

MORNING GRAIN COMMENTARY

Morning Trends:

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as of 5:00 AM CST
 Corn 2 to 4 lower
 Wheat 5 to 7 lower
 Soybeans 2 to 4 higher
 Soy Meal .5 around
 Soy Oil 75 to 80 higher

Short Range Weather: The threat of severe thunderstorms will exist in the Midwest and Ohio Valley through Friday. Elevated to critical fire weather conditions will be in place across the Four-Corners through the weekend. Early season heat with likely record high temperatures will spread from the South into the Ohio Valley, Mid-Atlantic, and Northeast on Friday, Saturday and perhaps Sunday.- NWS

Long Range Weather There is a ridge in the Southeast and a large trough from the Southwest to Hudson Bay. A large portion of the trough will lift northeast into Canada over the weekend, but a part of the trough will be left behind and deepen across the middle of the country early next week. It will push eastward then through late next week. Another trough will move into the West next weekend. The U.S. and European models are fairly similar with the overall pattern. I will use a blend but favor the European. For the outlook period, temperatures on Wednesday will be below to well below normal across the Central and near to above normal on the both coasts. Temperatures will rise next week with colder air moving back into the West next weekend. A disturbance will move from the Plains eastward with a somewhat organized storm system late next week. Another system will move into the northwest quarter of the country next weekend and spill into the Plains as well. -DTN

NORTHERN PLAINS (WHEAT/LIVESTOCK/CORN/SOYBEANS): A system brought widespread light to moderate rainfall across the region on Thursday and continues on Friday with a mix of rain and snow. There could be some accumulations in spots. Well below normal temperatures will be in place going into next week. Frosts will be possible, but the impact to agriculture will be quite low due to the delayed spring planting. Another couple of disturbances will bring scattered showers through the region next week. Planting progress continues to be slow which looks to be the case for a while as the weather pattern remains active going into June. -DTN

CENTRAL/SOUTHERN PLAINS (CORN/SOYBEANS/LIVESTOCK/WINTER WHEAT): A front is moving through the region with areas of showers through the weekend. Colder air moving in is creating snow in the Colorado

The Stories of the Day:

Russian Invasion: [Russia-Ukraine war: Donbas region turned into 'hell', says Zelenskiy; pro-Russian hackers accused of attack in Italy – live \(msn.com\)](#) [U.S. Preparing Plan To Destroy Russia's Black Sea Fleet—Ukraine \(newsweek.com\)](#) [US accuses Russia of weaponizing food in Ukraine war \(msn.com\)](#) [Putin Under Pressure to Fold Ukrainian Territory Into Russia \(msn.com\)](#) [Russia Hit Harder by Sanctions Than Expected as Putin Faces Deep Recession \(msn.com\)](#)

While the gaze of Moscow is focused on the Ukraine regional issues are on the boil [Central Asia Could Be the Key to Driving a Wedge Between Russian and China \(msn.com\)](#)

Covid Update: Between a rock and hard place [Why is Xi Jinping doubling down on a 'zero-Covid' policy that is causing massive economic distress and public anger in China? \(msn.com\)](#)

President Biden on the move [Biden starts Asia trip with global issues and tech on agenda - The Boston Globe](#)

Pakistan starts a new austerity program...got to believe this will not sit well...for me I draw the line at Cornflakes
<https://www.dawn.com/news/1690468?s=03>

Hey Mr. Kim what's popping [Kim Jong-Un Preparing To Welcome Biden With Nuclear, Missile Tests, US Warns \(msn.com\)](#)

foothills going into Saturday. A disturbance will bring more widespread showers to the region on Monday and Tuesday, but it is unclear if the showers will be enough for stabilizing damaged wheat. -DTN

MIDWEST (CORN/SOYBEANS/WINTER WHEAT): A front will continue to bring scattered showers through Sunday. Areas of severe weather and organized showers will slow down planting progress in places. Colder temperatures will move through behind the system, being coldest across the west going into next week. Another storm system will move through around the middle of next week with more widespread showers and causes for planting delays. -DTN

DELTA (SOYBEANS/COTTON): After a drier stretch this week, a stronger cold front will move through Saturday and Sunday, bringing more organized showers through and also cooler temperatures, which will improve soil moisture and reduce stress in some of the somewhat drier areas across the south. More showers are anticipated next week as another system moves through, maintaining or improving soil moisture. -DTN

