

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 to 3 lower

Soy Meal 1.0 to 1.5 lower

Soy Oil 35 to 40 higher

The Stories of the Day:

Hey Iceland, what's shaking? <https://www.msn.com/en-us/weather/topstories/17000-earthquakes-hit-iceland-in-the-past-week-an-eruption-could-be-imminent/ar-BB1ededL?li=BBnbfcl>

Like two ships passing in the night <https://www.msn.com/en-us/news/technology/asteroid-the-size-of-the-golden-gate-bridge-to-zoom-by-earth/ar-BB1ecMpr?li=BBnb7Kz>

Weather: A progressive pattern over the next 10 days will see several systems moving through the country. Stronger storms will be possible in the extended period. 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 Tuesday will be below normal on the West Coast and in the Southeast and above normal elsewhere. Temperatures will fall into a cool-west and warm-east pattern by the end of next week. A system will likely develop over the middle of the country in the middle of next week, followed by another at the end of next week and weekend. Both systems could bring moderate to heavy precipitation to portions of the Plains and Midwest. -DTN

NORTHERN PLAINS (LIVESTOCK/SPRING WHEAT): Dry and warm conditions are expected through Monday. This will continue to build the dryness and drought in the region as we head toward spring. However, a storm system may develop in the middle of next week, followed by another late next week, which could bring much needed precipitation. -DTN

CENTRAL/SOUTHERN PLAINS (WINTER WHEAT/LIVESTOCK/CORN/SOYBEANS): Scattered showers will move through the region Thursday and Friday, which may keep the drought from getting worse but will not improve conditions dramatically. A series of systems are expected next week that will likely miss dry sections in the west, but bring scattered showers to the north and east, possibly easing drought. With daytime highs getting into the 60s Fahrenheit, soil temperatures are getting warm enough for winter wheat to break dormancy and the moisture from these systems will be important. -DTN

MIDWEST (WINTER WHEAT/CORN/SOYBEANS): Temperatures above normal may have started to coax winter wheat out of dormancy in a few areas as soil temperatures are getting into the 40s Fahrenheit. These areas have adequate to surplus soil moisture. Very little precipitation is expected through early next week and drought may worsen until a system moves through in the middle of next week. -DTN

DELTA (SOYBEANS/COTTON): Heavy showers over the last week have bogged down soils and produced some flooding across the region, putting delays into early fieldwork and spring planting. Dryness through early next week should help to drain soils. -DTN

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BRAZIL (CORN/SOYBEANS): Showers continue from Mato Grosso to Rio Grande do Sul for the next couple of days, but a system moving northward will bring a front through the area late this week and weekend. The front will spread showers further east while clearing out southern areas. The widespread showers will likely cause more delays for soybean harvest and safrinha corn planting, though producers have been working around the showers over the past couple of weeks. Rainfall will be more important for soil moisture as we head toward autumn. -DTN

ARGENTINA (CORN/SOYBEANS): Pop-up showers over the next few days will not be able to bring much relief to the dryness that has occurred over the last couple of weeks. This continues to cause concern for immature corn and soybeans. -DTN

EUROPE (WINTER WHEAT/CORN): Recent warm temperatures have allowed for snowmelt to continue, though crops remain dormant in good shape. Across the south, conditions have remained mostly favorable for vegetative wheat, though dryness in Italy over the last week has decreased soil moisture. A front will move through the eastern half of the continent over the next couple of days with colder air filtering in behind it, though not damaging to any wheat that may be starting to come out of dormancy. -DTN

UKRAINE/RUSSIA (WINTER WHEAT/CORN): Winter wheat went into dormancy in poor shape last autumn. Precipitation over the winter has been near to above normal for most places, however, putting the region in better shape as we head toward spring. Warm temperatures have allowed for snowmelt to occur across a wide area. A front will produce some showers and bring in some colder air over the next couple of days, but will not be damaging to any wheat as it remains mostly dormant. -DTN

NORTHERN AFRICA (WINTER WHEAT): Scattered showers will filter in across the region through the weekend and early next week. Amounts may not be impressive but will be welcome as dryness has hurt developing wheat in Algeria and Tunisia especially. -DTN

SOUTH AFRICA (CORN/SUGARCANE): Isolated showers over the next week will not bring much precipitation, but soil moisture continues to be adequate to surplus, benefiting developing sugarcane and reproductive to filling corn. -DTN

AUSTRALIA (COTTON/SORGHUM): Dryness this week has lowered soil moisture, but showers look to return next week. Conditions continue to be mostly favorable for cotton and sorghum. -DTN

