

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 10 to 12 higher
Soy Meal 2.5 to 3.0 higher
Soy Oil 40 to 45 higher

The Stories of the Day:
Power for the basic means less for people and less for industries Electricity rates have skyrocketed in Brazil. The govt says the water crisis is to blame. (msn.com) and in the EU Europe's energy crunch continues as gas and power prices soar. - The New York Times (nytimes.com)
Omicron Maybe Some Good News South Africa's case drop may show omicron peak has passed (msn.com)
Hey Alaska What's Shaking...the rim of fire has been active as of late Magnitude 5.9 earthquake felt through much of Alaska, but no immediate damage reported (msn.com)
An Elevated Snow Pack is a good thing but man there is a lot coming Atmospheric River Again Flowing into West Coast (msn.com)
It Maybe No Eddie, but Fly Eagle Fly Rare eagle, native to Asia, spotted in Massachusetts after sightings in Texas, Canada: 'Most likely lost' (msn.com)

Weather: There is a trough moving through the East, a ridge in the Southwest, a large trough off the West Coast, and two more in western Canada. The three western troughs will all combine and intensify as a lobe of the polar vortex over the next couple of days in western North America. Meanwhile, a ridge will develop over the southern U.S. The vortex will spin around the West, sending a couple of pieces of energy through the rest of the country through next week. The U.S. and European models are in fair agreement with the upper-level pattern but develop each disturbance a little differently. I will use a blend but favor the European. For the outlook period, temperatures on Monday will be well below normal in the Northwest and above normal in the South and Southeast. Colder temperatures will occasionally spread southward through the Plains and Upper Midwest as systems move through. A front will reside across the middle of the country that will remain active as few systems form along it next week. -DTN

NORTHERN PLAINS (LIVESTOCK): A potent storm should move through late week with some showers but strong winds. Another will move through Sunday into Monday with more widespread showers likely. Cold air from the Arctic will spill into the region next week behind this system. -DTN

CENTRAL/SOUTHERN PLAINS (LIVESTOCK/WINTER WHEAT) The west has remained dry with declining conditions for wheat and increasing drought. Despite an active pattern with systems moving through, chances for precipitation through the end of the year are low, especially in the west that needs it most. -DTN

MIDWEST (WINTER WHEAT): An active pattern will bring a few storm systems through the region over the next 10 days with moderate to heavy precipitation at times, including over the Christmas weekend. Cold air from the Arctic may spill into the region at times next week behind these systems. -DTN

PACIFIC NORTHWEST (WINTER WHEAT): An active upper-air pattern will produce periods of showers through the end of the year, helping to increase moisture for dormant wheat. Temperatures will go well below normal next week. -DTN

BRAZIL (CORN/SOYBEANS): A few isolated showers are moving through southern areas through Wednesday, but dryness returns, and amounts are low. High temperatures in the 90s will cause any moisture that fell early

this week to be used up quickly. Conditions for corn and soybeans will continue to decline in the south. Conditions for reproductive to filling soybeans in central and northern areas continue to be very favorable. -DTN

ARGENTINA (CORN/SOYBEANS): Isolated showers will end across the north on Wednesday, then most areas should be dry for the following week outside of some isolated showers in the southeast on Friday. Overall crop conditions are expected to decline as early-planted crops get closer to or into reproduction. Planting continues to be slow as producers try to wait for better precipitation and soil moisture, though prospects through most of January are not good. -DTN

CANADIAN PRAIRIES (LIVESTOCK): Arctic cold temperatures will build into the Canadian Prairies late this week and continue through next week as a lobe of the [polar vortex](#) shifts into the region. Stress on livestock will increase due to the cold. -DTN

EUROPE (WINTER WHEAT): A system in the west will eventually spread through the rest of the continent later in the week. The pattern will turn active again this weekend through next week. Conditions for developing wheat across the south remain favorable. -DTN

AUSTRALIA (WINTER WHEAT/CANOLA/COTTON/SORGHUM): Some isolated showers will be possible through the weekend across eastern areas, and possibly heavy this weekend in Queensland. But for the most part, the showers are not concerning for the remaining wheat and canola harvest. Conditions are good for developing cotton and sorghum as well. -DTN

