

## MORNING GRAIN COMMENTARY

### Morning Trends:

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as of 5:00 AM CST

Corn 2 to 4 higher

Wheat 2 to 4 higher

Beans 1 to 3 lower

Soy Meal 2.0 to 2.5 higher

Soy Oil 55 to 60 lower

### The Stories of the Day:

**US Wildfires impacting air quality all the way to the US East Coast** [Massive wildfires in US West bring haze to East Coast \(chron.com\)](#)

**China Flood Pictures** [Remarkable videos show commuters in China stuck in waist-deep water in the subway as heavy flood hits central China, killing at least 12 \(msn.com\)](#) [China blasts dam to divert floods that killed at least 12 \(apnews.com\)](#)

**Russia Wildfires, Government pulling all the stops out** [Russia using CLIMATE ENGINEERING to fight forest fires, sowing silver iodine into clouds from airplane to make it rain over blaze — RT Russia & Former Soviet Union](#)

G.M.O.s never thought we see this story in the NYT [Learning to Love G.M.O.s - The New York Times \(nytimes.com\)](#)

**Weather:** There is a trough moving into British Columbia, a strong ridge across the Rockies and Canadian Prairies, a trough across the South

and Southeast, and a trough in the Northeast. The low in British Columbia will take the top off the ridge as it moves through Canada through the weekend. It will likely stall in Hudson Bay. But the ridge will continue to remain firm across the Rockies into next week and expand eastward as it pushes the Northeast trough offshore. The U.S. and European models are in general agreement. I will favor the European with differences. For the outlook period, temperatures on Monday will be near to above normal across the country, which should continue through next week. A front will push through the northern tier of the country early-to-mid next week with scattered showers. The front to the system may stall across the Corn Belt with continued showers. Meanwhile, daily showers and thunderstorms will continue across the South and Southeast. -DTN

**NORTHERN PLAINS (LIVESTOCK/SPRING WHEAT/CORN/SOYBEANS):** Isolated showers may continue over the next couple of days, but most areas are likely to remain dry as triple-digit heat becomes fairly widespread. Stress continues to mount for developing to reproductive corn and soybeans and has taken a massive toll on spring wheat. A front may bring some scattered showers on Friday, and the isolated showers may continue into next week, but the heat will continue through the end of July. -DTN

**CENTRAL/SOUTHERN PLAINS (WINTER WHEAT/LIVESTOCK/CORN/SOYBEANS):** Drier conditions are expected for the rest of this week, but temperatures should remain on the mild side until Friday when temperatures will go on a warming trend. Overall, conditions will be favorable for the remaining wheat harvest and developing to reproductive corn and soybeans. But if rain does not come with the heat, we could see stress developing for corn and soybeans. -DTN

**MIDWEST (WINTER WHEAT/CORN/SOYBEANS):** A frontal boundary will slide south from Canada into northern sections of the region this week, producing some isolated showers. Another front will move through the region with more scattered showers this weekend. Heat will spread across the region over the next few days, stressing developing to reproductive corn and soybeans in drier sections of the region, particularly in the northwest. Conditions continue to be much better across the southeast where drier conditions will allow more saturated soils to drain. -DTN

**DELTA (SOYBEANS/COTTON):** Scattered showers will remain in the region through the week, being mostly favorable for developing to reproductive cotton and soybeans. -DTN

**SOUTHEAST (COTTON/LIVESTOCK):** Daily scattered showers and thunderstorms continue to produce favorable conditions for developing to reproductive cotton for the next week. -DTN

**CANADIAN PRAIRIES (SPRING WHEAT/CANOLA):** Some isolated showers moved across the region this week, but most areas have seen very little precipitation and has not significantly impacted the drought. If not for low clouds and smoke, temperatures would be higher and hurt reproductive wheat and canola even more than they currently are. Unless the smoke cannot be mixed out, limited shower activity and temperatures above normal will continue to stress reproductive to filling wheat and canola for the next week. -DTN

**BRAZIL (CORN/WINTER WHEAT):** Recent frosts across Parana and Rio Grande do Sul were another layer of adverse weather conditions for filling safrinha corn. Dry weather through this weekend will not be favorable for crops but it is getting too late to have much of an impact as corn matures. -DTN

**ARGENTINA (WINTER WHEAT):** Dryness continues through Saturday. Even with limited rainfall recently, soil moisture continues to be favorable for most of the winter wheat areas. A larger system is forecast to develop Sunday into early next week with widespread precipitation that will be beneficial. -DTN

