

MORNING GRAIN COMMENTARY

Morning Trends:

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as of 5:00 AM CST
 Corn 1 to 2 higher
 Wheat 3 to 5 higher
 Beans 3 to 5 higher
 Soy Meal .5 around
 Soy Oil 30 to 35 higher

The Stories of the Day:

Inflation is a lot like the wind you never know where it comes from but you always know when it is blowing [Accelerating Inflation Spreads Through the Economy \(msn.com\)](#)

Evergrande update [Chinese Developer Shares Fall on Debt Crisis: Evergrande Update \(yahoo.com\)](#)

Ocean Wind Farms [U.S. planning offshore wind farms from Maine to California \(msn.com\)](#)

John Connor are you out there? [Maybe losing the AI race to China isn't such a bad idea \(msn.com\)](#)

No fish sticks for you [A Border Dispute Could Cause a Shortage of This Fast-Food Sandwich Soon, Reports Say \(msn.com\)](#)

Weather: There is a strong ridge in eastern Canada down through the eastern U.S., a portion of the western trough moving into central Canada, and a reinforcing trough deepening in the West. The western trough will push east through the country through this weekend while a ridge will build in behind it into next week. One trough will move through Canada and the northern U.S. early-mid next week in the midst of the ridge, deepening across the East late next week while the ridge remains over central portions of the country and another trough builds off the West Coast. The U.S. and European models are in fair agreement through the middle of next week but start to diverge with the pattern late next week and weekend. I will use a blend but favor the European. For the outlook period, temperatures on Tuesday will be near to above normal for most of the country and near to below normal in the Northern Plains and northern Rockies. Below normal anomalies may follow a weak system as it crosses the U.S. next week and weekend but rise across the Rockies and eventually the Plains. A system will move through the U.S. next week and could bring a few showers across the Corn Belt around midweek. Another piece of energy could bring showers to southern areas late week and weekend.

NORTHERN PLAINS (LIVESTOCK/CORN/SOYBEANS): A strong system brought widespread moderate to heavy rainfall across the Dakotas with snow in eastern Montana, Wyoming, and the far western Dakotas as well. Strong winds Wednesday eclipsed 60 mph in a few spots, but most areas saw wind gusts in the 35 to 45 mph range. Colder temperatures settling in will only stick around for a couple of days before warmer temperatures come back into the region over the weekend. Temperatures could go back below normal in the middle of next week, but not to any great extent. It may take a while for soils to recover and allow equipment back into the fields to continue harvest. -DTN

CENTRAL/SOUTHERN PLAINS (LIVESTOCK/CORN/SOYBEANS/WINTER WHEAT): A cold front has gotten stuck across southeastern areas where some heavy rainfall and flooding has occurred. That continues through Thursday before a system pushes the front eastward on Friday. Rainfall has been fairly good for winter wheat areas except for these areas of flooding from central Texas to southern Missouri. -DTN

MIDWEST (CORN/SOYBEANS/WINTER WHEAT): Scattered showers and thunderstorms moved through on Wednesday and a front to the week's system is going to slow down and stall just north of the Ohio River through Friday before a system moves along it and sweeps precipitation out of the region. More moderate rain will be possible across the southern half of the region until it does. Widespread moderate rain recently has caused delays for corn and soybean harvest for a few days while soils drain out. -DTN

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DELTA (SOYBEANS/COTTON/WINTER WHEAT): A front will bring showers on Friday that could cause some delays in the cotton and soybean harvest but provide good moisture for winter wheat establishment. Otherwise, conditions are mostly favorable for harvest and winter wheat establishment. -DTN

SOUTHEAST (COTTON/LIVESTOCK): Dry weather continues for the next few days, favoring drying soils and harvest. Some showers will move through with a front on Saturday, but the favorable conditions will continue. -DTN

PACIFIC NORTHWEST (WINTER WHEAT): Scattered showers moved through Idaho this week, but Washington and Oregon were left mostly dry. Colder temperatures are also expected for most of the week before rising this weekend. Overall, conditions are still limiting for winter wheat establishment. A system that comes through Sunday into Monday may provide better precipitation, but that is not guaranteed. -DTN

BRAZIL (WINTER WHEAT/CORN/SOYBEANS): Scattered showers continue for the next week over central areas and over southern areas through early next week, overall good for full-season corn and soybean planting and establishment. Some drier weather would actually be favorable for maturing and harvest of winter wheat, which look to come next week. -DTN

ARGENTINA (WINTER WHEAT/CORN/SOYBEANS): There remains some rather dry spots in portions of the country that could use more moisture for corn and soybean planting, even with scattered showers that moved through on Wednesday. Winter wheat areas are still doing alright but with soil moisture drying up here as well. A system will bring more scattered showers Thursday into Friday, but the country will go fairly dry afterward with the next best chance for rain coming at the end of next week. -DTN

