

MORNING GRAIN COMMENTARY

Morning Trends:

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as of 4:30 AM CST

Corn 1 to 2 higher

Wheat 1 to 2 higher

Beans 6 to 8 higher

Soy Meal 2.5 to 3.0 higher

Soy Oil 5 to 10 lower

The Stories of the Day:

Good morning...and if it is not...it cannot be as bad as the day this captain is having

<https://www.barchart.com/story/news/1371642/massive-cargo-ship-turns-sideways-blocks-egypts-suez-canal>

No idea what they are talking about, but it seems important

<https://www.microsoftnewskids.com/en-us/kids/science/scientists-might-have-just-stumbled-upon-a-new-kind-of-physics/ar-BB1eTv6S?li=BBnb7Kz>

Weather: A trough in the West will send a couple more pieces of energy and attached storm systems

through the country through this weekend. Another system will move across the country 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 Monday will be near to below normal in the West and East and near to above normal in the Central. Temperatures will be variable during the period, rising and falling as a system goes through. This system will be moving through the country next week with widespread showers. -DTN

NORTHERN PLAINS (LIVESTOCK/SPRING WHEAT): Drought has eased in South Dakota but continues to increase elsewhere. A system brought moderate showers to eastern South Dakota on Tuesday, but little elsewhere. Another system moving through this weekend will have little to no shower activity with it. -DTN

CENTRAL/SOUTHERN PLAINS (WINTER WHEAT/LIVESTOCK/CORN/SOYBEANS): Moderate to heavy rain fell over the last couple of days. A secondary system will continue with scattered showers over southern areas through Thursday and another this weekend will have more widespread light to moderate showers. Recent precipitation has eliminated or eased drought for much of the region. Winter wheat that has broken dormancy finds generally favorable conditions. -DTN

MIDWEST (WINTER WHEAT/CORN/SOYBEANS): A system continues to move through the region with moderate to heavy rainfall on Wednesday. A second system will move through the eastern half of the region on Thursday, and another will gain strength as it crosses the region over the weekend. All three will help to ease local dryness and drought. -DTN

DELTA (SOYBEANS/COTTON): Scattered showers moved through early Tuesday and will again Wednesday night and Thursday, refilling soils. A third system this weekend could also produce moderate precipitation. Soils will remain soggy as producers try to get into the fields for planting, but it will remain difficult due to the chances for rain continuing next week. -DTN

BRAZIL (CORN/SOYBEANS): Moderate to heavy showers are continuing over the south while it is drying out in the central and north. This will help immature corn and soybeans in the south but safrinha corn will see

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unwelcome dryness and causing concern as we get closer to the start of the dry season. 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): Rounds of moderate to heavy showers have been common over the last couple of weeks. Another system developing Wednesday will continue the trend into the weekend. The showers are highly beneficial for immature corn and soybeans, but harvest is starting and will have had a negative impact on the mature crops. -DTN

EUROPE (WINTER WHEAT/CORN): Colder temperatures will rise over the next few days, helping winter grains awake from dormancy in mostly favorable conditions across the north and east. To the south, conditions continue to be favorable for developing to reproductive winter wheat. -DTN

UKRAINE/RUSSIA (WINTER WHEAT/CORN): Above normal precipitation continues in the region since this winter. Temperatures remain near to below normal, and wheat will be slow to awaken from dormancy over the next week or two. However, it will find favorable conditions once it does. -DTN

NORTHERN AFRICA (WINTER WHEAT): Scattered showers fell across much of the region this weekend into early this week, 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 for the next week, which may ignite concern again if it lasts as long as models suggest.

SOUTH AFRICA (CORN/SUGARCANE): Scattered showers continue to favor developing sugarcane and immature corn. -DTN

AUSTRALIA (COTTON/SORGHUM): Heavy rain fell over the last few days, 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

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 down 45 Ringgits
- > Dalian Futures Exchange were mixed May corn unchanged to the Yuan, May beans up 90, May meal up 37, May bean oil down 6, May palm oil down 12
- > Asian Equity Markets were lower, Japan's Nikkei down 2.0%. China's Shanghai down 1.3%
- > European Equity Markets are mixed, German Dax up .1%, London FTSE down .4%
- > MATIF Markets are higher, June corn up 1.50 to the Euro, May Rapeseed up 7.75, May wheat up 2.25
- > Remember the Date...March 10th...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 24th...Memorial Day for Argentina
- > Save the Date...March 25th...4Q US GDP
- > Save the Date...March 31st...USDA Quarterly Grain Stocks/Perspective Plantings Reports

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- > Save the Date...April 1st...MLB Opening Day
- > Save the Date...April 2nd...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 5th...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 5th...The 3:00 PM CDT USDA weekly crop progress reports start anew
- > Save the Date...April 9th...Crop Production and S&D reports from the USDA
- > COVID-19, Brazil tops 3,000 daily deaths <https://www.msn.com/en-us/news/world/brazil-reports-more-than-3-000-covid-deaths-for-first-time/ar-BB1eTm1Q>
- > ASF in Gulu <https://www.independent.co.ug/failure-to-investigate-suspected-african-swine-fever-frustrates-gulu-farmers/>
- > FAW/Locust all quiet today
- > Bird Flu Niger <https://www.pmnewsnigeria.com/2021/03/24/avian-flu/>
- > India Farm Strike flaring back up? <https://www.thehansindia.com/andhra-pradesh/ongole-left-parties-urge-people-to-make-nationwide-strike-a-success-677927>
- > Aussie flood update <https://news.yahoo.com/australian-floods-claim-first-fatalities-092157454.html>
- > US FED Chairperson and the Sec of the Treasury will be before the Senate Banking Committee today

Commentary

AgResource and others this week have talked or will talk about how the March 1 Quarterly Grains Stocks report can move the corn market. It is not uncommon in past years to see corn move 20 cents or more post the report. In times of tight stocks like we have now a corn stock shock could easily push the market to a limit move. In a year where the US and the world wants everything including feed grains, sweeteners, and energy combined with inflation on the rise a less than expected stocks number along with an adverse April forecast and the die might be cased to send spot corn values on their way to 6-dollars. The end of the month March reports usually hold less drama for the wheat complex. That said, over time spot month KW usually spends very little time under corn values. Given the potential initial reaction by corn to any bullish shock by the report and the fact that the US wheat complex has shed MM fund length over the last few weeks the high risk trader who wants to fade an over reaction to any bullish surprise might want to have buy KW sell corn with KW at a discount ideas, you never know a report can move corn.

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.