

**MORNING GRAIN COMMENTARY**

Morning Trends:
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as of 5:00 AM CST
Corn 7 to 9 lower
Wheat 15 to 20 lower
Soybeans 16 to 18 lower
Soy Meal 2.5 to 3.0 lower
Soy Oil 65 to 75 lower

The Stories of the Day:
<p><b>Russia/Ukraine</b> <a href="#">Chechen soldiers fighting for Ukraine - The Washington Post</a>  <a href="#">Latest Russia-Ukraine war news: Live updates - The Washington Post</a> <a href="#">Russian General Killed With U.S.-Supplied Missiles, Ukraine Says (msn.com)</a> <a href="#">Ukrainian Armed Forces drive Russian troops back on Sloviansk front General Staff report (yahoo.com)</a></p> <p><b>Covid</b> <a href="#">Op-Ed: New COVID variants like BA.5 are dominating us — we can do more to prevent this (msn.com)</a></p> <p><b>China Government feeling the anger</b> <a href="#">China to repay customers hit by bank scam that sparked protests (msn.com)</a></p> <p><b>Asian charm offensive</b> <a href="#">Blinken Dispatches Aides Across Asia as US, China Seek Support (msn.com)</a></p> <p><b>Man that is a lot of people</b> <a href="#">India to Surpass China as Most-Populous Nation in 2023 (msn.com)</a></p> <p><b>It is here Amazon Prime Day, worker hunched over their work stations may not be what you think</b> <a href="#">How to Make the Most of Amazon Prime Day—And Avoid Buyer’s Remorse (msn.com)</a></p>

**Short Range Weather:** Dangerously hot conditions with high temperatures in the triple digits are expected over parts of Texas and Utah Tuesday. An area of disturbed weather is expected to form in the northern Gulf of Mexico in the next few days and heavy to excessive rainfall is becoming more likely mid to late week along the central Gulf Coast. This disturbance has a low probability of tropical development. - NWS

**Long Range Weather:** There is a ridge in the West and a trough deepening in the East. This alignment will last a couple of days but the western ridge will spread eastward later this week. There will be a weakness in the ridge across the Southeast. A trough will build back into the Pacific Northwest late this week and send a couple of pieces of energy through Canada next week. The U.S. and European models are fairly similar with the upper-level pattern. I will use a blend but favor the European. For the outlook period, temperatures on Sunday will be near to above normal across the country, which will continue through next week. The Southeast will stay active due to a front and a weakness in the ridge, and we will need to watch the potential for a tropical system near the Gulf of Mexico. A piece of energy going through Canada next week could bring some showers to the northern tier of the country as well. -DTN

**NORTHERN PLAINS (WHEAT/LIVESTOCK/CORN/SOYBEANS):** After a brief cooldown early this week, warmer temperatures will move back into the region late this week, with heat likely lasting the rest of the month. Most areas have good soil moisture so far this summer but chances for precipitation are becoming more frequent north of the border than through the region. -DTN

**CENTRAL/SOUTHERN PLAINS (CORN/SOYBEANS/LIVESTOCK/WINTER WHEAT):** Hot temperatures and spotty showers moved through over the weekend. Cooler temperatures will move into the region for a few days as a cold front brings a few isolated showers through, but heat will return by the end of the week and hotter and drier conditions are expected for the rest of the month. -DTN

**MIDWEST (CORN/SOYBEANS):** A front sagging through the region this week will only provide isolated shower chances. Another front moves through with limited showers this coming weekend. But again, showers will be streaky, leaving many areas dry. Hotter temperatures will also spread through the region, adding to stress as soil moisture declines. -DTN

**DELTA (SOYBEANS/COTTON):** A front sagging through the region will stall and produce a few showers this week. Another front will likely do the same this weekend. However, dryness, drought, and declining soil moisture continue to be issues for the region. -DTN

**PACIFIC NORTHWEST (WHEAT):** Soil moisture continues to be favorable for most of the region, though it is declining in Idaho. However, no significant showers are forecast for the next couple of weeks. Crop conditions should be on more of a downward trajectory over the next few weeks, though prospects are much improved over last year. -DTN

**BRAZIL (CORN/WHEAT):** Favorable weather continues for both corn harvest and wheat development overall. Periods of showers will move through Rio Grande do Sul this week, though temperatures will waffle above and below normal. -DTN

**ARGENTINA (WHEAT):** Waves of colder temperatures and limited showers continue to have a negative impact on the country's winter wheat establishment in the south. Some spotty showers will be possible late this week and weekend with a stronger system but may be in the form of snow with the cold that moves in with it. -DTN

**CANADIAN PRAIRIES (LIVESTOCK/WHEAT/CANOLA):** The Prairies will be a little quieter this week, though the storm track remains through the region, giving the area opportunities for more showers. Overall, warmer temperatures are also expected. Where soil moisture is ample, the heat will make for some good crop growth. More limited areas, especially in southwestern Saskatchewan, could use some more moisture. -DTN

