

MORNING GRAIN COMMENTARY

Morning Trends:
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as of 5:00 AM CST
Corn 8 to 10 lower
Wheat 17 to 20 lower
Beans 9 to 11 lower
Soy Meal 2.0 to 2.5 lower
Soy Oil 160 to 165 lower

The Stories of the Day:
Omicron update Omicron variant presents more questions (and uncertainty) than answers (msn.com)
Moderna CEO Dow futures drop 470 points after Moderna CEO predicts vaccines will be less effective against Omicron (msn.com)
What the fear was all along 'Exactly what experts have been warning': Omicron linked to global vaccine inequality (msn.com)
The workings of the US Senate remains dysfunctional U.S. Senate blocks annual defense bill amid Republican objections (msn.com)

Weather: There is a trough in the East and a ridge in the West. This alignment will continue over the next 10 days, but with disturbances moving between the two which will cause some fluctuations, especially with a system early-mid next week that should create a more progressive pattern. The U.S. and European models are in fair agreement but have differences on how and when to develop systems moving through. I will use a blend, but, favor the European. For the outlook period, temperatures on Sunday will be near to below normal in the East and above normal elsewhere. Temperatures will generally stay in this pattern through the period. A couple of larger systems will move across the country this weekend and then early-mid next week as well. Both storms could have widespread impacts for temperatures, precipitation and type, and strong winds.

NORTHERN PLAINS (LIVESTOCK): Only light precipitation is expected for the next week, though several systems will move through the region. Above normal temperatures will be in place for the next week as well, reducing stress for livestock. -DTN

CENTRAL/SOUTHERN PLAINS (LIVESTOCK/WINTER WHEAT): An upper-level low brought scattered showers to Texas this weekend but missed a good portion of the drier areas in the west. No significant precipitation is expected for the week, continuing to build drought and reduce conditions for winter wheat. -DTN

MIDWEST (WINTER WHEAT): Several weak systems will move through over the course of the next week, bringing chances for showers and snow across the north and east. Amounts look to be light with each system, however. -DTN

PACIFIC NORTHWEST (WINTER WHEAT): Heavy rain went through some of the mountain areas in the north, but most of the valleys stayed dry this weekend. A couple of systems will move through this week, but only light precipitation is anticipated as heavier precipitation should stay north in British Columbia. The best chance for showers comes next Monday. Temperatures should remain mostly above normal and drought stress will continue for winter wheat. -DTN

BRAZIL (WINTER WHEAT/CORN/SOYBEANS): Scattered showers fell across most areas this weekend as a front moved through southern states. This front cleared southern areas and will be followed by mostly dry weather for the next week, which will be unfavorable for developing corn and soybeans. Central states continue to have favorable weather. -DTN

ARGENTINA (WINTER WHEAT/CORN/SOYBEANS): A system brought scattered showers to most areas over the weekend, being moderate to heavy in some of the higher production areas. Dry weather is expected for most of the country this week but another system will move through late this week and weekend with more scattered showers. Southern and western areas stand the best chance to see showers with this system. Dry weather follows this as well. The overall drier pattern will deplete soil moisture that has built up during the month of November, increasing stress for developing corn and soybeans. -DTN

EUROPE (WINTER WHEAT): Scattered showers fell across a good portion of the continent this weekend as a system moved out and was replaced by another. The continent will continue to see active weather, bringing good showers for winter wheat establishment where it has not gone dormant in the north and east, and where it is developing across the south. -DTN

UKRAINE/SOUTHWEST RUSSIA (WINTER WHEAT): Some showers went through over the weekend and will continue early this week as a system moves through, but it is mostly too late as wheat is going dormant for the winter. Soils can still soak up moisture since they are not frozen yet, so any precipitation will still be beneficial, just not until the spring. -DTN

