

## MORNING GRAIN COMMENTARY

### Morning Trends:

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as of 5:00 AM CDT

Corn 1 to 3 lower

Wheat 7 to 9 lower

Soybeans 1 around

Soy Meal .5 around

Soy Oil 30 to 35 lower

**Short Range Weather:** A very active storm system is expected to roll through the South and the Ohio and Tennessee Valleys on Tuesday. Severe thunderstorms with damaging winds and a tornado or two are expected across the South and Mid South, while locally heavy to excessive rainfall is possible in the Mid Mississippi and Western Ohio Valleys **NWS**

### The Stories of the Day:

**Ukraine Russia** [Russia's methodical attacks exploit frailty of Ukrainian power system \(msn.com\)](#) [Russian troops preparing for urban combat in Kherson as Ukrainian army advances \(msn.com\)](#) [Ukraine live briefing: Russia doubles down on 'dirty bomb' claim ahead of U.N. meeting; Zelensky looks to Crimea summit \(msn.com\)](#) [2 intensifying border wars show Putin is losing sway in his neighborhood while Russia struggles in Ukraine \(msn.com\)](#) [Putin Forces 'Preparing To Work Under Radioactive Contamination' In Case Of Nuclear Attack \(msn.com\)](#) [Russia's Medvedev Threatens Defense Industry Arrests During Tank Plant Visit \(msn.com\)](#)

**Iran** [Iran says it will sue US, alleging 'direct involvement' in protests | CNN](#)

**China** [Investor fears about Xi's new leadership team 'may be misguided' \(msn.com\)](#)

**China Covid** [A man says his daughter died after being denied care at a COVID quarantine center in China. Social-media posts calling for an investigation managed to evade China's heavy censorship. \(msn.com\)](#)

**Long Range Weather:** There is a trough in the West and ridge in the East. The two will battle across the middle of the country for the next two weeks. The U.S. and European models are fairly similar with the pattern going forward but do have some differences in how they treat several features moving through the country over the next couple of weeks. I will use a blend but favor the European. For the outlook period, temperatures on Saturday will be above normal in the East and near to below normal in the West. This general pattern will continue through next week, with some waffling back and forth in the middle of the country. A system will move through the eastern half of the country over the weekend and early next week with scattered showers. Another system will sweep through the country later next week with areas of scattered showers. -DTN

**NORTHERN PLAINS (LIVESTOCK/CORN/SOYBEANS):** A system brought strong winds and areas of precipitation, turning to snow across Montana and the western Dakotas. Another system may bring some showers to South Dakota on Wednesday and Thursday, but the region is going drier through the weekend. Recent precipitation and winds have probably made more difficult harvest conditions. -DTN

**CENTRAL/SOUTHERN PLAINS (CORN/SOYBEANS/WHEAT/LIVESTOCK):** Very strong winds on Sunday caused blowing and drifting dust, especially in Colorado and Kansas. That was followed by areas of moderate to heavy rain for the southern and eastern portions of the region. The rains fell on some of the most drought-stricken areas of the country and continue early Tuesday before leaving. Another system will move through later this week with scattered showers that could offer some more benefits to wheat, including western areas, but the drought is deep and will require more. -DTN

**MIDWEST (CORN/SOYBEANS/WINTER WHEAT):** A strong cold front and a system embedded on it will continue to move through the region with areas of rain through Wednesday. While not very cold, temperatures

will fall back toward normal. Another system will move through this weekend into early next week with additional showers. Recent and upcoming rains will help to reduce drought but disrupt the remaining harvest. -DTN

**DELTA (SOYBEANS/COTTON):** A front moving through will bring scattered showers on Tuesday, but not enough to significantly raise water levels on the Mississippi River. It may disrupt the remaining harvest, however. Another system will move through over the weekend with additional showers. -DTN

**BRAZIL (CORN/SOYBEANS/WHEAT):** Scattered showers moved into central and northern portions of the country over the weekend, where they will continue for weeks as the wet season continues to promote good growing conditions for soybeans. In the south, it is turning drier but will not be completely dry. A front will bring some isolated showers through Wednesday night and Thursday. Another front will bring showers through Sunday into Monday. Even if showers disappoint, soil moisture in the region is very good and should hold up for at least a little while. -DTN

**ARGENTINA (CORN/SOYBEANS/WHEAT):** A front brought a few showers to southeastern areas of the country over the weekend, but amounts were light. Despite a couple of systems moving through with scattered showers through Sunday, the drought continues to have a huge influence on winter wheat filling and corn and soybean planting and establishment. -DTN

**EUROPE (WHEAT/CORN):** A system brought scattered showers to the western and northern portions of the continent over the weekend. That system is moving east early this week. Another system will skirt through northern areas later this week and weekend, but models have backed off on the precipitation that will come with it. Above-normal temperatures are well entrenched in the region and will continue well into next week. Recent precipitation has aided winter grain development but there are still some dry spots around France and Italy especially. -DTN

**BLACK SEA (CORN/SUNFLOWERS/WINTER WHEAT):** A system moved through the region this weekend with some showers and cooler temperatures. Another system will move across through Thursday with more showers as the region stays relatively active. Showers continue to favor wheat development but may cause further delays for corn and sunflower harvest. -DTN

**AUSTRALIA (WINTER WHEAT/CANOLA/SORGHUM/COTTON):** A slow-moving storm continued to bring scattered showers over the weekend, including some areas of heavy rainfall. Showers will continue over far southeastern areas this week, but a somewhat drier period is in place until a system moves through this weekend with another round of good rainfall. Soil moisture is more than favorable for filling wheat and canola, but unfavorable for maturing crops and fieldwork for summer sorghum and cotton planting. Heavy rains may also affect quality in some areas. -DTN

