

MORNING GRAIN COMMENTARY

Morning Trends:

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as of 5:00 AM CST

Corn 4 to 6 higher

Wheat 3 to 5 higher

Beans 9 to 11 higher

Soy Meal 3.0 to 3.5 higher

Soy Oil 35 to 40 higher

Nearby Weather: A mild air mass combined with offshore flow will continue to produce unseasonably warm temperatures in California, especially, southern California.

Meanwhile, a Canadian cold front

will bring snow and gusty winds to the Upper Midwest. The front will be followed by a surge of Arctic air. Gusty winds from this front will produce elevated-to-critical fire weather threats for parts of the Plains-NWS

The Stories of the Day:

At the intersections of Russia/Ukraine/NATO fear of war mounts...[Russian parliament mulls delaying vote on recognising eastern Ukraine \(yahoo.com\)](#) **we have been talking about this for three days, this is important Ukraine says Russian drills in Black Sea made shipping 'virtually impossible' (yahoo.com)** **China where will you get your nearby corn from? Russian Navy Threatens Ukraine From Black Sea (foreignpolicy.com)**

Covid Moderna study says vaccine reduces symptomatic infection, contagiousness: COVID-19 updates (msn.com)

Inflation what the Fed might do To fight inflation, the Fed may resort to a tool it hasn't used since 2000 (msn.com) calm down everyone **High inflation is sticking around, but it likely peaked months ago. Here's why. (msn.com)**

Holiday time for some (National Foundation Day in Japan) the rest we remain on the Chain gang [The Pretenders - Back On The Chain Gang HQ Music - YouTube](#)

Long Range Weather: There is a ridge in the Eastern Pacific and along the West Coast with a couple of troughs around central and eastern North America and another trough out by the Aleutian Islands. The disturbance out in the Aleutians will be the one to watch as it moves through the ridge and into the West early next week, then pushes eastward through the country next week. The ridge will begin to flatten at the end of next week and spread across the country next weekend as we start a major pattern change for the end of February going into March. The U.S. and European models are in fair agreement, though there are some differences with how they develop some of these systems, especially the one next week. I favor the European with those differences. For the outlook period, temperatures on Wednesday will be near normal in the West and above normal in the East. Temperatures will fall a bit below normal as a system moves through the country late next week but rise in most places next weekend going into the following week. That system could bring moderate to heavy precipitation to a wide area of the country mid-late next week. -DTN

NORTHERN PLAINS (LIVESTOCK): Above normal temperatures are generally forecast for the next week as systems bring the colder air to the east. Stress for livestock will be on the lower end of the spectrum. The system that goes through the rest of the country mid-late next week will mostly miss the region. -DTN

CENTRAL/SOUTHERN PLAINS (LIVESTOCK/WINTER WHEAT): Some isolated showers will fall across the region Friday into Saturday, but amounts will be low, and showers will be spotty. We will watch for the potential of a stronger storm system in the middle of next week. Models are mixed on its development and impact across the region but may have the potential for more widespread meaningful precipitation. -DTN

MIDWEST (WINTER WHEAT): The cold front to a clipper is sending temperatures below normal again for a few days. Another clipper will follow behind that one over the weekend with some light snow. Heavier precipitation is likely for a good portion of the area mid-late next week as a deeper system moves through the region. -DTN

PACIFIC NORTHWEST (WINTER WHEAT): Only slight chances for isolated showers exist for the next 10 days. Drought is likely to return to growth because of recent dryness. -DTN

BRAZIL (CORN/SOYBEANS): Scattered showers will continue across central and northern areas for the next week. A few showers will be possible across southern areas over the weekend with another frontal passage but will be spotty and not helpful for corn. Producers in central and northern areas continue to dodge showers to harvest soybeans and plant safrinha corn, but soil moisture in these areas is quite good. -DTN

ARGENTINA (CORN/SOYBEANS): The country will be in another dry stretch for the next couple of weeks, broken up by some isolated showers moving through the country through Saturday and another late next week. But coverage and amounts look poor and insufficient overall. Drier conditions with temperatures in the 80s and 90s will continue to stress crops. -DTN

