

MORNING GRAIN COMMENTARY

Morning Trends:
Morning Trends
as of 5:00 AM CDT
Corn 19 to 21 higher
Wheat 25 to 27 higher
Soybeans 17 to 19 higher
Soy Meal 4.0 to 4.5 higher
Soy Oil 75 to 80 higher

The Stories of the Day:

Russian/Ukraine: [David Kirichenko: Turkey now senses Russia to be the sick man of Europe \(msn.com\)](#)[‘Bleed’ Putin Dry: Ukraine Is Changing Military Tactics to Fight Russia \(msn.com\)](#)[Ukraine says Russia intentionally struck grain terminals, port in Odesa \(yahoo.com\)](#)[Live updates: Latest news on Russia and the war in Ukraine \(cnbc.com\)](#)[Thousands Evacuated After Giant Fire at Russian Base in Crimea \(msn.com\)](#)[Russia Convicts 100 Army Deserters a Week – Mediazona \(msn.com\)](#)

World Inflation [INSTANT VIEW-Surprise drop in UK inflation dents sterling, lifts stocks \(msn.com\)](#)

Pay Me My Money Down [Canada’s West Coast dockers resume strike after rejection of sellout tentative contract - World Socialist Web Site \(wsws.org\)](#)

Central America Was Rocking [Earthquake rocks Central America \(msn.com\)](#)

The World’s Heat Wave [Historic, dangerous heat sweeps 3 continents \(msn.com\)](#)[Passengers pass out and soil themselves onboard boiling 111-degree aircraft with no AC \(msn.com\)](#)

Short Range Weather: An extremely dangerous and long-duration heat wave will continue over the Southwest well into next week with oppressive heat indices spreading across the south-central and southeast U.S. through this

weekend. Tropical Storm Calvin will pass very close to the Big Island of Hawaii through Wednesday bringing a period of heavy rain, high surf and locally strong winds. **NWS**

DTN’s Long Range Weather and 24-Hour National Temperatures and Rainfall Extremes: HIGH TUE...122 AT STOVEPIPE WELLS, CA LOW TUE...31 AT 32 MILES WEST-SOUTHWEST OF BYNUM, MT AND STANLEY, ID...ALBANY, NY 2.31 INCHES

There is a ridge in the South with an extension through the West and up through western Canada. A couple of troughs are moving through the Midwest with another in the Gulf of Alaska. The ridge will be stubborn across western North America while disturbances moving south out of Canada will maintain the eastern trough into next week. The western ridge will shift into the Plains next week though and put up a strong block across much of the U.S. while the trough in the Gulf of Alaska sends several pieces of energy through Canada. The U.S. and European models are fairly similar with the big picture, but not on the details. I will use a blend but favor the European. For the outlook period, temperatures will be mild across the Corn Belt and Southeast and above normal off to the West. Temperatures will quickly build well-above normal through most of the country next week, though there is some uncertainty to the degree to which that happens. A weak front may bring showers to the eastern Corn Belt and across the Southeast early next week but should dry out midweek. A system moving through Canada may scrape northern areas with periods of showers later next week and again over the weekend.

NORTHERN PLAINS (LIVESTOCK/WHEAT/CORN/SOYBEANS): Spotty showers continue Wednesday and we may see more in eastern areas Friday into the weekend. Milder temperatures will be replaced by heat by next week, though that could be augmented by systems moving through Canada bringing some potential for showers. Drought continues to be a concern, especially with the coming heat, but there is some shot at meaningful rain with those systems north of the border later next week.

CENTRAL/SOUTHERN PLAINS (LIVESTOCK/CORN/SOYBEANS): The region will remain active through Friday, especially north, with areas of moderate to heavy rain. To the south, heat continues to bake soils across Texas. A front will briefly cool some southern areas this weekend, but the heat will spread through more of the region next week while showers will become less frequent and mainly in the northwest. Conditions will turn unfavorable, coming during pollination and grain fill for a lot of the crop in the region.

MIDWEST (CORN/SOYBEANS): Areas of showers and thunderstorms and mild temperatures will continue through the weekend, though any good rain will be spotty. We may see some shifting around of the drought conditions on Thursday's update to the Drought Monitor, but subsoil moisture remains critical across most of the region and cannot take an extended period of heat and dryness without some effect to reproductive to filling corn and soybeans. Unfortunately, heat will increase next week, especially for western areas. Systems moving through Canada may bring fronts into the region, but prospects for rainfall are unknown, though likely to be spotty. Conditions will turn less favorable next week and may continue into August, which may exacerbate drought conditions and pressure crops.

DELTA (SOYBEANS/COTTON): The region will remain active into the weekend and possibly next week as well as a front drives southward through the region and stalls. Milder temperatures will move in with the front. Overall soil moisture remains favorable for developing crops. Heat this week and building in again next week may stress some small areas that have been missing out in the more active pattern.

CANADIAN PRAIRIES (SPRING WHEAT/CANOLA): A system moving through the region continues to produce scattered showers Wednesday. Several more systems moving off to the north could bring in some showers to eastern areas later this week and weekend as well but would be spotty. Temperatures will bounce around a bit over the next week as the pattern will be variable. The variability will mean a trough moving through in pieces next week which should offer some additional chances for showers and thunderstorms. Any rainfall would be helpful with wheat and canola in reproductive to filling stages.

