

**MORNING GRAIN COMMENTARY**

**Morning Trends:**

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as of 5:00 AM CDT

Corn 1 to 2 higher

Wheat 4 to 6 lower

Soybeans 11 to 13 higher

Soy Meal .5 around

Soy Oil 80 to 85 higher

**Short Range Weather:** A lingering front will continue to focus severe storms from Texas to the Southeast. Very large hail, damaging winds, and locally excessive rain will be the primary threats. Locally heavy rain could cause flooding or flash flooding in the Intermountain West and Brooks Range in Alaska. Gusty winds in the Northwest and Southwest will produce areas of elevated to critical fire weather threats -NWS [Tropical development being monitored in the Eastern Pacific \(msn.com\)](#) and in the gulf [Busy tropical wave train among factors pointing to uptick in Atlantic activity \(msn.com\)](#)

**The Stories of the Day:**

**Russian/Ukraine:** [Russia launches 'massive missile' attack on Kryvyi Rih in central Ukraine - officials \(msn.com\)](#) [Russia's Economy and Currency Teeter on Precipice, Foreign Analysts Sound Alarm \(msn.com\)](#) [Ukraine has increased control in the Bakhmut area, says Zelenskyy \(msn.com\)](#) [Russia's Wagner mercenary chief says he is unsure if his men will continue fighting in Ukraine \(msn.com\)](#) [Cooling pond for Zaporizhzhya Nuclear Power Plant rapidly shallowing, according to satellite images \(msn.com\)](#)

**West Coast US Longshoreman** [ILWU Canada workers authorize strike in landslide vote, a 'significant blow' to West Coast ports \(msn.com\)](#) [Chamber of Commerce asks for help as Western ports are disrupted \(msn.com\)](#) [Biden Acting Labor Secretary Julie Su engaged in tense West Coast port contract negotiations \(msn.com\)](#)

**India/Pakistan Cyclone** [Thousands evacuated in India and Pakistan as Cyclone Biparjoy approaches \(msn.com\)](#)

**Today's Volcano Update** [Philippine villagers flee ashfall, sight of red-hot lava from erupting Mayon volcano - ABC News \(go.com\)](#)

**China's water needs** <https://www.reuters.com/world/china/climate-change-hits-china-weighs-new-water-megaprojects-2023-06-13/>

**El Nino, a deep dive by Bloomberg** [First El Niño in Four Years Threatens New Economic Destruction \(bloomberg.com\)](#)

**DTN's Long Range Weather and 24-Hour National Temperatures and Rainfall Extremes:** 113 AT RIO GRANDE VILLAGE, TX LOW MON...28 AT WATTON, MI, BLACK RIVER FALLS, WI, AND WABEON, WI...COLORADO SPRINGS, CO 5.44 INCHES

There is a trough in the Great Lakes and another in the Southwest. A weak ridge continues across western Canada with another trough moving into it across Alaska. The Southwest trough will send some pieces of energy eastward and the Alaska trough will send some as well, making for a messy pattern this week. The Alaska trough will settle into the West over the weekend. A ridge will be developing over Mexico through the week, bumping up into Texas by the end of the week. The ridge will try to spread northward next week, though models are uncertain to what degree that will occur. If it is not too strong, the trough in the West will continue to bring disturbances through the U.S. The U.S. and European models continue to have some differences in precipitation and temperatures, and both have been inconsistent. **I will use a blend but favor the European.** For the outlook period, temperatures are uncertain and dependent on the ridge developing in Texas, but above normal temperatures are likely to spread through more of the country east of the Rockies next week. Precipitation will also be variable, but disturbances will try their best to move through the country next week, with showers possible across the Corn Belt. There is much uncertainty in the pattern, however.

**NORTHERN PLAINS (LIVESTOCK/WHEAT/CORN/SOYBEANS):** A system will come through with scattered showers Wednesday through Friday but will miss many areas. The pattern remains active for the region for the rest of June, though.

**CENTRAL/SOUTHERN PLAINS (WHEAT/LIVESTOCK/CORN/SOYBEANS):** A couple of disturbances will continue showers across parts of the region for the next few days and a system will move through Friday through the weekend with more potential for showers. Recent and forecast precipitation will do its best to ease drought conditions further but that may not translate to improved conditions in all places.

**MIDWEST (WINTER WHEAT/CORN/SOYBEANS):** A low-pressure system will spin around the Great Lakes with showers through at Wednesday morning. Another disturbance may follow behind it on Thursday and a system will move through over the weekend with the next chance for widespread showers. The forecast coverage and intensity is uncertain with this system, as is the forecast for next week. Any drought reduction is likely to be sporadic in the region, though growth may not be overly widespread either.

**DELTA (SOYBEANS/COTTON):** Several disturbances will create heavy showers in the region this week, increasing soil moisture and reducing concern about growing dryness.

**CANADIAN PRAIRIES (SPRING WHEAT/CANOLA):** A system moving through Wednesday and Thursday should bring more widespread showers to western areas that had been drier over the last couple of weeks. Additional systems are expected this weekend and next week as well. Temperatures will be variable and less consistently hot over the next couple of weeks.

**BRAZIL (CORN/WINTER WHEAT):** A will continue to slowly move through the country this week, spreading favorable showers to immature corn and vegetative wheat. Very cold temperatures will be settling in behind the front, though cloud cover and somewhat elevated winds should keep temperatures up enough to prevent any widespread frosts. Some limited areas may still see it over the next few mornings, however, most likely in Mato Grosso do Sul.

**ARGENTINA (WINTER WHEAT):** Soil moisture is still sub-optimal, but the recent run of showers have been helping in some spots. Colder temperatures have settled in and will produce areas of frosts and freezes through much of the week, slowing germination and growth for wheat.

