

## MORNING GRAIN COMMENTARY

### Morning Trends:

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as of 4:30 AM CST

Corn 1 to 3 lower

Wheat 1 to 3 lower

Beans 1 around

Soy Meal 1.0 to 1.5 lower

Soy Oil 5 to 10 lower

### The Stories of the Day:

**US/China trade end like how they started laying bare the differences between the two countries** <https://www.yahoo.com/entertainment/u-china-high-level-talks-171309669.html>

**Covid update** <https://www.msn.com/en-us/news/world/global-covid-deaths-rise-astra-shot-79-effective-virus-update/ar-BB1eOH3k>

**Weather:** An active pattern this week will see several systems moving through the country through this weekend. Another system will move into the U.S-Canada border region next week. The U.S. and European models are fairly similar. I will use a model blend but favor the European. For the outlook period, temperatures on Sunday will be near to below normal in the Plains and near to above normal elsewhere. Temperatures will be variable during the period, rising and falling as systems go through. A system will gain strength as it moves through the Midwest and East Coast next weekend. Another system is expected to push through the country with light to moderate showers next week. -DTN

**NORTHERN PLAINS (LIVESTOCK/SPRING WHEAT):** Scattered showers fell across the region this weekend, but amounts were not impressive. Drought has eased in South Dakota but continues to increase elsewhere. A system early this week will bring moderate showers to eastern South Dakota, but most areas will see light or no precipitation through this weekend. -DTN

**CENTRAL/SOUTHERN PLAINS (WINTER WHEAT/LIVESTOCK/CORN/SOYBEANS):** Dry weather occurred this weekend with some breezy winds. A system will bring widespread showers early this week. A secondary system later in the week will continue with scattered showers and a third this weekend will have some more light showers. Recent heavy rainfall has eliminated or eased drought for much of the region. Showers this week will help out some more with easing the drought. Winter wheat that has broken dormancy finds generally favorable conditions. -DTN

**MIDWEST (WINTER WHEAT/CORN/SOYBEANS):** Dry weather over the past weekend follows a week that had some favorable moisture across the region. Three more systems this week will continue to help ease some local dryness for portions of the region. The area of drought in western Iowa will see favorable rainfall early this week but will be mostly missed by the following two storms. However, the drought will likely continue to ease ahead of spring planting. -DTN

**DELTA (SOYBEANS/COTTON):** Dry weather over the weekend and mild temperatures should have allowed for draining of soggy soils and some early fieldwork and planting to happen. Three storm systems over the next week will provide chances for light to moderate showers, and severe weather potential, causing some further delays. -DTN

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**BRAZIL (CORN/SOYBEANS):** Moderate to heavy showers moved back into the southern growing regions this weekend, following a week of dryness last week. This will help immature corn and soybeans in the area. Scattered lighter showers continued farther north but those will dry up this week, inducing some stress and forcing root systems deeper for newly planted corn. A couple of systems will bring showers to southern areas through the next week, continuing to ease concerns in this region. -DTN

**ARGENTINA (CORN/SOYBEANS):** Scattered showers moved through much of the country over the weekend, though missed northern La Pampa and southern Buenos Aires for the most part. The showers were highly beneficial for immature corn and soybeans, but harvest is starting and would have had a negative impact on the growing mature crops. Another system later this week will provide more widespread moderate to heavy showers to the country for immature crops. -DTN

**EUROPE (WINTER WHEAT/CORN):** Scattered showers moved across portions of the continent over the weekend, maintaining adequate to surplus moisture for almost all areas. Colder temperatures remain in the region for the next few days before more normal temperatures move back in. Crops should more gradually awaken from dormancy this week and will find favorable conditions. To the south, conditions continue to be favorable for developing to reproductive winter wheat. -DTN

**UKRAINE/RUSSIA (WINTER WHEAT/CORN):** Scattered showers fell over the weekend, continue the trend of above normal precipitation for the region since this winter. Temperatures remain near to below normal, and wheat will be slow to awaken from dormancy. However, it will find favorable conditions once it does. -DTN

**NORTHERN AFRICA (WINTER WHEAT):** Scattered showers fell across much of the region this weekend, increasing soil moisture for developing to reproductive winter wheat, and easing concern for dryness in eastern areas. The region will be finding a drier trend after the middle of this week, which may ignite concern again if it lasts as long as models suggest. -DTN

**SOUTH AFRICA (CORN/SUGARCANE):** Scattered showers fell across the region this weekend, continue to favor corn and sugarcane. Periods of showers will continue this week. -DTN

