

MORNING GRAIN COMMENTARY

| Morning Trends: |
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| as of 5:00 AM CDT |
| Corn 1 to 3 higher |
| Wheat 6 to 8 lower |
| Soybeans 13 to 15 higher |
| Soy Meal 2.0 to 2.5 higher |
| Soy Oil 85 to 90 higher |

The Stories of the Day:

- Russian/Ukraine:** [Russia's Lavrov: Ukraine conflict will not end until West drops plans defeat Moscow \(msn.com\)](#)[G-7 Nations to Give Individual Security Pledges to Ukraine \(msn.com\)](#)[Ukraine Needs Steady Delivery of Artillery Ammunition | Watch \(msn.com\)](#)[Sweden Gets Boost as NATO Breakthrough Eases Long-Running Gloom \(msn.com\)](#) [Explosions and shooting heard in Sevastopol, Russians claim 'drills' \(msn.com\)](#)
- China** [Xi Calls for More Economic Opening, Trade as Recovery Falters \(msn.com\)](#) [China says its foreign minister is ill. A senior diplomat will take his place at ASEAN \(msn.com\)](#)
- Indian Monsoon** [Deadly Monsoon Flooding and Landslides Lash Northern India - The New York Times \(nytimes.com\)](#)
- Syria** [Russia slammed as 'inhumane' after blocking UN cross-border aid operation to Syria \(msn.com\)](#)
- Volcano** [Iceland warns tourists to stay away from volcano erupting with lava and noxious gases - ABC News \(go.com\)](#)

Short Range Weather: Sultry temperatures, dangerous heat indices, oppressive conditions are expected to build and expand across the Southern half of the U.S. the remainder of the week, through the weekend and into early next

week. Widespread excessive heat watches and warnings along with heat advisories are already in effect. Also, rain may unfortunately return later this week into completely saturated New England. NWS

DTN's Long Range Weather and 24-Hour National Temperatures and Rainfall Extremes: 118 AT DEATH VALLEY, CA LOW TUE...30 AT SAND CREEK STATION, OR...OKLAHOMA CITY, OK 1.59 INCHES

There is a weak ridge across the western U.S. that extends into western Canada and the Southern Plains with a trough across central Canada that extends into the north-central U.S. A strong ridge is anchored in eastern Canada. The ridges in Canada will continue to block the Canadian trough from exiting the area through the rest of this week, allowing for disturbances to move through the north-central U.S. into this weekend. The weaker ridge across the western U.S. will strengthen into this weekend and also continue to expand into the south-central U.S. A few disturbances will still make their way into portions of the Central and Southern Plains through this weekend as the Canadian trough tries to expand southward into the Upper Midwest, but much of Texas may stay dry and hot with a ridge expanding over the southern U.S. The U.S. and European models are fairly similar. I will use a blend but favor the European. For the outlook period, temperatures will be near to below normal across the Northern and Central Plains and near to above normal elsewhere. The trough across central Canada will shift towards the Great Lakes during the start of next week as the ridge in eastern Canada loses strength. This will allow for more shower chances across the eastern Corn Belt as a few fronts will cross the eastern U.S. Towards the middle of next week, a ridge will continue across the West and extend across much of the southern U.S.

NORTHERN PLAINS (LIVESTOCK/WHEAT/CORN/SOYBEANS): Disturbances will continue to move through the area through this weekend, bringing more scattered precipitation, but precipitation looks to remain spotty. Cooler temperatures will continue across the region and help to reduce stress on developing crops. Overall, conditions are mostly favorable.

CENTRAL/SOUTHERN PLAINS (WHEAT/LIVESTOCK/CORN/SOYBEANS): A disturbance will bring additional rainfall and thunderstorms to the area today, with best chances across the Central Plains. More rainfall is expected through the weekend as another cold front drops into the area. Though the areas receiving rainfall are somewhat disorganized, the frequency is very good for this time of year. Temperatures are also mild for most areas but will be above normal across Texas through the weekend. Conditions are mostly favorable for much of the region despite the continued drought, though the scattered rain may disrupt those finishing up their wheat harvest.

