

**MORNING GRAIN COMMENTARY**

**Morning Trends:**

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as of 5:00 AM CDT

Corn 4 to 6 lower

Wheat 1 to 3 lower

Soybeans 7 to 9 lower

Soy Meal 2.5 to 3.0 lower

Soy Oil 35 to 40 lower

**Short Range Weather:** A slow-moving storm system will bring moderate to heavy snow in the West Virginia Appalachians through the morning and showers will continue across the Great Lakes, Mid-Atlantic, and Northeast. Much below average temperatures are expected in the Mid-Atlantic and Northeast. River flooding due to rapid snowmelt continues across much of the mountainous West and the Upper Midwest. -NWS

**The Stories of the Day:**

**Russian/Ukraine:** [Ukraine escalates sabotage operations ahead of counteroffensive \(msn.com\)](#)['Explosive Device' Derails Second Russian Freight Train Near Ukraine \(msn.com\)](#)[Ukraine War Ending: Putin Is Sick with Cancer? \(msn.com\)](#)[Fuel Depot on Fire in Russian Village Near Crimea Bridge \(msn.com\)](#)[Ukraine keeps details of upcoming counter-offensive hidden from allies – Politico \(msn.com\)](#)[Why Russia fears a 'major breakthrough' by Ukraine, according to British intelligence report | Watch \(msn.com\)](#) [Putin Grooms Russians for Defeat in Leaked Crisis 'Manual' \(msn.com\)](#)

**FED Day** [What Another Fed Rate Increase Means if You Want to Buy a House \(msn.com\)](#) [European markets live updates: stocks, news, data, Fed rate decision \(cnbc.com\)](#) [unemployment not just a FED thing](#) [Euro zone unemployment falls to 6.5% in March \(msn.com\)](#)

**China continues to want it both ways** [China's views on Crimea serve China's interest, not Russia's \(msn.com\)](#)

**Armenia/Azerbaijan Talks** [Armenia Cannot Accept That Azerbaijan Liberated Its Lands From Occupation - Çavuşoğlu | MENAFN.COM](#)

**When it makes the paper of record, you know people up in the executive suites will have questions about supply chains** [El Niño, Global Weather Pattern Tied to Intense Heat, Is Expected by Fall - The New York Times \(nytimes.com\)](#)

**DTN's Long Range Weather and 24-Hour National Temperatures and Rainfall Extremes:** HIGH TUE...101 AT RIO GRANDE VILLAGE, TX LOW TUE...17 AT WALKER, CA... ELKINS, WV 1.07 INCHES

There is a deep trough in the East and another in the West. A weak ridge is stuck in between the two across the Rockies and into the Plains. The ridge will expand eastward and shove the eastern trough offshore over the next couple of days. The western trough will weaken as it moves eastward over the weekend and early next week but will be reinforced by another trough in the West next week. That trough should similarly move through the U.S. next week, though be weak when it does so 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 near to above normal in the Central and East. Some cooler temperatures may leak into the Plains later next week, otherwise this pattern will continue. The western trough will send one system eastward early next week and keep showers going in the middle of the country next week as well with another system possible later in the week. Showers looks largely disorganized.

**NORTHERN PLAINS (LIVESTOCK/WHEAT/CORN/SOYBEANS):** Temperatures continue to be near or above normal for the next couple of weeks, favoring some planting. Scattered showers will likely move in Friday and continue in waves through next week, offering some increase in soil moisture for some of the dry areas.

**CENTRAL/SOUTHERN PLAINS (WHEAT/LIVESTOCK/CORN/SOYBEANS):** Temperatures are on the rise this week. After some favorable rains last week, periods of showers will continue through next week as well, though less organized in nature. Still, the additional rains will be beneficial to wheat and early corn and soybeans.

**MIDWEST (WINTER WHEAT/CORN/SOYBEANS):** Temperatures are gradually rising over the next few days with improving conditions for planting. Another system moves through this weekend into next week with showers being possible. Showers continue next week as well, but likely very disorganized.

**DELTA (SOYBEANS/COTTON):** Wet conditions are mostly favorable for developing crops, though somewhat difficult for planting. Scattered showers will move through later this week and again over the weekend with another couple of systems moving through. Disorganized showers may continue at times next week as well.

**CANADIAN PRAIRIES (SPRING WHEAT/CANOLA):** Mild temperatures in the region are favoring an increase in soil temperatures and planting activities. Chances for showers return over the weekend into next week, which are needed for some of the drier areas in the west. Showers are largely disorganized, though.

**BRAZIL (CORN/WINTER WHEAT):** A front will remain stalled in the south with scattered showers for at the next week. Showers may clip the far southern safrinha corn areas but will help to increase soil moisture for winter wheat. Safrinha corn areas have good soil moisture for now but would prefer the front to slip farther north next week with some showers. Temperatures remain warm with no risk of frost.

**ARGENTINA (CORN/SOYBEANS/WINTER WHEAT):** A front moved through the country on Sunday with scattered showers. The rains are helpful for conditioning soils for winter wheat planting, but more are needed. However, it should remain drier, unfavorable for winter wheat, but favorable for corn and soybean harvest.

**EUROPE (WINTER WHEAT/CORN):** A fairly active storm track continues to move through the continent for the next week, favorable for bringing widespread rains to most areas. Spain remains very hot and dry and in desperate need of additional rainfall. However, it should miss out on most of the rainfall over the next week. A burst of colder air is sagging through northeastern areas of the continent, which may produce some frosts through the weekend. Otherwise, good weather conditions continue for winter- and spring-sown crops.

