

MORNING GRAIN COMMENTARY

Morning Trends:

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as of 5:00 AM CST

Corn 1 to 3 lower

Wheat 8 to 10 higher

Beans 5 to 7 lower

Soy Meal 2.5 to 3.0 lower

Soy Oil .5 around

The Stories of the Day:

Lessons from the Little Ice Age [Small climate changes can have devastating local consequences – it happened in the Little Ice Age \(msn.com\)](#)

Taliban making new friends? [Taliban tell China Afghanistan will not be base for separatists \(msn.com\)](#)

US Firefighters feeling the burn....burnout that is [US firefighters admit they are burnt out by endless blazes \(msn.com\)](#)

Song of the week on a Wednesday [Grateful Dead - Uncle John's Band \(Winterland 10/19/74\) - YouTube](#)

Weather: There is a ridge across most of the U.S. and the Canadian

Prairies, a trough in Hudson Bay, and another trough in the Northeast. The ridge will strengthen over the West and Canadian Prairies while the troughs in Hudson Bay and the Northeast will be continually reinforced over the next 10 days and could expand westward to the middle of the U.S. as well. The U.S. and European models are in general agreement on the pattern but not on the details. I will favor the European with differences. For the outlook period, temperatures on Monday will be near to below normal east of the Rockies while being above normal in the West. Temperatures will likely maintain this pattern, though temperatures will rise in the Northern Plains. A system may move into the Northern Plains in the middle of next week and move into the Midwest late in the week. Scattered showers are likely to continue across the Southeast as well. -DTN

NORTHERN PLAINS (LIVESTOCK/SPRING WHEAT/CORN/SOYBEANS): The heat continues for one more day but a front moving through Wednesday will bring temperatures down for Thursday into the weekend. A system will develop over South Dakota on Friday and bring moderate to heavy rainfall, but other areas are likely to be dry. Another system may come through in the middle of next week though models are unsure of how good coverage or amounts will be with it. Temperatures are likely to rise next week, creating more stress for reproductive corn and soybeans. -DTN

CENTRAL/SOUTHERN PLAINS (WINTER WHEAT/LIVESTOCK/CORN/SOYBEANS): Hot temperatures near 100F will aid in drying soils for the next couple of days, leading to some stress for reproductive corn and soybeans. There is a good chance for helpful rain coming Friday and Saturday to Nebraska, but it is questionable whether or not Kansas will get much rainfall this weekend. Cooler temperatures are forecast behind the system for next week, which would benefit drier areas. -DTN

MIDWEST (WINTER WHEAT/CORN/SOYBEANS): Temperatures will be hot with highs into the 90s before a system moves through on Wednesday and Thursday that will bring more widespread showers and cooler temperatures. While drought areas in Minnesota and Wisconsin will benefit from the rainfall, this may come with significant severe weather. Another round of beneficial rain will come through this weekend and may get a good section of Iowa with timely rains. It could give more heavy rain to saturated soils in Missouri and Illinois, however. -DTN

DELTA (SOYBEANS/COTTON): Isolated showers moved through the region over the past few days and will continue on Wednesday. More rainfall is expected with a weak front moving through on Friday, and another system coming through over the weekend. Conditions remain mostly favorable for reproductive cotton and soybeans. -DTN

SOUTHEAST (COTTON/LIVESTOCK): Near-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): Most areas were dry over the past several days with temperatures in the 90s Fahrenheit across the south. The combination continues to stress reproductive to filling wheat and canola. Limited rainfall chances and temperatures mostly above normal will continue to be unfavorable for the next week. The next chance for meaningful rainfall comes in the middle of next week. -DTN

BRAZIL (CORN/WINTER WHEAT): Another round of frost will be possible Wednesday through Friday mornings. It is getting too late for much of the rain to have any benefit and luckily for producers, too late for much of the corn crop to be affected either as crops race toward maturity. Winter wheat will not enjoy the below-normal temperatures, but damage is not expected to occur. -DTN

ARGENTINA (WINTER WHEAT): Colder air and dryness will be unfavorable for the next week, though soil moisture continues to be adequate for vegetative winter wheat. -DTN

EUROPE (SPRING WHEAT/CORN): Scattered showers will continue across much of the continent for the next week as the pattern will keep pulses of energy moving into the region. This will favor reproductive wheat and corn in most areas except for the overly saturated areas around western Germany. -DTN

UKRAINE/SOUTHWEST RUSSIA (WHEAT/CORN/SUNFLOWERS): Systems will continue to pulse through Europe, which will bring periods of showers through Ukraine and northwest Russia over the course of the next week, but it will be likely to miss southwest Russia and the Volga Valley, areas that could use more moisture as temperatures go back above normal. -DTN

CENTRAL RUSSIA/KAZAKHSTAN (SPRING WHEAT/GRAINS): Showers will remain possible across northern areas for the next week while southern areas are unlikely to see much, stressing reproductive spring crops. -DTN

