

## MORNING GRAIN COMMENTARY

### Morning Trends:

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as of 5:00 AM CDT

Corn 1 to 2 higher

Wheat 3 to 5 higher

Soybeans 6 to 8 higher

Soy Meal 1.0 to 1.5 higher

Soy Oil 15 to 20 higher

### The Stories of the Day:

**Ukraine/Russia** [Putin Has a Kadyrov Problem \(msn.com\)](#) [Ukraine's Security Service directs HIMARS at meeting at Russians' HQ near Kherson, 8 officers killed – Ukrainska Pravda source \(msn.com\)](#) [Dire news for Ukraine as Putin orders his army to seize the initiative \(msn.com\)](#) [How Ukraine's claimed kill of Russia's top Black Sea Fleet admiral could affect the war \(msn.com\)](#)

**China Economy** [China's economic situation isn't as dire as it seems, and policymakers in Beijing were just expecting too much, economist says \(msn.com\)](#)

**US Government Shutdown** <https://www.msn.com/en-us/money/taxes/what-is-affected-by-a-government-shutdown-and-how-it-could-impact-you/ar-AA1hha3t>

**El Nino** [Forecasters say an El Niño winter is likely. What that could mean for winter weather \(msn.com\)](#)

**At least they were not angry** [Sheep wander into greenhouse, eat 600 pounds of marijuana plants \(msn.com\)](#)

### NWS' Short Range Weather:

Rain will gradually diminish across the Mid-Atlantic and New England as Ophelia remnants slowly move offshore. A powerful system is bringing heavy rain, a wintry mix at higher elevations, and gusty winds to the Northwest. A lingering front in the South and an upper level system in the Upper Midwest may produce strong thunderstorms with locally heavy rain.

**DTN's Long Range Weather:** NATIONAL TEMPERATURE/RAINFALL EXTREMES: HIGH MON...105 AT DEL RIO, TX LOW MON...20 AT FOXPARK, WY AND DILLON, CO...NEW ORLEANS, LA 2.45 INCHES

There is a ridge in Canada with a trough in the Midwest and another in the East Pacific. The Midwest trough will meander slowly eastward this week. The Pacific trough will slowly move into the West later this week and weekend. Another trough will move into Canada next week and help to guide the western trough northeast with a storm system before digging into the West itself. The ridge will continue over the East. The U.S. and European models do not agree with what the trough will do in Canada next week, otherwise they are pretty similar. I will use a blend. For the outlook period, temperatures will be well above normal east of the Rockies. A front will continue in the Northern Plains and produce scattered showers. The front should move eastward later next week, but temperatures behind it are forecast to still be warm.

**NORTHERN PLAINS (LIVESTOCK/WHEAT/CORN/SOYBEANS):** A front will move in on Thursday and stall, producing scattered showers through the weekend and into next week. Recent and forecast rainfall may help the remaining areas of immature corn and soybeans but is hampering the early harvest progress.

**CENTRAL/SOUTHERN PLAINS (LIVESTOCK/CORN/SOYBEANS/WINTER WHEAT):** Drier weather should be in place most of the week, offering better conditions for harvest and winter wheat planting. Isolated showers may start developing Friday and continue into next week with a trough digging into the West. Showers would benefit

winter wheat establishment where they occur, but soil moisture is still above-normal and showers are not critically important just yet.

**MIDWEST (CORN/SOYBEANS/WINTER WHEAT):** A cutoff low-pressure system created waves of showers and thunderstorms for the western half of the region over the weekend, being heavy in a lot of areas, which will help somewhat with the drought situation and limiting the fall of water levels on the river systems. The system will continue to slowly move east through the region this week, with some more limited areas of showers moving through. With how dry soils have been, delays to harvest and winter wheat planting will likely be short. Drier weather should develop by the end of the week and temperatures will continue to be above normal through next week, helping crops to mature.

**DELTA (SOYBEANS/COTTON):** Isolated showers moved through this weekend, but most areas stayed dry. Drier weather will continue for the next week, forcing crops to maturity and favoring harvest.

**BRAZIL (CORN/SOYBEANS/WINTER WHEAT):** A front in the south will be forced into central Brazil later this week and stall there, producing areas of showers that should be the start of the wet season, which would be on time. Planting conditions are very good outside of the state of Rio Grande do Sul, which has had issues with flooding.

