

MORNING GRAIN COMMENTARY

Morning Trends:

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as of 5:00 AM CST

Corn 3 to 5 lower

Wheat 3 to 5 lower

Beans 1 to 3 lower

Soy Meal .5 around

Soy Oil 30 to 35 lower

The Stories of the Day:

UN Climate Report [5 things to know about new UN report on climate change - Los Angeles Times \(latimes.com\)](#)

Siberian Wildfires [Mongolia's capital experiences severe air pollution due to Siberian wildfires - Xinhua | English.news.cn \(xinhuanet.com\)](#)

It was a long night, Saturday night in Omaha [Clean-up Sunday: Metro assess damage from Saturday night deluge \(ketv.com\)](#)

Spain and Italy under the gun of extreme heat this week [Italy and Spain are next: brutal heatwave with near +46 °C will be baking southern Europe as a massive heat dome parks over the Mediterranean as we head into mid-August \(severe-weather.eu\)](#)

Weather: There are several disturbances throughout the western half of North America, and a weak ridge in eastern Canada. The disturbances will all move northeast over the next few days and another one which is currently over Alaska will become the dominant system across Canada by midweek. Meanwhile, ridges will form on both coasts. The trough will weaken as it goes through eastern Canada but so will the ridges, allowing for another trough to move into western North America next week. The U.S. and European models are in general agreement with the pattern but not the details. I will favor the European with differences. For the outlook period, temperatures on Saturday will be near to below normal across the Midwest and Southern Plains and near to above normal elsewhere. Temperatures will gradually rise through early next week but may fall in the Pacific Northwest by midweek. A front from the last of the storm systems in the sequence may remain active across the south this weekend into next week. Another system may move into the Northern Plains with scattered showers next week. -DTN

NORTHERN PLAINS (LIVESTOCK/CORN/SOYBEANS): Scattered showers fell across the region over the weekend with the greatest coverage and intensity across southern North Dakota and northeast South Dakota. The northern half of North Dakota remained unfavorably dry. But another system moving through Monday into early Tuesday will have a good shot at producing pockets of moderate to heavy rainfall across much of the region again. The pattern will turn drier behind this last system, causing any areas that missed out to remain in dire straits for filling corn and soybeans. -DTN

CENTRAL/SOUTHERN PLAINS (LIVESTOCK/CORN/SOYBEANS): Widespread showers and thunderstorms fell across the region this weekend and had several severe storms as well. The rainfall will be good for filling corn and soybeans in the region. Isolated showers will continue through the week as several fronts move through. One will sag over southern areas this weekend and be the most active. -DTN

MIDWEST (CORN/SOYBEANS): Pockets of moderate to heavy rain fell across the region this weekend, including most of Wisconsin. The rain across the northwest was not enough for many areas and will need more. A couple of systems moving through this week will continue to produce scattered showers and thunderstorms, including across the drier northwest. Conditions continue to be better in the southeast and worse in the northwest on average. -DTN

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DELTA (SOYBEANS/COTTON): No significant rain fell this weekend. Some isolated showers will be possible this week, but most areas will stay dry as the main storm track is off to the north. A front will finally sag into the region this weekend with scattered showers continuing into next week, especially across the south. -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): Scattered showers fell across the region this weekend, but it has come too late for wheat and canola as harvest continues to advance. Scattered showers will continue to be possible this week, more likely to impact harvest than be beneficial to crops nearing maturity. -DTN

BRAZIL (CORN/WINTER WHEAT): A frontal boundary will bring scattered showers to southern areas this week, benefiting soil moisture for winter wheat. Temperatures will go well below normal again across Rio Grande do Sul and could produce some frosts on Wednesday and Thursday mornings, which could be damaging to wheat that is getting closer to or into reproduction. -DTN

ARGENTINA (WINTER WHEAT): Scattered showers developed over a good portion of the southern wheat areas on Sunday, benefiting soil moisture. Temperatures will fall below normal for the week with widespread frosts limiting growth. -DTN

EUROPE (SPRING WHEAT/CORN): Scattered showers fell across most areas this weekend. Showers will be a bit more isolated this week as the pattern calms down a bit and the storm track pushes northward. This will help saturated soils dry out for wheat harvest while soil moisture remains mostly favorable for corn. -DTN