**AUSTRALIA (COTTON/SORGHUM):** Scattered showers fell this weekend and will continue for early this week, providing ample moisture for the final stages of filling for sorghum and cotton. Crops that are farther along in their development will not benefit from the moisture and could lead to some quality issues for more mature stands. Soil moisture is increasing ahead of winter wheat planting, which will start up in a few weeks. -DTN Our good friends at DTN might be underplaying the rains by a tad... [https://www.bbc.com/news/world-australia-56476998?at\\_custom4=7F28BAEE-8ACD-11EB-B54E-43B8923C408C&at\\_custom2=twitter&at\\_custom1=\[post+type\]&at\\_medium=custom7&at\\_campaign=64](https://www.bbc.com/news/world-australia-56476998?at_custom4=7F28BAEE-8ACD-11EB-B54E-43B8923C408C&at_custom2=twitter&at_custom1=[post+type]&at_medium=custom7&at_campaign=64)

**MALAYSIA/INDONESIA (PALM OIL):** Showers have picked back up in Indonesia, but continue to be more isolated in Malaysia, where there continues to be some concern for oil palm. The showers may be enough for the crop going forward, however. -DTN

## Headlines

- > Malaysian June Palm Oil up 116 Ringgits
- > Dalian Futures Exchange were mostly higher May corn up 19 to the Yuan, May beans up 5, May meal up 35, May bean oil down 6, May palm oil up 64
- > Asian Equity Markets were all over the place, Japan's Nikkei down 2.1%. China's Shanghai up 1.1%
- > European Equity Markets are mixed to lower, German Dax down .1%, London FTSE down .4%
- > MATIF Markets are mixed, June corn down .25 to the Euro, May Rapeseed up 10.0, May wheat down .75

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- > Remember the Date...March 10<sup>th</sup>...Parana, Brazil second season corn crop is late...clock is ticking towards an early frost? <https://mygeohub.org/resources/879/download/Corn-growth-stage-day-and-GDU-calendar10.pdf>
- > Save the Date...March 25<sup>th</sup>...4Q US GDP
- > Save the Date...March 31<sup>st</sup>...USDA Quarterly Grain Stocks/Perspective Plantings Reports
- > Save the Date...April 1<sup>st</sup>...MLB Opening Day
- > Save the Date...April 2<sup>nd</sup>...CME and other US financial institutions will be closed...but not the US Government...the monthly jobs report will be released...first time this has happened since 2015
- > Save the Date...April 5<sup>th</sup>...Many western countries, but not the US, will be celebrating Easter Monday...on top of that it will be Qing Ming Jie day in China, a national holiday for them
- > Save the Date...April 5<sup>th</sup>...The 3:00 PM CDT USDA weekly crop progress reports start anew
- > Save the Date...April 9<sup>th</sup>...Crop Production and S&D reports from the USDA
- > COVID-19, Brazil if we are not all safe is anyone safe? <https://www.bloomberg.com/opinion/articles/2021-03-22/brazil-is-a-bleak-covid-warning-for-europe-and-britain>
- > Volcano Watch...took 900 years but it happened <https://news.yahoo.com/icelandic-volcano-erupts-lights-night-231325099.html>
- > In Australia Fall Armyworm sightings through the roof <https://www.theland.com.au/story/7170354/armyworm-sightings-through-the-roof/>
- > Locust, Namibia losing the fight <https://allafrica.com/stories/202103190660.html>
- > CP buys KCS <https://finance.yahoo.com/news/canadian-pacific-buy-kansas-city-034255096.html>
- > Turkey Lira gets slammed as the President sacks the Central Bank Chief...early trip wire in what happens when inflation spikes? <https://www.msn.com/en-us/money/markets/people-are-just-shocked-turkeys-lira-plunges-after-erdogan-sacks-third-central-bank-chief-in-two-years/ar-BB1ePvZp?ocid=BingNewsSearch>
- > CFTC MM Fund Position Report on Friday showed that as of the close of March 16<sup>th</sup> the MM Funds were long 17,525 W, long 15,883 MW, long 38,342 KW, long 370,900 corn, long 156,040 beans, long 61,236 meal, long 98,686 bean oil contracts

## Commentary

You know by now our theme for 2021 is Reliable Suppliers. Even though the world is getting closer to putting the worst of ASF and Covid in our rearview mirrors potential choke points in supply chains can still happen. On top of that Supply Change Managers are now confronted with the question what will the make up of demand look like as we move from crisis to post crisis living. The short term question on our mind remains Brazil. A country where the federal leadership seems to be at odds with state leaders on how bad the crisis is on the ground. Reports suggest that their health system is close to collapse. On top of that it seems the world knows the race right now is getting the world to herd immunity before new variants have a chance to mutate. The question then becomes what if the world decides it must quarantine a country for a weak response to the virus?

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



Risk management for a modern world.

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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.