

MORNING GRAIN COMMENTARY

Morning Trends:

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as of 5:00 AM CST

Corn 1 around

Wheat 3 to 5 lower

Soybeans 8 to 10 lower

Soy Meal 5.5 to 6.0 lower

Soy Oil 130 to 135 lower

Short Range Weather: Oppressive heat with the potential for dozens of record high temperatures persists across the West. Enhanced fire weather threats will be in place around the California, Oregon, and Nevada junction on Tuesday, then in the interior Pacific Northwest on Wednesday. Heavy rain and localized flash flooding will be possible from the Lower Mississippi Valley to the Mid-Atlantic and New England. - NWS

Long Range Weather: There is a ridge spread across much of North America with a weakness in the South-Central U.S. Another trough is approaching the Pacific Northwest. That trough will move through the Canadian Prairies and then down into the middle of the U.S. over the weekend. The trough will find a home in the East for a few days while the ridge builds back up across the West and then spread through most of the continent again next week. Another trough will form off the West Coast by the end of next week. The U.S. and European models are in fair agreement. I will use a blend but favor the European. For the outlook period, temperatures on Sunday will be near to below normal in the Central and above normal on the coasts. The heat in the West will eventually spread through the rest of the country next week. Showers are likely to continue across the Eastern Corn Belt Sunday into early next week, followed by drier weather for several days. The next system may make its way into the Plains with some showers late next week. -DTN

NORTHERN PLAINS (WHEAT/LIVESTOCK/CORN/SOYBEANS): Mostly dry weather and above-normal temperatures characterized the long holiday weekend. A front will move through Thursday and Friday and may have a few showers, but most areas should stay dry. South Dakota looks like it could be the winner out of the event. Corn and soybeans that are still filling could find some use out of any showers while most areas that still need to harvest wheat should find good conditions. Heat will occur before the front, which will be stressful, while some cooler air filters in behind it for a couple of days. -DTN

The Stories of the Day:

Russia/Ukraine [Ukraine stops the Russian fleet \(msn.com\)](#) [Map Shows 'Verifiable Progress' in Ukraine Counteroffensive: ISW \(msn.com\)](#) [US: Russia to buy rockets, artillery shells from North Korea \(msn.com\)](#) [Ukraine says nuclear plant offline after Russian shelling \(msn.com\)](#) [Russian military now facing 'severe manpower shortages,' according to U.S. intelligence \(msn.com\)](#) [else where Explosion at Russian Embassy, Two Diplomats Reportedly Killed \(msn.com\)](#)

Putin's health [Putin's leg twitches for second time in a week during awkward rambling speech \(msn.com\)](#)

Hey China how is that zero tolerance policy going [Earthquake kills 65, triggers landslides in southwest China \(msn.com\)](#) [Kind of Covid related Asian markets mixed after China promises economic support \(houstonchronicle.com\)](#)

OPEC [Oil Prices Cool as Traders Look Beyond OPEC Cut | Barron's \(barrons.com\)](#)

West Coast heat wave [California facing chance of blackouts amid brutal heat wave \(sfgate.com\)](#)

CA not only a heat wave but a hurricane as well, [Kay strengthens into hurricane as it eyes Mexico, southwestern U.S. \(msn.com\)](#)

And over in the Eastern US [Flash flood watch under way for 80m in eastern US as heatwaves broil west | Extreme weather | The Guardian](#)

CENTRAL/SOUTHERN PLAINS (CORN/SOYBEANS/WHEAT/LIVESTOCK): Isolated showers occurred over the weekend, mostly across Texas. That state could have seen some drought reduction, but not across the west where drought has been a struggle all season long. A front will move through this weekend, but any showers will come in strings and most areas will get missed. Hot temperatures out ahead of the front will cause stress to any corn or soybeans still looking to fill while soils remain too dry for wheat planters to get an early start. -DTN