CANADIAN PRAIRIES (LIVESTOCK): Above normal temperatures remain in the forecast for the next week as clippers generally bring colder temperatures to the east. Manitoba may still have some colder temperatures at times, but the west will stay warm. Snowpack is likely to melt under these conditions, making for some muddy fields and increased stress to livestock. -DTN

EUROPE (WINTER WHEAT): A cold front will slide south through the continent over the next day or so but is not forecast to produce much precipitation. A storm system will bring more widespread showers to the west this weekend and open the door for more showers across most of the continent outside of Spain for next week. Dryness in Spain has been growing over the last few months and is concerning for vegetative wheat and other winter crops. 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. Dryness continues through the weekend with some isolated showers sliding west to east next week. Vegetative wheat overall is in poor condition across most of the region, but much better in the east. -DTN

Headlines:

- > Malaysian April Palm Oil Market up 45 Ringgits
- > Dalian Futures were mixed May corn down 7 to the Yuan, March beans up 8, May meal up 8, May bean oil down 52, May Palm oil down 64
- > Asian Equity Markets, were mostly lower Japan's Nikkei XX%, China's Shanghai down .7%
- > European Equity Markets are lower German Dax down .9%, London FTSE 100 down .9%
- > MATIF Markets are higher March Corn up 2.50 to the Euro, May Rapeseed up 7.0, March Wheat up 4.50
- > Save the Date...until Feb 20th...The Winter Olympics...Omicron super spreader event? Not if China can help it
- > Save the Date...Feb 14th...Pitchers and Catchers start to report, Hey MLB its time Deal or No Deal?
- > Save the Date...Feb 15th...NOPA Crush
- > Save the Date...Feb 21st...US National Holiday
- > Save the Date...Feb 24th...4Q US GDP

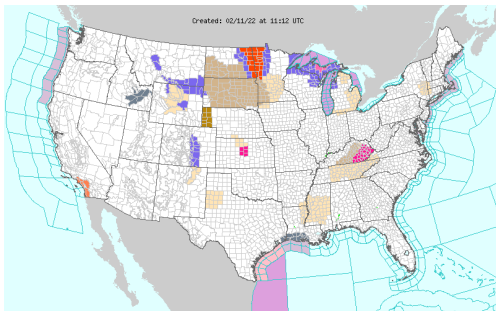
- > Save the Date...Feb 24th-25th...USDA Outlook Forum...USDA Agriculture Sec Vilsack on February 24 will discuss U.S.-China agricultural trade relations
- > Save the Date...March 13th...US returns to Daylight Savings Time
- > Save the Date...April 4th...the return of the weekly crop updates from the USDA
- > Bird Flu...kind of feels like this is only the beginning [Bird flu found on poultry farm in Indiana, nearly 30,000 turkeys killed to contain spread \(msn.com\)](#)
- > ASF...sounds like more meal to us [Philippines: DA partners with agro firms to produce quality, healthy swine breeders | Agrifish | POST Online Media \(poandpo.com\)](#)
- > Locust/FAW all quiet
- > CFTC weekly MM Funds report will be out at 2:30 PM CST...as of the close of 2/8 we feel the MM Funds were long 4,500 MW, long 41,000 KW, short 23,452 W, long 363,551 C, long 175,981 S, long 87,743 SM, long 71,476 BO

Commentary:

There is an old saying in the trading world, "you place your bets and take your chances!" The question of the day remains the question from yesterday, and the day before and the week before that, will Putin move from a hybrid war with the Ukraine to a full on conventional engagement to pursue his dream of expanded influence on the continent? Headlines about war or no war continue to move the macro and grain markets on a daily basis. But drilling down below the headlines at some point you ask yourself what is the "Smart Money" betting on?

According to a DJ report the smart money seems to be betting on no war. In the month of February, the Ukraine Hryvnia is up 1.5% and the Russian Ruble is up 3%. The story goes on to say that the smart money, the index hedge crowd if you will, now has their biggest accumulation of Rubles in the last 23 months. So, forgive us if our MM Fund Position report is a tad late this afternoon. In today's report the first thing we will be looking at is the currency section.

Today it's kind of snowy in the Red River Valley



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