

MORNING GRAIN COMMENTARY

Morning Trends:

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as of 4:30 AM CST

Corn 4 to 6 higher

Wheat 1 around

Beans 1 to 3 higher

Soy Meal .5 to 1.0 higher

Soy Oil 10 to 15 higher

The Stories of the Day:

Shift in US Foreign Policy underscored by S. Korean deal

<https://www.msn.com/en-us/news/politics/bidens-deal-with-seoul-points-to-a-swift-shift-on-alliances/ar-BB1eteBz?li=BBnb7Kz>

CDC eases stance on nursing home visits <https://www.msn.com/en-us/news/us/us-allows-indoor-visits-in-nursing-homes-heres-what-to-know/ar-BB1eslnh?li=BBnb7Kz>

Weather: An active and progressive pattern over the next 10 days will bring several storm systems through the country. The U.S. and European models are fairly similar, though they do disagree somewhat with how to develop a pair of systems next week. They have also been inconsistent with themselves. I will use a model blend but favor the European. For the outlook period, temperatures on Tuesday will be below normal from the West through the Central and Southern Plains and the Northeast and near to above normal elsewhere. Temperatures will likely become near to below normal across most of the country through the end of next week, but remain quite cold over the heavy snowpack that occurs in the Plains. After the weekend system exits the Southeast, another system may follow it mid-to-late next week with scattered showers across the southern tier of the country. -DTN

NORTHERN PLAINS (LIVESTOCK/SPRING WHEAT): Much-needed precipitation fell in South Dakota Wednesday. A system this weekend may spread moderate to heavy snow back into South Dakota, easing drought there while it continues to expand elsewhere. -DTN

CENTRAL/SOUTHERN PLAINS (WINTER WHEAT/LIVESTOCK/CORN/SOYBEANS): A frontal boundary and a few pieces of energy will try to bring more showers to the region over the next couple of days. A system this weekend will bring moderate to heavy rain and snow across the region, including for the areas in drought in the west. Blizzard conditions may be the result over the west. The track of this feature will be important for precipitation prospects. Cold air will fill in behind the system for next week, but temperatures do not appear to be cold enough to cause damage at this time. -DTN

MIDWEST (WINTER WHEAT/CORN/SOYBEANS): A frontal boundary will be pushed progressively eastward through Friday. Moderate showers have and will fall across a good portion of the region, benefiting soil moisture as we head into spring. A system that will impact the Plains this weekend could bring moderate to heavy precipitation to the region Sunday and Monday. -DTN

DELTA (SOYBEANS/COTTON): Dryness this week has aided producers trying to do early fieldwork and planting. A front will sag into the region with bouts of moderate to heavy rain across the north through Saturday. The system in the Plains may bring more moderate showers across the region Sunday and Monday, including severe weather. -DTN

Thursday, March 11, 2021

BRAZIL (CORN/SOYBEANS): Dryness over the south will largely continue into next week, producing stress for remaining immature corn and soybeans and newly planted corn. Continued showers over the central and north will have plenty of gaps to get soybean harvest and corn planting progress farther along. Rainfall amounts will likely be lower than normal for much of the region outside of some isolated areas. -DTN

ARGENTINA (CORN/SOYBEANS): A front will move through with isolated showers across the west through this weekend, but dryness continues to be a concern for much of the region. A system next week could bring more widespread moderate to heavy showers, though models are not sold yet as to how much precipitation will occur. -DTN

EUROPE (WINTER WHEAT/CORN): Some dormancy has broken across France. Otherwise, crops continue to be mostly dormant across the north and east in good condition. Across the south, conditions have remained mostly favorable for vegetative wheat as showers moved back into Italy. A system will bring widespread showers to most of the continent through the weekend and into next week, benefiting crops across all areas except for Spain which should stay mostly dry. Soil moisture here is adequate, though. -DTN

UKRAINE/RUSSIA (WINTER WHEAT/CORN): Temperatures below freezing have kept wheat in dormancy so far this March and the pattern for near to below normal temperatures should continue to do so over for the next week or two. Precipitation over the winter has been near to above normal for most places, putting the region in better shape as we head toward spring when wheat does break dormancy. -DTN