MALAYSIA/INDONESIA (PALM OIL): Isolated showers started to pop back up in Malaysia but are very isolated and mostly light, continuing a dry trend over the last couple of weeks. Isolated showers will likely continue this week. Showers have been more scattered in Indonesia, where concern is lower for oil palm prospects. -DTN

Headlines

- > Malaysian May Palm Oil up 47 Ringgits
- > Dalian Futures Exchange were mixed May corn down 17 to the Yuan, May beans up 49, May meal down 26, May bean oil up 134, May palm oil up 54
- > Asian Equity Markets were lower, Japan's Nikkei down 2.1%. China's Shanghai down 2.1%
- > European Equity Markets are lower, German Dax down .4%, London FTSE down .8%
- > MATIF Markets are unusual, June corn down 1.0 to the Euro, May Rapeseed up 9.0, May wheat down 1.0
- > Save the Date...March 4th...OPEC meeting, expected to raise production quotas

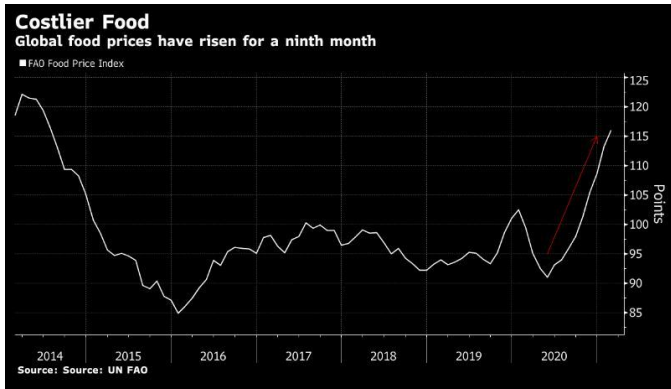
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- > Save the Date...March 5th...US Employment Numbers...expected 218,000 non-farm jobs created in Feb...MoM unemployment rate unchanged at 6.3%
- > Save the Date...March 9th...USDA S&D Numbers
- > Save the Date...March 14th...US moves to Daylight Savings Time
- > Save the Date...March 15th...NOPA Crush
- > Save the Date...March 17th...Happy FOMC Meeting Results
- > Save the Date...March 31st...USDA Quarterly Grain Stocks/Perspective Plantings Reports
- > COVID-19 getting to know the side effect <https://www.msn.com/en-us/health/medical/scientists-inch-closer-to-explaining-the-mysterious-brain-fog-symptom-of-covid-19/ar-BB1ecmbI>
- > ASF what's up China??? <https://www.msn.com/en-au/news/australia/new-african-swine-fever-variants-kill-up-to-8m-pigs-in-china-devastating-herd-rebuild-plan/ar-BB1ecVOA>
- > Bird Flu/Locust/FAW all quiet
- > For the 9th month in a row UN food index moves higher...MoM up 2.4%
- > March 9th USDA average trade guesses for S&D Reports, Reuters has the average trade carryout for US wheat at 839 MBU, corn 1.470 BBU, beans 117 MBU...World Carryouts, wheat 304.30 MMT, corn 284.17 MMT, beans 82.69 MMT...average trade guesses for Argentina corn 47.0 MMT, beans 47.71 MMT, Brazilian corn 108.29 MMT, beans 133.09 MMT
- > Weekly Jobless Claims at 7:30 AM CST expected at 750,000
- > Weekly Export Sales at 7:30 AM CST wheat expected between 300-500,000 MT, corn 600-1.0 MMT, beans 500-700,000 MT, meal 100-300,000 MT, and oil 5-25,000 MT
- > On Friday China's National People's Congress convenes...some talk that this could be an occasion where they announce a pull back from Covid/ASF inspired loose monetary policy

Commentary

We have said it before, and we will say it again major events like ASF and Covid stresses governments. The ability of governments to solve problems and rise to the challenge defines whether their power will be enhanced or if they will be swept off the stage. In time of crisis if governments cannot deliver basic services resentment can grow as well as street protests. In this day and age of social media governments have an ever tougher time of convincing their people to tighten their belts and work through the issues of the day if the people feel the government leans to the corrupt side. The division of the haves and have nots becomes intensifies. This is why governments around the world are so focused on making sure that supply chains remain open and choke points kept to a minimum. Yes, we are just entering the great weather markets of 2021, but as the chart below shows we remain in the great demand market brought to you by ASF and Covid.

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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.