**EUROPE (SPRING WHEAT/CORN):** A system that brought scattered showers to eastern areas this weekend is pushing east. Dryness in Germany helped the region to recover from flooding. Outside of some localized areas that are having issues, favorable conditions are noted for most of the growing regions for wheat and corn. The next system moves into western areas Friday into the weekend and could be concerning for flooded and saturated areas. -DTN

**UKRAINE/SOUTHWEST RUSSIA (WHEAT/CORN/SUNFLOWERS):** Recent hot temperatures are being pushed aside as a frontal boundary works slowly across the region. The front is bringing scattered showers, which will help to improve soil moisture after the heatwave. Even with the heat over the last week, most areas have had enough soil moisture to get by except for the Volga Valley region of Russia. Dryness here may have had some negative impacts to wheat and corn. Dryness follows the system through next weekend, however, and more showers would be welcome for those areas that get missed this week. -DTN

**CENTRAL RUSSIA/KAZAKHSTAN (SPRING WHEAT/GRAINS):** Showers over eastern areas will continue better overall conditions in this portion of the region while western areas dry out under poor condition. -DTN

**AUSTRALIA (WINTER WHEAT/CANOLA):** An active storm track will continue to bring periods of showers to the region over the next week, maintaining overall favorable conditions for vegetative winter wheat and canola in most areas. -DTN

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

**INDIA (COTTON/SOYBEANS):** Monsoon showers have been a little disappointing in the northwestern quarter of the country thus far but are in the area. Some cotton areas are doing better than others due to the discrepancy. Showers have been much more consistent and heavier across the east and south for soybeans. This pattern likely continues over the coming week -DTN

## Headlines

> Malaysian Oct Palm Oil up 2 Ringgits

> Dalian Futures Exchange were mostly higher Sept Corn up 3 to the Yuan, Sept Beans down 44, Sept Meal up 6, Sept Bean Oil up 68, Sept Palm Oil up 48

- > Asian Equity Markets were higher, Japan's Nikkei up .6%, China's Shanghai up .7%
- > European Equity Markets are higher, German Dax up .7%, London FTSE up 1.6%
- > MATIF Markets are mixed, Aug Corn up 1.00 to the Euro, August Rapeseed down .50, Sept Wheat unchanged
- > Save the Date...July 28<sup>th</sup>...FOMC Meeting Results
- > Save the Date...July 29<sup>th</sup>...2Q US GDP
- > Save the Date...July 31<sup>st</sup>...US Government set to run out of Money
- > Save the Date...Aug 6<sup>th</sup>...US Employment Numbers
- > Save the Date...Aug 11<sup>th</sup>...Mountain Day in Japan
- > Save the Date...Aug 12<sup>th</sup>...USDA Crop Production and S&Ds
- > Save the Date...Aug 16<sup>th</sup>...NOPA Crush
- > Out yesterday but still impacting values overnight [Exclusive-White House delays biofuel mandates due to political concerns -sources | Reuters](#)
- > The Trend is your friend [Central banks, wealth funds going greener and more activist -survey | Reuters](#)
- > Locust/ASF/FAW all quiet today
- > First songbirds in the Midwest and now this??? [Snakes are covered with crust, bumps from spreading infectious disease \(msn.com\)](#)
- > Bird Flu, bird to human transmission in India??? [First possible human infection of bird flu in India: What we know so far \(msn.com\)](#)
- > Weekly EIA numbers at 9:30 AM CST...WoW trade is expecting a decline in crude oil stocks Of 4.5 million barrels and a 1.0 million barrel decline in gasoline stocks...API numbers last night actually found an increase in crude oil stocks of 800,000 barrels and a 3.3 million increase in gasoline stocks

## Commentary

WoW US S&Ps are back higher than last Friday's close. An impressive turnaround given the sharp selloff that started the week. While it seems Covid fears have eased a bit this week, by no means should the Macro markets feel like the worst of the headline driven volatility is behind them. The same is true about the Ag markets. At times, the risk off or on winds will sharpen price moves in the Ag markets. That said the grain markets are being driven by weather, each download of the 6-10 day forecasts seemly parsed to see where the Western High Pressure might wonder next. Supply Side fears and Covid fears are real and will have real impact on price action. That said the lasting impact of Supply Side Fears magnified by Covid is that supply chain kinks will continue. This means that end users will continue to want expand their budgets to carry more inventory forward. We like to talk that short term price swings are generated by the idea of whether market shorts and longs are in strong hands or weak hands. Given the concern over not only the cost of replacement values but the ability to have the physical arrive in a timely fashion, we feel in the coming harvest cycle that strong hands will be looking for ownership early and often.

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



Wednesday, July 21, 2021

in light of your investment experience, trade objectives, financial resources, and other relevant circumstances. PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.