

MORNING GRAIN COMMENTARY

Morning Trends:

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as of 5:00 AM CDT

Corn 1 to 3 higher

Wheat 3 to 5 higher

Soybeans 4 to 6 higher

Soy Meal 1.5 to 2.0 higher

Soy Oil 45 to 50 higher

Short Range Weather: A stubborn area of low pressure will keep conditions inclement for parts of the Mid-Atlantic and Northeast with rain showers and gusty winds through Wednesday. Meanwhile, locally heavy to excessive rain is possible across the Four Corners region over the next couple of days. **NWS**

The Stories of the Day:

Ukraine Russia [In Putin's Nuclear Brinkmanship, Weapons Leave Room For Warning \(msn.com\)](#) [Nuclear weapons convoy sparks fears Putin could be preparing test to send 'signal to the West' \(msn.com\)](#) [The sabotage of gas pipelines were a 'warning shot' from Putin to the West, and should brace for more subterfuge, Russia experts warn \(msn.com\)](#) [Ukraine Situation Report: Breakthrough In Kherson \(msn.com\)](#) [Xi Jinping may 'recalibrate' after miscalculation of siding with Russia, Henry Kissinger says \(msn.com\)](#)

Iran protest [Activists explain why they think the US response to Iran's internet blackout isn't enough | CNN Business](#)

Mr. Kim pops one over Japan [North Korea fires ballistic missile over Japan \(msn.com\)](#)

China Covid [Vaccines shouldn't be the deciding factor for China's zero-Covid policy. Here's why \(msn.com\)](#)

Long Range Weather: There is a ridge across most of North America, a trough due to lan in the Mid-Atlantic, a small trough in the Northern Plains, and another trough over northern Canada. The Canadian trough will dive southeast and force the other troughs along. Another trough will move through Canada next week, digging into the East by late in the week. The ridge will remain dominant in the West, however. 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 above normal in the West and near to below normal in the East. Temperatures should gradually rise for most areas this weekend into next week, but another cold shot will move through with a stronger trough and cold front later next week. Some showers may develop ahead of that front in the southwestern Plains, but the system itself should produce better shower coverage, which is expected across the Corn Belt and could mess with harvest in some areas. -DTN

NORTHERN PLAINS (LIVESTOCK/CORN/SOYBEANS): A system that has been in the area since late last week will finally push east on Tuesday ahead of a cold front that will sweep through the country. A shot of cold air will come with the front but will be brief. Some disruptions in limited areas are possible because of the recent showers, but conditions continue to be mostly favorable for harvest. -DTN

CENTRAL/SOUTHERN PLAINS (CORN/SOYBEANS/WHEAT/LIVESTOCK): A weak system in the Northern Plains has produced a few isolated showers in northwestern areas of the region. The system will finally push eastward Tuesday, but a cold front will come in behind it, bringing temperatures down significantly. Some showers may develop both with the system and behind the front this week in the southwestern portions of the region. A few more showers may develop there ahead of the next system early next week. While the showers will be welcome, they will not put much of a dent into the ongoing drought, which continues to be limiting for winter wheat planting and establishment. -DTN

MIDWEST (CORN/SOYBEANS/WINTER WHEAT): A system out in the Northern Plains will move eastward through the region Tuesday and Wednesday and will be followed by a strong cold front that could mean more

widespread frosts and freezes for more of the region for a couple of mornings late this week and weekend. Neither the system nor front is expected to produce much rain, so harvest conditions should still be good for most areas. -DTN

DELTA (SOYBEANS/COTTON): Dry conditions are forecast for the next week. Harvest conditions continue to be quite good. -DTN

BRAZIL (CORN/SOYBEANS/WHEAT): Recent showers have continued to provide good soil moisture for Brazil as planting increases. The daily wet season showers in central Brazil have started up, and another front is forecast to bring showers through the region later this week. Both bode well for continued corn and soybean planting and establishment. -DTN

ARGENTINA (CORN/SOYBEANS/WHEAT): Dryness continues to create unfavorable conditions for developing wheat and corn planting. Scattered showers will move through with a cold front Tuesday and Wednesday, but amounts are expected to be scattered and mostly light. Another cold front will pass through Friday and Saturday with more limited showers for Buenos Aires but likely nowhere else. Cold conditions follow and a couple of mornings could be frosty across the south. The country is in desperate need for rain but heavier amounts are not on the horizon. -DTN

EUROPE (WHEAT/CORN): Widespread showers over the weekend were for good winter wheat establishment. The continent will dry out quite a bit this week, allowing for better fieldwork and allowing newly planted seeds to get some sun and warmth. A series of systems will move through this weekend into next week, with chances for more widespread showers again. -DTN

