

## MORNING GRAIN COMMENTARY

### Morning Trends:

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as of 4:30 AM CST

Corn 2 to 4 lower

Wheat 1 to 3 higher

Beans 1 to 3 higher

Soy Meal 2.0 to 2.5 lower

Soy Oil 40 to 45 higher

### The Stories of the Day:

**Ouch!!!** <https://www.msn.com/en-us/money/news/credit-suisse-and-nomura-hit-by-losses-at-hedge-fund-archegos-capital/ar-BB1f4PM7?ocid=BingNewsSearch>

**Suez Canal** <https://www.msn.com/en-us/money/markets/egyptian-officials-say-ship-successfully-refloated-in-suez-canal/ar-BB1f4tnp?ocid=BingNewsSearch>

**Weather:** A trough is moving across the country this week and will be replaced by a broad ridge through the weekend. Another trough will weaken as it moves into the West and middle of 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 Saturday will be below normal in the Southeast and near to above normal elsewhere. Temperatures will mostly rise across the country next week, though a cooling trend will make its way into the West. A system will move across the northern tier of the country over the weekend with some shower activity. Another system may develop in the Plains next week ahead of the next trough. -DTN

**NORTHERN PLAINS (LIVESTOCK/SPRING WHEAT):** Isolated showers fell over the weekend but were very light and most areas remained dry. A system moving through Monday and Tuesday will not have much precipitation either as drought continues to build across the region. -DTN

**CENTRAL/SOUTHERN PLAINS (WINTER WHEAT/LIVESTOCK/CORN/SOYBEANS):** Scattered showers fell across the area this weekend. Recent precipitation has eliminated or eased drought for much of the region. Winter wheat that has broken dormancy finds generally favorable conditions, but shower chances are drying up for the next week. -DTN

**MIDWEST (WINTER WHEAT/CORN/SOYBEANS):** Moderate precipitation fell across the region this weekend as a system moved through. Recent rainfall has filled soils across some of the drier sections of Iowa and around the immediate shorelines of the Great Lakes. Another system will gain strength as it crosses the region with another front, but shower chances will be more limited, followed by a stretch of dryness that will help to drain soils and allow for some fieldwork to resume. -DTN

**DELTA (SOYBEANS/COTTON):** Heavy rain fell over the weekend as a system slowly moved through the region. Areas of flooding and soggy soils will lead to some delays for fieldwork and planting. And more showers Tuesday and Wednesday will add to the wetness before a stretch of drier weather commences. -DTN

**BRAZIL (CORN/SOYBEANS):** Moderate to heavy showers fell over the south while it remained mostly dry in the central and north this weekend. This will help immature corn and soybeans in the south but safrinha corn will see unwelcome dryness and cause concern as we get closer to the start of the dry season. Showers may resume

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later this week and weekend, but models suggest that overall dryness could last through the month of April, being a large concern for safrinha corn. -DTN

**ARGENTINA (CORN/SOYBEANS):** Moderate to heavy rain fell over the weekend as fortunes reversed for soil moisture. It is too late for much of the corn and soybeans in the region, but some later-planted crops may have been able to take advantage. Overall, rainfall will now be more of a detriment to progress than a benefit. Dryness does look to be the main theme this week as only limited showers are expected, mostly across the west and south. -DTN

**EUROPE (WINTER WHEAT/CORN):** Scattered showers fell across the region this weekend, but came with milder temperatures, helping winter crops awaken more from dormancy. A typical spring pattern of rising and falling temperatures and occasional periods of showers are expected over the next week, maintaining overall favorable conditions for much of the continent. -DTN

**UKRAINE/RUSSIA (WINTER WHEAT/CORN):** Scattered showers fell across most areas this weekend, but temperatures remained on the cooler side of normal as crops slowly awaken from dormancy in generally favorable conditions. A typical spring pattern of rising and falling temperatures and occasional periods of showers are expected over the next week, maintaining overall favorable conditions. -DTN

**NORTHERN AFRICA (WINTER WHEAT):** Mostly dry conditions over the weekend continued from last week, with increasing concern for winter wheat that is getting further into and through reproduction. Eastern areas, which have seen far less precipitation this spring, are drawing more concern for yield prospects as dryness continues for the next week. -DTN

**SOUTH AFRICA (CORN/SUGARCANE):** Scattered showers continue to favor developing sugarcane and immature corn. Some more mature corn could use some dryness for harvest. -DTN

**AUSTRALIA (COTTON/SORGHUM):** Drier conditions this weekend followed heavy rain last week, helping soils and mature cotton and sorghum to dry out. There will be some showers along the coasts for developing sugarcane, but dryness in the interior will be a benefit for more mature crops. -DTN

**MALAYSIA/INDONESIA (PALM OIL):** Showers have picked back up across much of the region, though there is still some concern for oil palm in western Malaysia specifically. The increased showers may be enough for the crop going forward, however. -DTN

