

MORNING GRAIN COMMENTARY

Morning Trends:
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as of 5:00 AM CST
Corn 1 around
Wheat 1 around
Beans 1 to 3 lower
Soy Meal .5 to 1.0 lower
Soy Oil 5 around

The Stories of the Day:
So you want to invest in China Chinese Military Newspaper Rails Against CIA, Calls for 'People's War' to Fight U.S. Spying (msn.com)
La Palma Volcano update No end in sight to La Palma volcanic eruption: Canaries president (msn.com)
China economic data disappoints China's economic growth weakens amid supply chain and electricity woes (msn.com)
Flu Season Update It's time to get your flu shot. What to know and how it could be different this year (msn.com)
La Nina 2022 it's coming for you Scientists see a La Niña coming. What does that mean for the dry American south-west? (msn.com)

Weather: There is a trough in the West, a ridge in the Central, and another trough in the East. The trough in the West is splitting into two systems that will move through Canada and the U.S., then combine again across the East late this week and weekend. Meanwhile, a strong ridge will develop in Canada and another trough will spin over the North Pacific and occasionally bring pieces of energy into the Pacific Northwest. One of these pieces will make it across the Rockies and into the Plains by the middle of next week, underneath the ridge over Canada. The U.S. and European models are in fair agreement but diverge at the end of the period. I will use a blend but favor the European. For the outlook period, temperatures on Saturday will be near to below normal across the Corn Belt and West Coast, and above normal elsewhere. Above normal temperatures will spread eastward into next week, while below normal temperatures will take over the West. A system will bring showers to the West this weekend and then into the Plains and Midwest by the middle of next week. -DTN

NORTHERN PLAINS (LIVESTOCK/CORN/SOYBEANS): Dry conditions were noted over the weekend as well as some frosty temperatures. A system will bring some scattered showers mostly to South Dakota on Tuesday and Wednesday with some snow over western areas again. There may be some continued delays for harvest out of these showers, but nothing overly concerning. Temperatures will go below normal for a couple of days after this system passes through but go above normal again this weekend into next week. -DTN

CENTRAL/SOUTHERN PLAINS (LIVESTOCK/CORN/SOYBEANS/WINTER WHEAT): Dry weather occurred over the weekend, as well as frosty temperatures across Nebraska and western Kansas into the Texas Panhandle. A system will bring some scattered showers to northern areas Tuesday and Wednesday, and some snow to western Nebraska as well. Temperatures will be below normal for a few days after the system passes through but go on a warming trend this weekend into next week. -DTN

MIDWEST (CORN/SOYBEANS/WINTER WHEAT): A system brought scattered showers to the southeastern half of the region Friday into early Saturday. A system will bring scattered showers to the region Wednesday and Thursday and temperatures will fall below normal behind the system. Showers could produce some further delays in a few spots. Temperatures will rise above normal again next week to finish out October. -DTN

DELTA (SOYBEANS/COTTON/WINTER WHEAT): A front brought scattered showers on Friday, enough to benefit winter wheat establishment, but not enough to affect harvest too much. A system will pass by to the north

later this week and the region should remain dry, though temperatures will fall below normal for a few days following it. -DTN

SOUTHEAST (COTTON/LIVESTOCK): Dry weather continues through the middle of the week, benefiting harvest. A front will come through with scattered showers that could produce some delays late in the week. -DTN

PACIFIC NORTHWEST (WINTER WHEAT): Dry weather continued over the weekend, but a system will move through the region on Monday with some scattered showers. A couple more pulses from a western trough should bring additional showers to the region throughout the next week. -DTN

BRAZIL (WINTER WHEAT/CORN/SOYBEANS): Scattered showers fell across the country over the weekend but are clearing out of southern areas. Scattered showers will continue in central areas through the week, benefiting corn and soybean planting and development. Dryness over the south is not concerning and should benefit winter wheat harvest. A front will bring more showers to southern areas this coming weekend. -DTN

ARGENTINA (WINTER WHEAT/CORN/SOYBEANS): Dryness over the weekend continues through the middle of the week, unfavorable for all crops. A front will move through late in the week with some scattered showers, but coverage does not look to be very widespread at this time and dryness looks to follow again. -DTN

EUROPE (WINTER WHEAT/CORN): Scattered showers cleared out of eastern areas this weekend. The pattern is setting up to be active over northern areas with several opportunities for beneficial showers for winter wheat, while temperatures remain mild until late in the week and weekend for a few days before popping back up again. Southern areas will see showers later this week and overall, conditions are beneficial for winter wheat establishment. Showers will hamper fall harvest activities, however. -DTN