UKRAINE/SOUTHWEST RUSSIA (WHEAT/CORN/SUNFLOWERS): Scattered showers fell across Ukraine this weekend, but were absent in southwest Russia, which continues to be hot and dry. A system will bring some spotty showers and cooler temperatures later this week and weekend. -DTN

CENTRAL RUSSIA/KAZAKHSTAN (SPRING WHEAT/GRAINS): Scattered showers fell across northern areas this weekend and look to continue in northeast areas through the week. There is a large contrast in crop conditions with poor conditions across the west and south and good conditions in the northeast. -DTN

AUSTRALIA (WINTER WHEAT/CANOLA): Scattered showers fell across western areas this weekend, but the east was dry. Recent showers continue to favor vegetative winter wheat and canola, but northern New South Wales and Queensland could use some more showers. Somewhat drier conditions are expected over the next week. Still, soil moisture is favorable for vegetative wheat and canola. -DTN

CHINA (CORN/SOYBEANS): Scattered showers continued across the wetter corn and soybean areas this weekend, keeping soil moisture high, but unfavorably so in some areas. Scattered showers will remain possible through the week. -DTN

INDIA (COTTON/SOYBEANS): Scattered showers fell over the weekend but the monsoon is becoming a little less active across western and southern areas for at least the next week, which could stress cotton and soybeans. -DTN

Headlines:

> Malaysian Oct Palm Oil down 15 Ringgits

> Dalian Futures Exchange were mixed Sept Corn down 9 to the Yuan, Sept Beans down 49, Sept Meal up 24, Sept Bean Oil up 86, Sept Palm Oil up 126

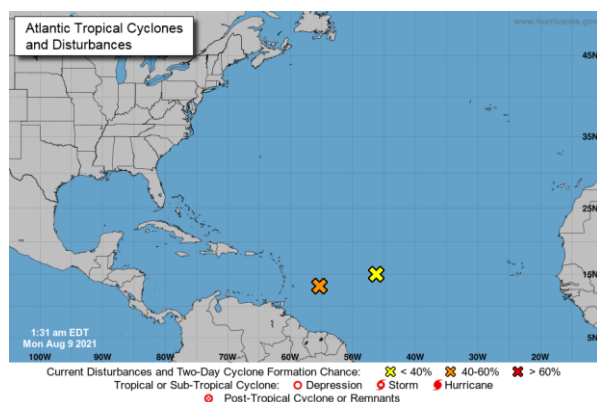
> Asian Equity Markets were mixed, Japan's Nikkei closed for holiday, China's Shanghai up 1.1%

- > European Equity Markets are mixed, German Dax down .1%, London FTSE up .3%
- > MATIF Markets are mixed, Nov Corn unchanged to the Euro, Nov Rapeseed down 1.50, Sept Wheat down .25
- > Save the Date...July 31st...The clock is now ticking on US debt ceiling
- > 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
- > Save the Date...Aug 26th...2Q US GDP
- > ASF not if but when, 2.0 [Staying ahead of African swine fever | Farm Progress](#)
- > Fall Armyworms, they are here early this year [Fall armyworms are early this year \(hotsr.com\)](#)
- > Locust/Bird Flu/grasshoppers all quiet today
- > CFTC on Friday showed that as of the close of 8/3 the MM Funds were long 10,718 MW, long 38,166 KW, long 15,308 W, long 246,500 corn, long 78,286 beans, long 17,929 meal, and long 64,687 bean oil

Commentary

No matter what the market if you have volume to do but no one is around to trade fireworks can ensue. Gold futures at one point were down over 100 US dollars. A combination of stops and/or market orders overnight, in short order sold over 24,000 contracts. This brisk risk off trading in gold has set the tone for the US Ag markets overnight. With the grains and oilseeds lower overnight, it will be interesting to see between the writing of this wire and the 7:45 AM CDT biscuit break whether corn and beans extend overnight losses or if we claw are way back to unchanged. In other words, updates from weekend weather from the WCB will shape how the trade progresses from here. With heat building back into the Central Plains and some areas missing on weekend rains, many, and we are amongst this group feel that the weekly crop updates for corn and beans this afternoon will show another 1-2% drop in the national ratings. Once again as we start not just another work week, but a work week with a major S&D report, the question to start the week, was weekend weather and this week weather solutions making it easier or harder to get to national trendline yields for corn and beans. If we go out last tick low tick before the biscuit break, we might have our answer.

Will the Atlantic get a named storm this week?





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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.