NORTHERN AFRICA (WINTER WHEAT): Scattered showers fell over the weekend and early this week, particularly in Morocco and Algeria, and has improved conditions for reproductive wheat. Dryness in Tunisia is a little more concerning as showers early this week have mostly missed the country. A period of dryness is expected for most of the next week, increasing stress in Tunisia. -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): Showers continue to be a little more widespread this week across Queensland and New South Wales, benefiting immature cotton and sorghum. Another period of dryness is expected next week, which would help with maturation. -DTN

MALAYSIA/INDONESIA (PALM OIL): Showers have picked back up a bit in Indonesia, but continue to be isolated in Malaysia, where there continues to be concern for oil palm. Models are indicating better precipitation chances late this week and weekend, however. -DTN

Headlines

- > Malaysian May Palm Oil up 79 Ringgits...bigger than expected decline in Feb stocks
- > Dalian Futures Exchange was mostly lower May corn down 28 to the Yuan, May beans down 43, May meal down 117, May bean oil down 140, May palm oil up 68
- > Asian Equity Markets were higher, Japan's Nikkei up .6%. China's Shanghai up 2.4%
- > European Equity Markets are mixed to higher, German Dax up .1%, London FTSE up .1%
- > MATIF Markets are mixed, June corn up .50 to the Euro, May Rapeseed up 1.25, May wheat down .25
- > **Save the Date...March 14th...US moves to Daylight Savings Time**
- > Save the Date...March 15th...NOPA Crush

Thursday, March 11, 2021

- > Save the Date...March 15th...CME expands position limits for Ags
- > Save the Date...March 17th...Happy FOMC Meeting Results
- > Save the Date...March 25th...4Q US GDP
- > Save the Date...March 31st...USDA Quarterly Grain Stocks/Perspective Plantings Reports
- > 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
- > COVID-19 why? Because we can <https://www.msn.com/en-us/news/world/unafraid-but-cautious-climbers-return-to-everest-after-covid-19-closure/ar-BB1etn05>
- > Volcano Watch...Indonesia <https://apnews.com/article/avalanches-sumatra-indonesia-59c559bb52e1d69acacc08877986731b>
- > ASF China talk of 10% loss in herd size <https://www.reuters.com/article/china-agriculture-meal-idUSL1N2L904S>
- > Bird Flu Kuwait <https://gulfnews.com/world/gulf/kuwait/kuwait-bird-flu-detected-on-two-farms-1.77759777>
- > Locust a long term climate issue? http://www.xinhuanet.com/english/africa/2021-03/10/c_139800452.htm
- > Fall Armyworm has a sweet tooth <https://www.northqueenslandregister.com.au/story/7158254/pest-alert-as-faw-marches-into-cane/>
- > Weekly Jobless Claims at 7:30 AM CST expected at 725,000
- > Weekly Export Sales at 7:30 AM CST wheat expected between 300-500,000 MT, corn 500-800,000 MT, beans 300-500,000 MT, meal 100-300,000 MT, and bean oil 5-25,000 MT
- > GASC looking for wheat April 15th-25th
- > CONAB crops estimates today on the bearish side Beans 135.1 vs. previous 133.8 vs. latest USDA 134.0 MMT...corn 108.1 vs. 105.5 vs. 109.0 MMT

Commentary

In the next 72 hours we could have a game changer for the good folks in NE CO, SE WY, and SW NE. These good folks since last summer have been dealing with a drought that has impact their graze lands. And you know us, we feel the under reported aspect of US feed grains is graze lands is important. Late last summer and early fall cattle had to be taken off the graze lands early and sent to the feed yards, of course this is an added cost for the rancher. Now we all know that especially this time of the year forecasted snow events in the Front Range of the Rockies could fizzle. That said weekend snow totals could be measured in feet (<https://www.msn.com/en-us/weather/topstories/potentially-historic-blizzard-this-weekend/vi-BB1etGuS>). For anyone who has ever driven on I-80 in WY there is a reason one of the world's largest gas stations is in Little America, WY and for that matter why Little America is call Little America. This type of snow event will not hurt the feelings of the barge traders of the Mo River basin either. While one snow event will not change the dynamics long term, we all know to break a dry spell you need to get the first moisture event in the gauges.

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



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Thursday, March 11, 2021

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.