

MORNING GRAIN COMMENTARY

Morning Trends:
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as of 5:00 AM CST
Corn 3 to 5 higher
Wheat 8 to 10 higher
Beans 2 to 4 higher
Soy Meal .5 to 1.0 lower
Soy Oil 60 to 65 higher

The Stories of the Day:
Canary Island update Officials worry volcanic lava could bring acid rain to Canary Islands - ABC News (go.com)
Debt Ceiling time to make a deal U.S. default this fall would cost 6 million jobs, wipe out \$15 trillion in wealth, study says (msn.com)
Evergrande promises they will make debt payment Thursday China Evergrande's Frankfurt-listed shares jump on promise by subsidiary for payment (msn.com)
The earth a bit rumbly Melbourne earthquake: Magnitude 5.9 temblor strikes Australia - CNN

Weather: There is a ridge moving off the East Coast, a trough in the Midwest, a ridge in the Rockies, and another trough moving into western Canada. All features will head eastward through the week, but a ridge will have some sticking power as it strengthens over central North America next week. Meanwhile, troughs will develop off of both coasts. The U.S. and European models have diverged with the weather pattern for next week. I will blend the U.S. and European ensembles, but those models wipe out the details, which may differ greatly. For the outlook period, temperatures on Monday will be above normal in the middle of the country and near normal on the coasts. This pattern should continue through next week. Little rainfall is expected in the middle of the country, but there could be some isolated showers around the coasts at times during the week. -DTN

NORTHERN PLAINS (LIVESTOCK/CORN/SOYBEANS): Scattered showers moved through earlier this week, but the region will be on a drier trend for the next week. Temperatures will be somewhat variable for the next few days, 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 limited showers to the region over the past couple of days and will be 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. Models try to bring showers into the region next week despite a strong ridge, so the forecast may change over the next week. -DTN

MIDWEST (CORN/SOYBEANS/WINTER WHEAT): A system continues to bring rounds of showers through eastern areas through Thursday. There have been some pockets of moderate to heavy rain that has likely delayed harvest progress. There could be some spotty showers Friday and Saturday 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 moved through since the weekend, delaying maturing and harvest of cotton and soybeans, but favoring winter wheat planting and establishment. The region now turns drier to finish out September with better conditions for harvest. -DTN

SOUTHEAST (COTTON/LIVESTOCK): Scattered moderate to heavy showers continue Wednesday, causing some quality issues and delays to cotton harvest. Afterward, 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 through the weekend but there may be some chance for showers next week as a trough hangs out off the coast. -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 will be drier 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 moisture 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, even after this rainfall. -DTN

AUSTRALIA (WINTER WHEAT/CANOLA/COTTON/SORGHUM): Drier weather continues for much of the country's wheat belt over the next week with some occasional showers across the south. Still, winter wheat and canola development are progressing nicely with good irrigation reserves. Showers may increase next week and planting of cotton and sorghum is likely to increase as we get into October. -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 138 Ringgits

> Dalian Futures Exchange Jan corn up 14 to the Yuan, Jan beans up 6, Jan meal down 28, Jan bean oil down 88, Jan palm oil down 84

> Asian Equity Markets were mixed to higher, Japan's Nikkei down .7%, China's Shanghai up .4%

> European Equity Markets are higher, German Dax up .6%, London FTSE up .9%

> MATIF Markets are higher, Nov Corn up 1.50 to the Euro, Nov Rapeseed up 4.75, Dec Wheat up 3.0

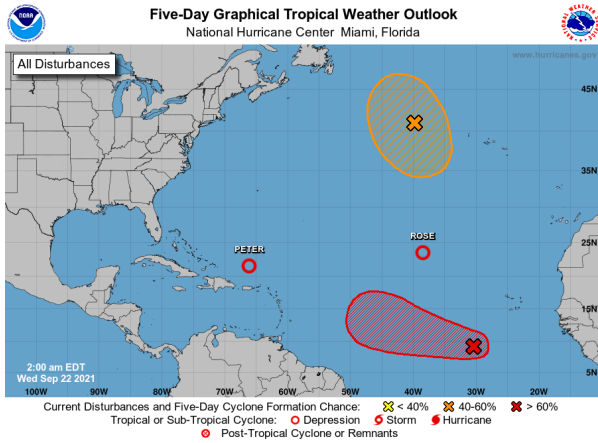
- > Save the Date...Sept 22nd...FOMC meeting results
- > Save the Date...On or about Oct 1st...our good friends at the Weather Center Company have the next Gulf Tropical storm event potential window
- > Save the Date...Sept 30th...2Q US GDP
- > Save the Date...Sept 30th...USDA Grain Stocks
- > Save the Date...Oct 8th...US Unemployment numbers
- > Save the Date...Oct 12th...USDA Reports
- > Save the Date...Oct 15th...NOPA Crush
- > ASF, in India [China Evergrande's Frankfurt-listed shares jump on promise by subsidiary for payment \(msn.com\)](#)
- > Sudan Coup update [Sudan failed coup: Government blames pro-Bashir elements \(yahoo.com\)](#)
- > China pledges to stop building overseas coal fired power plants [Ahead Of Climate Talks, China Vows To Stop Building Coal Power Plants Abroad | WSKGWSKG](#)
- > Brazil's Health Minister in NYC for UN meetings tests positive for Covid [Brazilian Health Minister Tests Positive For Covid-19 In New York Hours After Attending U.N. General Assembly \(forbes.com\)](#)
- > FAW back to IA [What you need to know about Iowa's armyworm invasion \(desmoinesregister.com\)](#)
- > Bird Flu/Locust all quiet today

Commentary

World macro markets seem to be having a collective exhale moment over the news that Real Estate Giant Evergrande will make their scheduled debt payments this Thursday. That said this is an unfolding story and the macro markets remain nervous. Macro markets remain nervous because of the ongoing silence by the Chinese government over this unfolding story. We have said it before that as the Chinese try to remake their economy on the fly toward service based the natural tendency would be for the state to exert more control over certain free aspects of their form of market based pricing. Given the double whammy of ASF and Covid and the kinks these twin stories have had on the supply chain how the Chinese government tries to centralize control of the marketplace will continue to have ramifications for world investors as well as world commodity markets. The road to a service based economy for China means there are more unknown unknowns on the path forward. What a grand time to be in a headline driven trading environment.

Sam-I-Am but this red X, he ain't bringing no stinking Green Eggs and Ham

Wednesday, September 22,
2021



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