

MORNING GRAIN COMMENTARY

Morning Trends:
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as of 5:00 AM CST
Corn 7 to 9 lower
Wheat 4 to 6 lower
Beans 13 to 15 lower
Soy Meal 3.0 to 3.5 lower
Soy Oil 65 to 70 lower

The Stories of the Day:
The vote is in for Canada Justin Trudeau's Liberals win Canadian election, will lead minority government again (msn.com)
Debt Ceiling what if? What will happen if Congress doesn't raise the federal debt limit? (msn.com)
China's Lehman moment The Evergrande crisis and China's regulatory crackdowns are shaking the notion that China is an investable market, says Mohamed El-Erian (msn.com)
I Remember Earth, Wind & Fire - September (Official HD Video) - YouTube As always, our song for Sept 21 st

Weather: There is a ridge in the East, a trough in the Plains, a ridge on the West Coast, and another trough in the Gulf of Alaska. All features will head eastward through the week, but a ridge will have some sticking power in the West by the weekend and strengthen over central North America next week. The U.S. and European models are quite similar so I will use a blend. For the outlook period, temperatures on Sunday will be above normal in the West and Plains and near to below normal in the East. Temperatures will go on a warming trend as the ridge takes over by the end of September. It will likely be much drier for most places next week, but we could see a system develop over the eastern Great Lakes with some isolated showers. -DTN

NORTHERN PLAINS (LIVESTOCK/CORN/SOYBEANS): Scattered showers moved through over the last couple of days, but the region will be on a drier trend for the next week. Temperatures will be somewhat variable this week, but trend above normal next week to help with the drying process and help producers get out to harvest more. The drought will continue, however. -DTN

CENTRAL/SOUTHERN PLAINS (LIVESTOCK/CORN/SOYBEANS/WINTER WHEAT): A front brought some showers to the region and will continue over southern portions Tuesday before going on a drier trend to end September. This should allow for some better conditions for harvest. Soil moisture continues to be relatively low for much of the region and showers are needed for emerging winter wheat, but temperatures going above normal will likely stress young plants. -DTN

MIDWEST (CORN/SOYBEANS/WINTER WHEAT): A system is bringing rounds of showers through most of the region through Wednesday with some showers potentially hanging on over eastern areas on Thursday. There could be some spotty showers this weekend as well. Soil moisture had been declining for winter wheat but showers this week should help to sustain good soil moisture for establishment. Most of the region will see a drying and warming trend starting this weekend, but eastern areas may find some isolated showers next week. -DTN

DELTA (SOYBEANS/COTTON/WINTER WHEAT): Isolated to scattered showers will end Tuesday night. Showers have delayed maturing and harvest of cotton and soybeans but favored winter wheat planting and establishment. Starting Wednesday, the region turns drier to finish out September with better conditions for harvest. -DTN

SOUTHEAST (COTTON/LIVESTOCK): Scattered moderate to heavy showers continue through Wednesday, causing some quality issues and delays to cotton harvest. After Wednesday, drier conditions will then be expected to aid in maturing crops and harvest. -DTN

PACIFIC NORTHWEST (WINTER WHEAT): Scattered showers moved through this weekend, but the heavy rain stayed over the West Coast with only light amounts moving through the region. The showers were beneficial, but the incredible drought continues, and the region is in desperate need of more showers for winter wheat establishment. A ridge should keep the region dry for the next week, however. -DTN

BRAZIL (WINTER WHEAT/CORN/SOYBEANS): Southern states continued to see showers over the weekend, benefiting winter wheat and corn and soybean planting and establishment. Central states are still awaiting the start of the wet season. A weak front that moves north could produce some beneficial showers for central states this weekend, but the daily rains of the wet season appear to be delayed by at least another week. -DTN

ARGENTINA (WINTER WHEAT/CORN/SOYBEANS): Some scattered showers moved through Sunday and Monday. but the country looks to go drier again for the rest of the week. Wheat has received beneficial rainfall lately, but more is needed for corn and soybean planting and establishment. Another system may bring showers next week. -DTN

EUROPE (WHEAT/CORN): It has been a little too rainy for widespread harvest, but is favoring winter wheat planting and establishment, especially across the south. Conditions continue to be mixed with areas of showers scattered throughout the week. Winter wheat will benefit while delays will be possible for summer crop harvest. -DTN

UKRAINE/SOUTHWEST RUSSIA (WHEAT/CORN/SUNFLOWERS): Scattered showers will continue through the week as a trough spins over the region and another comes in for the weekend. This will cause some delays for harvest of corn and sunflowers but will have a positive impact on soil moisture for winter wheat planting and establishment. More showers are needed in Russia, however. -DTN

AUSTRALIA (WINTER WHEAT/CANOLA): It was fairly dry over the weekend and that continues for much of the country's wheat belt over the next week. Still, winter wheat and canola development are progressing nicely with good irrigation reserves. Showers may increase next week. -DTN

