

MORNING GRAIN COMMENTARY

Morning Trends:
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as of 5:00 AM CDT
Corn 10 to 12 lower
Wheat 18 to 20 lower
Soybeans 23 to 25 lower
Soy Meal 5.0 to 5.5 lower
Soy Oil 150 to 155 lower

The Stories of the Day:

Russian/Ukraine [Ukraine war: Zelensky warns Putin war is coming to Russia after Moscow drone strikes \(msn.com\)](#)
[Russia-Ukraine war live: multiple civilian deaths reported after strikes in Kryvyi Rih, Kherson and Donetsk \(msn.com\)](#)
[Ukraine Set to Enter Crimea 'Soon' After STEALING North Korean Rockets: Report \(msn.com\)](#)
[Dramatic moment shows explosion hit Russian administration building in Donetsk | Watch \(msn.com\)](#)
[It's Possible Ukraine Aimed Its New Deep-Strike Rocket At A Russian Air Base—And Barely Missed \(msn.com\)](#)

China [China just unleashed broad stimulus measures to fire up the economy — but analysts think these have failed to live up to expectations \(msn.com\)](#)
[How China Is Trying to Lift Its Slumping Economy | Time](#)
[China's Great Leap Backward: So much for the next dominant superpower \(msn.com\)](#)

Peace Talks [This is Why Saudi-Israeli Normalization Efforts Not Imminent, According to Top Official - Palestine Chronicle](#)

Covid Update [COVID hospitalizations are on the rise, could signal 'late summer wave,' says the CDC \(msn.com\)](#)

Short Range Weather: Strong high pressure centered over Texas will produce high heat and humidity across the South-Central U.S.. Strong showers and thunderstorms with locally heavy rain will be possible around the outer edges of this ridge, including the Southwest, High Plains, Gulf Coast States, and the Southeast. NWS

DTN's Long Range Weather and 24-Hour National Temperatures and Rainfall Extremes: HIGH SUN...122 AT DEATH VALLEY, CA LOW SUN...35 AT OLD STATION, CA...EVANSVILLE, IN 1.33 INCHES

There is a ridge in the West and Plains, a trough in the East, and another trough in the Pacific. The ridge will get split in half as the Pacific trough moves through it later this week and weekend. The weakened ridge will split far north into northwest Canada and down into northwest Mexico while the trough will deepen across the middle of the country early next week. The U.S. and European models are fairly similar. I will use a blend. For the outlook period, temperatures will be above normal across the South and below normal in the Central and Northern Plains. Cooler temperatures may spread east a bit, but this pattern will largely continue into next week. A system will move through the Midwest this weekend, stalling a front across the Central Plains to the Tennessee Valley, which may remain active well into next week. Some disturbances may follow behind the system next week with isolated showers for northern areas of the country.

NORTHERN PLAINS (LIVESTOCK/WHEAT/CORN/SOYBEANS): Scattered showers and thunderstorms moved through over the weekend, producing areas of good rainfall and severe weather. Several disturbances will move through over the next week with periods of showers which may help out corn and soybeans, but it is getting too late to be of much help for wheat. Temperatures will be mostly mild, limiting stress for areas that have been missed.

CENTRAL/SOUTHERN PLAINS (LIVESTOCK/CORN/SOYBEANS): A front settled into the region over the weekend, bringing areas of showers and thunderstorms, severe weather, and cooler temperatures to northern areas. The south continued to bake in the heat. That front will remain stalled out in the same general area throughout the week, with southern areas seeing significant stress for any crops or livestock while northern areas see periods of favorable rain and temperatures that will not be as hot. A system moving through this weekend will reinforce that front, though may push it a bit farther south.

MIDWEST (CORN/SOYBEANS): A front sagged through the region over the weekend and brought a relief to temperatures and widespread rain, but also a lot of severe weather. The front will remain stalled off to the southwest but may bring additional periods of showers and thunderstorms throughout the week. Additional disturbances and a system moving through this weekend may bring some occasional showers as well. Outside of a day or two of heat, temperatures will remain mild, favorable for filling corn and pod-setting soybeans.

DELTA (SOYBEANS/COTTON): Heat built in over the weekend with high temperatures approaching the 100-degree mark and overnight lows in the 70s, stressful for filling soybeans and cotton. The forecast remains hot with the cold front essentially stalled over northern areas this week, though there will be some potential for precipitation with the front remaining in the area. Conditions therefore will be mixed, but very unfavorable for any areas that miss out on the rainfall.

CANADIAN PRAIRIES (SPRING WHEAT/CANOLA): Scattered showers moved through over the weekend, including over southern areas that have been very dry. A system moving through early this week will provide more scattered showers, and another looks to move through later this week. Any precipitation will be beneficial, but is unlikely to be very widespread.

BRAZIL (CORN/WINTER WHEAT): Dry conditions for most of the week will be beneficial for safrinha corn harvest. A front moving in this weekend should bring more showers for developing wheat in the south, which is largely in good condition due to more frequent rainfall.