MIDWEST (WINTER WHEAT/CORN/SOYBEANS): Additional fronts will drop out of Canada through this weekend with potential for more periodic showers while temperatures stay mild. Rain is coming at enough of a frequency to maintain or boost soil moisture in some areas, though there are plenty that are also seeing disappointment and low soil moisture, creating mixed conditions for developing corn and soybeans. Those with wheat yet to harvest will have to dodge periods of showers.

DELTA (SOYBEANS/COTTON): Systems will develop along frontal boundaries into this weekend, offering daily chances for showers and thunderstorms. Areas of moderate to heavy rainfall may even develop across the Mid-Mississippi Valley today and tomorrow along with the risk for strong to severe thunderstorms. Any rainfall will benefit crops entering their reproductive stages, but for those who miss the more measurable rainfall, the yield potential may decrease.

CANADIAN PRAIRIES (SPRING WHEAT/CANOLA): A few more cold fronts will sweep through the region into this weekend but will likely only contain spotty showers. Soil moisture may hold a bit more steady into the end of the week and temperatures are much more mild, which will help to reduce stress for the drier areas.

BRAZIL (CORN/WINTER WHEAT): Drier conditions are favorable for the increasing safrinha corn harvest across central Brazil, but late planted corn could still use another round of rain should it occur. Vegetative wheat could also use more rainfall. A front will sweep across southern areas today which will help boost soil moisture for some; but the bulk of the rainfall looks to stick across Rio Grande Do Sul. Therefore, producers may still be able to make progress with the corn harvest over the coming days in locations north of Rio Grande Do Sul.

ARGENTINA (WINTER WHEAT): Soil moisture is still sub-optimal in Argentina. A system will continue to provide showers for mainly northeastern areas today into tomorrow. Cold temperatures will fill in behind the system creating some concern for frost, especially this weekend.

EUROPE (WINTER WHEAT/CORN): Multiple troughs across the north will keep the northern half of the continent active into this weekend with periods of showers. There may be some downtime between showers, but the pattern is overall favorable for most areas.

BLACK SEA (WINTER WHEAT/CORN): A few passing disturbances will bring scattered showers throughout the rest of this week, with periods of dry conditions in between the rounds of rain. Drier conditions are expected for this weekend. Rain may delay maturing winter wheat and harvest but is favorable for developing corn and sunflowers.

CHINA (CORN/SOYBEANS): Daily chances for rain are likely across the northeast throughout the rest of this week and into this weekend as multiple disturbances will pass through the area. Some additional showers may spread down into the North China Plain at times as well. That should be favorable for developing corn and soybeans.

AUSTRALIA (WINTER WHEAT/CANOLA): Light rain is possible across southern areas through Saturday with dry conditions returning across these areas by Sunday. 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.

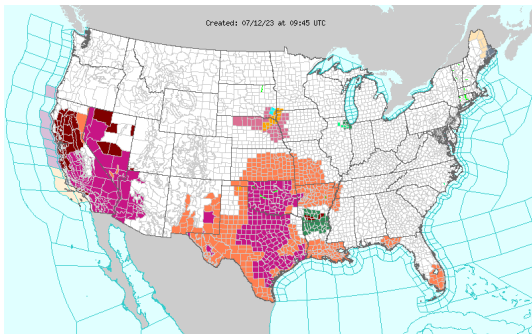
Headlines:

