

MORNING GRAIN COMMENTARY

Morning Trends:

Morning Trends

as of 5:00 AM CST

Corn 1 to 3 lower

Wheat 1 to 3 lower

Beans 1 to 3 lower

Soy Meal 2.0 to 2.5 lower

Soy Oil 55 to 60 lower

The Stories of the Day:

It is hot outside [Why the Northwest's heat wave didn't just break records, it obliterated them \(msn.com\)](#)

World Equity turn quiet ahead of Friday's US Job Numbers [Asia Stocks, U.S. Futures Dip; Treasuries Steady: Markets Wrap \(bloombergquint.com\)](#)

Best Chicken ever [Julia Child's foolproof tips for perfect chicken every time \(msn.com\)](#)

Weather: There is a ridge in western Canada, a cutoff low in the Upper Midwest, a small disturbance in Hudson Bay, and a ridge across the East. The Hudson Bay disturbance will move south over the next couple of days, absorbing the cutoff low and digging over the eastern U.S. late this week. The trough should move offshore by early next week. Meanwhile, the ridge in western Canada will spread east but weaken as it spreads too thin. This will create a broad ridge across Canada, trapping small disturbances over the Southern Plains and Southeast next week. The U.S. and European models are in general agreement, but the American GFS likely has too much precipitation lingering in the Plains through next week. I will favor the European. For the outlook period, temperatures on Sunday will be near to below normal from the Central Plains to the Mid-Atlantic and points southward with above normal temperatures elsewhere. This will be the general structure through the period with rising temperatures across the northern tier of the country. A frontal boundary will have settled down from Texas to the Carolinas with periods of showers continuing there into next week. A weak front may sag into the northern tier of the U.S. next week with some showers possible. -DTN

NORTHERN PLAINS (LIVESTOCK/SPRING WHEAT/CORN/SOYBEANS): Scattered showers moved through the region over the last several days, but amounts have been generally less than 1/2" for most and only localized areas seeing more. Crop conditions have stabilized, but conditions have not improved. Dry conditions are expected over the next week and will continue to stress developing crops. -DTN

CENTRAL/SOUTHERN PLAINS (WINTER WHEAT/LIVESTOCK/CORN/SOYBEANS): Showers were fairly scattered across the region since last week, though there has been a solid zone of heavy rainfall from northern Texas through eastern Kansas along a stalled front where amounts eclipsed 2" and disrupted the winter wheat harvest and caused flooding. This same zone is expected to produce more showers over the next couple of days before the stalled front finally pushes south Thursday through the weekend. Texas may continue to see showers through the weekend. -DTN

MIDWEST (WINTER WHEAT/CORN/SOYBEANS): A couple of strips of moderate to heavy rain fell across the region this weekend as a frontal boundary stalled from northern Missouri to lower Michigan. Most areas saw at least some rainfall, helping to ease drought conditions across a wide area. Minnesota saw some decent rainfall across southern zones, but most of the state missed out on beneficial rainfall. This front should continue to barely move over the next two days before it is finally pushed southward late this week. Behind the

front, scattered showers will dry up after Tuesday for the following week or so, with dryness causing concern for areas that have been missed by showers. -DTN

DELTA (SOYBEANS/COTTON): The region has been relatively dry over the last week as a front stalled well enough to the north. The front will eventually push through the region late this week and weekend. Some areas are happy for the dryness as they continue to recover from flooding and possible replanting. But the showers will help developing cotton and soybeans later this week. -DTN

SOUTHEAST (COTTON/LIVESTOCK): Tropical Storm Danny was brief but brought some better showers to coastal areas on Monday. The remnant low will continue west and die out but with good showers for the next day. Other showers will continue through the rest of the week and will be focused as a front moves into the region late this week and weekend. Overall, conditions are favorable for developing cotton. -DTN

