

MORNING GRAIN COMMENTARY

Morning Trends:
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as of 6:00 AM CST
Corn 2 to 3 lower
Wheat 1 to 2 higher
Soybeans 2 to 4 higher
Soy Meal 1.50 to 2.00 higher
Soy Oil 25 to 30 higher

The Stories of the Day:
US Equity Futures Extend Rally as Dollar Tumbles: Investor focus is on August US inflation data due Tuesday, with headline CPI expected to cool to an 8% a year pace while the core measure that excludes food and energy is seen accelerating. Traders almost fully expect another jumbo-sized Fed hike next week.
Russia Says Some Aspects of Grain Deal Need to Be Reviewed: Some aspects of the grain deal need to be reviewed as it's not fully working at the moment, Russian Deputy Foreign Minister Alexander Grushko

North America Weather Overview

There is a trough in the Midwest and a ridge building in the West. The ridge will push eastward this week but a trough will form over the West midweek. This trough will send some pieces of energy across Canada and the northern U.S. throughout the following week. The trough may finally move eastward in the middle of next week with a ridge building back into the West again behind it.

For the outlook period, temperatures on Saturday will be near to above normal for most of the country. Heat should build over the middle of the country while some cooler conditions will move into the West Coast. Cooler temperatures could work east into the Plains mid-late next week. Pieces of energy coming off the western trough will produce periods of showers for the Western Corn Belt going into next week. When the trough moves east, a stronger storm system may be possible across the country.

NORTHERN PLAINS: Dry and cool conditions occurred over the weekend, favoring harvest activities. A western trough will send pieces of energy through the region Wednesday through next week, resulting in periods of showers. Rains may have some late benefit to filling soybeans, but not likely for corn. Temperatures may waffle, but be mostly above normal until possibly the middle of next week when a cooler shot may occur.

CENTRAL/SOUTHERN PLAINS: A front brought scattered showers to the region over the weekend, but mostly in Nebraska. Drier areas in the southwestern Plains saw very little and drought continues to have a strong hold on the region while producers are thinking about winter wheat planting. Pieces of energy will move through the Northern Plains this week, but may be enough to produce some limited areas of rain, mostly in Nebraska, however. The larger wheat areas and pastures are not forecast to see much coverage or intensity while temperatures rise well above normal.

MIDWEST: A front moving through the region over the weekend wound up with a low-pressure center moving through northern Illinois, and will spin off through Michigan on Monday before pushing east on Tuesday. Scattered showers have been the result across much of the region, providing some late relief for drier areas looking to fill some soybeans, but likely had no effect on corn. Soil moisture may have improved prior to winter

wheat planting in some limited areas as well. After a couple of cooler days, temperatures will rise well above normal going into the weekend, which should help to push crops toward maturity by the end of the month. Scattered showers will be possible over northwestern areas later this week into next week while the southeast stays much drier.

DELTA: Scattered showers moved through the region over the weekend, but were mostly light. Dry conditions and rising temperatures over the next week should help crops reach maturity and improve quality for some of the wetter areas.

CANADIAN PRAIRIES: Fairly good harvest conditions over the last week or two are going to turn to a more active pattern this week as periods of isolated to scattered showers move through. Delays to harvest may occur through next week.

South America Weather Overview:

BRAZIL: A stalled front will continue to produce periods of showers and thunderstorms across southern Brazil this week, but not in Rio Grande do Sul, which will help with wheat harvest. Some showers may make it into central Brazil this week, but should not be the start of the wet season, which typically comes at the end of the month.

ARGENTINA: Cold air produced widespread frosts and freezes over the weekend, which may have damaged more developed wheat. Dryness this week is also unfavorable as soil moisture is limited prior to the first round of corn planting, which is going to see some delays this year. Showers may come at the end of the week, which would help, but may again be followed by a round of cold air.

World Weather Overview

EUROPE: Scattered showers moved to eastern areas over the weekend, offering a boost in soil moisture to much of the continent over the last week. Another system will move through this week with more showers, but will be followed by cold air for most areas. Some limited frosts will be possible in some areas, such as higher elevations and northern areas like Poland. Soil moisture has been critical this summer, damaging corn and other summer grains, but recent showers will help for winter grain establishment.

BLACK SEA: Moderate to heavy rain started to move into the region over the weekend, boosting soil moisture in Ukraine for winter wheat planting. The storm system will expand the good rains into western Russia early this week. Another system will bring more rains to the region later this week and weekend, but come with a shot of cold air as well, which may result in frosts in some northern areas. If it does, that would put an end to any corn or sunflowers that are still filling, and limit winter wheat establishment some.

AUSTRALIA: Cooler temperatures recently have been a little unfavorable, but any frosts have not been occurring in major agricultural areas. Another system moves through the country early this week, followed by another round of colder air. Outside of the cold, conditions are quite favorable for winter wheat and canola.

