

**MORNING GRAIN COMMENTARY**

Morning Trends:
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as of 5:00 AM CDT
Corn 1 to 3 higher
Wheat 5 to 7 higher
Soybeans 2 to 4 lower
Soy Meal .5 around
Soy Oil 20 to 25 lower

The Stories of the Day:
<b>Russia/Ukraine</b> <a href="#">Takeaways from AP's interview with Ukraine's Zelenskyy (msn.com)</a> <a href="#">Take the Win and End the Ukraine War Now (msn.com)</a>
<b>Taiwan/China/US</b> <a href="#">Taiwan leader's US meeting plans draw Chinese threat (msn.com)</a>
<b>Ma in China, no not Jack, the ex-President of Taiwan</b> <a href="#">With Opposition Perturbed, Taiwan's Former President Makes Historic Visit to China (foreignpolicy.com)</a>
<b>Israel</b> <a href="#">Israeli PM, Biden exchange frosty words over legal overhaul (msn.com)</a>
<b>Rumors to start the week that Russia was going to nationalize their grain industry well this should keep the rumors rolling</b> <a href="#">Russia Says Crop Titan Cargill Will Stop Exporting Its Grain - Bloomberg</a> and this headline from Interfax will keep the rumor milling rolling as well <b>Russia to Order 61 Ships for Grain Export: Interfax</b>

**Short Range Weather:** A strong Pacific storm will continue to bring additional rounds of heavy rain, mountain snow, high winds and colder temperatures to the portions of the West Coast through Thursday. Snow showers and squalls could disrupt travel in the Northeast Wednesday afternoon and evening. A strong storm is forecast to develop over the central Plains Thursday where it will bring threats of heavy snow. **NWS**

**DTN's Long Range Weather: 24-Hour National Temperature and Rainfall Extremes:** HIGH TUE...92 AT CLERMONT, FL...LOW 35 BELOW ZERO AT PETER SINKS, UT...PASCAGOULA, MS 1.71 INCHES

There is a trough in central Canada, one in the East, and one on the West Coast. A weak ridge in the Southeast pops up in the absence of troughing, now currently over the Southern Plains. The western trough will slide eastward through the weekend with a big storm and be replaced but another in the West. That storm will move through the middle of the country in the middle of next week, while yet another trough builds in the West. The Southeast ridge will try to firm up next week and oppose the troughs a bit. The U.S. and European models are similar. I will use a blend but favor the European. For the outlook period, temperatures on Monday will be below normal in the West and North and above normal in the South and East. Another system will move through the country next week. Models are still trying to work out that system, but it should bring widespread precipitation and a drop in temperatures to many areas.

**NORTHERN PLAINS (LIVESTOCK):** Some occasional snow continues through Thursday, but with a heavier band in South Dakota moving through on Friday that could add to the snowpack. Cold temperatures will limit melting for yet another week and the risk of significant flooding is increasing for when temperatures turn higher, perhaps abruptly.

**CENTRAL/SOUTHERN PLAINS (WHEAT/LIVESTOCK):** A larger storm builds across the region Thursday into Friday. Northern and eastern areas again look to have the best chance for precipitation while strong winds develop elsewhere, sapping soil moisture. The outlook for the southwestern Plains remains grim as this area gets missed by yet another large storm. A similar large storm is expected next week.

**MIDWEST (WINTER WHEAT):** Another strong storm will move through Thursday into Saturday with widespread precipitation, severe storms, strong winds, and a band of snow across the north as we turn the calendar to April. The wetter conditions across a lot of the region are causing a slow start to fieldwork.

**DELTA (SOYBEANS/COTTON):** The region will get a couple dry days before more showers come through with a stronger system Friday into early Saturday. Another storm system is forecast for next week. The frequent precipitation is keeping fields wet and fieldwork slow.

**BRAZIL (CORN):** Wet season showers have become isolated through central Brazil and are forecast to remain that way through April, leaving some concern for enough available soil moisture for developing safrinha corn. Systems moving through Argentina will bring showers into southern Brazil, however, which may enhance showers there at times.

**ARGENTINA (CORN/SOYBEANS):** Argentina continues to be active with several more fronts moving through with more showers going into April. Heavy rain last week and this week is too late to turn around damaged corn and soybeans. Temperatures look to waffle a bit more as it starts to come to fall harvest time.