#### **Headlines:**

- > Malaysian Jan Palm Oil Market closed up 28 Ringgits
- > Dalian Futures were mixed to lower, Jan Corn down 20 to the Yuan, Jan Soybeans down 18, Jan Meal up 1, Jan Bean Oil up 42, Jan Palm Oil down 56
- > Asian Equity Markets were mostly higher Japan's Nikkei up 1.2%, China's Shanghai down .1%
- > European Equity Markets are lower, German Dax down .7%, London FTSE 100 down .6%
- > MATIF Markets are mixed March Corn down .50 to the Euro, Feb Rapeseed up 1.0, Dec Wheat down 2.0
- > Save the Date...Oct 27<sup>th</sup>...US 3Q GDP...Economists polled by The Wall Street Journal estimate that the Commerce Department's GDP report on Thursday will show the economy grew at an inflation-adjusted 2.3% annual rate in the third quarter from the prior quarter, after contracting in both the first and second quarters. That

would count as quite a bounce back during a quarter when the Federal Reserve kept pushing rates higher, inflation kept running hot, stocks fell sharply, and the housing market got hammered. -DWJ

> Save the Date...Oct 30<sup>th</sup>...Brazil goes to the polls for round two of their Presidential election [What to know about the high-stakes Brazil election \(msn.com\)](#)

> Save the Date...Nov 2<sup>nd</sup>...FOMC Meeting Results

> Save the Date...Nov 4<sup>th</sup>...US Employment Numbers

> Save the Date...Nov 6<sup>th</sup>...In the US we fall back to good old standard time

> Save the Date...Nov 8<sup>th</sup>...US Elections

> Save the Date...Nov 9<sup>th</sup>...USDA S&Ds

> save the Date...Nov 10<sup>th</sup>...US CPI Numbers

> Save the Date...Nov 19<sup>th</sup>...Ukraine Grain Corridor Expires

> Save the Date...Nov 19<sup>th</sup>...Rail Strike Looms

> Turkey [Turkey received \\$28 billion from unclear origins in the first 8 months of the year, per the FT. The country's finance minister says some of it was legitimate cash from holidaying Russians. \(msn.com\)](#)

> It maybe not DefCon 2 but it sounds bad [Orange alert for drought in China \(msn.com\)](#)

> Locust/FAW all quiet

> ASF in the Philippines [ASF spreads to another Iloilo town | Philippine News Agency \(pna.gov.ph\)](#)

> Bird Flu Avian influenza found in CO [Testing confirms two birds who died at Denver Zoo had avian flu \(msn.com\)](#)

> Aussie floods 'Hybrid' cyclone expected to bring at least 100mm of rain to areas across south-eastern Australia | [Australia weather | The Guardian](#)

> What is a dirty bomb? [What is a 'dirty bomb'? \(msn.com\)](#)

> USDA weekly crop update found that 61% of the corn crop has been picked, 80% of the bean crop has been cut, and 79% of the winter wheat crop is in the ground

## Commentary

Coming out of the FOMC meetings in Sept the trade was expecting further increases in interest rates at the Nov and Dec meetings. After the Oct 13<sup>th</sup> CPI numbers the trade was indicating that the Nov 2<sup>nd</sup> meeting, we will see a ¾ point rise and at the Dec 13<sup>th</sup> meeting we will see a ½ point increase. But since than a small but growing feeling among some FED Watchers is that we might see a Fed Pause or dare we say a FED Pivot in Dec. That within the Fed Data Base there is data suggesting that inflation is starting to be tamed. Do not get us wrong even the most dovish of economist are still on board with a ¾ point rise coming out of the Nov meeting. But some are

suggesting that the FED coming out of the meeting might start to indicate that they will slow down their march of ever higher interest rates to see how the economy is responding to their monetary policies to stamp out inflation...keep watching this space, and for you monetary doves the World Series...come on Astros.

Baseball fans... Stat of the day from the great Paul Sylvester

Over the past 100 years, the surest sign of an oncoming financial crisis has been a Philadelphia based baseball team winning the World Series:

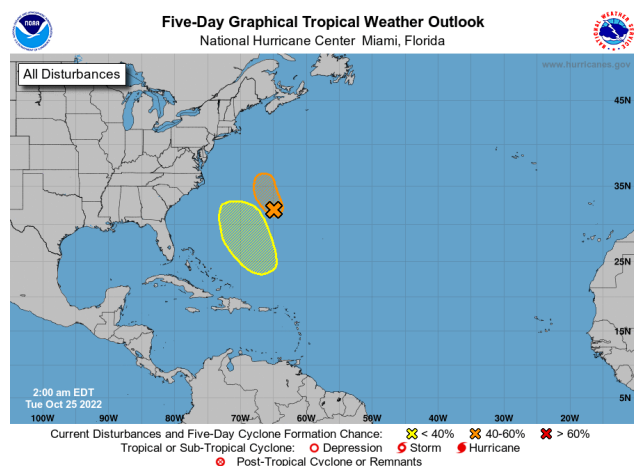
1929 - Athletics (Won WS)

1980 - Phillies (Won WS)

2008 - Phillies (Won WS)

2022 - Phillies vs Astros (TBD)

Hey, US Eastern Seaboard can't let our guard down yet



MAREX

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