

MORNING GRAIN COMMENTARY

Morning Trends:

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as of 4:30 AM CST

Corn 4 to 6 higher

Wheat 10 to 12 higher

Beans 7 to 9 higher

Soy Meal .5 around higher

Soy Oil 90 to 100 higher

The Stories of the Day:

Putin's yearly speech <https://www.bbc.com/news/world-europe-56828813.amp>

Russian Tensions <https://www.dailymail.co.uk/news/article-9494789/Alexei-Navalny-Critics-aide-spokeswoman-detained-Russia-sends-military-deter-protest.html>

Weather: There is a trough in the Eastern U.S. with a ridge in the West. This ridge-west and trough-east pattern will continue through most of this week. A cutoff low is escaping underneath the ridge in the West and will move across the southern tier of the country late this week and weekend. Models suggest that the main trough will retreat northward next week. This will maintain an active, but progressive pattern for next week. The U.S. and European models are fairly similar, but the U.S. model does have a stronger system moving into the Plains too quickly late next week. I will use a model blend but favor the European. For the outlook period, temperatures on Monday will be above normal in the Central and Southern Plains and near to below normal elsewhere. Temperatures will rise and fall through the end of the period as the pattern is more progressive. A system in the West will move through the country with widespread showers next week. -DTN

NORTHERN PLAINS (LIVESTOCK/SPRING WHEAT/CORN/SOYBEANS): Temperatures below normal will continue through the next week. Though showers have started to move back into the region, amounts have not been enough to reduce drought. A system next week shows more potential for moderate showers, but there remains uncertainty. -DTN

CENTRAL/SOUTHERN PLAINS (WINTER WHEAT/LIVESTOCK/CORN/SOYBEANS): Well below normal temperatures and hard freezes over recent days may have damaged wheat and emerged corn. Risks for hard freezes continue for one more day before temperatures begin to moderate. A system next week may bring widespread showers to the region and may benefit drought areas, but also contain severe weather risks. -DTN

MIDWEST (WINTER WHEAT/CORN/SOYBEANS): Rain and snow are moving eastward early Wednesday, but cold air will remain in the region for another day before beginning to moderate. Temperatures may have been cold enough to damage winter wheat and any emerged corn. Widespread rain this weekend will help damaged plants recover. Temperatures will rise next week, allowing for the growing season to get back on track. -DTN

DELTA (SOYBEANS/COTTON): Some rain and snow occurred Tuesday night across the north but temperatures below freezing Wednesday and Thursday mornings could cause damage to wheat and emerged soybeans. More widespread showers and above normal temperatures are expected this weekend into next week. -DTN

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SOUTHEAST (COTTON/LIVESTOCK): The region will be relatively dry over the next few days, allowing any wet soils to drain and allow for more planting progress. Moderate to heavy showers will move through this weekend, delaying progress again. -DTN

CANADIAN PRAIRIES (SPRING WHEAT/CANOLA): The entire region continues to be in drought this spring. Another front will move through Thursday and Friday with more moderate snow showers in Alberta but less elsewhere. The cold continues through the week but could retreat northward next week. -DTN

BRAZIL (CORN/SOYBEANS): Scattered showers fell this weekend as a front moved slowly northward but have mostly dried up. Another front moves through this weekend, but showers do not look to be very widespread or heavy. The end of the wet season appears to be starting for central Brazil as fronts start to clear the majority of the country's growing regions. This will overall stress safrinha corn that has been planted very late as moisture is drained from the subsoil. Chances for showers may be better for southern areas as fronts tend to linger a bit longer here. -DTN

ARGENTINA (CORN/SOYBEANS): Mostly dry conditions have been noted recently, favorable for corn and soybean harvesting. A front will move into the country on Wednesday and bring showers into the weekend before moving northward. Widespread moderate to heavy showers are anticipated for most areas, bogging down harvest progress. -DTN

EUROPE (WINTER WHEAT/CANOLA/CORN): Another cold front could produce more frosts and freezes for northern and eastern areas through the coming weekend, as concern for damage continues for vulnerable plants. Across the south, warmth and periods of showers should maintain favorable conditions for reproductive winter grains. The cold across the north and east is likely to further delay spring planting for corn and other crops. -DTN

UKRAINE/RUSSIA (WINTER WHEAT/CORN): Scattered showers have maintained above-normal soil moisture, but the region could use some warmth for more progress. A cold shot may come this weekend into early next week, mostly for Ukraine. Temperatures are not expected to be damaging right now but will need to be watched. They should be cold enough to slow progress for wheat and delay corn planting. -DTN

NORTHERN AFRICA (WINTER WHEAT): Timely showers this past weekend have been followed by several days of dryness. However, showers may return this weekend, favoring reproductive to filling wheat. -DTN

SOUTH AFRICA (CORN/SUGARCANE): The region has been fairly dry lately, benefiting maturing corn and harvest activities. The dryness should last for the next week as well. To the east, some occasional periods will help rain-fed sugarcane and replenish irrigation reserves. -DTN

AUSTRALIA (COTTON/SORGHUM/WINTER WHEAT): Recent dryness has been benefiting harvest activities for cotton and sorghum. Rainfall in the west and earlier this month in the east have filled soils ahead of winter wheat planting, which should be getting underway. Very little shower activity this week will favor all fieldwork activities. -DTN

