

**MORNING GRAIN COMMENTARY**

Morning Trends:
<b>Morning Trends</b>
as of 5:00 AM CST
Corn 1 around
Wheat 1 around
Beans 1 around
Soy Meal 2.5 to 3.0 higher
Soy Oil 10 to 20 lower

The Stories of the Day:
<p><b>For China, one China is a big deal</b> <a href="#">China warns of "drastic measures" if Taiwan provokes on independence (msn.com)</a></p> <p><b>When the trend is not your friend, at least for Covid is it time to look for other trends???</b> Hospitalization rates vs. infection rates? <a href="#">U.S. coronavirus cases hit record high (msn.com)</a> vs. <a href="#">Omicron Hospitalization Risk 80 Percent Less Than Delta—South Africa Study (msn.com)</a></p> <p><b>NATO/Russia Talks</b> <a href="#">Official: No concessions expected from Russia-NATO meeting   News   ERR</a></p> <p><b>CA Dec Snowfall</b> <a href="#">California's Epic Snowstorms Are Great News (msn.com)</a></p>

Weather: There is a ridge in the Southeast, and a deep trough across the West. The ridge will weaken a bit late this week and

allow the trough to move eastward through the country this weekend into early next week. Another trough will replace it in the West this weekend and then move into the middle of the country by the end of next week. A ridge will develop and advance in front of this trough. The U.S. and European models are in fair agreement with the upper-level pattern but develop disturbances differently. I will use a blend but favor the European. For the outlook period, temperatures on Monday will be below normal across much of the U.S. except a few spots of near to slightly above normal in the Central/Northern Plains. A brief warmup will occur during the middle of next week before another push of Arctic cold returns by the end of next week. Another system should move from the West into the Plains and Midwest by the end of next week with scattered showers. -DTN

**NORTHERN PLAINS (LIVESTOCK):** After the accumulating snow in some spots Tuesday, any additional snow accumulations this week look to remain mostly scattered and light. Cold temperatures will continue to seep into the region, stressing livestock. There may be a bit of a break from the extreme cold early next week, but dangerous wind chills return later next week. -DTN

**CENTRAL/SOUTHERN PLAINS (LIVESTOCK/WINTER WHEAT):** The middle of the week will have little to no precipitation for drought areas. Starting Friday/Friday night a stronger system will move through this coming weekend with a better chance for more widespread showers. This will be brief, however, and likely have little impact on the ongoing drought. Cold temperatures will move through only briefly this weekend while staying more focused to the north. -DTN

**MIDWEST (WINTER WHEAT):** After rounds of significant precipitation early this week, the next couple of days will trend quieter. Additional moderate to heavy precipitation is expected for the beginning of the new year, which may help out with some of the regional drought but may lead to flooding in the south. Cold temperatures will filter into western areas of the region through the week before sweeping through the entire region behind a strong system this weekend. -DTN

**PACIFIC NORTHWEST (WINTER WHEAT):** The region will stay active as systems move through during the next 10 days. Drought conditions will continue to decline. -DTN

**BRAZIL (CORN/SOYBEANS):** Dry conditions over southern states are a major concern for reproductive to filling corn and soybeans. Conditions continue to be very good for central and northern Brazil. Some isolated showers will pop up at times over southern areas later this week and weekend, but very spotty with limited impact. Heat and dryness should continue to force crop conditions to decline. -DTN

**ARGENTINA (CORN/SOYBEANS):** Dryness with high temperatures in the 80s and 90s continue to cause stress for developing to reproductive corn and soybeans. Some isolated showers may pop up at times later this week, and some more scattered showers will be possible this weekend, but it will be difficult for forecast rainfall to match the needs of the crops as conditions should continue to decline. Planting pace is still slow so there is time for the weather to turn around, but prospects are not good through the month of January. -DTN

**CANADIAN PRAIRIES (LIVESTOCK):** Arctic cold temperatures will continue through the week as the polar vortex remains over the region. There will be just a small break in the harsh temperatures this weekend before they return next week. Stress on livestock will continue to be extreme for the next two weeks. -DTN

