

MORNING GRAIN COMMENTARY

Morning Trends:

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as of 5:00 AM CST

Corn 3 to 5 lower

Wheat 8 to 10 lower

Beans 9 to 11 lower

Soy Meal 4.5 to 5.0 lower

Soy Oil 5 to 10 lower

Weather: Valid 12Z Thu Jan 13
2022 - 12Z Sat Jan 15
2022...Quick hitting winter storm
to produce a swath of heavy snow
across parts of the Northern Plains
and Midwest...Temperatures
plunge behind an arctic cold front pushing through the Northeast by the end of the week and could lead to
dangerous wind chills into Saturday morning...NWS

The Stories of the Day:

At the intersections of Russia/Ukraine/NATO The final push before war???
[Europe makes final push in talks to avert new Russian war in Ukraine \(msn.com\)](#) and this [As talks with Russia stall, NATO chief warns of a new war in Europe \(msn.com\)](#)

Covid Update Don't do it!!! [Because omicron is so contagious, should you try to catch it and get it out of the way? Experts say no \(msn.com\)](#)

Supply Chain concerns [China's Covid Fight Risks Supply Chaos - Bloomberg](#)

Hydropower during a La Nina Event [Dam providing power to millions nears critically low water level \(msn.com\)](#) [Power grid fails as Argentina hit by record-breaking heatwave \(yahoo.com\)](#)

The future is here <https://www.msn.com/en-ca/money/topstories/microsoft-invests-2450-million-in-alcohol-to-jet-fuel-biorefinery/ar-AASJfOO?ocid=BingNewsSearch>

There is a ridge across much of North America but with some disturbances around the ridge. The ridge will not last long as disturbances move over the top of it and underneath it throughout the next several days, eventually pushing it back to the west off the coast by the middle of next week. The disturbances that move through will create a trough across much of North America by the middle of next week. This pattern will be relatively stable through the end of January. The U.S. and European models are in fair agreement with the upper-level pattern but develop disturbances a little differently. I will use a blend but favor the European. For the outlook period, temperatures on Tuesday will be near to above normal for most of the country and near to below normal in the East. Another shot of cold air will come in during the extended period with another over the weekend. A couple of disturbances will move from western Canada through the Midwest in the extended range. One of these may be a little strong next weekend. Cold air will follow behind both systems but likely become more widespread after the weekend storm. -DTN

NORTHERN PLAINS (LIVESTOCK): Above normal temperatures are forecast through the weekend. A system will bring some moderate to heavy snow for eastern areas on Friday, which may mess up the temperature forecast a bit. Above normal temperatures may reduce stress on livestock but melting of snow could make for some muddy fields and pastures instead and new snow could impact those in the east. Colder air is set to return next week in a couple of waves. -DTN

CENTRAL/SOUTHERN PLAINS (LIVESTOCK/WINTER WHEAT): Though some showers are forecast for eastern areas on Friday and Saturday, dry conditions for the next week in the west will continue to leave the region in drought. Above normal temperatures accompany the dryness, unfavorable for winter wheat. -DTN

MIDWEST (WINTER WHEAT): Above normal temperatures will be around through early next week, with a slight reprieve over the weekend as a system moves through with moderate snow across the west. Temperatures will go on a down trend as some arctic air gets back into the region next week in a couple of waves. -DTN

PACIFIC NORTHWEST (WINTER WHEAT): A drier pattern has returned to the region after a couple of weeks of drought-reducing precipitation. Small disturbances will only bring limited precipitation for the next week. -DTN

BRAZIL (CORN/SOYBEANS): Dry conditions over southern states continues to degrade corn and soybeans in advanced stages of growth while some producers have buried their losses to plant their safrinha corn. Wetter conditions across central and northern zones is having an impact on quality and delaying harvest. Conditions should reverse this weekend with better chances for rain across the south and dryness across the north. Both would be favorable for producers as we approach the mid-point of the dual growing season and soybean harvest picks up. -DTN

ARGENTINA (CORN/SOYBEANS): Hot and dry conditions continue for the next couple of days with highs approaching or exceeding 100F, putting incredible stress on early-planted corn and soybeans. Scattered showers are forecast to return this weekend and may continue for about a week, reversing the horrible growing conditions for at least a time. However, early-planted crops will have already sustained damage and the wet period is likely to be too short for vast improvement for late-planted crops. Drier conditions that are forecast to follow will not be favorable, either. -DTN

CANADIAN PRAIRIES (LIVESTOCK): Above normal temperatures are forecast through the weekend. Temperatures may reduce stress on livestock but melting of snow could make for some muddy fields and pastures instead. Colder air is set to return next week, but more for eastern areas instead of closer to the Rockies. -DTN

EUROPE (WINTER WHEAT): Spain continues to be the lone trouble spot for winter wheat across the continent. Dryness this week is not helpful to the Spanish crop either, but most other places should still have favorable conditions. -DTN

