

## MORNING GRAIN COMMENTARY

### Morning Trends:

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as of 5:00 AM CDT

Corn 1 around

Wheat 3 to 4 higher

Soybeans 9 to 11 higher

Soy Meal 2.5 to 3.0 higher

Soy Oil 45 to 50 lower

### The Stories of the Day:

**Russia/Ukraine** [Russians loot plant in Tokmak, set to retreat in Zaporizhzhia Oblast \(msn.com\)](#) [Disastrous Armored Assaults Taught The Ukrainian Army To Flank Russian Defenses, Instead \(msn.com\)](#) [Draining of Kakhovka Reservoir may lead to desertification of southern Ukraine \(msn.com\)](#) [Russia repairs span on Crimean bridge that collapsed after drone attack \(msn.com\)](#) [Cubans forced to fight for Russia in Ukraine – Cuban Foreign Ministry \(msn.com\)](#) [Russian Drone Strike Hits Ukrainian Port Facilities On Danube River | MENAFN.COM](#) [Wagner to be declared terrorist organisation \(msn.com\)](#)

**President Xi's summer not getting any better** [China Wants To Divert Attention From G20; Xi's Absence Primarily Directed Against United States And West \(msn.com\)](#) [Biden doesn't plan to meet Chinese counterpart Xi at G20 \(nbcnews.com\)](#)

**G-20 Summit** [Opinion: Why a G20 without Putin and Xi could be a fantastic opportunity \(msn.com\)](#)

**Nantucket, really???** [70-foot yacht carrying guns, drugs and prostitutes discovered in Nantucket Harbor: report \(msn.com\)](#)

**Short Range Weather:** A heat wave will persist in the Mid-Atlantic and Northeast through Thursday and linger all week in Texas and neighboring states. Tropical Storm Lee is forecast to become a major hurricane over the western tropical Atlantic by this weekend and could bring impacts to the Leeward Islands by that time. NWS

**DTN's Long Range Weather:** NATIONAL TEMPERATURE/RAINFALL EXTREMES: HIGH TUE...115 AT RIO GRANDE VILLAGE, TX LOW TUE...26 AT KIRK, OR...BATON ROUGE, LA 2.11 INCHES

There is a ridge redeveloping in the southern Rockies and several troughs scattered throughout the U.S. and western Canada. One of the troughs will move into the Great Lakes over the next day or so and park in the East. The pattern will be very complicated through the weekend, but eventually the ridge will reform in two pieces, one in the Southwest and the other in Canada while the East will be a repository for trough energy as they move through a channel between the two ridges in the West. The U.S. and European models are similar with the upper-level pattern but have some differences in the temperatures and precipitation. I will use a blend. For the outlook period, a system will move from the Plains through the Midwest, dragging a front with scattered showers and cooler temperatures behind it for early mid next week. A rebound in temperatures is possible in the Plains later next week but should be closer to normal. The front may stay more active across southern areas later next week as well.

**NORTHERN PLAINS (LIVESTOCK/WHEAT/CORN/SOYBEANS):** A system moved through with significant rainfall on Monday and Tuesday and a major drop in temperatures. Variable, though mild, temperatures and some sporadic showers will follow through the weekend, which may or may not be helpful for maturing corn and soybeans.

**CENTRAL/SOUTHERN PLAINS (LIVESTOCK/CORN/SOYBEANS):** A front is moving through with more seasonable temperatures for northern areas. Southern areas will continue to be hot. The front will waffle in the region through the weekend, being pushed through early next week. Scattered showers will be possible, but most likely as the front moves next week. Some rain may be significant for filling corn and soybeans that can still take advantage, though that is becoming less and less.

**MIDWEST (CORN/SOYBEANS):** A system will continue to move through Wednesday and Thursday, which may bring some areas of moderate rainfall. Temperatures behind the system are moderating to near-normal, flushing out the heat from the weekend. Another front will move through this weekend into early next week, bringing another round of mild temperatures and potential for rain. With crops maturing, the percentage that can take advantage of some of these late rains is dwindling.

**DELTA (SOYBEANS/COTTON):** Rain fell this weekend into early this week. A front will be in the region for the rest of the week and could bring areas of rain through at times. Another front will move through mid-late next week with scattered showers as well. Rain is becoming too late to help with much of the soybean or cotton crop as they start to reach maturity.

**CANADIAN PRAIRIES (WHEAT/CANOLA):** A system few disturbances will move through over the next week with additional showers. Any rain may disrupt the remaining wheat and canola harvests. Showers would be more favorable for forages and for rebuilding soil moisture, however.