CANADIAN PRAIRIES (SPRING WHEAT/CANOLA): Some isolated showers have moved through the region since last week but were very isolated and light. Eastern areas have seen better coverage and amounts while southwestern areas have seen very little, areas that need more rainfall. Very little rainfall is forecast over the next week as soil moisture continues to decrease for most areas. -DTN

BRAZIL (CORN/WINTER WHEAT): Dryness continues to plague corn across the country. [Temperatures behind a front that passed through have plummeted with potential frosts across Parana corn fields through July 1. Frosts would only continue to harm immature corn if the drought has not been enough already.](#) Wheat areas will be more resilient to the winter fluctuations and conditions are much better for the vegetative crop. -DTN

ARGENTINA (CORN/WINTER WHEAT): A system moved through with some shower activity this weekend, but much colder temperatures. [Some frosts were noted, but not enough to damage vegetative wheat or send it dormant. The cold will continue through the coming weekend, keeping growth slow.](#) -DTN

EUROPE (SPRING WHEAT/CORN): A system in the west will slowly traverse the continent through the week with scattered showers, maintaining beneficial soil moisture for developing crops. -DTN

UKRAINE/SOUTHWEST RUSSIA (WHEAT/CORN/SUNFLOWERS): Hot temperatures continued through the weekend but started to cool down to more manageable levels in the west as showers moved in. The showers will continue eastward through Russia over the next few days but be very isolated across southern zones. Temperatures will gradually fall to more seasonable levels over the next few days but should remain above normal. Temperatures for the last week have been beneficial for maturing winter wheat and developing summer crops but may have drawn a lot of moisture out of soils as well. -DTN

CENTRAL RUSSIA/KAZAKHSTAN (SPRING WHEAT/GRAINS): Scattered showers and below-normal temperatures have been common over the last week, helping to ease stress from damaging heat and dryness earlier in the growing season. Occasional showers will move through Russia this week, but Kazakhstan will be much drier. -DTN

AUSTRALIA (WINTER WHEAT/CANOLA): Fairly regular periods of showers continue to move across the country for the next week, maintaining beneficial conditions for vegetative winter crops. A system will bring cooler temperatures to the region late this week into next week, which will slow growth. -DTN

CHINA (CORN/SOYBEANS): Periods of showers and relatively stable temperatures favor developing corn and soybeans. -DTN

INDIA (COTTON/SOYBEANS): The monsoon has started perhaps just a little early this year, allowing for early planting of cotton and soybeans. Showers have been fairly consistent and heavy thus far and should continue this week as well, maintaining good soil moisture for developing crops. -DTN

Headlines

- > Malaysian Sept Palm Oil is up 37 Ringgits
- > Dalian Futures Exchange were mixed Sept Corn up 27 to the Yuan, Sept Beans down 88, Sept Meal up 48, Sept Bean Oil up 28, Sept Palm Oil up 110
- > Asian Equity Markets were lower, Japan's Nikkei down .8%, China's Shanghai down .9%
- > European Equity Markets are higher, German Dax up .6%, London FTSE up .3%
- > MATIF Markets are mixed, Aug Corn down 2.00 to the Euro, August Rapeseed up 8.00, Sept Wheat flat
- > Save the Date...June 30th...Grain Stocks and Planted Acres...according to Reuters average trade guess for planted spring wheat acres 11.405 million, corn 93.787, beans 88.955...Average trade guess for Quarterly Stocks, wheat 859 million bushels, corn 4.144 billion bushels, beans 787 million bushels
- > Save the Date...July 1st...Next meeting of OPEC+ Media outlets citing OPEC+ sources say the group is considering loosening production curbs by 0.5 million bpd in August. -QT
- > Save the Date...July 2nd US Unemployment number...trade expects 683,000 new non-farm jobs were created, unemployment rate to fall to 5.7% from 5.8% and MoM hourly wages up .4%
- > Save the Date...July 5th... US National Holiday
- > Save the Date...July 12th...US Crop Production and S&D Reports
- > Save the Date...July 31st...US Government set to run out of Money
- > USDA weekly crop updates found that 64% of the corn crop was rated at good/excellent, trade was expecting 67%...beans at 60%, trade was expecting 61%...spring wheat at 20%, trade was expecting 25%...winter wheat at 48%, trade was expecting 50%
- > StatsCan acre numbers at 7:30 AM CDT trade is expecting all wheat acres at 23.3 million, durum at 5.5 million, canola at 22.5 million, barley at 8.4 million, oats at 3.6 million, soybean acres at 5.4 million
- > ASF in China down but not out [Pork trade market in Southwest China's Sichuan Province closes to quarantine against African swine fever - Global Times](#)
- > Not Bird Flu but something to watch [How to report dead, sick birds to Kentucky, Indiana officials | whas11.com](#)