MIDWEST (CORN/SOYBEANS): Scattered showers moved through with a cold front and a system over the weekend. Rains were scattered for most areas, but heavy amounts occurred in spots from southern Illinois up through Ohio. Some areas trying to get a good finishing rain got it while many others missed out. A few showers remain possible on Tuesday, but the area will largely be dry until a front slowly moves through Friday through the weekend and into next week. A similar situation to the previous front will be possible with limited showers in the west and more consistent ones in the east. This offers a mixed bag of conditions for the next 10 days. -DTN

DELTA (SOYBEANS/COTTON): Scattered showers developed over the weekend, favoring some immature cotton and soybeans. Those looking to get out and harvest had to dodge the rain. Those showers should continue the next couple of days before drying out late this week. Rains will return though this weekend as the next front pulls more moisture northward. Conditions will be tougher for maturing crops. -DTN

BRAZIL (CORN/WHEAT): A stalled front continued to produce good rains for portions of southern Brazil over the long weekend. That front remains stalled in the region early this week and another will come through later in the week with more showers. While soil moisture continues to be good for early corn plantings and establishment, as well as prepping soils for soybean planting as well, colder temperatures will move into southern areas this weekend, which would be unfavorable. Maturing wheat could also stand some warmer and drier weather, but conditions are not cooperative right now. -DTN

ARGENTINA (WHEAT): Cold temperatures produced more frosts and freezes over the weekend and another front later this week and weekend will likely do the same. Limited rainfall and cold temperatures have been detrimental for wheat development so far this season. More developed wheat would be at risk for damage while corn and soybean planting may be further delayed this spring. -DTN

CANADIAN PRAIRIES (LIVESTOCK/WHEAT/CANOLA): Mostly dry weather over the weekend helped with drydown of crops and continued harvest. A cold front coming through later this week will bring some limited showers and breezy conditions as well as some colder temperatures. Frosts are not expected but will relieve any late-planted crops still filling and reduce the drydown of mature crops. -DTN

EUROPE (WHEAT/CORN): Scattered showers moved through western and some southern areas over the long weekend. A system off coast of Ireland will slowly pinwheel its way through the continent this week, spreading showers through most areas by late this week. Any showers will be welcome to ease the incredible drought from this year and to prep soils for winter wheat and grains planting. -DTN

BLACK SEA (CORN/SUNFLOWERS/WINTER WHEAT): Scattered light showers moved through a lot of the area on Saturday, but a lot of areas remained dry this weekend. Cooler temperatures also filled into the region, reducing stress for corn and sunflowers. Soil moisture in the region is limited in many of the wheat areas of the region which will need more before winter wheat planting commences. The system that pinwheels through Europe this week will eventually find its way into Ukraine and western Russia by this weekend. The slow-moving nature should bring scattered showers to many areas in need.

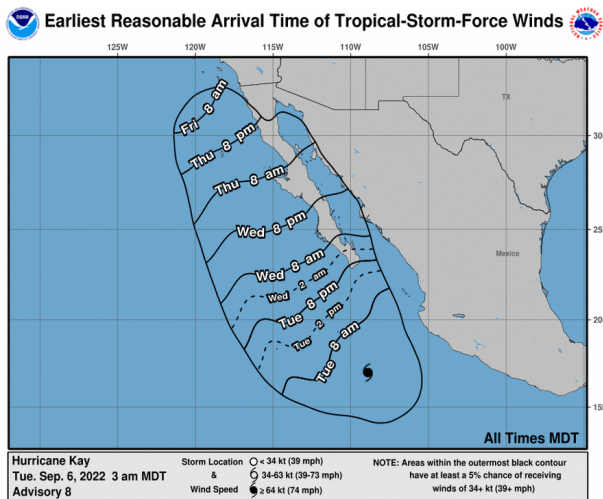
AUSTRALIA (WINTER WHEAT/CANOLA): A system started to move through western areas of the country over the weekend and will continue to spread showers eastward for the rest of the week. Good mixes of sun and rains have kept conditions for winter wheat and canola quite favorable as more of both crops approach or enter reproductive stages of growth. The cooler temperatures coming behind the showers are perhaps a little unfavorable, but no frosts or freezes are forecast in the main agricultural areas. -DTN