**CHINA (WINTER WHEAT/RAPESEED/CORN/SOYBEANS):** Scattered showers fell across most of the country this weekend. Temperatures have allowed for winter wheat and rapeseed to awaken from dormancy early by a couple of weeks. Ample soil moisture in the region will benefit developing winter crops. Soil moisture remains favorable ahead of spring planting for corn and soybeans in the next month or two. -DTN

**INDIA (WINTER WHEAT/RAPESEED/COTTON/SOYBEANS):** Favorable winter and spring conditions should have much of the winter crops in northwestern India in good condition entering spring. Scattered showers have started to develop occasionally over the interior of India well in advance of summer planting season for cotton and soybeans, which starts with the monsoon in June. -DTN

## Headlines

> Malaysian June Palm Oil up 60 Ringgits

> Dalian Futures Exchange were lower to sharply lower May corn down 41 to the Yuan, May beans down 24, May meal down 9, May bean oil down 168, May palm oil down 180

> Asian Equity Markets were higher, Japan's Nikkei up .7%. China's Shanghai up .5%

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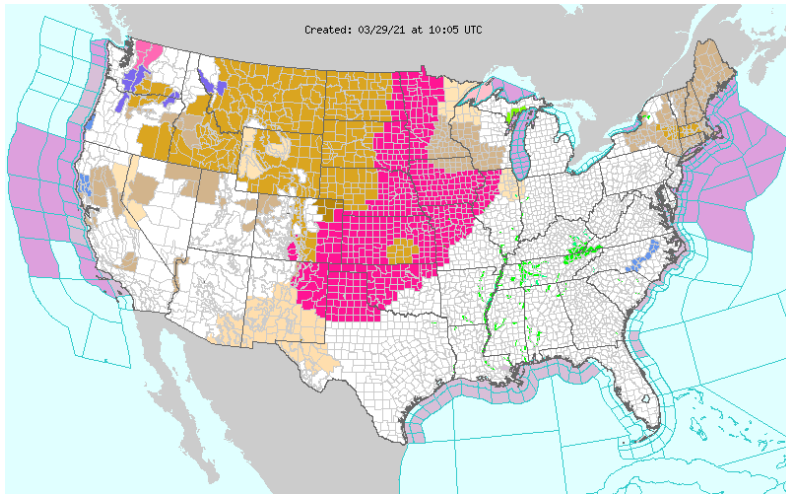
- > European Equity Markets are mixed, German Dax up .1%, London FTSE down .4%
- > MATIF Markets are mixed, June corn down .25 to the Euro, May Rapeseed up 7.0, May wheat down .50
- > Remember the Date...March 10<sup>th</sup>...Parana, Brazil second season corn crop is late...clock is ticking towards an early frost? <https://mygeohub.org/resources/879/download/Corn-growth-stage-day-and-GDU-calendar10.pdf>
- > Save the Date...March 31<sup>st</sup>...USDA Quarterly Grain Stocks/Perspective Plantings Reports...Reuters average trade guess for stocks wheat 1.278 BBU, corn 7.767 BBU, beans 1.543 BBU...Planting's wheat 44.971 million acres, corn 92.208 million acres, beans 89.996 million acres
- > 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, Philippines enter a major lock down <https://www.msn.com/en-us/news/world/philippines-locks-down-economic-hub-to-fight-coronavirus-surge/ar-BB1f4DId?ocid=BingNewsSearch>
- > Locust, the worst kind invade Iran <https://www.aa.com.tr/en/middle-east/iran-battles-massive-locust-attacks-damaging-farmlands/2191328>
- > Bird flu/ASF/FAW nothing new to report
- > S. Korea worst dust storm in 10 years <http://koreabizwire.com/s-korea-suffocated-by-worst-yellow-dust-storm-in-a-decade/185959>
- > India farm strike update <http://www.asianews.it/news-en/Farmers-protests-disrupt-northern-India-52720.html>
- > CFTC MM Funds Positions as of the close of 3/23, long 26,242 KW, long 15,224 MW, long 8,160 W, long 388,175 corn, long 162,853 bean, long 57,620 meal, and long 93,977 bean oil contracts

## Commentary

The work week for us in the US ends on Thursday. Do not forget the markets are closed on Friday. And also, do not forget much of the Western World will be closed on Monday for Eastern Celebrations and in the East, China will be closed as well. The work week begins on Wednesday with the 11:00 AM CDT Data Dump from the USDA. Once these numbers are digested the focus in the US will turn to the weather. Whatever the USDA tells us about perspective plantings the key word in the report is perspective. The weather will have a huge say in what the final planting numbers will look like. The other major data points in the report will be March 1 stocks. We can hope all we want for market clarity on this front, but we do not expect the numbers will satisfy the trade. Both the bull and the bear are already spinning the idea that give the huge bean lift at the start of the year and now the huge corn lift the USDA will be challenged to find a path for accurate numbers. The bottom line it might not be until next week the CW centers itself on a new consensus over acres and stocks. And if that is the case by then we will be hard on the cusp of talking about April USDA S&D report that will be out on Friday April 9<sup>th</sup>.

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We hope local fire fighters throughout the Midwest are well rested...could be a long day Red Flag Warnings are flying



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.