

MORNING GRAIN COMMENTARY

| Morning Trends: |
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| as of 5:00 AM CST |
| Corn 1 around |
| Wheat 8 to 10 higher |
| Beans 2 to 4 lower |
| Soy Meal .5 to 1.0 higher |
| Soy Oil 50 to 55 lower |

| The Stories of the Day: |
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| Debt Ceiling Update...we avoided a shut down but now what The US government avoided a shutdown – but what happens next? (msn.com) |
| OPEC + more oil please OPEC+ considers options for releasing more oil to the market -sources Reuters |
| President Xi he got some issues China's Xi ascendant as attention turns to every facet of life (msn.com) |
| Now this is a half time show Dr. Dre, Snoop Dogg, Eminem, Mary J. Blige and Kendrick Lamar...the only question will slim stand up? Eminem - The Real Slim Shady (Official Video - Clean Version) - YouTube |

Weather: There is a strong ridge from Hudson Bay into the Great Lakes, a trough in the East, one off the Pacific Northwest, and an upper-level low in the Southwest. The ridge will block the trough in the Pacific Northwest from advancing. But a weakness across the Midwest will allow the upper-level low in the Southwest to move into the Plains and then the Midwest this weekend into next week, which may get stuck in the Southeast. 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. I will use a blend but favor the European. For the outlook period, temperatures on Wednesday 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. Some showers may linger over the Midwest in the middle of next week. Another weak system could bring showers to the Plains and Midwest at the end of next week or weekend. -DTN

NORTHERN PLAINS (LIVESTOCK/CORN/SOYBEANS): Some scattered showers that moved through this week may have caused some harvest delays, but dryness will return with good harvest conditions again this weekend into next week. The drought continues, however. -DTN

CENTRAL/SOUTHERN PLAINS (LIVESTOCK/CORN/SOYBEANS/WINTER WHEAT): Scattered showers will continue in the region through Saturday before moving eastward. This will benefit winter wheat planting and establishment but cause some delays to the harvest. Dry conditions follow for next week and temperatures should remain above normal, which may cause heat stress to any areas that might be missed from the showers this week. -DTN

MIDWEST (CORN/SOYBEANS/WINTER WHEAT): Scattered showers will move through the region through Monday, causing some delays to harvest but filling soils for winter wheat. Some showers may continue into next week but would be isolated. With temperatures remaining above normal, conditions should favor harvest. -DTN

DELTA (SOYBEANS/COTTON/WINTER WHEAT): Some pop-up showers may develop through the weekend 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 through the weekend with scattered showers returning next week. -DTN

PACIFIC NORTHWEST (WINTER WHEAT): A system that moved through early this week brought only light showers. Benefits were 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 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 and favoring reproductive to filling wheat. -DTN

ARGENTINA (WINTER WHEAT/CORN/SOYBEANS): Scattered showers will move through with another system over the weekend. Some areas are being missed, but the active pattern continues to favor corn and soybean planting overall, along with reproductive to filling wheat development. -DTN

EUROPE (WINTER WHEAT/CORN): A couple of larger systems will move through western areas while the east will see more intermittent showers for the next week. Conditions are more favorable for harvest in the east and for winter grain establishment in the west, but conditions are mostly favorable overall in both sections of the continent. -DTN

UKRAINE/SOUTHWEST RUSSIA (WHEAT/CORN/SUNFLOWERS): Recent showers have been good for winter wheat establishment, though parts of Russia could still benefit from additional showers. A large blocking high pressure system will keep the region cool and dry through next week. -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 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 down 77 Ringgits
- > Dalian Futures Exchange its Golden Week
- > Asian Equity Markets were mixed to lower, Japan's Nikkei down .1%, China's Shanghai Golden Week
- > European Equity Markets are lower, German Dax down .8%, London FTSE down 1.0%
- > MATIF Markets are mixed, Nov Corn up .75 to the Euro, Nov Rapeseed down 2.50, Dec Wheat up 2.50
- > 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 S&D Reports
- > Save the Date...Oct 15th...NOPA Crush
- > Save the Date...Nov 7th...US falls back...US falls back to good old standard time
- > Save the Date...Dec 4th...Well not quite Ground Hog Day but its debt ceiling time all over again
- > India has a coal crisis [India coal crisis brews as power demand surges, record global prices bite | Reuters](#)
- > ASF do we have a vaccine [BREAKING: New Vaccine Candidate Blocks Spread of African Swine Fever Virus | Pork Business](#)
- > World Covid update [Coronavirus live news: record deaths in Russia; Finland starts vaccinating mink \(msn.com\)](#)
- > Bird Flu...dropping from the sky in Crimea [Mystery as THOUSANDS of birds are found dead after falling from the sky as experts fear chilling new 'avian flu' \(the-sun.com\)](#)
- > Locust/FAW all quiet today
- > China hard to focus on the corn harvest while there is still flooding to contend with [China reinforces countermeasures as floods continue \(bignewsnetwork.com\)](#) and then there is the power grid [China official tells grid firms to prioritise residential users amid power crunch - CNA \(channelnewsasia.com\)](#)
- > Science, can be so cool [Scientists drove a robotic surfboard into Hurricane Sam, and the waves were incredible \(msn.com\)](#) wow [Largest Underwater Eruption Makes New Volcano Bigger Than Empire State Building \(msn.com\)](#)
- > CFTC weekly MM Funds Position report will be out at 2:30 PM CDT as of the close of 9/28 we feel the MM Funds were long close to 7,500 W, long close to 40,000 KW, long close to 13,000 MW, long close to 230,000 Corn, long close to 54,000 beans, short close to 20,000 meal, and long close 46,000 bean oil contracts

Commentary

China is on holiday today and all next week. That means the world's biggest buyer of beans is on holiday. The world's biggest buyer of beans is on holiday starting right after the USDA surprised us by finding 81 MBU of beans in the latest stocks report. The beans were found from the 2020 crop as the USDA had underestimated the crop by almost 1 bushel an acre. So, the world's biggest buyer is on holiday and the supply side bear just got a huge bone from the USDA, it is all there for the bear to take bean values sharply lower. Technically the short term downside target in SX is around the 1220 zone. We have a downside target that is lower, the world's biggest buyer of beans on holiday and found bushels of beans right at the height of the 2021 US bean harvest, it is all here for the bear to press values lower except this is the Covid Era. This is the Covid Era where supply chain shortages can pop up anywhere and everywhere. This is the Covid Era with plenty of on farm storage in the US. This is an era that up and down the supply chain everyone wants more stocks around them. This is the Covid Era or sometimes known to risk trading desks around the world, an era where direction from the Executive Suite..."coverage looks great but just in case get me a few more bushels."

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.



Friday, October 1, 2021