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Monday, February 28, 2022

MORNING GRAIN COMMENTARY

Morning Trends:

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as of 5:00 AM CST

Corn 25 to 27 higher, but 9 off the highs

Wheat 45 to 50 higher, but 20 off the highs

Soybeans 40 to 42 higher, but 19 off the highs

Soy Meal 4.8 to 5.0 higher

Soy Oil 2.95 to 3.00 higher

Short Range Weather: A series of storms will impact the Pacific Northwest through midweek with heavy low elevation rain that could cause flooding, heavy mountain snow, and high winds along the Rocky Mountain Front.-NWS

The Stories of the Day:

Russian Invasion: Russia Stumbles in Biggest Test of Its Military Force (msn.com) How Zelensky changed the West's response to Russia (msn.com) Russians line up at banks, prices may rise after sanctions (msn.com) Russia-Ukraine live updates: Invasion meets fierce resistance; high-stakes talks on Belarus border begin (msn.com)

Covid Update: New Covid vaccinations drop in US as cases and hospitalizations decline | US news | The Guardian

Least we forget 'A damning indictment': U.N. releases dire new climate change report (msn.com)

Ukraine/Russia fight, in urban warfare the great equalizer…Drones Ukrainian drone strikes Russian missile launcher (msn.com)

On the lighter side… Miguel Angel Jimenez hits two hole-in-ones in same tournament (msn.com)

Long Range Weather: There is a ridge across most of the U.S., a trough in Hudson Bay, and another trough in the Eastern Pacific. The western trough will break into pieces but send one of them into the West late this week. A ridge will redevelop in the Eastern Pacific and push the trough eastward next week, where it will expand across much of North America. The U.S. and European models are fairly similar through the period, but have some differences developing the storm systems late this week going into next week. I will use a blend, but favor the European. For the outlook period, temperatures on Saturday will be below normal in the West and Northern Plains and above normal elsewhere. Cooler temperatures will slowly build eastward through the period. A large system will facilitate the spread of the cold air this weekend with a secondary system following behind it for next week to help push the colder air farther southeast. Heavy mixed precipitation will be possible with both systems. -DTN

NORTHERN PLAINS (LIVESTOCK): Dry conditions were noted over the weekend with warm temperatures across most of the region melting quite a bit of the snow cover in the region. The warmth will only last a few days and cold will return by the end of the week as a strong system to the south pulls down some colder air. Some light precipitation will fall across the region through the week before the system moves through. -DTN

CENTRAL/SOUTHERN PLAINS (LIVESTOCK/WINTER WHEAT): Outside of some showers in the far southeast, dry weather was noted over the weekend with increasing temperatures. Dry weather continues for most of the week, but a storm system will move right through the region late this week with a secondary push Sunday into Monday. Scattered mixed precipitation is likely with the systems, but chances for meaningful precipitation across the southwest drought areas continues to be low for winter wheat that is exiting dormancy. -DTN

MIDWEST (CORN/SOYBEANS/WINTER WHEAT): Dry weather occurred over the weekend with increasing temperatures that melted much of the snowpack outside of far northern areas. Soggy soils will be a concern for early planting of corn and soybeans later in March. A strong storm system late this week into the weekend and a secondary push early next week will add to the wetness concerns across the east. But precipitation across the Upper Midwest will improve soil moisture, especially in drought areas. -DTN

PACIFIC NORTHWEST (WINTER WHEAT): Some limited showers moved into the region over the weekend and waves of showers will move through northern areas for much of the week, which should improve soil moisture. A stronger system will move through late this week with more widespread showers into the weekend. -DTN

BRAZIL (CORN/SOYBEANS): Showers were isolated over the weekend, allowing for more fieldwork to commence for most areas. More widespread showers are expected this week, including across drought areas in the south and should improve soil moisture for safrinha corn. Forecasts have mostly improved shower chances across southern areas through mid-March, which may go a long way for corn. Dryness that is forecast for the second half of March may undo some of the beneficial rainfall, however. -DTN

