chicago wheat, long 364,229 corn, long 156,590 beans, long 74,590 meal and long 107,334 bean oil contracts

Commentary:

We went home Friday staggered by the overall amount of corn that China seems to have purchased at the tail end of 2020. We knew they were active buyers but the sheer size that was announced last week was staggering. With the next round of USDA S&Ds looming this week will be spent playing the "What If Game," as in what if China keeps buying. Talk going home Friday was that the Chinese were continuing to ask about US corn values. Rumours got started that they might be looking for an additional 2.0 MT of corn. We would point out that the Chinese ask about US corn values daily, it is their job. We feel what might power CH to another leg higher will be traditional US customers. If the rest of the Pac Rim puts their buying shoes on it could be quickly hello 580 CH and beyond. As always in the run up before a USDA report we will see many a private analysts working their S&D tables. We have to believe in the coming days ahead we will see some domestic ending stocks numbers below 100 MBU for beans and below 1.1 billion bushels for corn.

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