CHINA (CORN/SOYBEANS/WHEAT): Conditions have been mostly favorable for corn and soybeans this season. Scattered showers in northeast areas will add to soil moisture but will not help crops as they mature. Occasional showers on the North China Plain are prepping soils for winter wheat and canola planting. -DTN

INDIA (COTTON/SOYBEANS): Monsoon showers moved back into central cotton and soybean areas, benefiting soil moisture for some areas that have seen erratic rainfall this year. -DTN

Headlines:

- > Malaysian Dec Palm Oil closed up 21 Ringgits
- > Dalian Futures Exchange closed for fall holiday
- > Asian Equity Markets were lower, Japan's Nikkei down 2.2%, China's Shanghai closed for fall holiday
- > European Equity Markets are higher, German Dax up 1.5%, London FTSE up 1.0%
- > MATIF Markets are mixed, Nov Corn down .25 to the Euro, Nov Rapeseed up 4.50, Dec Wheat up 1.0
- > Save the Date...Sept 22nd...FOMC meeting results

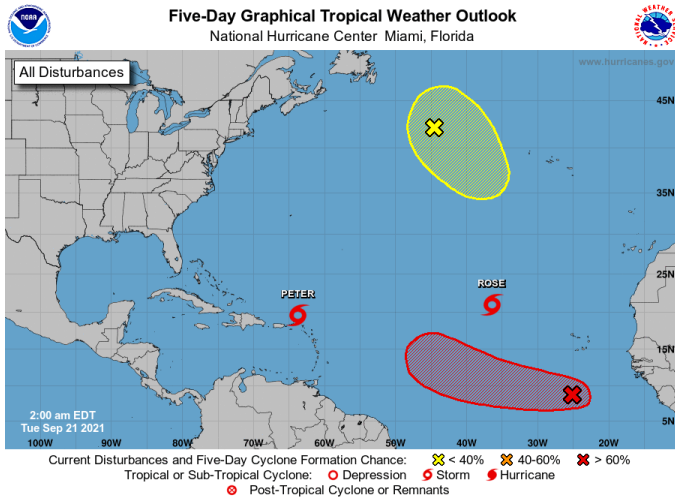
- > Save the Date...On or about Oct 1st ...our good friends at the Weather Center Company have the next Gulf Tropical storm event potential window
- > Save the Date...Sept 30th...2Q US GDP
- > Save the Date...Sept 30th...USDA Grain Stocks
- > Russian covid update...[Vladimir Putin Snubs Joe Biden's Virtual COVID Summit \(msn.com\)](#)
- > ASF, now in Haiti [Haiti confirmed positive with African swine fever | The Pig Site](#)
- > Sudan Coup attempt fails [Failed coup attempt in Sudan, State media reports - The East African](#)
- > Sudan Coup playing out against the backdrop of the Nile Dam crisis [Egypt's choices narrow on the Nile dam crisis - Al-Monitor: The Pulse of the Middle East](#)
- > China floods...update [Rainstorms hit central China's Henan – Manila Bulletin \(mb.com.ph\)](#)
- > Argentina reshuffles their cabinet [Argentina swears in 6 ministers after cabinet reshuffle \(aa.com.tr\)](#)
- > FAW in Atlanta, GA "[It was like an alien invasion:" Fall armyworm attacking lawns across metro Atlanta, the U.S. | News | cbs46.com](#)
- > Bird Flu/Locust all quiet today
- > Weekly crop ratings from the USDA last night found that WoW the good to excellent ratings for corn moved 1% higher to 59%, 10% of the corn crop is in the bin...bean ratings WoW for the good to excellent category also moved 1% higher to 58%, 6% of the bean crop has been cut...winter wheat is 21% planted

Commentary

Given that the FED meets this week we knew going in the macro markets would have some influence on the Ag Markets. What we did not realize was the outsize impact that the Real Estate Giant Evergrande would have on the market. The ramifications of its financial problems reverberating around the world over the weekend. All eyes now turn to this Thursday when new debt payments are due from the firm. Given President Xi's turn to move the Chinese society and economy back towards more state control how this real estate investment firm fiasco plays out will go a long way in defining if China's economy can be a safe haven for international investments. The implications of the crisis to the grain markets will ebb a bit today hence the fact that grains overnight have turned towards consolidation of yesterday's break. That said macro markets still will have to deal with the US FED meeting notes this week as well as the self-imposed potential budget crisis for the US government over the US debt ceiling. Hopefully, at some point this week we get back to talking about bean yields or dryness in the Central and Southern Plains, Fall Armyworm, even corn tar spot would be better than worrying about the potential collapse of Evergrande and what it could mean to industrial metals and macro market in general.

Active Atlanta Basin but nothing that seem like it will threaten US Interests...but we are keeping an eye on the Red X

Tuesday, September 21, 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.