

MORNING GRAIN COMMENTARY

Morning Trends:
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as of 5:00 AM CST
Corn 2 to 4 higher
Wheat 4 to 6 higher
Beans 1 to 3 higher
Soy Meal .5 around
Soy Oil 40 to 45 higher

The Stories of the Day:
Debt Ceiling Update...taking us up to DefCon 4 Democrats rush to raise debt ceiling and avoid 'catastrophic' default Financial Times (ft.com)
China energy shortage an overview 'Unprecedented' power cuts in China hits homes, factories (msn.com) its impact on world commodities From metals to soybeans: China's energy crisis unleashes turmoil in commodities (livemint.com)
The trend is your friend...what is your carbon footprint the funds want to know Funds demand science-based emissions targets from 1,600 firms Reuters
Japan's new Prime Minister Former top diplomat Fumio Kishida set to become Japan's next prime minister - CBS News

Weather: There is a ridge strengthening from Hudson Bay into the Midwest, a trough in the East, one in the West, and an upper-level low in the Southwest. The ridge will block the trough in the West from advancing, shredding it apart by the weekend and getting replaced by a ridge. But a weakness across the Midwest will allow a piece of one of the troughs to move into the Plains and then the Midwest this weekend into next week. A new trough looks to make its way to the West Coast toward the end of next week. The U.S. and European models are in fair agreement but differ on how and when to develop showers across the Midwest. I will use a blend but favor the European. For the outlook period, temperatures on Monday will be near to above normal across most of the country, which looks to continue through most of the period and some cooler temperatures reaching the West Coast toward the end of next week. A system will escape under the ridge this weekend or early next week, bringing scattered showers from the Southern Plains into the Midwest. Models disagree on how long to keep showers in the region. Another weak system could bring showers to the Plains and Midwest at the end of next week. -DTN

NORTHERN PLAINS (LIVESTOCK/CORN/SOYBEANS): Dry and warm conditions over the last several days were excellent for harvest progress but worsened the drought. A system will bring showers to the region through at least Thursday and possibly across eastern areas Friday with some drier conditions likely again for the weekend into next week. Temperatures will remain above normal, continuing to provide good harvest conditions after the brief delays. -DTN

CENTRAL/SOUTHERN PLAINS (LIVESTOCK/CORN/SOYBEANS/WINTER WHEAT): Scattered showers moving into the region will likely continue through the weekend, causing some harvest delays but benefiting soil moisture for winter wheat planting and establishment. Temperatures will remain elevated when showers do not occur, however, and areas that are missed or see little rainfall will see continued stressful conditions. -DTN

MIDWEST (CORN/SOYBEANS/WINTER WHEAT): Drier conditions and increasing temperatures are helping soils that got soggy last week to dry out, promoting harvest. Showers will move into western areas Thursday and Friday, then through the rest of the region this weekend. Models are not consistent on how long to keep showers in the region and amounts could pile up in some areas. This could hinder harvest progress but keep soil moisture favorable for winter wheat. -DTN

DELTA (SOYBEANS/COTTON/WINTER WHEAT): Dry and hot conditions have been noted since the weekend, benefiting harvest of cotton and soybeans. Some pop-up showers may develop over the next week that could hinder harvest progress but would benefit winter wheat should it occur. -DTN

SOUTHEAST (COTTON/LIVESTOCK): Warm and dry conditions are promoting maturing cotton and continued harvest progress. For the most part, these conditions should continue for the next week. -DTN

PACIFIC NORTHWEST (WINTER WHEAT): A system that moved through early this week brought only light showers. Benefits will be minimal as more moisture is needed for winter wheat establishment in the intense drought. Systems that are moving through the region do not have enough power to generate significant rainfall and that process remains true through next week. -DTN

BRAZIL (WINTER WHEAT/CORN/SOYBEANS): Scattered showers continue over central states while showers are developing over the south with a couple of systems moving through. The active weather is promoting soybean and full-season corn planting, along with reproductive to filling wheat. -DTN

ARGENTINA (WINTER WHEAT/CORN/SOYBEANS): Scattered showers moved through early this week and more showers are expected with another system moving through Thursday through the weekend. Showers are scattered and some areas are being missed, but the active pattern continues to favor corn and soybean planting overall, along with reproductive to filling wheat. -DTN

