

MORNING GRAIN COMMENTARY

Morning Trends:
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as of 5:00 AM CST
Corn 1 to 3 lower
Wheat 2 to 4 lower
Soybeans 6 to 8 higher
Soy Meal .5 around
Soy Oil 75 to 80 higher

The Stories of the Day:
Ukraine/Russia: Russian shells spark hospital fire ahead of expected assault (msn.com) Ukraine Situation Report: Possible Tu-141 Strike Deep In Russia Shows Repurposed Warhead (msn.com) Russia Planning Rapid Offensive Before Leopard Tanks Reach Battlefield—ISW (msn.com) Ukraine claims to have killed more than 1,000 Russian soldiers in fighting over last day (msn.com)
Mr. Kim where are you? North Korean leader Kim Jong Un missing ahead of mass military parade (msn.com) N. Korean leader orders military to improve war readiness (msn.com)
Balloon Update 'Total miscalculation': China goes into crisis management mode on balloon fallout (msn.com)
US State of the Union Biden to deliver State of the Union address before empowered GOP (msn.com)
Turkey Earthquake update Live updates: More than 5,000 dead in Turkey, Syria earthquake amid fears of new humanitarian crisis (msn.com)

Short Range Weather Widespread showers and thunderstorms with the risk for flash flooding from the Southern Plains to the Mississippi Valley develops on Tuesday. Moisture tracking into the Pacific Northwest will bring heavy lower elevation/coastal rain and mountain snow. Meanwhile, unseasonably warm temperatures continue for the eastern two-thirds of the country. NWS

Long Range Weather: There is a broad ridge across North America with a trough in the Four Corners and another trough in the North Pacific and Alaska. The Pacific trough will be the catalyst to send several pieces of energy through North America over the next week before it drops into the West next week. It will move across the continent late next week. The pieces of energy will produce a few storm systems. The U.S. and European models agree on the overall pattern but have differences in how they treat each piece of energy moving through the country. I will use a blend but favor the European. For the outlook period, temperatures on Sunday will be near to above normal for much of the country with below normal temperatures in the Southeast. Warmth will build in the East next week while the West cools down significantly underneath the trough moving in. Two strong storm systems are expected next week, though models are trying to figure out how that will come together. -DTN

NORTHERN PLAINS (LIVESTOCK): Above-normal temperatures should stay in the region over the next week or so, reducing stress and feed requirements for livestock. Temperatures will be on a cooling trend again next week, which may be a significant drop. That may or may not come with a burst of precipitation. -DTN

CENTRAL/SOUTHERN PLAINS (WHEAT/LIVESTOCK): A low-pressure center will form along a front across the southeast on Tuesday and Wednesday where showers will be more significant. Some cooler air will move in behind this system to close out the week, but nothing significantly cold that would produce too much stress for livestock. Warmer air will quickly replace the cold again this weekend. A stronger storm is expected to develop in the region early next week that could produce some significant precipitation. -DTN

MIDWEST (WINTER WHEAT): Warmth continues into next week. Though a system will bring widespread precipitation to the region Wednesday through Friday, including a band of light to moderate snow on the backside of it, temperatures behind this system will still be mild for this time of year. -DTN

DELTA (LOWER MISSISSIPPI RIVER LEVELS): Though area rivers are full due to recent rainfall, a lack of precipitation farther north will send Mississippi River water levels down through this week and are forecast to continue next week as well. Some precipitation will be added this week but is not forecast to have a significant enough of an effect to stop the drop in water levels. -DTN

BRAZIL (CORN/SOYBEANS): Scattered showers have returned to central and northern areas, where breaks in the heavy showers will be few and far between. Soybean harvest and safrinha corn planting remain behind schedule. If the delays are too great this week and continue through next week as they are forecast to do, corn runs the risk of running into its pollination stages as the wet season rains shut down -- unfavorable weather conditions for corn production. Southern areas continue to have issues with pronounced dryness, which continues this week as well. -DTN

