

MORNING GRAIN COMMENTARY

Morning Trends:
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as of 5:00 AM CST
Corn 10 to 12 higher
Wheat 23 to 25 higher
Soybeans 10 to 13 higher
Soy Meal 3.5 to 4.0 higher
Soy Oil 5 to 10 higher

Short Range Weather: The intense heat in the Northeast and Mid-Atlantic will linger one more day, the persistent heat in the south-central U.S. will last a few more days and a dangerous heat wave will build across the Northwestern U.S. this week. Severe storms are likely in the Northeast and Mid-Atlantic on Monday. Heavy to excessive rain may produce flooding in the Four Corners region and Ohio Valley this week. -NWS

Long Range Weather: A large ridge in the U.S. is splitting into two pieces with one shifting into the Southeast and the other strengthening along the West Coast. This will force a piece of a trough in Alaska to move south into the Central U.S. this week but will not stay long. The western ridge will start to overspread the country and Canada again over the weekend and sit in the Central U.S. by the middle of next week. The U.S. and European models are in pretty good agreement overall. I will use a blend but favor the European with any differences. For the outlook period, temperatures on Saturday will be near to below normal across the middle of the country with heat in the West and in the East. Temperatures will rise next week as the ridge envelops most of the country. Cooler temperatures may move into the Pacific Northwest, however. A stalled and lingering front will keep showers going from the Southern Plains into the Mid-Atlantic over the weekend into early next week. Small disturbances moving over the top of the ridge will create some isolated showers for the northern Corn Belt, but mostly in the Canadian Prairies. -DTN

NORTHERN PLAINS (WHEAT/LIVESTOCK/CORN/SOYBEANS): A couple of strings of moderate showers moved through over the weekend, but many areas remained dry. More showers are moving through ahead of and along another cold front moving into the region Monday and Tuesday, but the region will be a bit drier for the rest of the week. Soil moisture is starting to decline in a lot of the region, except where showers are hitting more frequently. Wheat is still in good shape, but we are starting to see more stress coming to corn and soybean crops. Cooler temperatures will be around most of the week, but we will see that increasing this weekend and especially next week, producing more stress. -DTN

The Stories of the Day:
<p>Russia/Ukraine Live updates: Russia's war in Ukraine (cnn.com) Live updates: Russia-Ukraine war updates for July 25, 2022 (cnbc.com) Russia's Odesa attack shows its true colors after Ukraine grain export deal - CNN Ukraine warns grain export deal will stall if there are further Russian airstrikes on key ports – as it happened Ukraine The Guardian China Steps Back: Belt And Road Spending In Russia Drops To Zero To Avoid Sanctions Amid Ukraine War (msn.com)</p> <p>Central Asia, the Giant is Waking It is Time for Central Asia to Unleash Its Full Potential, Says Kazakh Deputy Foreign Minister - The Astana Times</p> <p>Covid: Think You've Never Had Covid-19? Think Again. - WSJ Biden's coronavirus symptoms: White House says they're improving significantly : NPR</p> <p>China the cost of zero tolerance... This sounds nice China Puts iPhone Maker, CNOOC Into Shenzhen 'Closed Loop' to Battle COVID Bloomberg News (usnews.com) and this China investigates top official responsible for overseeing banks that imposed a corralito (msn.com)</p> <p>German Recession Germany 'on Brink of Recession' as Business Confidence Falls (msn.com)</p>

CENTRAL/SOUTHERN PLAINS (CORN/SOYBEANS/LIVESTOCK): Some showers went through over the weekend but were spotty where they hit. Two fronts moving south through the region this week will be bringing cooler temperatures to most of the region outside of Texas. The second front will stall across the south with periods of showers later this week, however, offering stress reduction to most of the region. But it will not last long as heat builds back in next week. -DTN

MIDWEST (CORN/SOYBEANS): Scattered showers and plenty of severe weather moved through the region over the weekend. Some areas of crop damage were likely to have occurred but were probably isolated. The front from the weekend continues to slowly sag south across the region through Tuesday and will be followed by another Wednesday and Thursday. The fronts will bring scattered showers and they could be very helpful for some of the drier areas scattered around the region. The fronts will also bring in much cooler temperatures. However, the coolness will not last long and heat is forecast to build back in next week. -DTN

DELTA (SOYBEANS/COTTON): Isolated showers fell across southern areas of the weekend, but most areas were hot and dry, stressing soybeans and cotton. A front will sag south into the region later in the week and stall out, allowing for several days of showers going through the weekend. Any showers would be welcome, but the heat will also relax as the front moves in, giving a brief break as well. However, temperatures will increase next week while showers get more isolated and a return to stressful conditions will be possible. -DTN

PACIFIC NORTHWEST (WHEAT): Soil moisture continues to decline in the region due to heat and a lack of rainfall recently. Heat and dryness will be the theme all week long, waiting for a trough to build into the region sometime next week to bring the potential for some showers and cooler temperatures. Crop conditions continue on more of a downward trajectory for the end of the season. Conditions are favorable for winter wheat harvest, however. -DTN

BRAZIL (CORN/WHEAT): Favorable weather continues for both remaining corn harvest and wheat development. A system building in Argentina will bring its front through the region later this week with some scattered showers, favoring wheat. -DTN

ARGENTINA (WHEAT): A slow-developing system will bring scattered showers to much of the country through Thursday before the front to the system shifts north. Scattered showers moving over wheat areas will be helpful, but more are needed to reduce drought stress for wheat establishment. -DTN