EUROPE (WINTER WHEAT/CORN): Scattered showers continue to move through western areas while eastern areas have dried out a bit. A couple of larger systems will move through western areas while the east will see more intermittent showers. Conditions are more favorable for harvest in the east and for winter grains in the west, but conditions are mostly favorable overall in both sections of the continent. -DTN

UKRAINE/SOUTHWEST RUSSIA (WHEAT/CORN/SUNFLOWERS): Scattered showers moved through over the weekend, benefiting winter wheat development, but holding back progress on corn and sunflower harvest. A large blocking high pressure system will keep the region cool and dry into next week and Russia continues to need more rain for winter wheat. -DTN

AUSTRALIA (WINTER WHEAT/CANOLA/COTTON/SORGHUM): Winter wheat and canola development are progressing nicely with good irrigation reserves. And showers will continue to develop through Thursday for eastern areas, benefiting crops and planting of cotton and sorghum as we head into October. -DTN

CHINA (CORN/SOYBEANS/WHEAT/CANOLA): 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 continue over 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 27 Ringgits

> Dalian Futures Exchange were mixed Jan corn down 5 to the Yuan, Jan beans up 29, Jan meal down 24, Jan bean oil up 88, Jan palm oil up 44

> Asian Equity Markets were lower, Japan's Nikkei down 2.1%, China's Shanghai down 1.8%

> European Equity Markets are higher, German Dax up .7%, London FTSE up .7%

- > MATIF Markets are higher, Nov Corn up 1.25 to the Euro, Nov Rapeseed up 4.50, Dec Wheat up 1.25
- > Save the Date...Sept 30th...2Q US GDP...expected at 6.6%
- > Save the Date...Sept 30th...USDA Grain Stocks...expected wheat stocks at 1.855 BBU vs. 2.158 BBU Sept 1, 2020, corn 1.153 BBU vs. 1.919 BBU, beans 174 MBU vs. 525 MBU
- > Save the Date...Oct 1st...Golden week begins in China
- > Save the Date...Oct 4th...OPEC + Meetings
- > Save the Date...Oct 8th...US Unemployment numbers
- > Save the Date...Oct 11th...Canadian Thanksgiving/Sports Day in Japan
- > Save the Date...Oct 12th...USDA Reports
- > Save the Date...Oct 15th...NOPA Crush
- > Save the Date...Nov 7th...US falls back...US falls back to good old standard time
- > President Xi not having a good month...energy crisis at home, ASF and Covid not going away and now more push back on his signature world program the Belt and Road Initiative [China's Belt and Road plans losing momentum as opposition, debt mount -study \(msn.com\)](#)
- > Where is President Putin [Putin to end COVID-19 self-isolation period with Erdogan talks - Kremlin | Reuters](#)
- > FAW in OH [Next generation of armyworm possible | Farm | bryantimes.com](#)
- > Locust season in Iran [www.tehrantimes.com](#)
- > US Covid update ['It's been the Wild West': Experts urge Americans to follow official guidance amid COVID booster craze \(yahoo.com\)](#)
- > Bird Flu/ASF all quiet today

Commentary

In a timeframe where both the Ag markets and macro markets are being whipsawed by headlines tomorrow will be a big headline driven day. The headlines will start early with the weekly export sales and weekly jobless claims out at 7:30 Am CDT. But also out in the AM will be 2Q US GDP as well as a host of EU countries reporting as well. At the 11:00 o'clock hour CDT we will receive US Sept 1 stocks as well as small grain production numbers. Plenty of stats to go over as we reset the amount of bushels we have on hand in the US. As we roll towards end of the month, end of the quarter and for some end of their fiscal year, the trade will also be contending with the brinkmanship of DC politics. The US Senate by then end of the day must raise the US debt ceiling or parts of the Federal government will start to shutter as we run out of money. The Treasury Sec yesterday told the banking committee that the US government could start sliding into default if the government is not funded by Oct 18th. To say the least prices could turn quickly depending on a cascading amount of headlines throughout the day on Thursday.

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



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2021

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.