AUSTRALIA (WINTER WHEAT/CANOLA): Recent showers continue to favor vegetative winter wheat and canola. While the pattern will remain active for southern regions, northern New South Wales and Queensland are not expected to see as much precipitation for the next week. But these areas still have very good soil moisture. -DTN

CHINA (CORN/SOYBEANS): The remnant of Typhoon In-Fa are forecast to move northeast through most of the major corn and soybean areas for the rest of this week and weekend. This could mean flooding rains and damage, hurting production. -DTN

INDIA (COTTON/SOYBEANS): Monsoon showers continue across the country, but are forecast to be less intense for most areas until Friday and into next week when the remnants to Typhoon Cempaka move west through the northern half of the country. -DTN

Headlines

> Malaysian Oct Palm Oil down 83 Ringgits

> Dalian Futures Exchange were slightly higher Sept Corn up 8 to the Yuan, Sept Beans up 9, Sept Meal up 43, Sept Bean Oil unchanged, Sept Palm Oil up 12

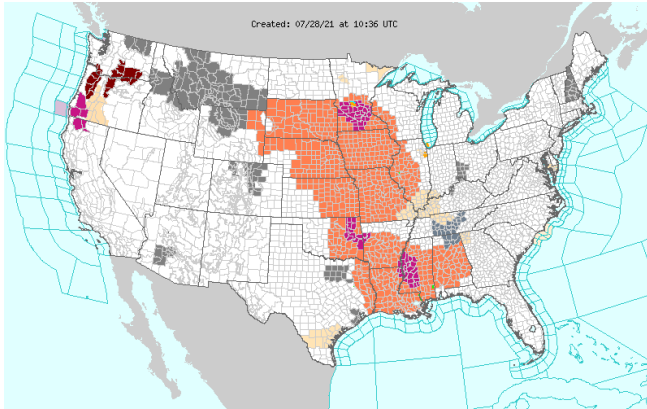
- > Asian Equity Markets were mostly lower, Japan's Nikkei down 1.4%, China's Shanghai down .6%
- > European Equity Markets are mixed, German Dax down .2%, London FTSE up .1%
- > MATIF Markets are mixed, Nov Corn up 1.25 to the Euro, Nov Rapeseed down 1.75, Sept Wheat up 1.75
- > Save the Date...July 28th...FOMC Meeting Results
- > Save the Date...July 29th...2Q US GDP
- > Save the Date...July 31st...US Government set to run out of Money [US: No re-suspension of the debt limit near-term but expect a deal eventually \(fxstreet.com\)](#)
- > Save the Date...Aug 6th...US Employment Numbers
- > Save the Date...Aug 11th...Mountain Day in Japan
- > Save the Date...Aug 12th...USDA Crop Production and S&Ds
- > Save the Date...Aug 16th...NOPA Crush
- > Locust/ASF/Bird Flu all quiet today
- > FAW, on the move reports out of OK [Hay Bales: Army worms, the march is on \(msn.com\)](#)
- > Grasshopper in SD Sunflower fields [Grasshoppers detected in sunflower | Community | capjournal.com](#)
- > EIA weekly stocks numbers out at 9:30 AM CDT, WoW crude oil stocks expected to be down 2.2 million barrels, gasoline stocks down 1.0 million barrels...API number last night found WoW crude oil stocks down 4.4 million barrels, gasoline stocks down 6.2 million barrels
- > China working hard to control the message over recent floods [Amid crushing floods in China, officials focus not on climate change, but on control \(msn.com\)](#)
- > Day one ND wheat tour recap [Southern, eastern North Dakota spring wheat yields hurt by drought -tour | Nasdaq](#)

Commentary

The three components of a strong board rally in the states are shifting S&Ds, a strong technical outlook, and the Dollar. In the month of July and August the supply story for spring planted crops has improved. The demand side of the equation still points to a multi-year demand rally, but day to day that is hard to trade given the lack of Chinese participation. This less than robust S&D story in the month of July has shifted chart momentum for wheat to sideways higher, corn remains pointed lower and the beans which are sideways higher have threaten both last week and this week in shifting its momentum to sideways lower. Finally, there is the dollar. The dollar for much of July has been catching a bid on increased Covid Delta Variant Fears. With governments around the world watching upticks in infections it feels like more and more people are questioning the timing of a pickup in a world economic rebound. That brings us to the rest of this week. The dollar in the last couple of days has shown some weakness. The dollar if given any kind of hope that the FED, later today, gives any kind of indication that it will remain at a deliberate pace in pulling back from Covid era policies, could extend its pull back. A close in Sept dollar futures under the .92155 area would be a good indicator of potential future chart weakness.

Hey everybody...be cool...the good news that Yellow X is finally gone

Wednesday, July 28, 2021



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.