UKRAINE/SOUTHWEST RUSSIA (WHEAT/CORN/SUNFLOWERS): Some isolated showers moved through over the weekend and continue through the week, but more spots will be dry than get a shower this week. A front will move through with more scattered showers this weekend before temperatures fall below normal and some frosts develop. Dryness continues to be a concern for winter wheat establishment before colder temperatures settle in for the year and wheat goes dormant. -DTN

AUSTRALIA (WINTER WHEAT/CANOLA/COTTON/SORGHUM): Mostly dry conditions were noted over the weekend, but most areas continue to have favorable conditions for reproductive to filling winter wheat and canola, and cotton and sorghum planting as well. Drier conditions are expected for the week, but western areas should see good showers early this week. -DTN

CHINA (CORN/SOYBEANS/WHEAT/CANOLA): Conditions have been mostly favorable for corn and soybeans this season. Occasional showers on the North China Plain are prepping soils as winter wheat and canola planting increases. -DTN

INDIA (COTTON/SOYBEANS/WINTER WHEAT): Monsoon showers briefly came back to central India this weekend but will quickly leave early this week. The monsoon is winding down, as is typical this time of year. Moisture should be good for the rest of filling cotton and soybeans. -DTN

Headlines:

> Malaysian Dec Palm Oil closed up 85 Ringgits

> Dalian Futures mix Jan corn down 4 to the Yuan, SF up 20, Jan meal down 9, Jan bean oil up 154, Jan Palm oil down 176

> Asian Equity Markets were mostly lower, Japan's Nikkei down .2%, China's Shanghai down .4%

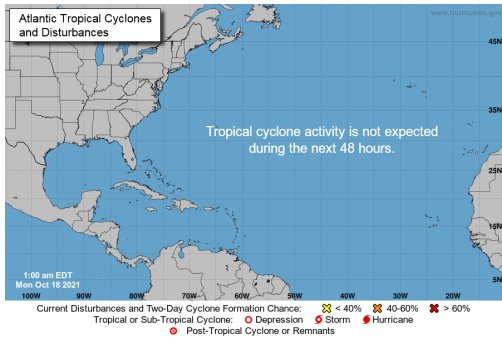
- > European Equity Markets are lower, German Dax down .5%, London FTSE down .2%
- > MATIF Markets are mixed, Nov Corn down .50 to the Euro, Nov Rapeseed up 3.75, Dec Wheat down .50
- > Save the Date...Oct 31st – Nov 12th ...Glasgow for COP26
- > Save the Date...Some time in Nov...Brazilian Government expected to decide if they will allow Argentina GMO wheat into their country
- > Save the Date...Nov 3rd...FOMC meeting results
- > Save the Date...Nov 4th...OPEC + Meetings
- > Save the Date...Nov 5th...US Employment numbers
- > Save the Date...Nov 7th...US falls back...US falls back to good old standard time
- > Locust/FAW all quiet today
- > ASF, China pig production on the comeback trail [China Q3 pork output up 43% on year - statistics bureau | Nasdaq](#)
- > Bird's in motion means bird flu is in motion [Israel records bird flu outbreak on poultry farm | The Poultry Site](#)
- > Turkey Lira [Turkey cenbank likely to do 'irrational' 100-pt rate cut -SocGen | Reuters](#)
- > US Inflation we are at that point in the cycle that we talk ourselves into another round [US futures fall as inflation fears grow and China's economy slows sharply \(msn.com\)](#)
- > Weekly CFTC MM Funds Position Report found as of the close of 10/12 the MM funds were short 8,546 W, long 48,286 KW, long 15,896 MW, long 227,931 corn, long 29,068 S, short 40,324 SM, and long 72,984 BO
- > Hey our PNW friends looks like it could be a bit nautical out on the ocean this week [Cliff Mass Weather Blog](#)
- > Story was out Friday but in case you missed it Brazilian politics will be wild in the 2022 election cycle [Brazil pandemic probe to recommend Bolsonaro face 11 criminal charges, senator says \(msn.com\)](#)

Commentary

Get your corn and beans while you can not when you have to is the mantra for the balance of 2021. With the farmer flush with cash this year, once the bin door slams pulling corn and beans off farm might be hard to come by until the farmer knows what replacement costs might look like. The value of their corn and beans could be tied to the cost of 2022 production. So, until they know what 2022 input availability cost might be combined with how the weather is impacted by a winter La Nina the farmer will be hard pressed to move grain off farm. This is one of the reasons why bean and corn processors have elevated their fall buying. If La Nina impacts Argentina corn production to any degree, this could extend the window into early 2022 for US corn exports to the Pac Rim. CH/CK spreads at 6 ½ or wider could be a way to hedge against supply chain shortages of inputs as well as La Nina weather.

Okay let's keep it this way

Monday, October 18, 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.