ARGENTINA (CORN/SOYBEANS): The country is in the midst of a dry stretch that lasts this week before showers move through again this weekend with a cold front. Some spotty showers may occur in a couple of spots this week, though rising temperatures will negate any precipitation that falls until the weekend. The showers that come with the front are unlikely to have a significantly positive impact on soil moisture, though another front that follows it next week could be more substantial. Crops have had a boost in crop conditions the last couple of weeks, but the heat and dryness this week should have negative effects again. -DTN

EUROPE (WINTER WHEAT): A piece of energy is pushing southwest into Spain where showers will continue through Thursday. While below-normal temperatures are found across the region for the next few days, it should not be cold enough to produce widespread problems with winterkill. It should be drier for the majority of the continent until a front moves through next week. Overall, winter wheat is in a favorable situation, though France could use more rain and the crop remains vulnerable to a blast of cold air with somewhat limited snow cover. -DTN

Headlines:

- > Malaysian April Palm Oil Market closed up 74 Ringgits
- > Dalian Futures were mixed March corn down 18 to the Yuan, May Soybeans up 14, May Meal down 38, May Bean Oil up 54, May Palm Oil up 100
- > Asian Equity Markets were mixed Japan's Nikkei down .1%, China's Shanghai up .3%
- > European Equity Markets are mixed German Dax down .3%, London FTSE 100 up .3%
- > MATIF Markets are mixed March Corn up .50 to the Euro, May Rapeseed up 4.75, March Wheat down .50
- > Save the Date...Feb 8th...USDA S&Ds, crop production...average guess/Jan USDA...US wheat carryout 575 MBU/567, corn 1.266 BBU/1.242, beans 211 MBU/210...world carryout wheat 268.6 MMT/268.4, corn 294.7 MMT, 296.4, beans 102.3 MMT/103.52...Argentina production guess/Jan USDA/Dr. C this week...Argentina corn 48.5 MMT/52.0/39.0, Argentina beans 45.5/45.5/44.0...Brazilian corn 125.2 MMT/125.0/125.0, Brazilian beans 153.0 MMT/153.0/151.0
- > Save the Date...Feb 13th...Its Baseball Ray [See when pitchers and catchers report to MLB spring training 2023 \(yahoo.com\)](#)
- > Save the Date...Feb 14th...US CPI and Real Earnings
- > Save the Date...Feb 15th...NOPA Crush
- > Save the Date...Feb 20th...US Holiday

> Save the Date...Feb 23rd...US 4Q GDP

. Save the Date...Feb 27th...Adv Durable Good

> Locust/FAW/ASF all quiet today

> Bird Flu News its everywhere [Nepal detects H5N1 bird flu on farm, WOH says \(msn.com\)](#)

> On Tuesday, China's Ag Ministry said they've fined six firms and various individuals for testing and selling GMO corn and soybean. -QT

> StatsCan Stocks at 7:30 AM CST Barley expected at 4.5 MMT, Oats 3.6 MMT, Canola 11.7 MMT, All Wheat 22.3 MMT, Durum 3.9 MMT

> Fed Chairperson Powell's speech at the Economic Club of Washington Tuesday will be a chance to correct any dovish misconceptions from last week's press conference...speech scheduled for 11:40 AM CST

Commentary: The high wire act of a US State of the Union Address will be on full display tonight. These speeches are used to define the goals and aspirations of a presidency. This speech has been worked on for weeks, and yet unfolding events like Balloon Gate and the Black Sea war mean passages of this speech will be written and rewritten all day today. The Ag markets will be keying in on the tone of the speech in regard to China. It is clear that the Chinese need the west to restart their economy. Balloon Gate has been a huge set back for them in their recent charm offensive. How tough a stance will the US take or will Balloon Gate be washed away with renewed trade between the countries. With an expected spring offensive from the Russians looming, will the President offer up new support for Ukraine. Questions will be asked post this speech on how viable a continuation of the UN brokered grain passage deal will be asked. Given the questions and spin from tonight's speech followed by a USDA reset of the S&Ds on Wednesday one should expect a choppy two-sided trade for today.

China Dryness the spring weather story for 2023???

[China warns of more extreme weather in 2023 \(msn.com\)](#)





Tuesday, February 7, 2023



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