ARGENTINA (WINTER WHEAT): Soil moisture remains sub-optimal in Argentina. Temperatures rose well above normal this weekend, which continues this week. Growth on wheat should be rapid in areas with adequate soil moisture. A front moving through later this week and weekend will bring colder temperatures through, which may cause damaging frosts to areas that have grown too quickly.

EUROPE (WINTER WHEAT/CORN): Scattered showers fell over most areas this weekend. With a trough continuing to spin off to the north, many more storm systems will be moving through the continent for the next couple of weeks. Temperatures will be mild to cool, favorable for developing corn and other summer crops, but unfavorable for the continued winter grain harvest.

BLACK SEA (WINTER WHEAT/CORN): An active pattern in Europe will keep Ukraine busy this week with several waves of showers moving through. Southwestern Russia will be much drier with hotter temperatures, unfavorable for filling corn.

CHINA (CORN/SOYBEANS): The remnants of Typhoon Doksuri moved into central China over the weekend with heavy rainfall in some areas. Typhoon Khanan may move west into China as well, but models are now keeping it offshore before pushing it toward Japan later this week and weekend. If the typhoon makes it into China, it would likely cause devastating flooding to central China's growing areas. Regardless of typhoons moving through, the northeast corn and soybean areas will remain active with periods of rain this week, favoring filling corn and pod-setting soybeans.

AUSTRALIA (WINTER WHEAT/CANOLA): A system is forecast to sweep through the country this week. Any rainfall will be helpful as soil moisture continues to decline in a lot of areas. Despite a building El Nino, which favors heat and dryness in eastern Australia, that has yet to fully 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 mostly favorable thus far, however.

Headlines:

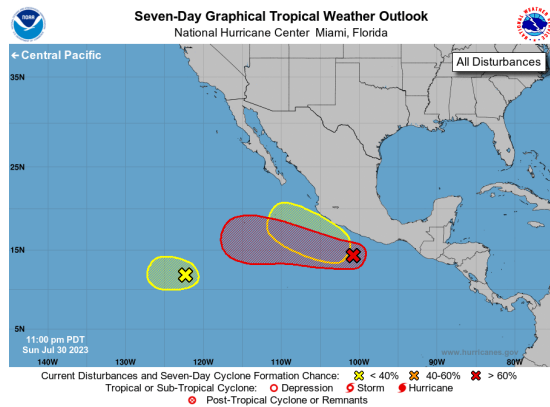
- > Malaysian Oct Palm Oil market closed down 122 Ringgits
- > Dalian Futures were mostly lower, Sept corn up 6 to the Yuan, Sept Beans down 37, Sept Meal down 65, Sept Bean Oil down 114, Sept Palm Oil down 118
- > Asian Equity Markets were higher, Japan's Nikkei up 1.3%, China's Shanghai up .5%
- > European Equity Markets are mixed, German Dax up .1%, London FTSE 100 down .1%
- > MATIF Markets are lower, Nov Corn down 4.0 to the Euro, Nov Rapeseed down 13.25, Sept Wheat down 5.25
- > Save the Date...August 4th...US Employment numbers, non-farm jobs up 200,000...unemployment rate M/M unchanged at 3.6%
- > 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
- > Chinese officials earlier Sunday warned Beijing and other northern Chinese province residents to avoid going outdoors due to expected record rains associated with Typhoon Doksuri. Water resource officials lifted their flood potential warnings to the second highest level, and over 20,000 residents of Shijiazhuang were evacuated due to potential flooding. -QT
- > All Quiet today for FAW, Locust, ASF, Bird Flu
- > The CFTC on Friday said as of the close of 7/25 the MM Funds were short 40,332 W, long 23,145 KW, long 8,966 MW, long 26,603 C, long 120,739 S, long 70,174 SM, long 54,190 BO
- > There were no CME deliveries of August beans or the products
- > Russia Bans Rice Exports [Russia announces temporary ban on rice exports \(bignewsnetwork.com\)](https://www.bignewsnetwork.com)
- > [July pulls monsoon from 10% deficit to 6% surplus \(msn.com\)](https://www.msn.com) but all is not good
- > In a joint press release late Sunday night, both Canadian dock workers and their employers say they've reached a tentative employment contract -QT
- > Chinese state media Monday reported commodity market regulators have summoned four hog producers to discuss anti competitive market practices -QT

Commentary:

We say a lot on Fridays that weekly closes are more important than the openings. Well, that applies to Monday as well, as long as Monday is the end of the month. For the wheat and corn bear they have it going on. Both WU and CZ chart momentum is sideways lower. Given the improved weather forecast for this week in the Corn Belt you have to feel corn will lead wheat lower. For wheat it feels like the needle on the Black Sea War is moving away from the end of the world as we know it back towards complacency. Thus, if WU close the month out

under 680ish and CZ under 515ish we will start August with both markets chart momentum pointed straight down. For SX a close below 1360ish and its chart momentum will swing from sideways higher back to sideways lower. Given the weather forecast this might be doable. Speaking of weather, I feel that tonight's crop ratings for spring wheat will be 1-2 points lower in the good/excellent category, I expect corn and beans will be unchanged.

Still No Spark Seen to Cook Up a Big Storm



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