CANADIAN PRAIRIES (LIVESTOCK/WHEAT/CANOLA): Soil moisture is mostly favorable across the region. A few showers went through over the weekend, but many areas remained dry. Another front moving through on Monday will bring chances for more showers but also much cooler temperatures, which will reduce stress for any of those drier areas. The pattern looks to get more active this weekend and next week as the storm track returns to the region. -DTN

EUROPE (WHEAT/CORN): Heat remained across southern areas of the continent over the weekend while some showers moved across northern areas. Another burst of heat was building north on Sunday but will be pushed aside by another system moving through Tuesday and Wednesday. The front will not make it very far south and heat and dryness are expected to continue for the southern half of the continent this week. After another weak disturbance passes through northern areas this weekend, heat looks like it could build back up north yet again. Heat and a lack of showers will stress some corn areas, though wheat will likely enjoy more favorable harvest conditions. -DTN

BLACK SEA (WINTER WHEAT/CORN/SUNFLOWERS): Scattered showers continued over the weekend, favoring reproductive corn and sunflowers, and perhaps limiting some wheat harvest. While temperatures will increase a little this week, showers are forecast to remain in the region, maintaining mostly good conditions for corn and sunflowers. -DTN

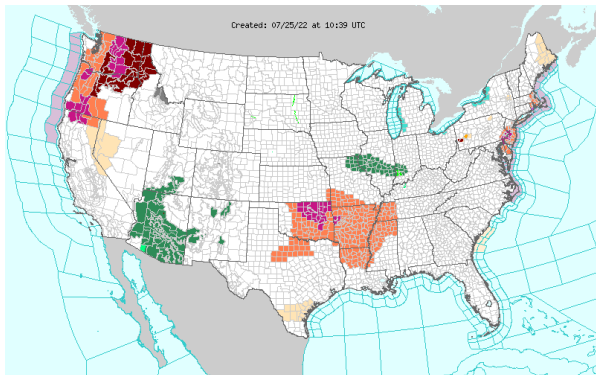
AUSTRALIA (WINTER WHEAT/CANOLA): Scattered showers moved across western and southern areas over the weekend. The showers coming to the southeast are very welcome, though soil moisture is still mostly favorable across the country. After a system exits Monday, the country will be a bit drier, but conditions are still mostly favorable for a good wheat and canola crop this year. -DTN

Headlines:

- > Malaysian Oct Palm Oil Market closed down 58 Ringgits
- > Dalian Futures markets were higher Sept Corn up 3 to the Yuan, Sept Soybeans up 8, Sept Meal up 31, Sept Bean Oil up 24, Sept Palm Oil up 40
- > Asian Equity Markets were lower Japan's Nikkei down .3%, China's Shanghai down .1%
- > European Equity Markets are slightly lower, German Dax down .3%, London FTSE 100 down .1%
- > MATIF Markets are mixed Nov Corn up 4.50 to the Euro, Nov Rapeseed down 1.75, Dec Wheat up 4.50
- > Save the Date...July 27th...FOMC Meeting results
- > Save the Date...July 28th...US GDP 2Q
- > Save the Date...Aug 3rd...OPEC Meetings
- > Save the Date...Aug 5th...US Employment Numbers
- > Save the Date...Aug 10th...CPI
- > Save the Date...Aug 12th...USDA S&D Report
- > Save the Date...Aug 15th...NOPA Crush
- > Save the Date...Aug 25th...2Q US GDP
- > Save the Date...Oct 2nd...Brazil goes to the poles
- > Pay Me my Money Down: [Independent truckers block Oakland port in days-long protest of labor law \(wdbj7.com\)](#)
- > Arab Spring 2.0... [Is Panama Next for a Hard Left Turn? - WSJ](#)
- > Brazil this might not end well [Brazil's Bolsonaro officially launches re-election bid, says army on his side | Reuters](#)
- > Bird Flu UK [Farne Islands: Bird flu death toll passes more than 3,000 - BBC News](#)
- > FAW the summer counter attack begins [Caterpillars are destroying Missouri fields. But pheromones might stop them. | Local Business | stltoday.com](#)
- > Locust/ASF all quiet today
- > CFTC MM Funds Position Report showed as of the close of 7/19 the MM Funds were long 982 MW, long 11,868 KW, short 6,816 W, long 125,303 C, long 87,832 S, long 66,588 SM, long 17,844 BO

Commentary: Inflation fears will reach their high-water mark for the rest of the summer with the release of the FED FOMC meeting results on Wednesday. The lean in the market remains looking for a .75 increase in US interest rates on this report. Expectations feel that the notes from the report will call for another .75 increase in the Sept meetings. The impact of the recent moves of the FED in their battle against inflation will be seen on Aug 10th with the release of the July US CPI data. The feeling is that the June CPI data released in July might be the high-water mark for US inflation data. Underscoring these feelings is this from a WSJ story. "Growing signs that price pressures are easing suggest that June's distressingly high 9.1% increase in consumer prices will probably be the peak. But even if inflation indeed comes down, economists see a slow pace of decline. Ed Hyman, chairman of Evercore ISI, pointed to many indicators that 9.1% might have been the top. Gasoline prices have fallen around 10% from their mid-June high point of \$5.02 a gallon, according to AAA. Wheat futures prices have fallen by 37% since mid-May and corn futures prices are down 27% from mid-June. The cost of shipping goods from East Asia to the U.S. West Coast is 11.4% lower than a month ago, according to Xeneta, a Norway-based transportation-data and procurement firm. Easing price pressures and improvements in backlogs and supplier delivery times in business surveys suggest that supply-chain snarls are unraveling. Mr. Hyman noted that money-supply growth has slowed sharply, evidence that monetary tightening is starting to bite."

The High Heat comes to the PNW



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.