EUROPE (WINTER WHEAT/CORN): One system is leaving southeastern areas, but another will bring some isolated showers to northeastern areas of the continent for the next couple of days, but most areas will remain dry through the weekend. Overall, conditions continue to be favorable for winter wheat planting and establishment and are improving for harvest as well. -DTN

UKRAINE/SOUTHWEST RUSSIA (WHEAT/CORN/SUNFLOWERS): A system moved through Ukraine and northwest Russia with scattered showers Wednesday, but southwestern Russia does not see much in terms of coverage or amounts where it is needed more. Only small isolated chances for showers continue through next week. Time is running out before colder temperatures settle in for the year and wheat goes dormant. -DTN

AUSTRALIA (WINTER WHEAT/CANOLA/COTTON/SORGHUM): A system with more widespread showers is moving through eastern areas for the next couple of days, helping to increase moisture for some of the drier areas of the country. Mostly favorable conditions continue for reproductive to filling winter wheat and canola along with providing beneficial soil moisture for cotton and sorghum planting. -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 are waning over central India, as is typical for the monsoon to end over the region. They may come back this weekend into early next week, but that will only be temporary. Moisture should be good for the rest of filling cotton and soybeans. -DTN

Headlines:

> Malaysian Dec Palm Oil closed down 134 Ringgits

> Dalian Futures lower Jan corn down 27 to the Yuan, SF down 114, Jan meal down 5, Jan bean oil down 58, Jan Palm oil down 74

- > Asian Equity Markets were mostly higher, Japan's Nikkei up 1.5%, China's Shanghai down .1%
- > European Equity Markets are higher, German Dax up .8%, London FTSE up .7%
- > MATIF Markets are mostly higher, Nov Corn flat to the Euro, Nov Rapeseed up 4.75, Dec Wheat up 2.25
- > Save the Date...Oct 15th...NOPA Crush
- > 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
- > China placing a de facto export ban on Urea...seems like it [Chinese urea futures slide from record highs on new export measures | Reuters](#)
- > When the rubber does not meet the road [Mechanics have tough time getting tires, other parts for vehicles \(wmur.com\)](#)
- > If Natty gas is high power plants switch to oil...more and more both home and aboard ethanol as an extender to gasoline stocks could come into focus? [Oil rises on expectation high natural gas to drive switch for heating \(msn.com\)](#)
- > Locust, just thinking out loud here, but if we have insecticide shortages due to high cost of energy and shipping issues combined with a good breeding season in E. Africa could we have a bigger than expected outbreak next year? Well for this part of the world when it comes to Locust, La Nina might not be a bad thing [Seasonal precipitation predictions in Desert Locust summer/winter/spring breeding areas \(October 2021 – March 2022\) - Ethiopia | ReliefWeb](#)
- > ASF/FAW all quiet today
- > Bird Flu the really nasty kind found in Russia [OIE confirms two outbreaks of highly pathogenic bird flu in Russia | The Poultry Site](#)
- > American Petroleum Institute (API) on Wednesday found that WoW crude oil stocks rose by 5.2 million barrels, but gasoline stocks dropped 4.6 million barrels ...weekly EIA numbers which will be out at 10:00 AM CDT expected to find crude oil stocks WoW up 100,000 barrels and gasoline stocks down 100,000 barrels
- > Weekly Jobless Claims at 7:30 AM CDT are expected at 318,000 vs. last week's 326,000
- > Weekly Export Sales will be out Friday at 7:30 AM CDT

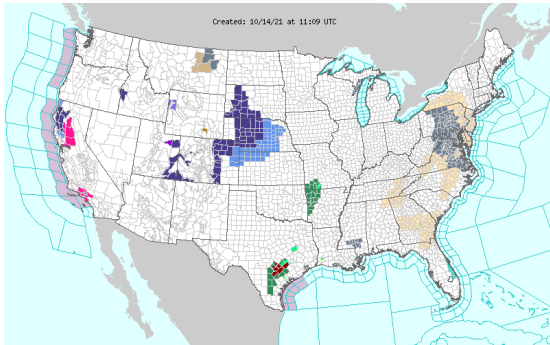
Commentary

It has been a pretty good week to be a bear. Clearly the wheat rally has run out of steam, and we all know when that happens values can turn south, fast. Clearly the USDA numbers were not bullish the corn and downright

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bearish the beans. Chart momentum and the fact that we still have well over 50% of the corn harvest to go favors the bear. Speaking of technical chart momentum, new downside targets are coming into focus for WZ at 708, CZ at 510ish and SX way down there at 1140. All that said, it feels like for the bear for the rest of this week Friday at 1:15 CDT cannot come quick enough. It seems like all the bearish news is in the market for the week. And in this day an age of headline news, it feels like if there is breaking news it could spark some short covering into the weekend...says the desperate bull hanging on by his fingertips.

Allergy sufferers of the NE, SD and parts of KS are rejoicing finally a frost/freeze event



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