BRAZIL (CORN/WINTER WHEAT): Recent showers over southern areas have favored wheat and any late-planted safrinha corn. The region will turn drier through the weekend, but another front will move north from Argentina next week with more showers for southern areas. The rain continues to favor developing wheat while it could hamper safrinha corn harvest progress.

ARGENTINA (WINTER WHEAT): Soil moisture remains sub-optimal in Argentina. A front will move through this weekend but with limited showers. An additional push could bring showers to northern areas early next week but miss much of the primary wheat areas. Colder temperatures that follow next week will likely produce frosts for developing wheat.

EUROPE (WINTER WHEAT/CORN): A trough over the north will continue to send pieces of energy through the continent through next week, favorable for spreading showers through much of the continent, but especially for the northern half of the continent. Periods of showers will come with milder temperatures, favorable for developing corn, but somewhat of a nuisance for maturing winter wheat.

BLACK SEA (WINTER WHEAT/CORN): Scattered rain showers and variable temperatures will move through the region over the next week, an overall favorable pattern for developing corn and sunflowers. Showers may hinder the wheat harvest, however.

CHINA (CORN/SOYBEANS): Periods of scattered showers and thunderstorms continue to move through central and northeast China's corn and soybean areas, favorable for crop development. Heavier rain may produce flooding in spots, however.

AUSTRALIA (WINTER WHEAT/CANOLA): A couple of fronts may bring light showers to southeastern areas of the country's wheat belt through the weekend with largely drier conditions elsewhere. A more intense front could bring showers to much of the country next week. Despite a building El Nino, which favors heat and dryness in

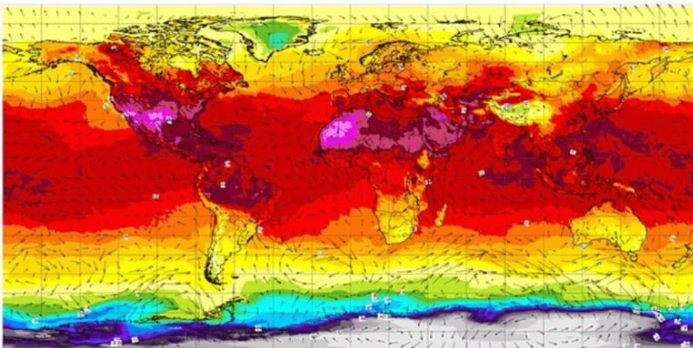
eastern Australia, that has yet to materialize. But the effects may be more pronounced later this year as the crop goes through reproductive and grain fill stages. Conditions continue to be favorable thus far, however.

Headlines:

- > Malaysian Oct Palm Oil market closed for Public Holiday (Happy New Year!!!)
- > Dalian Futures were mixed, Sept corn down 38 to the Yuan, Sept Beans down 19, Sept Meal up 20, Sept Bean Oil unchanged, Sept Palm Oil up 72
- > Asian Equity Markets were mostly lower, Japan's Nikkei closed up .2%, China's Shanghai down .3%
- > European Equity Markets are mixed to higher, German Dax up .1%, London FTSE 100 up .3%
- > MATIF Markets are mixed, Nov corn up 1.75 to the Euro, Nov Rapeseed down 2.75, Sept Wheat up 1.50
- > Save the Date...July 26th...FOMC Meeting Results
- > Save the Date...July 27th...Q2 US GDP
- > save the Date...August 4th...US Employment numbers
- > Save the Date...August 10th...US CPI
- > Save the Date...August 11th...US PPI
- > Save the Date...August 11th...USDA Crop Production and S&Ds
- > All Quiet today for FAW, Locust, Bird Flu
- > [Vietnamese companies ready to export African swine fever vaccines \(vietnamnet.vn\)](http://vietnamnet.vn)
- > Grain trade sources Wednesday said Algeria has purchased an undetermined volume of ^Corn^ at their tender that closed today. They had been seeking up to 240,000 mt of Argentine or Brazil origin feed grade Corn. Some in the trade estimate between 40,000 and 80,000 has been purchased so far and additional tonnage maybe announced. Prices were said to be around \$250/mt cf. -QT
- > Russia gave an ultimatum to the UN, giving the UN three months to implement terms of the Black Sea grain deal for Russian ag products if they want the Kremlin to resume talks about allowing the restart of Ukraine grain exports. -QT

Commentary: Plenty of talk about the war, plenty of talk about the weather. War and weather, weather and war is part of our daily conversations. But it seems like this week, war and weather and weather and war talk is front and center at the upper levels of management. In this post Covid era, we all know, when the upper levels of management key back into our daily existence, questions about the supply chain are sure to follow. It feels like the dog days of summer when the trade slips into complacency is not going to happen this summer. Not with Black Sea war starting to break stuff that can not be fixed overnight. While the trade focuses on Odesa this AM, our gaze continues on the Kerch Strait. [Kerch Strait still closed for transit, more than hundred ships stuck waiting \(fleetmon.com\)](http://fleetmon.com)

The Heat Stays On



[The stark warning behind the global heat map that has gone viral amid 'hell on Earth' \(msn.com\)](https://www.msn.com)



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