**EUROPE (WINTER WHEAT):** An active weather pattern continues to bring widespread showers through most of the continent through the weekend. Spain and Italy will miss out on more of the precipitation, which it needs as it has been much drier over the last few months. After a warm start to spring in March, temperatures are trending below normal as we move into April, which may cause some cooler morning temperatures and localized frosts, along with slower development of winter grains.

**BLACK SEA (WINTER WHEAT):** Periods of showers will move through the region through next week, but also come with cooler temperatures, which may slow development of winter grains. Overall, though, growing conditions are mostly favorable.

**CHINA (WINTER WHEAT/OILSEEDS):** Precipitation continues to be limited in the main winter wheat and oilseed areas on the North China Plain as crops are breaking dormancy. Shower chances are low this week and focused more to the south. A system will come through early next week with scattered showers, but more will be needed.

**Headlines:**

> Malaysian June Palm Oil Market closed up 18 Ringgits

> Dalian Futures were mostly higher May corn up 15 to the Yuan, May Soybeans down 28, May Meal up 42, May Bean Oil up 94, May Palm Oil up 100

> Asian Equity Markets were mixed, Japan's Nikki up 1.3%, China's Shanghai down .2%

> European Equity Markets are higher German Dax up 1.0%, London FTSE 100 up .7%

> MATIF Markets are mixed June Corn up .75 to the Euro, May Rapeseed down 1.50, May Wheat up 1.0

> Save the Date...March 30<sup>th</sup>...US 4Q GDP...third reading expected at 2.7% unchanged from the second reading

> Save the Date...March 30<sup>th</sup>...Opening Day for MLB...and for the first time since 1968, weather permitting, all teams will be in action

> Save the Date...March 31<sup>st</sup>...US Grain Stocks and Perspective Plantings... Average trade guess according to Reuters for US Stocks...wheat 934 MBU, Corn 7.470 billion bushels, beans 1.742 billion bushels...Average

trade guess for all wheat acres 48,452 million/2023 Outlook Forum 49.500 million...corn 90.880/91.000 million...beans 88.242/87.500

- > Save the Date...April 3<sup>rd</sup>...It begins again the first weekly crop updates from the USDA
- > Save the Date...April 7<sup>th</sup>...US Employment Numbers...CME Ag markets are closed
- > Save the Date...April 11<sup>th</sup>...USDA S&Ds
- > Save the Date...April 12<sup>th</sup>...CPI and real Earnings
- > Save the Date...April 13<sup>th</sup>...PPI
- > US Army Corp of Engineers said there were a number of Ohio River barges that broke free from a tow near Louisville, KY. Three of the barges have wedged against the McAlpine Dam, closing traffic around the 606 mile marker. -QT
- > All quiet today for ASF/Locust
- > Fall Armyworm back in New Zealand [Fall armyworm found in North Canterbury - NZ Herald](#)
- > Bird Flu [China reports a third human case of the H3N8 strain of bird flu \(msn.com\)](#)

**Commentary:** A lot has been written about the fact that the KW/W spreads have widen to record levels (pet peeve time, why do we not see anything about how wide KW/C spreads have gone). Clearly the focus of the market is on the poor start to the spring growing season in the Central and Southern Plains. On top of that the other protein wheat, MW, looks like will get off to a late start as spring is having trouble starting in the N. Plains. We and other have said that wind is the true enemy of HRW crops this time of year. And it looks like we will have another wind event from Central TX to Central KS to end the week. Many in the trade are asking when will this spread correct. In our minds this spread will start to correct once we can return the market's focus back to the technical ramifications of flat price action. We start the day thinking the MM Funds are short close to 75,000 W and short about 5,000 KW. We feel close to 25,000 contracts of the Chicago wheat short was created during the March sell off. We start the day with WN 50-day moving average around 740ish. If WN can close the week out over this level, there will be a stack of MM Funds shorts that will be under water and could be motivated to move quickly to the sidelines. At this point we should see wheat do what it do, violating correcting an overstatement in prices...keep watching this space.

**For the next 48-hours keep an eye to the sky**

