

MORNING GRAIN COMMENTARY

Morning Trends:

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as of 4:30 AM CST

Corn 21 to 23 lower

Wheat 18 to 20 lower

Beans 26 to 28 lower

Soy Meal 4.0 to 4.5 lower

Soy Oil 220 to 225 lower

The Stories of the Day:

Covid research led by the US <https://www.msn.com/en-us/news/us/us-aims-to-shape-new-phase-of-who-led-probe-into-origin-of-covid-19/ar-BB1q7cl8?li=BBnb7Kz>

EU looks to push back against China's growing economic rise <https://www.msn.com/en-us/money/markets/eu-pushes-back-on-china-with-powers-to-thwart-state-backed-firms/ar-BB1q6OBB?li=BBnbfcL>

Weather: A fairly progressive

pattern is expected over the next 10 days. There is a trough in the Rockies, a ridge in the Central and East, and another moving into the West. The trough will slowly progress through the country over the next few days. Another will move into the West this weekend and through the Central U.S. through early next week. Another trough will move into the West toward the end of 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 Northwest and near to above normal elsewhere. Temperatures will rise and fall through the end of the period. A system will develop over the Central Plains early next week with more widespread showers as it moves eastward. Another may move into the West in the middle-to-end of next week. -DTN

NORTHERN PLAINS (LIVESTOCK/SPRING WHEAT/CORN/SOYBEANS): Recent showers may have some benefit to topsoils, but the drought continues as planting progresses. No significant cold blasts are indicated for the next couple of weeks but could be locally so in the extended range and are worth watching. More showers may be possible this coming weekend and next week but are not expected to be drought busters. -DTN

CENTRAL/SOUTHERN PLAINS (WINTER WHEAT/LIVESTOCK/CORN/SOYBEANS): Moderate to heavy showers fell across the northwest and southern portions of the region on Tuesday and more heavy rain is expected across the east on Wednesday. Some showers will develop over the southwest, but the region will remain relatively dry through the weekend. Winter wheat that is trying to recover from cold temperatures last week are not going to get much precipitation help in which to do so. A system next week may offer some better showers for this portion of the region, but that is not certain yet. -DTN

MIDWEST (WINTER WHEAT/CORN/SOYBEANS): Above normal temperatures and dryness early this week likely caused an uptick in planting progress. Showers moving through the rest of this week will be moderate to heavy across the south and east and will help new seeds germinate and benefit early growth. Another system next week could offer similar benefits. -DTN

DELTA (SOYBEANS/COTTON): Periods of showers have saturated soils but have been followed by days of dryness, helping to drain soils and allow for planting. Overall, conditions remain favorable for early growth as long as producers can continue to get into the fields to plant. A front will move through with showers and planting delays Thursday into Friday and again next week. -DTN

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SOUTHEAST (COTTON/LIVESTOCK): Moderate to heavy showers and severe weather occurred this weekend, possibly impacting young cotton plants across southern Alabama and Georgia. Dryness for much of this week will continue to help soils to recover and planting to progress further. Models have trended lower for rainfall chances this weekend, allowing planting to progress further, but this is not certain. -DTN

CANADIAN PRAIRIES (SPRING WHEAT/CANOLA): Cooler temperatures will rise over the next couple of days, but planting, which usually starts to get underway in early May, may have to hold off until soils get a bit more precipitation and temperatures increase a bit more. Scattered showers are likely with a system this weekend, though amounts do not look overly impressive for most areas. There may be more shower activity next week, but again it does not look impressive. The widespread drought continues. -DTN

BRAZIL (CORN/SOYBEANS): Soil moisture is continuing to fall as the country has gotten drier over the last few weeks. Most of the central growing regions look to be almost completely dry over the next 10 days. There may be a front that moves in next week and stalls in the south, which would have significantly positive impacts for developing corn. -DTN

ARGENTINA (CORN/SOYBEANS): Recent showers have been untimely for mature corn and soybeans, delaying harvest. Conditions are improved this week as the region stays very dry. A front will move into the country late this weekend with scattered showers into early next week, again causing delays. -DTN

EUROPE (WINTER WHEAT/CANOLA/CORN): Recent cold temperatures across the north and east has been concerning for winter grains over the last couple of weeks. Temperatures across the north and east will remain on the cooler side, keeping growth slow. Dryness continues to be a developing issue in these areas as well. Periods of showers this week will help that situation. Otherwise, favorable conditions are found across the south for winter grains. The cooler temperatures will likely delay more spring planting as well. -DTN

