

MORNING GRAIN COMMENTARY

Morning Trends:
Morning Trends
as of 5:00 AM CDT
Corn .5 to 1 higher
Wheat 1 to 2 higher
Soybeans 6 to 8 higher
Soy Meal 2.50 to 3.50 higher
Soy Oil 5 to 10 higher

The Stories of the Day:
Powell’s ‘Supercore’ Inflation Gauge to Accelerate – Bloomberg
The PCE deflator to rise 0.2% in March (vs. 0.3% prior) and the core PCE deflator to rise 0.4% (vs. 0.3% prior). On a year-over-year basis, the PCE deflator likely rose 4.2% — down from 5.0% prior — while the core PCE deflator rose 4.6%, the same as last month.
Biden EPA to Allow Summer Sales of Higher-Ethanol E15 Gasoline – Bloomberg
Russia demands full implementation of Black Sea grain deal – Reuters
Russia kills at least 12 in biggest Ukraine air strikes for nearly two months - Reuters
China flies combat drone around Taiwan - Reuters

US OUTLOOK AND MODEL DISCUSSION 6-10 DAY PERIOD:

There are troughs in the eastern two-thirds of the country, a ridge in the West, and another trough in Alaska. The eastern troughs will merge together and get another piece of the Alaska trough this weekend, maintaining an eastern trough through early May. The western ridge will drift a little eastward next week, pushing the trough to or off the East Coast. In its absence, another trough will form off the California coast next week.

For the outlook period, temperatures on Tuesday will be below normal east of the Rockies and above normal in the West. Some of the warmth will spread east of the Rockies next week while the cold in the East eases. A system may still be spinning in the Northeast with showers through the middle of next week and showers will spread into California as well. Depending on where the ridge sets up, we may see showers developing in the Plains by later next week, including for the drought areas again.

NORTHERN PLAINS: A system will bring in scattered showers over the next few days, mostly in the form of rain despite cooler temperatures. Rain should not be heavy enough to increase pressure on the ongoing flooding across the Red River by too much, but the colder temperatures will slow the drying process, limiting fieldwork and planting. Temperatures will start rising in the west this weekend and should get closer to normal for eastern areas next week, being more favorable for fieldwork.

CENTRAL/SOUTHERN PLAINS: A system brought widespread showers to the drought areas over the last couple of days, being substantial in some areas. That will help to reduce the impact of the drought, but should not make much of a dent in it. Additional showers could be possible on Friday with a cold front sliding south through the region. Wheat may not benefit from the rain too much due to poor conditions, but the increased soil moisture would favor forages and corn and soybean planting and establishment.

MIDWEST: Cold air has produced frosts and freezes over the last few mornings. The cold air may cause damage to more-developed wheat and emergent corn and soybeans. A system will come through late week and

weekend with widespread showers, mostly in the form of rain. Cooler temperatures will generally be in place for eastern areas well into May, unfavorable for planting and supportive for additional frosts.

DELTA: Scattered showers will move through with a couple of systems through Saturday before becoming much drier. Many areas of the region are wet, limiting spring planting. Areas that have been able to plant will find good conditions for germination and early growth, though temperatures will be on the cooler end of normal through the end of the month. Northern areas may catch a frost early next week.

CANADIAN PRAIRIES: Below-normal temperatures continue to limit melting of the snowpack across the east. Western areas with less snow cover should see higher temperatures. The overall cooler nature will continue to limit or prohibit fieldwork and seeding across the east, but western areas may see a window opening up. Some showers will move through with a system this week, being a mix of rain and snow, but should dry out afterward. Warmer temperatures will spread across more of the region next week.

BRAZIL: A system is moving through with now isolated showers over the next day or so. Another system is likely to stall out over southern areas next week with scattered showers, but may be just south of the primary safrinha corn areas. Instead, rain will condition soils for winter wheat planting. Overall, corn conditions are good for the time-being, with an eye toward additional rain for the next couple of weeks and potential frosts through June.

ARGENTINA: Most of the agricultural areas have missed out on recent rainfall and conditions are favorable for harvesting a severely damaged crop. Winter wheat areas are in need of more moisture as the crop will start to be planted in the next week or two. A system moving through Sunday may provide some moisture, but more will be needed.

EUROPE: A couple of systems will spread showers through most of the continent over the next week. Spain is in drought and in need of more rain for both winter and summer crops, but will largely stay dry. Conditions across most of the rest of the continent are in good shape.

BLACK SEA: More showers are falling with another system that is slowly moving through this week. Some chilly air is moving into Ukraine through this weekend, but conditions continue to be mostly favorable for winter wheat development and corn planting.

CHINA: Drier conditions have been in place for a while across the North China Plain into the northeast. Irrigation has been needed for developing winter wheat and oilseeds. Some periods of showers will move through over the next week, but do not look to be that widespread. This could be a slow start for corn and soybean planting.