**BLACK SEA (WINTER WHEAT/CORN):** Showers have been consistent across much of the region over the last several weeks, favoring winter wheat development and corn planting. Colder air is settling into the region, which may produce some frosts across the northern end of the region and limit the showers through the weekend. Outside of the cooler temperatures, conditions for growth remain fairly good.

**CHINA (WINTER WHEAT/OILSEEDS/CORN/SOYBEANS):** A larger storm system will bring widespread rain to the drier areas over the next couple of days, favorable for increasing soil moisture for winter crops and corn and soybean planting. However, drier conditions that follow remain a concern for these crops.

**AUSTRALIA (WINTER WHEAT/CANOLA):** Overall, conditions are good for winter crop planting with only isolated showers moving through at times for the next couple of weeks. Soil moisture is favorable for establishment. 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 winter crop establishment for now.

**Headlines:**

- > Malaysian July Palm Oil market closed up 9 Ringgits.
- > Dalian Futures, July corn XX to the Yuan, July Soybeans XX, Sept Meal up XX, Sept Bean Oil XX, Sept Palm Oil XX
- > Asian Equity Markets, the ones that were open, were mixed, Japan's Nikki XX, China's Shanghai XX
- > European Equity Markets are higher German Dax up .6%, London FTSE 100 up .5%

- > MATIF Markets are lower, June corn down 3.50 to the Euro, Aug Rapeseed down 6.50, Sept Wheat down 3.25
- > Save the Date...May 3<sup>rd</sup>...FOMC Meeting Results...expected .25% increase
- > Save the Date...May 5<sup>th</sup>...US Job Numbers...expected 180,000 new non-farm jobs created in April, unemployment 3.6% vs. 3.5%...M/M hourly wages up .3%
- > Save the Date...May 9<sup>th</sup>...The US Debt Deal Dance begins again [The Hill's Morning Report — Biden asks GOP to meet ahead of possible June 1 default | The Hill](#)
- > Save the Date...May 10<sup>th</sup>...CPI/Real Earnings
- > Save the Date...May 11<sup>th</sup>...PPI Numbers
- > Save the Date...May 12<sup>th</sup>...USDA S&Ds + Crop Production
- > Save the Date...May 15<sup>th</sup>-18<sup>th</sup>...KS Wheat Quality Tour
- > FAW [Inside the lab that's breeding weapons against fall armyworm - ABC Radio](#)
- > Locust a transportation issue??? [Let us spray: Kumba Iron Ore confronts biblical plague of locusts to boost rail performance \(msn.com\)](#)
- > Bird Flu [Avian flu kills 10 northern Arizona condors and officials fear the virus could spread \(yahoo.com\)](#)
- > ASF [Fresh pork back in stock in Singapore, ending temporary disruption over African swine fever discovery - CNA \(channelnewsasia.com\)](#)
- > Wheat tour in Oklahoma on Tuesday is projecting the state's 2023 winter wheat harvest at 54.3 mln bushels, yields are projected at 24.6 bushels per acre -QT

**Commentary:** Now we get it, the real start of the work week for the macro markets will be at 1:00 PM CDT. The feeling is that the FED will raise interest rates by .25% but indicate a pause in further increases for the summer. Much like a USDA S&D report we always hope that the FED Speak to follow the interest rate announcement will provide some clarity to the markets, but this rarely happens. In fact if you look back in history to 2006 the last time the Fed went on a rate hike spree, signaling the pause was a chore. ([What the Fed's 2006 playbook signals about a rate hike \(msn.com\)](#)) the bottom line in this time of failing banks the FED will want to have it both ways. They will want to tell the world that the slowdown on rates to outright pause is here, but if inflation numbers do not improve, they will be ready to act. That means the macro markets will be back to looking at weekly and monthly economic numbers for what the FED might do next. That means the trade will then be on to the Monthly US Jobs numbers that will be out Friday at 7:30 AM CDT. The expectation for these numbers are 180,000 new non-farm jobs created in April vs. the March number of 230,000, and that the monthly unemployment rate increase from 3.5% to 3.6%. Once we get past these numbers it is on to the battle over the US Debt Ceiling, another round of chicken being played by Washington politicians over the full faith and credit of the US. May 9<sup>th</sup> now looming large as President Biden will host a meeting with Congressional Republicans.

### OK Crop tour finding some frost damage

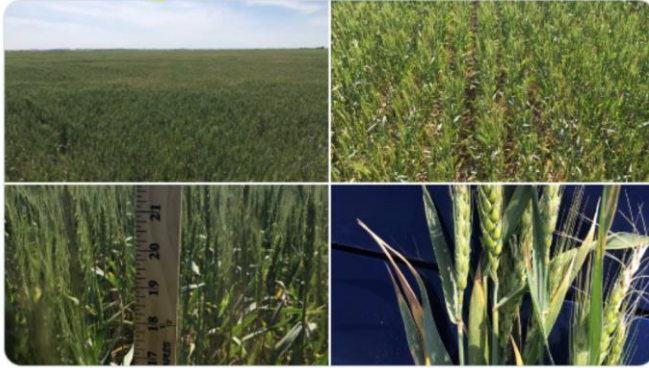
OK Crop Tour pointing to what the KS tour may 15th-18th might find? [2023 Wheat Crop Tour Estimates Differ by over 13 Million Bushels vs OGFA Member Projections - Oklahoma Farm Report](#)



Cascade Commodity Consulting, LLC  
@CashWheatReport



North of Kingfisher, OK #wheat 7.5" rows, 15-32 heads/ft, 10-14 spikelets, 2.1 kernels/spikelet, evidence of freeze damage to some of the heads, white tip. #wheatour23



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