- > Malaysian Sept Palm Oil market closed up 34 Ringgits
- > Dalian Futures were mostly lower, Sept corn down 28 to the Yuan, Sept Beans down 7, Sept Meal up 23, Sept Bean Oil down 28, Sept Palm Oil down 58
- > Asian Equity Markets were lower, Japan's Nikkei down .9%, China's Shanghai down .8%
- > European Equity Markets are mostly higher, German Dax up .8%, London FTSE 100 up 1.0%
- > MATIF Markets are mixed, Nov corn down 1.0 to the Euro, Nov Rapeseed up 5.75, Sept Wheat down 2.0
- > Save the Date...July 12th...USDA Crop Production and S&Ds...old crop carryout corn average trade guess 1.420 BBU/June USDA 1.452 BB, beans 232 MBU/230 MBU...New crop wheat 569 MBU/562 MBU, corn 2.260 BBU/2.259 BBU, beans 199 MBU/350...corn production and yield, 15.235 BBU/176.6/15.265/181.5...beans 4.253 BBU/52.4/4.510/52.0...Wheat Production all wheat 1.683 BBU/1.665...winter wheat 1.146/1.136...HRW 532/525...SRW 407/402...WW 207/209...other spring 477/NA...Durum .060/NA...World ending stocks old crop...Wheat 266.38 MMT/266.66, corn 298.13/297.55, beans 101.02/101.32...New crop wheat 269.49/270.71, corn 314.33/313.98, beans 121.00/123.34
- > Save the Date...July 12th...US CPI...M/M expected .3%...core M/M expected .3%
- > Save the Date...July 13th...US PPI...M/M expected .2%...ex-food & energy M/M expected .2%
- > Save the Date...July 17th...NOPA Crush (Sea Day Japan)
- > Save the Date...July 26th...FOMC Meeting Results
- > Save the Date...July 27th...Q2 US GDP
- > All Quiet today for FAW, Bird Flu, Locust
- > African Armyworm and Tree Locust [Ethiopia: Amid Absence of Desert Locusts, Ethiopia Grapples With Other Pest Threats, Tree Locusts and African Armyworm Pose Major Concern - allAfrica.com](#)
- > ASF [Is the U.S. ready for an ASF outbreak? \(agupdate.com\)](#)
- > China's Ag Ministry said pork prices in the week ending July 7th rose an average of 1.6% to 18.18 yuan/kg, however prices remain 41.0% lower than they did in the year earlier week. -QT
- > Grain trade sources say Algeria announced they're seeking a nominal 50,000 mt of soft mill grade Wheat, offers are due Thursday, July 13th. However, offers should remain valid until Friday, July 14th. The grain is for shipment in July if from Australia or South America, or August-Sept for origins elsewhere. -QT
- > Canada's Nutrien, a top global fertilizer producer, said the 11 day long Canadian Pacific port strike has prompted it to cut production, and further warned of more reductions if the labor dispute isn't settled shortly. Canadian manufacturers industry group estimates the strike has cost the economy some C\$5.5 billion, around C\$500 mln per day. -QT **BREAKING NEWS** Canada's Labor Minister Tuesday said a deal is nearing between striking longshoremen union and their employers. The strike has nearly crippled western seaports in Canada over the past 11 days. -QT
- > [Iran summons Russian ambassador over statement on Gulf islands \(msn.com\)](#)

Commentary: report day and it is a big one. No, we are talking about the USDA S&D reports with their new corn and bean yield numbers. And yes, the S&Ds are important, but we are referring to the 7:30 AM CPI numbers. There are high hopes that the CPI numbers will show that the FED is making progress on its war over inflation. The progress shown to date is starting to get the crowd hopeful that a soft landing of the US economy is still possible. The hope is that the CPI numbers will reflect inflation falling back to 2021 levels. Yes, the FED will still have work to do but the trade is hoping we are moving towards the end of the war. It is of note that crude oil starts the day on a 10-week high and that the dollar is on a 3-month low. Indeed, it is a big day for the Ags but until we get to the 11:00 AM CDT USDA S&D Reports it will be a big day for the macro markets to see if it is risk on or risk trend into the July 26th FOMC Meeting results. [China's economic woes may help lower U.S. inflation \(msn.com\)](https://www.msn.com)

In the S. Plains, the TX/MEX Dome is Back

[Expansive, intense heat wave is only getting started, NWS warns \(msn.com\)](https://www.msn.com)



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