FAW/Locust all quiet today

Ethiopian Civil War update [Ethiopia Tigray Conflict: News Updates - The New York Times \(nytimes.com\)](#)

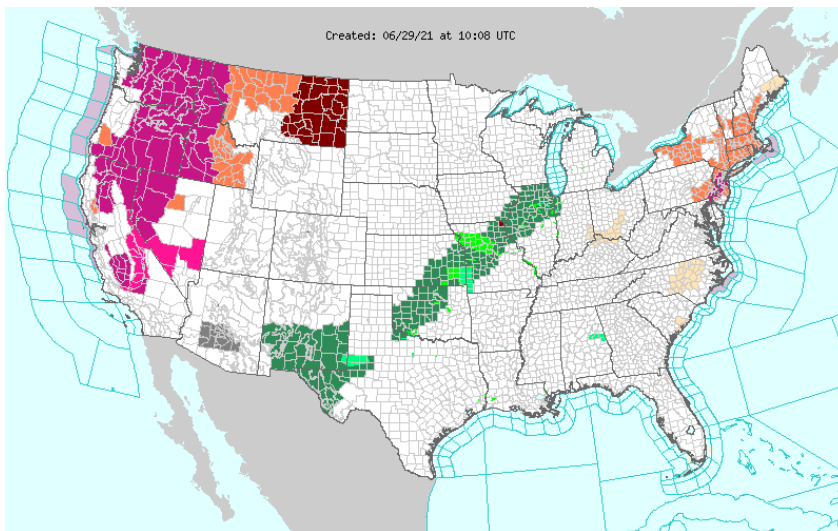
Commentary

Between this morning and the peace of the US holiday weekend (when markets close at their regular time Friday they will not reopen until Tuesday Morning at 8:30 AM CDT) there is a lot of news to chew through. So much that many traders have pared back positions and are set to ride into the weekend close to home and wait for next week before working on new ideas. AgResource pointing out that the MM Fund spec position is one of the smallest positions we have seen from them in months. This should not be a huge surprise with so much going on this week. Today of course is StatsCan day. Wednesday we will have first notice day for July products, as well as the reset of quarterly grains stocks and acres. Taking up most of the oxygen this week is the trade's thoughts on acres. That said we feel the real fireworks if there are any tomorrow would be found or lost stocks

Tuesday, June 29, 2021

that impact the old crop carryout numbers. The hope by the bull is that weekly exports have undercounted what has been leaving the country. The bear is hoping that the USDA will find some residual stocks and boost the carryout numbers. Given the stocks number is always a coin flip this is where we could see the biggest surprise. When it comes to the acres it seems like the headline will be corn with beans being an inverse number. The bigger the corn number the smaller the bean number is the expectation. The wild card here is if other crops such as cotton, oats, sugar beets, and sorghum to name a few kept the pool of available acres for spring wheat, corn, and beans smaller than expected. While the Wednesday report is the showstopper for the week, do not forget that we will have an OPEC + meeting on Thursday to contend to with not to mention the biggest monthly numbers of them all for the macro markets in the US Jobs numbers that will be out on Friday. And oh yeah, the biggest weather market weekend of the season going home...get your rest we are going to need it.

Heat starting to spill out of the PNW back over the Rockies



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 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.