**EUROPE (WINTER WHEAT):** Scattered showers remained Tuesday, keeping most areas in favorable condition for vegetative wheat in the south. Showers early this week will be followed by dryness and well above normal temperatures. Areas that are still dry will have issues, but those with adequate moisture, which are in the majority, will find good conditions. -DTN

**AUSTRALIA (WINTER WHEAT/CANOLA/COTTON/SORGHUM):** Some isolated showers lingered on Tuesday, which may have had a small impact on harvest of winter wheat and canola. But overall conditions have been good recently. Some showers will remain possible over the next few days, but will be followed by dryness, benefiting harvest. Heat that comes into southeastern Australia could start to become stressful for cotton and sorghum in drier areas later this week. -DTN

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## Headlines:

- > Malaysian March Palm Oil Markets closed down 76 Ringgits
- > Dalian Futures closed mostly lower corn down 14 to the Yuan, March beans down 91, May meal down 30, May bean oil unchanged, May Palm oil up 14
- > Asian Equity Markets were lower, Japan's Nikkei down .6%, China's Shanghai down .9%
- > European Equity Markets are mostly lower German Dax down .2%, London FTSE 100 opens for the first time this week and in catch up mode closes up 1.1%
- > MATIF Markets are mixed March Corn down unchanged to the Euro, Feb Rapeseed down 2.0, March Wheat up .75
- > Save The Date...Dec 31<sup>st</sup>...CME Ag Markets close at regular time, reopen Sunday night regular time...as long as we are talking days off, next CME Ag market holiday Jan 17<sup>th</sup> Martin Luther King Jr. Day
- > Save the Date...Jan 7<sup>th</sup>...US Job Numbers
- > Save the Date...Jan 12<sup>th</sup>...USDA S&Ds/Crop Production/Grain Stocks/Winter Wheat seedings
- > Save the Date...Feb 14<sup>th</sup>...Pitchers and Catchers start to report, we hope
- > Save the Date...April 4<sup>th</sup>...the return of the weekly crop updates from the USDA

- > GASC in looking for wheat, Feb 15<sup>th</sup> thru March 3<sup>rd</sup>
- > NE Brazil floods [Brazil flooding: Deadly flooding in Brazil kills at least 20 and displaces thousands, leaving Covid-19 vaccines submerged \(msn.com\)](#)
- > Ethiopia, maybe just maybe [Peace in Ethiopia: 'A sliver of hope' - Frontline \(thehindu.com\)](#)
- > Libya at an inflection point [Libya parliament suspends session without crisis breakthrough \(msn.com\)](#)
- > Bird Flu, this time it feels different, this time it could be a major story in 2022 [Bird flu: Thousands of cranes killed in 'worst blow to wildlife' in Israel's history - CNN](#)
- > FAW/ASF/Locust all quiet today
- > Weekly EIA numbers are expected to show that WoW crude oil stocks are down 3.2 million barrels, gasoline stocks up 500,000 barrels...API numbers last night had crude oil stocks WoW down 3.1 million barrels, gasoline stocks down 320,000 barrels

**Commentary:**

Because of the Covid era it has been a while. But we all can remember back to parties from our past, maybe even some NYE parties where you just knew the party was over. You just know. You know when the party is over when you dig into the ice bucket to pull out a cold beer, yet it still tastes kind of warm. You know when the party is over when the music being played seems to be on repeat. You know the party is over when the small talk and jokes are landing flat. Before Covid and again someday you know there will be more parties, but you know when all this happens that, in a responsible fashion, it is time to go home. This seems to be the case for this week for the bull when it comes to price action in corn and beans. The weather news is still bullish but seems to be landing flat. Demand talk abounds but nothing seems to be coming to the market. CH, yesterday making new move highs, but trading in an outside fashion with a lower close suggest that for this week the bull run is stalling. SH made new move highs but closed slightly below their old Fib point objective suggests that the run is stalling as well. The bottom line covid or not there will be more bull parties to attend in 2022, but for this week it might be time for the responsible spec bull to go home.

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.