**EUROPE (WHEAT/CORN):** Cooler temperatures and more showers moved into eastern areas of the continent this weekend and offered a reduction in stress that built up from a strong heatwave in June. Showers could bring some harvest challenges as they pinwheel around an upper-level low through the week. In the west, heat and dryness continue to cause concerns for corn and other summer crops, including Spain and Italy to the south. -DTN

**BLACK SEA (WINTER WHEAT/CORN/SUNFLOWERS):** An upper-level low moved into the region over the weekend, bringing a reduction in temperatures and scattered showers. That will continue through the majority of the week. The conditions may hamper winter wheat harvest, where war is not getting in the way. But the conditions will be much more favorable for corn and sunflowers as they continue to develop, especially in Ukraine. -DTN

**AUSTRALIA (WINTER WHEAT/CANOLA):** Scattered showers moved through southwestern growing areas over the weekend, increasing soil moisture for winter wheat and canola. A cold front will bring isolated showers and colder temperatures to eastern areas early this week. Another will do the same next week. Soil moisture continues to be favorable for most areas, keeping the country on track for a good wheat and canola crop. -DTN

**Headlines:**

> Malaysian September Palm Oil Market closed down 24 Ringgits

> Dalian Futures markets were mixed Sept Corn down 17 to the Yuan, Sept Soybeans down 71, Sept Meal up 14, Sept Bean Oil up 26, Sept Palm Oil down 118

> Asian Equity Markets were lower Japan's Nikki down 1.8%, China's Shanghai down 1.0%

> European Equity Markets are lower, German Dax down .9%, London FTSE 100 down .3%

- > MATIF Markets are lower Nov Corn down 4.50 to the Euro, Aug Rapeseed up 13.75, Sept Wheat up 4.0
- > Save the Date...July 12<sup>th</sup>...USDA S&Ds Reuters has the average trade guess for the 21/22 US corn carryout at 1.488 BBU, 22/23 carryout at 1.422 BBU. Reuters has the world corn carryout for 21/22 at 288.97 MMT, and 22/23 at 307.33 MMT. In bean world the average trade guess for 21/22 US carryout is 208 MBU, 22/23 US 211 MMT, world 21/22 carryout is at 92.57 MMT, 22/23 at 98.66 MMT. The average guess for 22/23 US wheat carryout 638 MBU, 21/22 world wheat carryout is 295.41 MMT, 22/23 269.89 MMT. Good luck with the numbers. The report will be out at 11:00 AM CDT.
- > Save the Date...July 13<sup>th</sup>...US CPI Numbers
- > Save the Date...July 15<sup>th</sup>...NOPA Crush
- > Save the Date...July 27<sup>th</sup>...FOMC Meeting results
- > Save the Date...July 28<sup>th</sup>...US GDP 2Q
- > Save the Date...Aug 3<sup>rd</sup>...OPEC Meetings
- > Save the Date...Aug 5<sup>th</sup>...US Employment Numbers
- > President Biden in the Middle East this week [Factbox: Biden set to tackle oil, Israel, Yemen, Iran on Saudi trip | Reuters](#)
- > President Putin to visit Iran next week [Putin set to visit Iran next week | The Hill](#)
- > Pay Me My Money Down: [West Coast port labor talks could further squeeze autos | Automotive News \(autonews.com\)](#) and over at the Railroad [President Biden faces deadline in U.S. railroad labor standoff \(msn.com\)](#)
- > Bird Flu/Locust/ASF all quiet today
- > Fall Armyworm [Oxitec Completes Successful Season of Friendly™ Fall Armyworm Deployments on Large, Commercial-Scale Farms in Two Corn-growing Regions in Brazil \(prnewswire.co.uk\)](#)
- > Weekly crop updates from the USDA found that 64% of the corn crop is rated good/excellent, 62% of the bean crop rated good/excellent, 70% of the spring wheat crop rated good/excellent, 63% of the winter wheat crop is in the bin...HRW continues to find excellent proteins
- > Speaking of crop ratings, "In the Chinese monthly crop report Tuesday, they noted Corn growing acres have generally been in better conditions when compared to last year. Corn yields are seen touching a record high but would leave production steady to only slightly higher than last year. The report left soybean production, consumption and import figures unchanged from the previous month. -QT
- > Rhine River water levels are preventing fully loaded cargo ships from sailing on the lower portion of the waterway in Germany. Shippers have started to impose surcharges for vessels sailing less than fully loaded. -QT

**Commentary:** Oh, what 24 hours can do. Yesterday at this time CZ had traded over 50,000 contracts, today CZ as of this writing has traded in size for a pre-report Tuesday but still just over 21,000 contracts. Yesterday CZ had rallied 35 cents only to close up 5 ½ cents on the day. Today CZ is trading down 9 ¼ cents so WoW it is now lower. Yesterday at this time we were talking about heat for pollination weather, we still are but in states like