BLACK SEA (CORN/SUNFLOWERS/WINTER WHEAT): Recent showers have increased soil moisture for most areas of the region. The region will dry out and get warmer later this week into next week, allowing newly planted seeds to get some sunlight and better growth, as well as allow for more harvest to complete. -DTN

AUSTRALIA (WINTER WHEAT/CANOLA): A strong system is bringing widespread rains to eastern areas over the next couple of days. A stronger push of cold air will follow behind it late this week and into next week. Outside of the colder temperatures, conditions continue to be good for reproductive to filling winter wheat and canola. -DTN

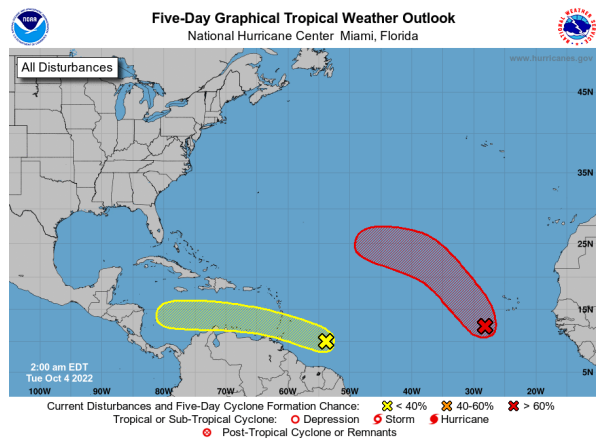
Headlines:

- > Malaysian Dec Palm Oil Market up 189 Ringgits
- > Dalian Futures markets closed this week Jan Corn up to the Yuan, Jan Soybeans, Jan Meal, Jan Bean Oil, Jan Palm Oil
- > Asian Equity Markets were higher Japan's Nikki up 2.8% China's Shanghai closed all week for Autumn festival
- > European Equity Markets are higher, German Dax up 2.6%, London FTSE 100 up 1.6%
- > MATIF Markets are higher Nov Corn up .50 to the Euro, Nov Rapeseed up 2.75, Dec Wheat up 1.0
- > Save the Date...Oct 5th...OPEC+ meets to decide Nov output...DJ article suggest a 1.0 million barrel a day cut is coming [OPEC+ to Weigh Production Cut to Bolster Oil Prices \(msn.com\)](https://www.msn.com/en-us/news/economy/opec-to-weigh-production-cut-to-bolster-oil-prices)
- > Save the Date...Oct 7th...US Employment Numbers...expected that 275,000 non-farm jobs were created, unemployment rate MoM unchanged at 3.7%, MoM hourly wages up .3%
- > Save the Date...Oct 10th...Canada's Thanksgiving, Sports Day in Japan

- > 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
- > Save the Date...Oct 30th...Brazil goes to the polls for round two of their Presidential election...[Brazil's runoff election between Bolsonaro and Lula could determine fate of the Amazon rainforest \(msn.com\)](#)
- > Save the Date...Nov 6th...In the US we fall back to standard time
- > FAW/Locust all quiet today
- > ASF in the Americas? [African swine fever cases in Dominican Republic trigger regional warning - The Jerusalem Post \(jpost.com\)](#)
- > Bird Flu back to France [France tightens measures after experiencing its worst case of bird flu last winter | Fox News](#)
- > USDA on Monday pegged the corn crop at 52% good/excellent and the corn harvest at 20%, the bean crop was put at 55% good/excellent with 22% of the crop in the bin, winter wheat was put at 40% planted
- > GMO back in the news <https://www.reuters.com/world/africa/kenya-lifts-ban-genetically-modified-crops-response-drought-2022-10-04/>

Commentary: There are a lot of known unknowns for the market to deal with. The biggest of these known unknowns due to the rapid expansion of the US crushing capacity has the idea that 200 MBU carryout is pipeline needs and a level that should not be breached starting to change. The need of the world for processed beans, and the need in the US for bio-fuels is that changing the benchmark for old crop carryouts in the US. Could the new benchmark be closer to 250 MBU. The bean market is still coming to grip with the bearish USDA stocks number that came in at 274 million bushels. In years past that would be considered not only adequate stocks but border line loose in front of a US harvest that should have a national yield of 50.0 bushel an acre. One would think SF would be on the fast track to test the July lows, but instead values are holding right around the gap that was created at the beginning of the late July early August runup. Keep watching this space.

Another Gulf Event???





Tuesday, October 4, 2022



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