NORTH AFRICA (WINTER WHEAT): Dryness has been a concern in Morocco all season long and has been increasing across Algeria and Tunisia over the last few weeks as well. There will be some isolated showers over eastern areas this week, but drought conditions will continue to hurt vegetative wheat across Morocco. -DTN

AUSTRALIA (COTTON/SORGHUM): Scattered showers continue over the east for the next several days, providing continued favorable moisture for cotton and sorghum development. Western Australia continues to have drier conditions for the next week. -DTN

Headlines:

- > Malaysian March Palm Oil Market closed up 124 Ringgits
- > Dalian Futures were mixed corn up 10 to the Yuan, March beans down 21, May meal up 3, May bean oil up 42, May Palm oil up 72
- > Asian Equity Markets were lower, Japan's Nikkei down 1.0%, China's Shanghai down 1.2%
- > European Equity Markets are lower German Dax down .2%, London FTSE 100 down .3%
- > MATIF Markets are lower to sharply lower March Corn down 2.0 to the Euro, May Rapeseed down 8.0, March Wheat down 4.25

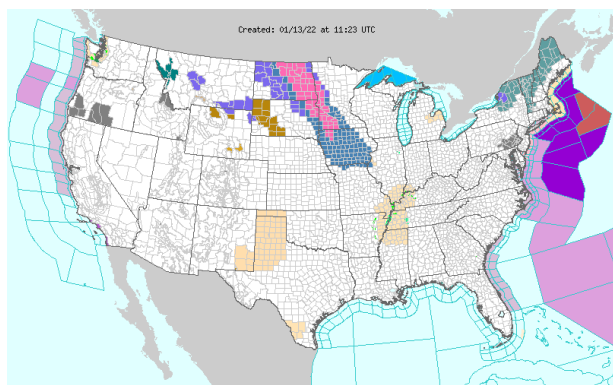
- > Save the Date...Jan 17th...Martin Luther King Jr. Day, National Holiday in the US
- > Save the Date...Jan 18th...NOPA Crush
- > Save the Date...Jan 26th...FOMC Meeting results
- > Save the Date...Jan 27th...Q4 US GDP
- > Save the Date...Jan 31st-Feb 6th...Chinese Spring Festival...Omicron super spreader event?
- > Save the Date...Feb 4th...Feb 20th...The Winter Olympics...Omicron super spreader event?
- > 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
- > Libya update...Wow did not see this coming [Report: Israel in Secret Normalization Talks with Libya - Hamodia.com](#)
- > Sudan...I might think twice before going home [Sudan recalls its dismissed pro-democracy ambassadors \(msn.com\)](#)
- > Kazakhstan what's next? [Russian Troops are Leaving Kazakhstan as Tokayev Tightens Grip \(foreignpolicy.com\)](#)
- > ASF, [Melaka CM: 35 pig farms in Paya Mengkuang gazetted as African Swine Fever outbreak and control areas | Malaysia | Malay Mail](#)
- > FAW/Locust/Bird Flu all quiet today
- > Supreme Court ruling on vaccine mandates...still waiting [Companies keep mum as vaccine mandate goes to Supreme Court - Chicago Tribune](#)
- > Weekly Jobless Claims at 7:30 AM CST expected at 200,000
- > Weekly Export Sales at 7:30 AM CST Wheat expected between 200-400,000 MT, Corn 700-900,000 MT, Beans 700-900,000 MT, Meal 100-300,000 MT, Bean Oil 5-25,000 MT

Commentary:

As the great Pete Blodgett proclaimed the trade yesterday was “inundated by a firehose of USDA information.” On days like this the Conventional Wisdom (CW) crowd has trouble coming up with the new lean for the market. It takes times for the fundamental traders to work through all of their what if scenarios and fine tune their new S&D tables. That is why in this day of algo headline trading staying away from the white noise of the first 15 minutes of trading can save you plenty of money. But the numbers are in, and the CW crowd will latch on to a lean. It seems that lean is that the bad weather news for S. America has been priced and with a break in the heat and needed rain in the forecast next week the feed grain market board values at current lofty levels should shift back to being on the defensive until new N. America export demand is uncovered. This should mean minor waves of spec long liquidation and profit taking into the US three day holiday weekend. These waves of selling a reaction to the new USDA US carryout numbers. It is clear that 1.540 BBU's of corn and 350 MBU's of beans are a lot of corn and beans. As always, the bear does well, living in the reality of the USDA's world of the “What Is.” Fear not bulls, on price breaks, that should be shallow in nature the world of “What If” will return to the

marketplace. There is a long list of "What If" worries that will require risk premium. S. America weather is at the top of the list but lurking just below could be the fact that the US/NATO/Russian Ukraine peace talks do not end well. It is of note that the market bear was quick to point out in recent days that found Ukraine corn production could help offset lost yield potential of S. America...if the Black Sea becomes a war zone, good luck getting that corn.

Map is getting a bit more colorful...if you like winter this is a good thing...of note fire watches are starting to pop in N. TX



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