**EUROPE (WINTER WHEAT/CORN):** An upper-level low will move through the Mediterranean over the next couple of days, then move north into Poland late this week and weekend, offering to bring showers to drier areas in the northeast. The pattern is looking to get more active afterward, bringing showers to northern areas next week.

**BLACK SEA (WINTER WHEAT/CORN):** A cold front moving into the region over the weekend brought scattered showers. Isolated showers will remain in the region for the next few days, favorable for developing crops.

**CHINA (WINTER WHEAT/OILSEEDS/CORN/SOYBEANS):** A low-pressure system continued to bring showers to northeastern corn and soybean areas over the weekend, favorable for developing crops. Drier areas of central China, including the North China Plain saw very little. This week will be much drier for most areas, with a system coming through this coming weekend.

**AUSTRALIA (WINTER WHEAT/CANOLA):** Conditions continue to be mostly favorable, benefiting wheat and canola establishment while El Nino continues to build in the Pacific. The event favors hotter and drier conditions in eastern Australia, which may start to impact the country's crops in spring when they emerge from semi-dormancy.

[Bleak monsoon in India over next 4 weeks, Cyclone Biparjoy preventing rain: Skymet Weather \(msn.com\)](#)

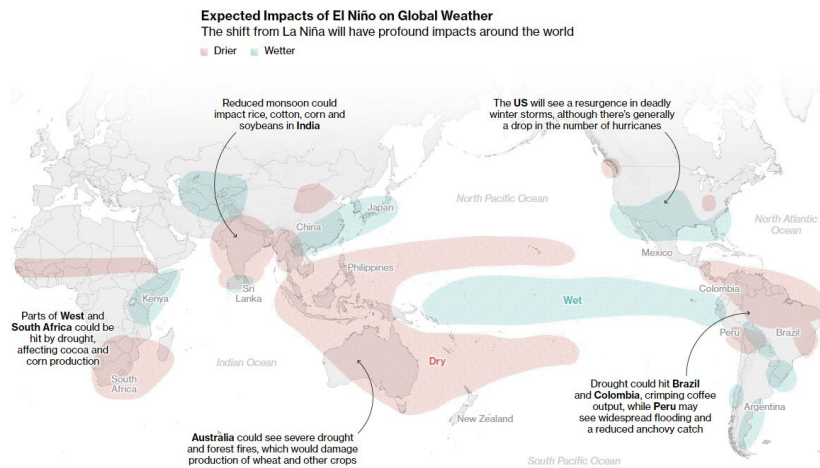
**Headlines:**

- > Malaysian August Palm Oil market closed up 73Ringgits
- > Dalian Futures were mixed, Sept corn down 16 to the Yuan, July Beans down 9, Sept Meal up 1, Sept Bean Oil down 38, Sept Palm Oil down 76
- > Asian Equity Markets were higher, Japan's Nikki up 1.8%, China's Shanghai up .2%
- > European Equity Markets are higher, German Dax up .4%, London FTSE 100 up .1%
- > MATIF Markets are mixed, Nov corn down 1.50 to the Euro, Aug Rapeseed up 4.75, Sept Wheat down 3.75
- > Save the Date...June 13<sup>th</sup>...US CPI...expected M/M up .4%
- > Save the Date...June 14<sup>th</sup>...US FOMC meeting results
- > Save the Date...June 15<sup>th</sup>...NOPA Crush
- > Save the Date...June 19<sup>th</sup>...US Federal Holiday
- > Save the Date...June 21<sup>st</sup>...Summer begins, again
- > Save the Date...June 22<sup>nd</sup>...China Dragon Boat Races
- > Save the Date...June 29<sup>th</sup>...GDP Q1
- > Save the Date...June 30<sup>th</sup>...USDA Quarterly Grain Stocks
- > Yellen speaks: US Treasury Sec Yellen testifies Tuesday morning, starting at 9:00 am CDT, at the annual US House of Rep committee hearing on 'The State of the International Financial System' -QT
- > Grain trade sources Tuesday reported Iran's state grain buyer is seeking 120,000 mt of Soymeal in a snap tender to close on Wednesday, June 14th. Origins accepted include Argentina or Brazil, the meal is for shipment in the July-August period. -QT
- > Grain trade sources Tuesday reported Iran's state grain buyer is seeking 120,000 mt of feed grade Corn in a snap tender to close on Wednesday, June 14th. Origins accepted include Black Sea region including Russia and Ukraine, Brazil, and the EU. Shipment is expected in July-August. -QT
- > All Quiet today for ASF, FAW, Bird Flu
- > Locust, okay its from 2020 but man, ['Nothing Stops Them': Locust Army Filmed Destroying Crops in Shocking Video \(msn.com\)](#)

**Commentary:** This morning the FED will get one last read on the US economy with the 7:30 Am CPI results. Some feel a CPI number that shows inflation in a fast retreat, this might be the final push for FED doves to win the day and hold interest rates at unchanged. On Wednesday, if indeed the FED does not increase interest rates the question that traders will have, is this just a skip or a full-on pause? Recent action by the Central Banks of Canada and Australia suggest their recent break from their interest rate increases were just skips and not a pause. The trade will be parsing the comments post the meeting to get a feel if the Fed indeed wants to take some time to assess how recent FED decisions are impacting the US economy. There has been a growing chorus that the FED may not be as focused on wage growth and might elevate other aspects of the US's economy in their decision process. Much like a USDA S&D report the trade wants clarity, but much like a USDA S&D report, FED decision day usually leaves many more questions than answers. One way or another, this

report will impact whether this summer for the macro markets as well as the Ags, is a summer of risk on, or risk off trading.

**El Nino Time**



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