AUSTRALIA: Weather conditions over the summer and fall season have been favorable to keep soil moisture abundant prior to winter grain and oilseed planting, which will increase going into May. A system is moving through with showers this week, but overall, conditions are good for winter crop planting. The likely occurrence of El Nino in the next couple of months should have a detrimental effect on precipitation across eastern Australia at some point, but conditions are good for now.

Headlines:

- > Malaysian July Palm Oil market closed lower, down 117 Ringgits.
- > Dalian Futures were mixed/lower, July corn down 30.00 Yuan, July Soybeans down 56, Sept Meal up 21, Sept Bean Oil down 112, Sept Palm Oil down 118
- > Asian Equity Markets were higher, Japan's Nikki up 1.40%, China's Shanghai up 1.02%
- > European Equity Markets are lower German Dax down 0.35%, London FTSE 100 down 0.22%
- > MATIF Markets are mixed/lower, June corn down .25 Euro, Aug Rapeseed down 4.75, Sept Wheat up .25
- > Save the Date...April 28th...First Notice Day for CME and MGEX Ag products
- > Save the date...April 29th thru May 3rd...China in holiday mode
- > Save the Date...May 1st...Labor Day celebrated in many parts of the world
- > Save the Date...May 3rd...FOMC Meeting Results
- > Save the Date...May 5th...US Job Numbers
- > Save the Date...May 10th...CPI/Real Earnings
- > Save the Date...May 11th...PPI Numbers
- > Save the Date...May 12th...USDA S&Ds + Crop Production
- > All quiet today for Locust/ASF/FAW/Bird Flu

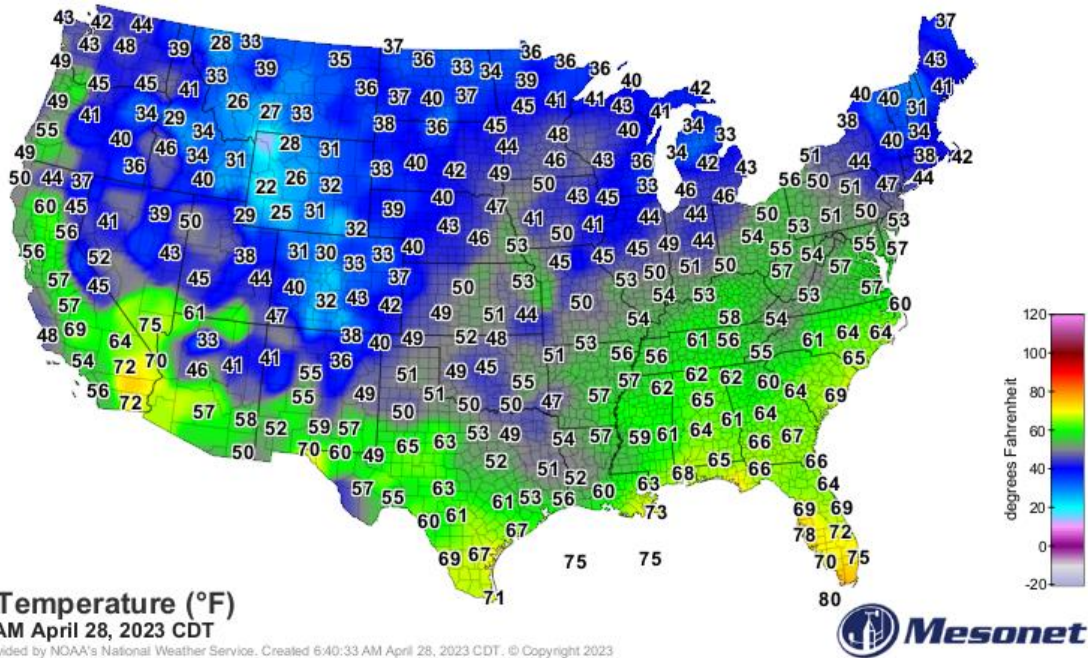
Commentary:

Varied price tone this morning... Soybean futures traded higher overnight, while corn and SRW wheat failed to sustain earlier corrective buying.

EPA to announce waiver for summer E15 sales... Biden administration officials have decided to issue an emergency waiver that will allow widespread sales of E15 gasoline this summer, following a strategy used last year to help tamp down high pump prices, Bloomberg News reported. The waiver, set to be announced by EPA today, will temporarily exempt the 15% ethanol blend fuel from volatility requirements that effectively block sales from June 1 to Sept. 15 throughout much of the country.

Flooding halts barge traffic on Upper Mississippi River... All locks and dams above Lock 17 (near New Boston, Illinois) on the Mississippi River are closed for three weeks due to flooding, according to USDA's Grain Transportation Report. Expected high waters could potentially close river traffic as far south as Lock 22 (near Saverton, Missouri) for two weeks, starting around May 5. Restricted barge traffic will slow grain movement down the river and fertilizer movement up from the Gulf

6:00 AM US Temp Map



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