AUSTRALIA (WINTER WHEAT/CANOLA/COTTON/SORGHUM): Scattered showers continued across eastern areas this weekend, continuing to cause concern for winter wheat and canola harvest and quality. Showers will stick around these areas through the week but will be more isolated than we have seen in November. -DTN

Headlines:

- > Malaysian Feb Palm Oil Markets closed down 189 Ringgits
- > Dalian Futures were mixed to sharply lower Jan corn up 3 to the Yuan, Jan beans down 17, Jan meal up 15, Jan bean oil down 194, Jan Palm oil down 180
- > Asian Equity Markets were lower, Japan's Nikkei down 1.6%, China's Shanghai down flat
- > European Equity Markets are lower, German Dax down 1.1%, London FTSE 100 down 1.2%
- > MATIF Markets are lower Jan Corn down 6.0 to the Euro, Feb Rapeseed up down 10.50, March Wheat down 3.0
- > Tik Tok US Congress end of the year to do list is long, threats of US government shutdowns could be on the rise... [Yellen tells Congress December 15 is new debt ceiling date \(yahoo.com\)](#)
- > Save the Date...Nov 30th...US Fed Chair Powell and US Treasury Sec Yellen are scheduled to testify before the US Senate banking committee -QT
- > Save the Date...Dec 2nd...OPEC + meetings
- > Save the Date...Dec 3rd...US employment numbers...expected 550,000 new non-farm jobs created in Nov
- > Save the Date...Dec 9th...USDA S&D reports
- > Save the Date...Dec 14th...FOMC Meeting results
- > Save the Date...Dec 14th...NOPA Crush
- > Turkey's economy soaring but so is inflation [Turkey's economy steams ahead of peers but inflation risks mount | Business Standard News \(business-standard.com\)](#)

- > British Columbia more rain on its way [British Columbia braces for third 'atmospheric river' after recent floods - Prince George Citizen](#)
- > Sudan Coup [Anti-military protesters to march on Sudan's presidential palace \(msn.com\)](#)
- > Ethiopia update [High Death Toll Reported as Ethiopian Soldiers Press Offensive in Afar Region | Democracy Now!](#)
- > Bird Flu, EU update [Germany reports another case of bird flu on farm \(yahoo.com\)](#)
- > Australia summer rainfall expected to be well about average [Australia set for another three months of above average rainfall with La Nina fuelled rains raising the flood risk this summer | Sky News Australia](#)
- > FAW/Locust/ASF all quiet today
- > Weekly CFTC MM Fund position report found that as of the close of 11/23 MM Funds were long 15,135 MW, long 65,609 KW, long 17,963 W, long 366,691 C, long 49,356 S, long 34,988 SM, long 84,354 BO
- > Weekly USDA crop update WoW had the winter wheat crop good to excellent rating unchanged at 44%
- > First notice day for CME Ag Dec contracts had 1 meal, 106 oil, 2 corn, 0 KW...and drumroll please 1,054 wheat...JP 608 contracts and Wells 438 contracts put the wheat out while ADM Cust stopped 858 contracts

Commentary

We have said it before and we will say it again, probably before the year is over, and that is one cannot make their trading year in the month of Dec, but they sure can lose it. This seems to be the case for the wheat bull. Yesterday we had WH filling the gap created on Friday's Omicron news and then fail. Not only did wheat fail it traded in a huge outside day lower close. Overnight we saw Wells and JP Morgan put out combined over 1,000 Chicago wheat deliveries, the best stopper an ADM Cust. But chart damage was done. WH has a new downside target of 8-dollars. Seasonally wheat values breaks hard into the second week of Dec. Australian crop while wet is bigger then expected. The Argentina wheat crop is also yielding better than expected. The wheat bull is getting slammed, but all is not lost. World inflation story is not going away anytime soon, not when EU inflation is running at 30 year highs. Do not forget later this week we will have the FAO monthly food index to chew on as well. Finally, the break in board prices is being magnified this morning by the huge break in the US dollar. Keep watching this space Dec is setting up to be a wild ride.

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.