**BRAZIL (CORN/SOYBEANS/WINTER WHEAT):** A system brought heavy rain to southern and south-central Brazil over the long weekend, which may have caused some flooding damage to filling wheat and mature corn that has been awaiting harvest. The front to the system may bring more showers to central Brazil Wednesday. Another front will move through later this week and weekend, with potential for more heavy rain for southern areas. Flooding damage may outweigh the benefits of heavy rain at this juncture in the season, especially if the pattern remains active for the rest of September. Improved soil moisture over central areas is favorable once the daily wet season showers develop, however.

**ARGENTINA (CORN/SOYBEANS/WINTER WHEAT):** Widespread moderate to heavy rain fell across most of the country over the weekend, highly favorable for easing the drought and prepping soils before spring planting. Winter wheat will certainly benefit. Another front and system will move through Wednesday and Thursday, though showers will be better for northeastern areas than elsewhere. The pattern remains active through at least mid-September with multiple systems lining up to move through. Conditions are becoming much more favorable as planting season approaches.

**EUROPE (WINTER WHEAT/CORN):** Hotter and drier conditions continue for most areas through the weekend, favoring harvest and winter wheat planting. A system is forecast to move through next week with widespread rainfall for the continent and milder temperatures, though there is some uncertainty with this forecast.

**BLACK SEA (WINTER WHEAT/CORN):** Isolated showers fell in the region over the weekend, but most areas remained dry with above-normal temperatures which kept corn and sunflowers reaching for maturity. Conditions were fair for winter wheat planting, however, but better showers in eastern Ukraine and southwestern Russia would be more favorable for those prospects. A system will dive southward over the next couple of days, but will have limited precipitation. Temperatures will briefly cool behind the system, however.

**CHINA (CORN/SOYBEANS/WINTER WHEAT/CANOLA):** Isolated A couple of fronts will move through over the next week with some showers, favorable for filling corn and soybeans. Soil moisture is favorable for winter wheat and canola planting as well.

**AUSTRALIA (WINTER WHEAT/CANOLA):** A system will bring some showers to southeastern areas later this week, but many areas remain drier than optimal and temperatures have been above-normal more often than not in recent months. El Nino is favoring the hotter and drier conditions in eastern Australia, which figures to have

poorer production as wheat and canola continue to go through reproductive stages in September. (Australia's weather bureau released a report showing large parts of the country are experiencing below normal soil moisture levels and severe rainfall deficits, in turn those conditions are threatening the country's crops. Additional dryness is expected as El Nino conditions continue to develop. -QT)

**INDIA (RICE/SOYBEANS/WHEAT):** The country has had a relatively disappointing monsoon season thus far with below-normal rainfall thanks to a building El Nino and a change in the pattern across the Indian Ocean. An upper-level low will increase rainfall across much of the country this week and weekend, and eastern areas could continue to see improved rainfall next week. This season's crops are likely to still have enough moisture to complete their cycles, but we could see reduced reserves for irrigating wheat and rice over the winter into next spring once the monsoon shuts down this month.

### Headlines:

- > Malaysian Nov Palm Oil market closed down 19 Ringgits
- > Dalian Futures were higher Nov Corn closed up 5 to the Yuan, Nov Beans up 65, Jan Meal u 42, Jan Bean Oil up 46, Jan Palm Oil up 4
- > Asian Equity Markets were mostly mixed to higher, Japan's Nikkei up .6%, China's Shanghai up .1%
- > European Equity Markets are lower, German Dax down .5%, London FTSE 100 down .9%
- > MATIF Markets are mixed, Nov Corn up 1.0 to the Euro Nov Rapeseed down 4.25, Dec Wheat unchanged
- > Save the Date...September 12<sup>th</sup>...Crop Production and USDA S&Ds
- > Save the Date...September 13<sup>th</sup>...US CPI and Real Earnings
- > Save the Date...September 14<sup>th</sup>...PPI and Retail Sales
- > Save the Date...September 15<sup>th</sup>... NOPA Crush
- > Save the Date...September 20<sup>th</sup>...FOMC Meeting Results
- > USDA weekly crop updates had big drops in the good/excellent categories corn rated at 53%, last week 56%, beans rated at 53% last week at 58%...74% of the spring wheat harvest has been cut, 1% of the winter wheat crop has been planted
- > Romania's President on Wednesday said Russia's missile and drone attacks on Ukraine's Izmail port were less than half a mile from Romania's border with Ukraine. While he said the attacks were very close, no drone nor any piece of missiles landed in Romania. -QT
- > What??? [Armenia will hold exercises with the US in a period of tensions with Russia \(msn.com\)](https://www.msn.com/en-us/news/world/armenia-will-hold-exercises-with-the-us-in-a-period-of-tensions-with-russia)
- > Brazil Cyclone [Cyclone rains in Brazil's south kill 22, leave cities completely flooded \(msn.com\)](https://www.msn.com/en-us/news/world/cyclone-rains-in-brazil-south-kill-22-leave-cities-completely-flooded)
- > [Saudi Cuts Send World Diesel Prices Soaring \(msn.com\)](https://www.msn.com/en-us/news/world/saudi-cuts-send-world-diesel-prices-soaring)
- > All quiet today for Locust, ASF, FAW, Bird Flu

