

## MORNING GRAIN COMMENTARY

### Morning Trends:

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as of 5:00 AM CST

Corn 2 to 4 higher

Wheat 8 to 10 higher

Beans 8 to 10 higher

Soy Meal 3.0 to 3.5 higher

Soy Oil 65 to 70 higher

Nearby Weather: **A powerful Nor'easter is expected to develop off the Mid-Atlantic coastline on Friday before impacting eastern parts of the Northeast and New England this weekend. Numerous hazards are likely from heavy snow, with significant accumulations across eastern Long Island/New England, to gusty winds and coastal issues. In fact, the combination of the snow and winds may result in blizzard conditions** -NWS

### The Stories of the Day:

**At the intersections of Russia/Ukraine/NATO fear of war mounts...A brief recap on why this is so important** [What Happens Next in Ukraine Could Change Europe Forever | Time](#) and new best friends [Taiwan president expresses 'empathy' for Ukraine's situation \(msn.com\)](#) **France keeps trying** [Russia vows retaliation if key demand on Ukraine unmet, as France tries another shot at diplomacy with Putin \(msn.com\)](#)

**Covid update...**[Vaccinated parents give COVID protection to unvaccinated children, study finds: Updates \(msn.com\)](#)

**The Future is here** [Robot performs complex 'keyhole' intestinal surgery on pigs without human aid \(msn.com\)](#) **speaking of the future** [China's New 5-Year Plan is a Blueprint for the Future of Meat \(msn.com\)](#)

**For our good friends on the East Coast, it is Jim Morrison time** [Riders On The Storm - Snoop Dogg ft. The Doors - YouTube](#)

**Long Range Weather:** There is a ridge in western North America and a couple of troughs in the East. The ridge will continue to shift eastward into next week while a trough digs into the West and the reverse pattern starts up for February with a trough in western North America and a ridge in the East. The trough will likely push eastward late next week while a ridge builds back into the eastern Pacific, returning to the pattern we have seen over the last week or so. The U.S. and European models are in fair agreement with the upper-level pattern through the middle of next week but differ on the extent of the upper-air pattern going through February. I will use a blend, but favor the GFS, which is more consistent on leaving the cold air to build across central North America. Drastic differences in the models is leaving us with a low-confidence forecast. For the outlook period, temperatures on Wednesday will be above normal in the East with cold building across the West and Central. The cold will continue to spread through the U.S. behind a front next week with another round of cold building in western Canada over the weekend. A system should come with the pattern change next week and it could be a strong one with widespread precipitation. A clipper system should build in western Canada over the weekend with another round of cold air behind it. -DTN

**NORTHERN PLAINS (LIVESTOCK):** Warmer temperatures will be in place through the weekend. Colder air will sag south from Canada next week as another arctic front passes through the region. The region is likely to miss out on a big precipitation event across the rest of the country. Temperatures above freezing will cause snowmelt and some soggy fields, which may increase stress for livestock. Cold that comes next week is more likely to do so. -DTN

**CENTRAL/SOUTHERN PLAINS (LIVESTOCK/WINTER WHEAT):** Dryness and drought continues to be a major theme for the winter. A front moving through next week brings a good chance at getting more widespread precipitation into the region, though models differ on the extent. -DTN

**MIDWEST (WINTER WHEAT):** Colder temperatures continue into the weekend, but mild temperatures return Sunday into next week as the pattern changes. Cold air from Canada will spread through the region next week and that will come with a strong storm system and widespread heavy precipitation event. -DTN

**PACIFIC NORTHWEST (WINTER WHEAT):** A couple of rounds of precipitation will move through the region this weekend into early next week but are likely to be brief with little impact on the current drought. -DTN

**BRAZIL (CORN/SOYBEANS):** A front pushing through southern areas will clear out the showers Friday, with a drier trend going into February, while scattered showers continue across central and northern areas. Scattered showers will make soybean harvest and safrinha corn planting progress a little more difficult. The rains that came to southern areas may provide some relief for the drought, but will not be enough to turn conditions around, or put safrinha corn on a good footing. -DTN

**ARGENTINA (CORN/SOYBEANS):** The run of good rainfall has ended and a return to a drier La Nina pattern is back. Recent heavy rains have been very helpful in stabilizing early-planted corn and soybeans and likely have turned conditions around for late-planted crops as well. But drier conditions will be concerning if showers are not at least timely going forward. There will still be occasional rounds of showers, but they will be fewer and further apart. -DTN

**CANADIAN PRAIRIES (LIVESTOCK):** Warm temperatures have spread across the region, but the warmth will not last long as the pattern flips and brings colder air to the region next week. Temperatures above freezing may cause some snowmelt and soggy fields, which may increase stress for livestock. Especially as that is followed by cold air. -DTN

**EUROPE (WINTER WHEAT):** Scattered showers continue over eastern areas while western areas remain dry going into next week. Dryness in Spain has been growing over the last few months and is concerning for vegetative wheat. Conditions are much better elsewhere in the continent. -DTN