ARGENTINA (CORN/SOYBEANS): Scattered showers fell over the weekend, improving some soil moisture across the country. Showers continue across the north through Tuesday and another system is forecast to bring widespread showers through the area Friday through the weekend. While showers will provide some benefit for corn and soybeans, and be especially timely for some areas, dryness that follows for the rest of March will continue concerns over production. -DTN

CANADIAN PRAIRIES (LIVESTOCK): Temperatures will trend colder through the week, especially at the end of the week as a trough builds into the region for several days. Precipitation will slide through the region periodically through the week, which may help to build some snowpack prior to the spring thaw. -DTN

EUROPE (WINTER WHEAT): A system moving into the Mediterranean produced scattered showers across south this weekend, including in Spain where dryness has been a larger concern over the winter. The Mediterranean storm will continue to produce showers for southeastern areas over the next couple of days and a few storm systems will move through western areas this week as well. Some additional beneficial showers will move through Spain later in the week. Conditions for winter crops remains mostly favorable outside of Spain, which still needs more moisture. -DTN

NORTH AFRICA (WINTER WHEAT): Some isolated showers moved through the region over the weekend and continue eastward early this week, but the drought continues to be a large concern for vegetative winter grains. More showers are forecast late this week and weekend but will be spotty. -DTN

Headlines:

> Malaysian May Palm Oil Market, bounce back Monday May Palm Oil up 326 Ringgits

> Dalian Futures were mostly lower to sharply lower May Corn up 3 to the Yuan, July Soybeans down 205, May Meal down 147, May Bean Oil down 218, May Palm Oil down 304

> Asian Equity Markets, were slightly higher, Japan’s Nikkei up .2%, China’s Shanghai .3%

> European Equity Markets are lower German Dax down 2.1%, London FTSE 100 down 1.7%

> MATIF Markets are sharply higher June Corn up 16.25 (18 off the highs) to the Euro, May Rapeseed up 37.50 (20 off the highs), May Wheat up 17.25 (7 off the highs)

> Carnival!!!...much of Argentina and Brazil on holiday today and tomorrow

> Save the Date…March 1st... President Biden’s State of the Union Address

> Save the Date…March 4th…US employment numbers…expected 415,000 new non-farm jobs created in Feb vs. 467,000 in January…unemployment rate at 3.9% vs. Jan's 4.0%

> Save the Date…March 9th…USDA S&Ds

> Save the Date…March 13th…US returns to Daylight Savings Time

> Save the Date…March 16th…FOMC meeting results

> Save the Date…April 4th Return of the weekly crop updates from the USDA

> US Bird Flu…Detroit Zoo moves birds inside due to Avian Influenza concerns (msn.com)

> World Supply Chains stressed, and this is not helping… Ransomware hackers are now going after supply chain companies (msn.com)

> Speaking of stressed supply chains, GASC in looking for wheat

> Fall Armyworms/Locust/ASF all quiet today

> CFTC Weekly MM Fund Position Report on Friday found that as of the close of 2/22 the MM Funds were long 6,983 MW, long 40,780 KW, short 18,053 W, long 354,435 C, long 180,334 S, long 90,417 SM, long 79,200 BO

> CME Ag Limits for today, KW and W .75, C .35, S 1.35, SM 25.0, BO 4.0

> CME Ag Deliveries KW 92 contracts, W 240, C 0, S 2, SM 0, BO 28

Commentary:

