

MORNING GRAIN COMMENTARY

Morning Trends:
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as of 5:00 AM CST
Corn 1 to 3 higher
Wheat 4 to 6 lower
Beans 5 to 7 lower
Soy Meal .5 around
Soy Oil 30 to 35 lower

The Stories of the Day:
<p>At the intersections of Russia/Ukraine/NATO The final push before war??? Russia demands US, NATO response next week on Ukraine (msn.com) and there is this Hackers Bring Down Government Sites in Ukraine - The New York Times (nytimes.com)</p> <p>Covid Update hopefully this is the wave cresting US coronavirus: Many US hospitals are halting non-urgent procedures as Covid-19 hospitalizations rise (msn.com) and there is this update Novak Djokovic is 'the best player in the history of men's tennis' but he is leaving a 'complicated' legacy off the court (msn.com)</p> <p>Supply Chain concerns, hey the good folks of Portland, Or be careful the tunnels of old town might be used again Mounting congestion at the world's largest port in China may cause a massive blow to already weakened global supply chain (yahoo.com)</p> <p>The song of the week, at times some old school English ska can brighten anyone's day Madness - Our House (Official 4K Video) - YouTube</p>

Weather: Valid 12Z Fri Jan 14 2022 - 12Z Sun Jan 16 2022...Heavy snow for parts of the Upper/Middle Mississippi Valley on Friday...Snow for parts of the Lower Mississippi, Tennessee Valleys, and Southern Appalachians on Saturday...Pockets of rain/freezing rain over parts of the Carolinas and Southern Appalachians on Saturday...NWS

There is a ridge across much of North America but with some disturbances around the ridge and one right in the middle of it moving into the Plains. 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 Wednesday will see another shot of cold air moving into the North-Central U.S. and then spreading through much of the eastern half of the country through the end of the week. Another cold shot will set up over the weekend as the pattern turns to rounds of cold air for the rest of January. Each cold shot will come with a system that could bring some moderate showers. -DTN

NORTHERN PLAINS (LIVESTOCK): Above normal temperatures are forecast through early next week. A system is bringing some moderate to heavy snow for eastern areas on Friday, which may mess up the temperature forecast a bit. 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 growing drought and 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 on Friday and then across the east Sunday into Monday. 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): Recent heat and dryness has damaged corn and soybeans in advanced stages of growth over southern states. Some producers have buried their losses to plant their safrinha corn. Wetter conditions across central and northern zones has had an impact on quality and delayed harvest. But conditions are reversing this weekend with better chances for rain across the south and dryness across the north. Both are favorable for producers. -DTN

ARGENTINA (CORN/SOYBEANS): Hot and dry conditions continue for the day or two with highs approaching or exceeding 100F, which have put incredible stress on early-planted corn and soybeans this week. Scattered showers return this weekend and will continue for about a week in a few spurts and waves, 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 in a couple of waves, with the coldest air in the east. -DTN

EUROPE (WINTER WHEAT): Spain continues to be the lone trouble spot for winter wheat across the continent. Dryness this week continues next week and is not helpful to the Spanish crop, but most other places should still have favorable conditions. Italy is also going through a drier stretch but should have fair moisture supplies for now. -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 at times over eastern areas for the next 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 day or two, providing continued favorable moisture for cotton and sorghum development. Western Australia continues to have drier conditions for the next week. The remnants of Tropical Cyclone Tiffany will move through eastern areas next week with heavy rainfall potential that could produce flooding. -DTN

Headlines:

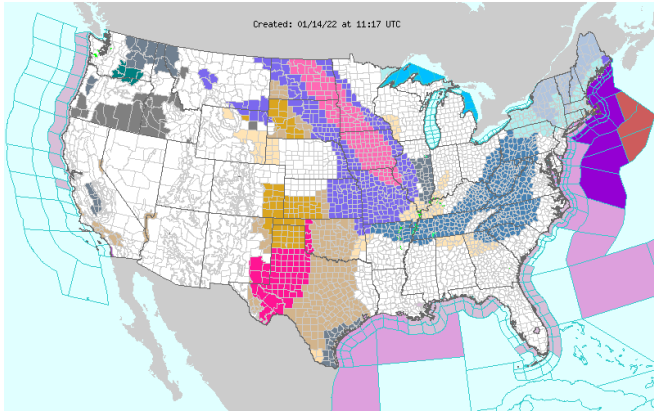
- > Malaysian March Palm Oil Market closed down 34 Ringgits
- > Dalian Futures were mostly lower corn up 8 to the Yuan, March beans down 3, May meal down 30, May bean oil down 44, May Palm oil down 24
- > Asian Equity Markets were lower, Japan's Nikkei down 1.3%, China's Shanghai down 1.0%
- > European Equity Markets are lower German Dax down .6%, London FTSE 100 down .1%
- > MATIF Markets are lower to sharply lower March Corn down 1.50 to the Euro, May Rapeseed down 6.75, March Wheat down 4.00
- > 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
- > Game Changer...I mean Changer [For BP, car chargers to overtake pumps in profitability race \(msn.com\)](#)
- > Libya update...Wow and Yuck [Militants' bodies left to rot for years, in symbol of Libya's disarray \(msn.com\)](#)
- > Sudan...still up for grabs [Protester, police officer killed in Sudan clashes \(msn.com\)](#)
- > Kazakhstan not much change...yet? [Nazarbayev and the power struggle over Kazakhstan's future | Financial Times \(ft.com\)](#)
- > ASF, in Italy not quite a Covid lock down but [Italy bans hunting, other activities in regions hit by swine fever | Reuters](#)
- > Locust Watch: [WATCH OUT FOR LOCUST SWARMS! \(dailysun.co.za\)](#)
- > FAW/Bird Flu all quiet today
- > CFTC weekly MM Funds Position Report will be out at 2:30 PM CST, we feel as of the close of 1/11 MM Funds were long 9,000 MW, long 50,000 KW, short 23,000 W, long 356,000 C, long 98,000 S, long 66,000 SM, and long 52,000 BO

Commentary:

The lean going into the three day weekend is that over the next 7-15 days key dry areas of S. America could pick up 2-4 inches of rain. You know that old saying, "it is hard to maintain a drought if it keeps on raining." But we feel the more interesting questions about the Brazilian crop is in the North. This growing seasons has been a real test of old school trading adages. For the bear, "rain makes grain." For the bull, "beans don't like wet feet." So, starting next week with the drying conditions of the Northern harvest areas we will finally start to get a handle on how the cloudy/wet growing season has impacted beans in the wet areas of Brazil. If the StoneX and Dan Basse trade projections for the Brazilian bean crop of under 135.0 MMT might start to come into focus. So, while the trade come Monday night into Tuesday is arguing over placement of rains and amounts, which is important for corn numbers in S. America, the thing we want to here about is harvest results. If we start to hear talk of harvest results that are 10-15% below expectations, then us wet feet traders might have a story to spin.

Storm system is winding up Red Flag Warnings flying in TX and the bane of winter wheat high wind warnings for S. KS



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.