**NORTH AFRICA (WINTER WHEAT):** Drought has been a concern in Morocco all season long and dryness has been increasing across Algeria and Tunisia over the last few weeks as well. Spotty showers have fallen in Morocco for the last couple of days but will not be overly helpful. Vegetative wheat overall is in poor condition across most of the region, but much better in the east. -DTN

**AUSTRALIA (COTTON/SORGHUM):** Scattered showers continue over the east for the next week as a couple of systems move through the region. Other than the possibility of some flooding, the showers will be favorable for cotton and sorghum development. -DTN

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## Headlines:

- > Malaysian April Palm Oil Market closed up 189 Ringgits...a record high...third day in a row
- > Dalian Futures were mostly higher corn down 3 to the Yuan, March beans up 55, May meal up 44, May bean oil up 174, May Palm oil up 162
- > Asian Equity Markets were all over the place, Japan's Nikkei up 2.1%, China's Shanghai down 1.0%
- > European Equity Markets are lower German Dax down 1.4%, London FTSE 100 down .3%
- > MATIF Markets are higher March Corn up 1.25 to the Euro, May Rapeseed up 5.0, March Wheat up 3.50
- > Save the Date...Jan 31<sup>st</sup>-Feb 6<sup>th</sup>...Chinese Spring Festival...Omicron super spreader event?

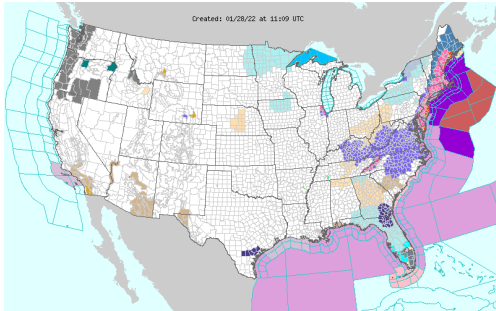
- > Save the Date...Feb 2<sup>nd</sup>...OPEC + meetings
- > Save the Date...Feb 4<sup>th</sup>...Feb 20<sup>th</sup>...The Winter Olympics...Omicron super spreader event?
- > Save the Date...Feb 4<sup>th</sup>...US Employment numbers
- > Save the Date...Feb 9<sup>th</sup>...USDA Crop Production and S&D Reports
- > Save the Date...Feb 14<sup>th</sup>...Pitchers and Catchers start to report, we hope
- > Save the Date...Feb 24<sup>th</sup>-25<sup>th</sup>...USDA Outlook Forum...USDA Agriculture Sec Vilsack on February 24 will discuss U.S.-China agricultural trade relations
- > Save the Date...March 13<sup>th</sup>...US returns to Daylight Savings Time
- > Save the Date...April 4<sup>th</sup>...the return of the weekly crop updates from the USDA
- > Things are popping overseas [Rockets launched towards US military base in Iraqi airport \(msn.com\)](#)
- > Sudan coup protest are not going away [Relenting protests persist in Sudan as gov't continue crackdown | Africanews](#)
- > Libya [US, Russia at Odds on Extending UN Libya Mission | Asharq AL-awsat \(aawsat.com\)](#)
- > Ethiopia update [UN: 'Extreme lack of food' for many in Ethiopia's Tigray \(msn.com\)](#)
- > India/China border update [While asking US to stay away, China says will closely work with India on border row - Oneindia News](#)
- > ASF in S. Africa [Pig product warning for southern Cape as African swine fever detected \(timeslive.co.za\)](#)
- > FAW, a new weapon for this ongoing world wide battle [Study Heralds a New Transformative Solution for the Crop Destroying Fall Armyworm \(prnewswire.co.uk\)](#)
- > Bird Flu well this is not good [Bird Flu That Can Infect Humans Found for First Time in Namibia - Bloomberg](#)
- > Locust all quiet
- > GASC in looking for wheat shipment dates of March 5<sup>th</sup>-15<sup>th</sup> and 16<sup>th</sup>-26<sup>th</sup>
- > CFTC Weekly MM Funds Position Report as of the close of 1/25 will be out at 2:30 PM CST...we expect that as of the close of 1/25 the MM Funds were long 5,000 MW, long 41,000 KW, long 3,100 W, long 359,000 C, long 123,000 S, long 66,000 SM, long 77,000 BO

#### **Commentary:**

War and weather, weather and war those will be the major themes for the market next week. One factor that jumps out of many factor of how we will view the weather and war. 1. Chart momentum, so how we close on Friday will set the early technical tone as we roll into next week. Wheat momentum has turned sideways to lower this week, only a close in WH above the 815 area will shift this momentum. Corn momentum still is pointed higher, but Eric's chart work suggest the highs this week in CH at 6.31 might be a short term top. If we see a close in CH under the 615 level this week, the word should, will replace the word might. Beans are pointed higher with an upside target

of 1485. Don't forget that at the start of the week many countries beyond China will be celebrating the Chinese New Year on Tuesday. China of course is on holiday for the entire week plus the Winter Olympics start at the end of the week. We all know distracted markets can lead to choppy price action.

For the East Coast, the storm has arrived



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