Well, first and foremost our thoughts and prayers go out to all the innocence people impacted by the Russian Invasion of the Ukraine. Over the weekend the West has issued unprecedented sanctions on Russia. Between the stiff resistance by the Ukrainians and the sanctions that could cripple the Russian economy, the question on what comes next is clearly placed upon President Putin. President Putin at some point will have to tell the Russian people why their economy is being pushed into the Iran/N. Korea piranha nation list. He will have to share with the Russian people why the potential hardships ahead are important for them to all share. We have said it before and we will say it again, in this era of Covid there is an anger out there from Western Democracies to Dictatorships. It feels more than ever that the have nots of the world are tired of the 1% ruling class setting rules that do not apply to themselves. Much like in the early 2010s, at the dawn of the Arab Spring, people are tired of social and economic inequalities. Governments around the world are worried. They are worried that a growing mass of people are, "…mad as hell and they are not going to take it anymore." Governments from Kazakhstan to Kansas City are on point, making sure a "Howard Beale" moment does not spark protests that get out of hand. I'm mad as Hell and I'm not going to take this anymore - Bing video

East of the Rockies, a nice calm start to the work week

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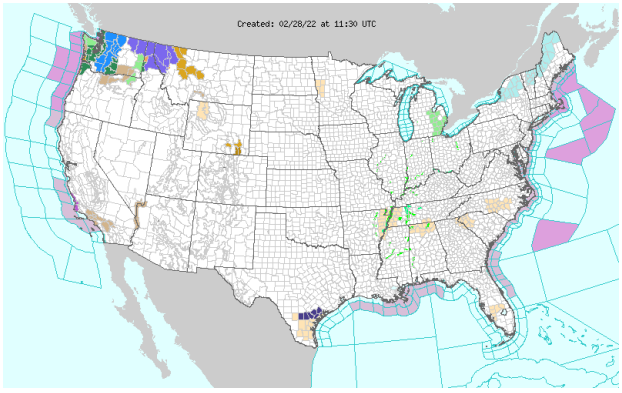
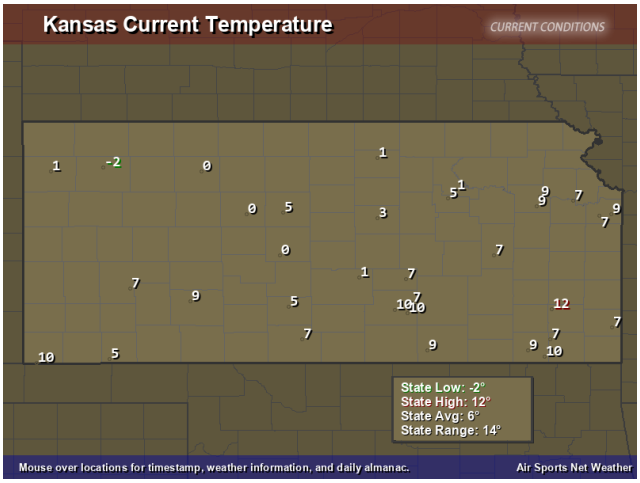
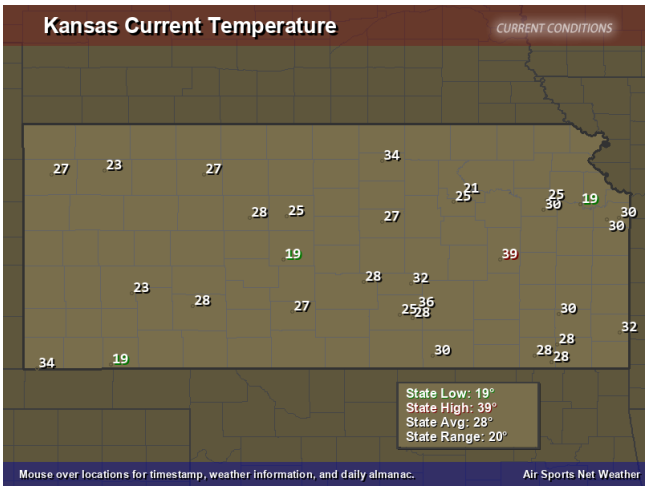


KS Temps as of 5:00 AM what a difference a weekend can make…below last Friday below that today





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 PERFORMENCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.

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