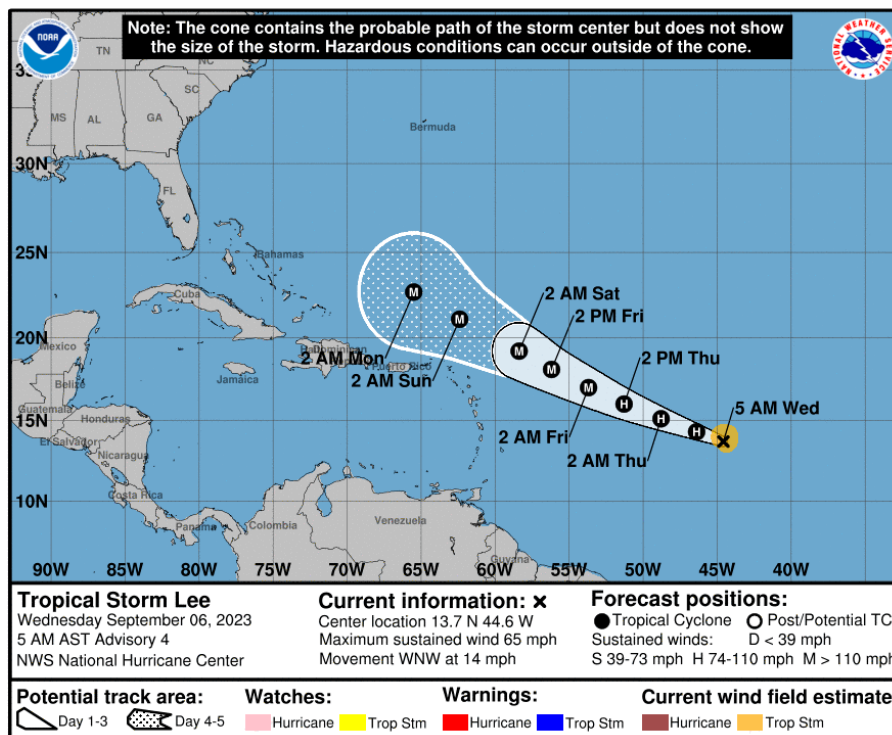
**Commentary:** The count down for the Sept 12<sup>th</sup> USDA reports has begun. That can mean only one thing, us bulls who do best in the land of "what if" should shape the story lines of the market this week. We bulls will be

talking about how weird weather stays weird. That the record drop-in bean rating this week will be followed up tomorrow with an expansion in the US drought monitor. That given the weird start to Sept weather, the USDA production numbers for the Sept 12<sup>th</sup> report are DOA since the report will be as of Aug 31<sup>st</sup>. But we bulls will not stop there...speaking of Aug 31<sup>st</sup>, we bull will promote the idea that the Sept 30<sup>th</sup> stocks report could see a draw down in corn. And for us wheat bulls, we already are living in the world of the trend is your friend. The world rice and wheat production numbers will be lowered on the Sept 12<sup>th</sup> report. As a matter of fact, listen for us bulls to be talking about ABARES' Aussie new crop wheat estimate, that came in at 25.4 MMT vs. last month's USDA guess of 29.0 MMT. We wheat bulls get it, Russia has wheat to export, but hey if Ukraine takes the town of Tolmak it is just short drive of 1:12 minutes to the Azov coastal town of Berdyansk, Ukraine

**Hurricane in the Atlantic...Leeward islands time to keep an eye to the sky** [Lee expected to be "extremely dangerous" hurricane by weekend \(msn.com\)](#)

Coastal Watches/Warnings and Forecast Cone for Storm Center

Forecast Length*	Forecast Track Line	Initial Wind Field
Full Forecast	On	On
3 days	Off	Off



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