Headlines:

- > Malaysian Nov Palm Oil Market closed down 97 Ringgits
- > Dalian Futures markets were mixed Jan Corn up 17 to the Yuan, Jan Soybeans down 9 (Nov beans down 24), Jan Meal down 11, Jan Bean Oil up 94, Jan Palm Oil down 28
- > Asian Equity Markets were higher Japan's Nikkei up less than .1%, China's Shanghai up 1.4%
- > European Equity Markets are mixed to slightly higher, German Dax up 1.3%, London FTSE 100 up .7%
- > MATIF Markets are mostly lower Nov Corn down .50 to the Euro, Nov Rapeseed down 5.50, Dec Wheat down 1.25
- > Save the Date...Sept 7th...in a show of force President Bolsonaro supporters are to take to the streets on Brazil Independence Day...[Bolsonaro insists September 7 demonstrations will be an ultimatum to the Supreme Court — MercoPress](#)
- > Save the Date...Sept 10th...China Mid-Autumn Festival [Mid-Autumn Festival \(Zhong Qui Jie\) 2022: Facts, Traditions, Greetings, Food \(chinatravel.com\)](#)
- > Save the Date...Sept 12th...USDA S&Ds
- > Save the Date...Sept 13th...US CPI
- > Save the Date...Sept 21st... FOMC
- > Save the Date...Sept 29th...2Q US GDP
- > Save the Date...Sept 30th...US Grain Stocks
- > Save the Date...Oct 2nd...Brazil goes to the poles... #reliablesuppliers...[Brazil Judge Suspends Easing Of Gun Laws, Citing Election Violence Fears | Barron's \(barrons.com\)](#)
- > Save the Date...Oct 16th...The Chinese Communist Party's twice-a-decade leadership congress will begin
- > Pay Me My Money Down: [Labor experts: One of the biggest strikes in US history is brewing at UPS - WISH-TV | Indianapolis News | Indiana Weather | Indiana Traffic \(wishtv.com\)](#)
- > Locust [FAO strengthens locust surveillance, early warning in Namibia \(bignewsnetwork.com\)](#)
- > ASF [Improving the detection of African swine fever virus antibodies in serum \(phys.org\)](#)
- > FAW/Bird Flu all quiet today
- > Grain trade sources Monday reported Iraq's trade ministry purchased 100,000 mt of US HRW wheat, paying a reported \$494.00/mt cif. -QT
- > CFTC MM Funds Position Report on Friday showed that as of the close of 8/30 the MM Funds were short 1,441 MW, short 22,247 W, long 12,458 KW, long 221,467 C, long 101,801 S, long 93,626 SM, long 49,186 BO

Commentary: On Aug 12th, the day of the last USDA S&D report, WZ closed at 822 ½, CZ closed at 642 ¼, and SX closed at 1454 ¼. The USDA report on Aug 15th that as of Aug 14th, 57% of the US corn crop was rated good to excellent, and that 58% of the bean crop was rated good to excellent. As of this writing WZ was trading at 806 ½, CZ at 667, and SX at 1410. Last Monday the USDA rated the corn crop at 54% good/excellent and the bean crop at 57%. Since the Aug report bean weather had been pretty good, but flooding in the SE US might nip into over all production numbers. Corn weather has been okay. Where weather has really changed in the last 30 days is in China. NE China home of the Corn Belt has had to deal with floods, in China's Rice belt a heat wave that some say might be a world record. The bottom line in the run up to the Sept 12th USDA, look for the bulls to talk about MoM decline in world food and feed grain stocks. The bears will be pointing out that MoM weather, good bad or in different in the US there is a harvest about to kick off.

Hurricane Kay



MAREX

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 consider 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