Headlines:

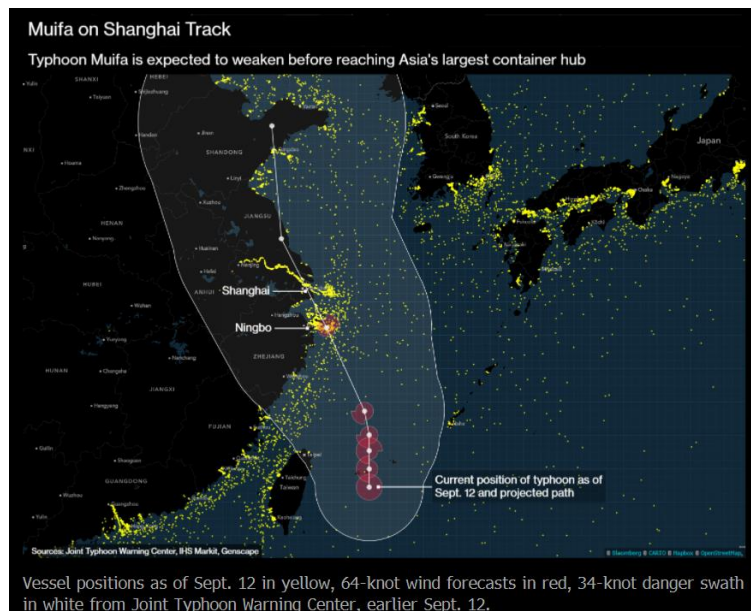
- > Malaysian Nov Palm Oil Market closed up 88 Ringgits @ 3682.00
- > Dalian Futures markets closed today for Mid-Autumn Holiday – Friday’s closes: Jan Corn +1.00 to the Yuan, Nov Soybeans down 98, Jan Meal down 30, Jan Bean Oil down 22, Jan Palm Oil down 46
- > Asian Equity Markets were mostly higher Japan’s Nikki up 1.16%, China’s Shanghai closed for Mid-Autumn Holiday
- > European Equity Markets are mostly higher, German Dax up 1.63%, London FTSE 100 up 1.33%
- > MATIF Markets are mixed Nov Corn unchanged, Nov Rapeseed +6.75, Dec Wheat -1.75
- > Save the Date...Sept 12th...USDA S&Ds... Reuters average trade guess for corn yield 172.4 vs. USDA 175.4...production 14.089BBU/14.359BBU...harvested acres 81.7million/81.8million...carryout 1.195BBU/1.388BBU...beans yield 51.5/51.9...production 4.500BBU/4.531BBU...harvested acres 87.3million/87.2million...carryout 246MBU/245MBU
- > Save the Date...Sept 13th...US CPI
- > Save the Date...Sept 16th...US Rail Strike???? [Biden calls rail unions to Washington for talks in bid to head off strike action - World Socialist Web Site \(wsws.org\)](#)
- > 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 1st...National Golden Week in China
- > Save the Date...Oct 2nd...Brazil goes to the poles... #reliablesuppliers...[Brazil's Bicentennial Celebrations: Bolsonaro says he will defeat evil — MercoPress](#)
- > Save the Date...Oct 7th...US Employment Numbers
- > Save the Date...Oct 12th...USDA S&D
- > Save the Date...Oct 16th...The Chinese Communist Party’s twice-a-decade leadership congress will begin
- > FAW/Locust all quiet today
- > ASF [African swine fever: Over 480 pigs culled in Patiala district : The Tribune India](#)
- > Bird Flu [New bird flu wave in France raises fears deadly virus here to stay \(msn.com\)](#)
- > Another world hot spot [Greece warns another European war could be on the horizon as Turkey hints at the possibility of an invasion \(msn.com\)](#)

Today's Commentary

Quiet, two-sided trade was seen overnight as traders awaited USDA's reports later this morning. As of 6:30 a.m. CT, corn futures are trading 1 to 2 cents lower, soybeans are 1 to 2 cents higher and wheat futures are narrowly mixed. Front-month crude oil futures are around 50 cents higher and the U.S. dollar index is about 750 points lower.

USDA Crop Production, S&D Reports later this morning... Analysts fully expect USDA to cut its corn crop estimate in the Sept. 12 Crop Production Report, with the average forecast in a Reuters survey down 271 million bu. for production and 2.9 bu. per acre for yield from last month. Analysts are split on soybeans, though the average estimate is down 35 million bu. on crop size and 0.4 bu. per acre for yield. Analysts expect USDA to mildly increase old-crop ending stocks for corn and soybeans. For 2022-23 U.S. ending stocks, the average trade estimate is down 171 million bu. for corn, up 2 million bu. for soybeans and up 8 million bu. for wheat from last month's projections.

As soon as Friday, up to 115,000 freight rail workers could walk out if they cannot reach a new contract with railroads, potentially shutting down the national rail network that transports 20% of all grain shipments. If a strike would occur, ag sector officials concur it would be catastrophic for U.S. food and agriculture, as the system will not regroup to full capacity overnight, even if any strike is short. Sources say over the weekend, things were not moving in the right direction for a compromise as discord surfaced between the railroads and the two biggest unions. Railroads have filed notices that they are going to begin limiting shipments of many chemicals effective Monday in anticipation of a possible strike.





Monday, September 12, 2022



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