PACIFIC NORTHWEST (WHEAT): Another cold trough is moving through the region. Showers from it are benefiting soil moisture but the cold temperatures are keeping growth slow for wheat. The showers will dry up over the weekend with a drier stretch through much of next week, which may bring some better sunshine and some warmer temperatures for better growth. -DTN

BRAZIL (CORN): Soil moisture continues to be critical in central Brazil for safrinha corn in the pollination and grain-fill stages of growth. Cold air may lead to some frosts across the southern areas through Saturday morning. If it does get cold enough, frost would create significant damage to the crop that is pollinating to filling. -DTN

ARGENTINA (CORN/SOYBEANS/WHEAT): Dry weather has promoted harvest of corn and soybeans, along with planting of winter wheat. Wheat has seen lower amounts of moisture lately and could use more for good germination. A front moving north through the country next week may provide some spotty showers, but northern areas of the country are likely to see better shower coverage. -DTN

CANADIAN PRAIRIES (LIVESTOCK/WHEAT/CANOLA): The eastern half of Saskatchewan and Manitoba are too cold and wet for much planting progress to be done. Some recent showers across the western half of the region benefited soil moisture where drought still exists. Cold temperatures moving in behind a storm system will last into next week, continuing to keep soil drainage and subsequent planting slow in eastern areas. The cold will not be good for western areas either, where frosts would be a concern. -DTN

EUROPE (WINTER WHEAT/CORN): Temperatures well above normal in western Europe coincide with drier areas and wheat will feel some stress. The heat will end over the weekend with some showers, which may provide some relief. Over the east, soil moisture and temperatures are much better and crops are overall in better shape. Some better shower chances will occur over the continent next week with a couple of systems moving through. That includes across the northwest dry spots. -DTN

BLACK SEA (WINTER WHEAT/CORN): Colder temperatures continue in the region through next week. They may be cold enough to produce some patchy frost at times, more likely over Russia. Frosts may have some impact on some advanced wheat, though growth has been slower this spring, which continues with the colder air. Periods of showers will come with the colder air and soil moisture may improve in spots. -DTN

AUSTRALIA (WINTER WHEAT/CANOLA): Heavy rain moved through the eastern states of Australia last week, causing some flooding in spots which may have had an impact on winter wheat and canola planting and early establishment. But the increased soil moisture for most of the region should be good in the long run. More wet weather is coming this weekend into next week. Showers do not look to produce widespread flooding. -DTN

Headlines:

- > Malaysian August Palm Oil Market closes up 47 Ringgits Palm oil prices reversed early losses to finish higher in Asian trade after Indonesia said local producers will be required to set aside some output for the domestic market, a day after the government pledged to lift its export ban. The implication is that Indonesia won't be participating fully in the global export market, which will be a boost for Malaysian palm oil, says Singapore-based Palm Oil Analytics co-founder Sathia Varqa. -DJ
- > Dalian Futures markets were mixed Sept Corn down 5 to the Yuan, July Soybeans up 30, Sept Meal up 26 Sept Bean Oil up 28, Sept Palm Oil down 22
- > Asian Equity Markets were mostly higher Japan's Nikkei up 1.3%, China's Shanghai up 1.2%
- > European Equity Markets are mostly higher, German Dax down .9%, London FTSE 100 up 1.5%
- > MATIF Markets are mixed Aug Corn down 1.25 to the Euro, Aug Rapeseed up 2.75, Sept Wheat down 2.50
- > Save the Date...May 23rd...Victoria Day, Canada
- > Save the Date...May 26th...US 1Q GDP
- > Save the Date...May 30th...US Memorial Day
- > Save the Date...June 3rd...Dragon Boat Races China
- > Save the Date...June 3rd...Queen's Jubilee UK
- > Save the Date...June 3rd...
- > Diesel price rise <https://www.nationalreview.com/the-morning-jolt/why-diesel-fuel-costs-are-really-rising/>
- > In Asia, the Shanghai Composite Index rose 1.2% to 3,134.21 after the Chinese central bank reduced its rate on a five-year loan, which would shore up weak housing sales by cutting mortgage costs. The one-year loan rate that affects commercial borrowers was left unchanged. -AP
- > French Wheat <https://www.reuters.com/business/environment/french-cereal-crops-suffer-hot-spell-worsens-drought-2022-05-20/>
- > Pay Me My Money Down: [Carpenters Trade Union Bets Big On America's Transition To Renewable Energy \(yahoo.com\)](http://Carpenters Trade Union Bets Big On America's Transition To Renewable Energy (yahoo.com))
- > FAW [Mizoram Reports Fresh Outbreak Of 'Fall ArmyWorm \(FAW\)'; 7 Districts Affected \(northeasttoday.in\)](http://Mizoram Reports Fresh Outbreak Of 'Fall ArmyWorm (FAW)'; 7 Districts Affected (northeasttoday.in))
- > Locust/ASF all quiet today
- > I guess we have to go here but man the pics are tough [The symptoms and causes of monkeypox infections, which CDC calls an 'emerging issue' \(msn.com\)](http://The symptoms and causes of monkeypox infections, which CDC calls an 'emerging issue' (msn.com))
- > Bird Flu...Avian flu in Idaho killing more than 50 birds in Kuna | ktvb.com
- > Sources cited by Reuters on Thursday say the Argentina government may increase their 21/22 grain export limit to 35 mln mt from the current 30 mln mt limit. The move may come public once the late corn harvest progress is better accounted for. The crop is 44% harvested so far. -QT