CHINA (WINTER WHEAT/CANOLA/CORN/SOYBEANS): Conditions have been mostly favorable across the country so far this spring, though it has been overly wet across the south for rice and sugarcane. Periods of showers this week will maintain mostly favorable conditions, including in the northeast for corn and soybean planting, which should start up in the next couple of weeks. -DTN

INDIA (WINTER WHEAT/RAPESEED/COTTON/SOYBEANS): Periods of showers have continued this spring have kept conditions favorable for much of the winter crops in northwestern India as they move through reproduction. 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 July Palm Oil up 122 Ringgits
- > Dalian Futures Exchange were mostly higher Sept corn up 19 to the Yuan, Sept beans down 48, Sept meal up 17, Sept bean oil up 240, Sept palm oil up 314
- > Asian Equity Markets were mostly lower, Japan's Nikkei down 2.0%. China's Shanghai flat
- > European Equity Markets are mostly higher, German Dax up .4%, London FTSE up .7%
- > MATIF Markets are higher, June corn up 2.0 to the Euro, August Rapeseed up 7.25, Sept wheat up 3.25
- > 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...April 21st...It is Tiradentes Day in Brazil...give us a call it is one of our favorite holidays
- > Save the Date...April 24th...Anzac Day...as always if you need a professional spinner...
- > Save the Date...April 27th...Stats Canada will be out with their planted acres outlook...expected all wheat at 23.7 million acres, durum 5.5 million, barley at 8.0 million, and canola at 22.6 million
- > Save the Date...April 29th...US 1Q GDP
- > Save the Date...May 7th...US monthly jobs numbers
- > Save the Date...May 12th...US and world S&Ds including our first look at 21/22
- > COVID-19, India out of oxygen <https://www.msn.com/en-us/news/world/india-covid-surge-hits-new-record-as-oxygen-runs-short/ar-BB1fSfVU>
- > ASF, China new plan <https://news.yahoo.com/china-set-regional-control-system-092427248.html>
- > In the Covid era, bird flu jumping to humans puts world health organizations on high alert <https://www.nytimes.com/2021/04/21/science/flu-birds-pandemic.html>
- > Locust down in E. Africa but not out <https://allafrica.com/stories/202104210076.html>
- > Fall Armyworm in Pakistan <https://www.brecorder.com/news/40086307>
- > China reshapes its feed rations <https://www.reuters.com/article/china-feed-rations/update-3-reshaping-grain-trade-china-acts-to-change-animal-feed-recipes-idUSL1N2ME0DJ>
- > Weekly crop updates from the USDA found that 53% of the winter wheat crop is good to excellent shape, 19% of the spring wheat crop has been planted, 3% of the bean crop has been planted, 8% of the corn crop is in the ground with 2% emergence

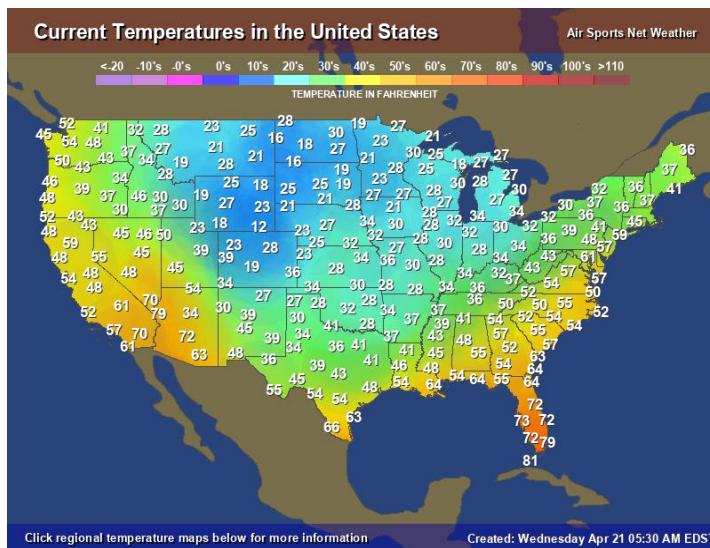
Commentary

It is quarterly earning season here in the US has value added companies report how they have done and give us their forward guidance. With US equity markets still close to all-time highs clearly results so far have been decent. One consistent thing we have noted in this news releases is talk of raw commodity inflation and how moving forward it might impact their pricing structures. Coke-a-Cola noting that inflation has not been an issue

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yet but looks at 2022 as much more challenging. P&G is set to have a major price increase across their brands in Sept to address raw commodity input costs. The takeaway as more and more international brands talk about inflation it becomes all the easier for inflation to take root. It is always tough for retailer to raise prices but when they do, they very rarely come back down. With so much talk of commodity inflation in the market place many a value added company will use this PR cover to adjust prices. Inflation is a lot like the wind, you are never quite sure where it comes from, but you always know which way it is blowing. And we all know once the executives in the Ivory Towers get wind of inflation they will want more raw products around them all times...we said the covid era meant that logistic managers had to shift from just in time inventory management to just enough...if indeed we are entering a commodity/inflation super cycle just enough inventory management has to adjust to the idea that in the coming weeks and months ahead executive officers will be second guesses on what just enough means.

As of 4:30 AM cool but not as cold as expected



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