**ARGENTINA (CORN/SOYBEANS/WINTER WHEAT):** A front across the north produced some showers over the weekend and will continue to do so Tuesday before it lifts north. Southern areas also have some limited showers moving through Tuesday as well. An overall drier pattern will follow through the weekend which should promote planting, but soils are still in need of moisture coming off of last year's historic drought. El Nino favors the country with better rainfall during the season, however, and another front will move through early-mid next week with the promise of more showers.

**EUROPE (WINTER WHEAT/CORN):** It will be dry for most of the week. Most areas in the continent have favorable soil moisture for winter wheat establishment currently. A front late this week may have a few showers in some areas across the north and east, another will move through early next week with limited showers as well. Current weather conditions favor fieldwork.

**BLACK SEA (WINTER WHEAT/CORN):** Dry weather continues through the week. A front will push through this weekend and early next week but is forecast with only limited showers. Soil moisture has been falling for winter wheat establishment, an unfavorable situation, and will need more moisture soon for good root establishment before dormancy.

**CHINA (CORN/SOYBEANS/WINTER WHEAT/CANOLA):** Occasional showers continue in central and northeastern areas for the next week. Gentle showers have favored maturing corn and soybeans in the northeast and allowed for good soil moisture for winter wheat and canola establishment on the North China Plain.

**AUSTRALIA (WINTER WHEAT/CANOLA):** It should be largely dry this week. Well-above normal temperatures have been putting stress on filling wheat and canola as soil moisture continues to slowly drop. A stronger cold front may move through this weekend and next week, breaking down the heat, but is not forecast to produce much rainfall. The forecast is not favorable for wheat or canola.

**INDIA (RICE/SOYBEANS/WHEAT):** The country has had a disappointing monsoon season with below-normal rainfall thanks to a building El Nino and a change in the pattern across the Indian Ocean. Showers have increased in recent weeks, but not enough to fill reservoirs for irrigating wheat and rice over the winter into next spring once the monsoon shuts down later over the next few weeks.

**Headlines:**

> Malaysian Dec Palm Oil market closed down 25 Ringgits

- > Dalian Futures were mixed Nov Corn closed down 14 to the Yuan, Nov Beans down 20, Jan Meal up 31, Jan Bean Oil up 8, Jan Palm Oil down 16
- > Asian Equity Markets were lower, Japan's Nikkei down 1.1%, China's Shanghai down .4%
- > European Equity Markets are mixed, German Dax down .5%, London FTSE up .2%
- > MATIF Markets are mixed, March Corn up .25 Euro to the Euro, Feb Rapeseed up .75, Dec Wheat unchanged
- > Save the Date...September 28<sup>th</sup>...2Q US GDP
- > Save the Date...September 29<sup>th</sup>...USDA Grain Stocks...As of Sept 1<sup>st</sup> average trade guess for wheat 1.772 BBU, corn 1.429 BBU, beans 242 MBU
- > Save the Date...Oct 1<sup>st</sup>...Will the US government be open???
- > Save the Date...Oct 22<sup>nd</sup>...Argentina National Elections
- > All quiet today for Locust, FAW,
- > ASF [Italy culls tens of thousands of pigs to contain African swine fever | African swine fever | The Guardian](#)
- > Bird Flu [South Africa Urges Greater Biosecurity on Avian Flu Outbreak - Bloomberg](#)
- > Rice [High rice prices bring risk of social unrest, UN says \(msn.com\)](#)

**Commentary:** And we are back. Or at least I am. When I left you on Thursday CZ settled at 475 <sup>3</sup>/<sub>4</sub>, WZ 575 <sup>3</sup>/<sub>4</sub>, SX at 1293 <sup>3</sup>/<sub>4</sub>. As of this writing CZ at 482ish, WZ at 593, and SX at 1304ish. Yesterday the USDA told us that the harvest is picking up steam with 15% of the corn picked and 12% of the beans cut. Now we understand the news of the week is backloaded with the all-important Sept 1 grain stocks on Friday. And no matter how you slice it up, next year's corn carryout is going to be a monster. That said end users, with the harvest roaring on, winter wheat flying into the ground, and El Nino concerns for Brazilian bean crop plantings, one must look around and if prices work do not be afraid to extend some coverage. After all the seasonal charts suggest that corn and beans bottom out in the last week of Sept into the first week of Oct. In the case of wheat, seasonal lows are usually in place by now. It is interesting that with a high range close tonight in WZ, not a sure thing by any means, that short term chart momentum turns higher...just saying.

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