[Polar Vortex, Better Know as Baby its Cold Outside](#)

[Polar Vortex Building in North America \(dtnpf.com\)](#)

Headlines:

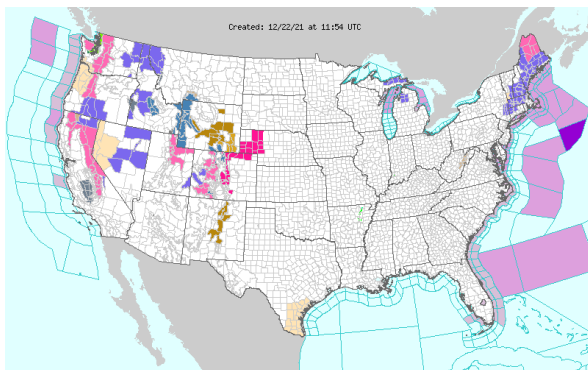
- > Malaysian Feb Palm Oil Markets closed up 70 Ringgits
- > Dalian Futures were mostly lower May corn down 20 to the Yuan, March beans down 34, May meal up 8, May bean oil down 130, May Palm oil down 150
- > Asian Equity Markets were higher, Japan's Nikkei up .1%, China's Shanghai down .1%
- > European Equity Markets are mixed, German Dax up 1.4%, London FTSE 100 down .2%
- > MATIF Markets are higher March Corn up 1.75 to the Euro, Feb Rapeseed up 11.0, March Wheat up 2.75
- > Save the Date...Dec 22nd...Q3 GDP...the third reading expected to be at 2.1% unchanged from the second reading
- > Save the Date...Dec 23rd...CME Ag Markets close at regular time, Closed all day the 24th...reopen regular time Sunday Night Dec 26th
- > Save the Date...Jan 7th...US Job Numbers
- > Save the Date...Jan 12th...USDA S&Ds/Crop Production/Grain Stocks/Winter Wheat seedings
- > Save the Date...Feb 14th...Pitchers and Catchers start to report, we hope
- > Save the Date...April 4th...the return of the weekly crop updates from the USDA
- > Russia/Ukraine recap -WP [What's happening in Ukraine, and will Russia really invade? \(msn.com\)](#)

- > Ethiopia a cautionary tale for all [Ethiopia is a tragedy for the whole of Africa | Financial Times \(ft.com\)](#)
- > Sudan and on it goes [Sudan's PM Hamdok Intends to Resign Within Hours -Sources | World News | US News](#)
- > Bird Flu Israel [Bird flu outbreak in northern Israel as cases rise globally \(msn.com\)](#)
- > Locust S. Africa update [Farmers urged to check for marauding locust swarms and report immediately \(iol.co.za\)](#)
- > FAW/ASF all quiet today
- > Weekly EIA numbers at 9:30 AM CST crude oil stocks WoW expected to be down 2.6 million barrels, gasoline stocks up 100,000 barrels...API numbers last night found that WoW crude oil stocks were down 3.7 million barrels, gasoline stocks up 3.7 million barrels

Commentary:

In Ag world we love, well at least I do, love to say, "wheat do what it do." What we mean by this is wheat loves to take a bit of news and run with it, usually over trading the news by going to the next available chart point. This type of price action can and often does unfold both for the benefit of the bull or the bear. Wheat then usually fails in its moves, over corrects and in about 3 trading days settles into the new realm of fair value given the news at hand. In recent months we have noticed the macro markets, that have been driven so hard by the twin pandemics (ASF and Covid) are now headline driven, have more and more started to trade like wheat. The US equity markets a prime example for this week. On Monday, the US equity markets down hard with headlines everywhere about how Omicron is everywhere. Yesterday markets started correcting the correction from last week's all time highs, only to have the rally supercharged by news that the FDA is set to allow a new tool into the fight (at home drugs for the infected) of Covid. If the macro markets are trading more and more like wheat, today the outside markets should calm the heck down and start zeroing in on fair value for the rest of this year, unless there is another headline...President Putin you are on the clock.

Red Flag Warnings creeping out into the Plains States, never a good thing for winter planted crops



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.