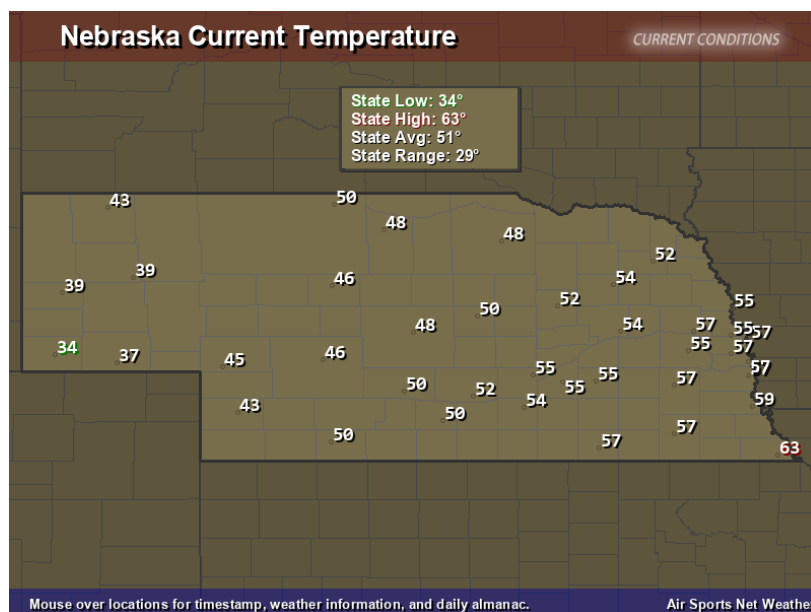
> India is considering allowing traders to ship out some of their wheat sitting at ports after a sudden ban on exports of the grain prevented dealers from loading cargoes, trade and government sources said on Thursday. New Delhi banned wheat exports on Saturday, as an intense heat wave hit output and domestic prices hit a record high. The sudden ban on wheat exports trapped about 1.8 million tonnes of the grain at ports, potentially forcing traders to take heavy losses. On Tuesday, the government allowed grain awaiting customs clearance to be shipped out. But traders are pressuring the government to further relax its ban. -QT

> Hey, it was worth a shot, but we all know this was coming: Russia dismissed calls from top United Nations and Western officials to halt a Black Sea blockade that has prevented Ukraine from exporting much of its grain to world markets, causing price hikes and exacerbating food shortages. -DJ

> Weekly CFTC MM Funds Position Report will be out at 2:30 PM CDT as of the close of 5/17 we feel the MM Funds were long 19,500 MW, long 48,000 KW, long 88,000 W if realized a record long, long 364,000 C, long 170,000 S, long 59,000 SM, long 96,000 BO

Commentary: One of our overriding themes for 2022 is that there is a lot of anger in the world. There is a lot of anger in the world and world governments know this. They know that the impact of the fight against Covid has left people angry. They know that the fight against Covid is causing supply problems and shortages around the world. They know the Ukraine war and its costs and impact is causing financial hardships and fueling world inflation. Governments around the world know that when people are left hungry and hopeless, they tend to take to the streets. Their anger is focused on the people in charge that are controlling the levers of power in their countries Governments around the world know that they have little control over the hopelessness that Covid has inspired in countries around the world. What countries can do is to try to continue to provide basic services. But as the Pakistan article in our top stories point out emerging markets are going to have a tough time in paying for basic needs. And if basic needs cannot be met, well let's just say it is time buckle up world this is going to be a bumpy ride for the next 6 months.

Baby its kind of cold outside



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Friday, May 20, 2022

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.