UKRAINE/RUSSIA (WINTER WHEAT/CORN): Recent showers have maintained above-normal soil moisture, but the region could use some warmth for more progress. A shot of cold air moved in this past weekend and continues for the couple of days before moderating. Development of winter grains will be slow, along with spring planting. -DTN

NORTHERN AFRICA (WINTER WHEAT): There have been some showers recently, but the entire region could use more precipitation for reproductive to filling wheat. The best shots are in Morocco this week. -DTN

AUSTRALIA (COTTON/SORGHUM/WINTER WHEAT): Recent dryness has continued to favor cotton and sorghum harvest as well as winter wheat planting. Dryness for much of this week will continue that trend. However, all regions could benefit from some shower activity to increase soil moisture for germinating wheat. -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 through the middle of the week will maintain mostly favorable conditions. But cool temperatures in the northeast could delay corn and soybean planting if it lingers over the next couple of weeks. -DTN

INDIA (WINTER WHEAT/RAPESEED/COTTON/SOYBEANS): Periods of showers that have continued this spring have kept conditions favorable for much of the winter crops in northwestern India as they move through reproduction and fill. 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 down 138 Ringgits

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- > Dalian Futures Exchange were lower Sept corn down 5 to the Yuan, Sept beans down 52, Sept meal down 51, Sept bean oil down 8, Sept palm oil up 48
- > Asian Equity Markets were mixed, Japan's Nikkei up .2%. China's Shanghai up .4%
- > European Equity Markets are mixed, German Dax up .2%, London FTSE up .2%
- > MATIF Markets are sharply lower, June corn down 5.25 to the Euro, August Rapeseed down 10.75, Sept wheat down 5.75
- > 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 28th...OPEC meeting
- > Save the Date...April 28th...FOMC meeting results
- > Save the Date...April 28th...President Biden address the US Congress <https://www.msn.com/en-us/news/politics/what-to-watch-during-bidens-1st-big-speech-to-congress/ar-BB1g7M4K?li=BBnb7Kz>
- > 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
- > Save the Date...May 17th...NOPA Crush
- > Save the Date...May 27th...1Q US GDP
- > Save the Date...May 31st...US Memorial day
- > COVID-19, oral vaccines next year? <https://www.msn.com/en-us/news/us/pfizer-ceo-oral-drug-to-stop-coronavirus-could-be-ready-next-year/ar-BB1g74XL>
- > China vs. Taiwan <https://www.msn.com/en-us/news/world/taiwan-accuses-beijing-of-waging-economic-war-against-tech-sector/ar-BB1g8szd?li=BBnbfcL>
- > North vs. South Chinese style <https://www.msn.com/en-us/money/markets/chinas-economic-divide-between-north-and-south-set-to-widen/ar-BB1g6i1K?li=BBnbfcL>
- > Plant based foods its everywhere <https://www.msn.com/en-us/foodanddrink/foodnews/vegan-sandwich-debuts-at-buona-beef-s-oak-lawn-beverly-locations/ar-BB1g8bVT?ocid=hplocalnews>
- > ASF//Bird Flu all quiet
- > Red Locust <https://www.msn.com/en-xl/news/newsus/red-locust-outbreak-destroys-grazing-land-in-namibia/ar-BB1g6Cdg?ocid=BingNewsSearch>
- > Mungbeans are good but corn not so much <https://www.graincentral.com/cropping/fall-armyworm-puts-beans-to-the-side-tucks-into-corn/>

Commentary

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The rally in US board values has been impressive. It has left many an end user stunned as well as out of position. Yesterday the fear stage of the rally seems to have come to an end for US Ags. That said the fun part now begins for the US and world end users who have seen what a market can do powered by inflation concerns and weather. Yes, values have gotten way overstated vs. world values. Yes, the board is due for a set back that might take a few days to unfold. That said the fear of inflation concerns for world raw commodities in a time where the world economy is starting to redefine itself in the Covid era combined with the world feed grain stocks drawn down because of weather and the ongoing impact of ASF means that the bull markets are far from dead. Technically WN needs a couple of closes this week under the 702 level to start to shift chart momentum sideways to lower, CN just to shift sideways to highs from rocket mode needs a couple of closes under the 615 area, and SN to calm itself down needs a couple of closes 1485. So, the fun part for world and domestic end users is to try to figure out an area of fair value to step back into the market and extend summer forward coverage. This might be easier to define in the next 12 hours as we start to get major pieces of the monetary US puzzle from the FED meeting results as well as the fiscal puzzle from congressional reaction to President Biden's address to a joint session of the Congress later tonight.

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.