

## MORNING GRAIN COMMENTARY

### Morning Trends:

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as of 5:00 AM CDT

Corn 1 to 3 lower

Wheat 1 around

Soybeans 1 to 3 lower

Soy Meal .5 to 1.0 lower

Soy Oil 5 around

### The Stories of the Day:

**Russia/Ukraine** [Putin Ally Found Dead After Falling From Third Floor Window: Reports \(msn.com\)](#)  
[Russian Troops Face An Impossible Choice: Burn Inside Their Flimsy Vehicles Or Ride Outside—And Get Killed By Drones \(msn.com\)](#)  
[U.S. changes strategy to support Ukraine - Politico \(msn.com\)](#)

**China** [China Urges Nationals to Leave North Myanmar Region Amid Unrest \(usnews.com\)](#)

**Israel/Hamas** [Israel Gaza war: Israel warns Hezbollah and Lebanon over border fighting - BBC News](#)

**Red Sea** [Houthis' Red Sea attacks a part of Iranian 'Axis of Resistance' plot to 'defeat US': experts warn \(msn.com\)](#)

**The Land of Fire and Ice...Indeed** [Iceland Volcano Update: New Eruption Warning Issued \(msn.com\)](#)

**Hey SoCal...Surfs Up** [California braces for waves 30 FEET high to hit its coast as massive storm moves through the area warning surfers and beachgoers of deadly rip currents \(msn.com\)](#)

**NWS Short Range Weather:** Low pressure will move just off the Northeast U.S. coast Thursday into Friday with rain and gusty winds from New Jersey into New England. Snow will be possible in Maine Friday into Saturday. Some light snow will pivot across the Midwest Thursday and Thursday night as an upper level low shifts over the southern Appalachians.

**DTN Long Range Weather:** HIGH WED...87 AT OCHOPEE, FL LOW WED...16 BELOW ZERO AT PETER SINKS, UT...RICHMOND, VA 1.42 INCHES

A cut-off low is moving into the East as it exits the central U.S. A strong ridge remains anchored across much of Canada with another ridge blanketing the West. The ridge in the West is promoting drier conditions to return across the Central U.S. Through this weekend, a trough in the eastern Pacific will move onshore across the West Coast and bring periods of heavy precipitation. Another weak trough will form across the North-Central U.S. and strengthen across the Great Lakes leading to areas of light snow. By New Year's Day, a ridge from the West will be in Central and lead to mostly dry conditions; however, another cut-off low will enter the Southwest. The U.S. and European models are in good agreement through early next week but have differences by the middle of next week. I will use a blend but favor the European. For the outlook period, a more progressive pattern will develop with a series of troughs from the East Pacific moving across the southern U.S. This will promote more chances for rain across the southern Delta. By late next week or next weekend, a broad trough may enter the West which may eventually lead to more precipitation across the Central U.S. Temperatures will also remain above normal across the northern half of the country. Farther south in the Southern Plains and Southeast, temperatures will be below normal.

**NORTHERN PLAINS (LIVESTOCK/WHEAT/CORN/SOYBEANS):** Temperatures will continue to be above normal through New Year's day. High pressure will keep conditions mostly dry across the region through this

weekend and into early next week, but a few stray snow showers may develop at times as weak systems pass by to the north and east of the region. No widespread, heavy precipitation is forecast through early next week.

**CENTRAL/SOUTHERN PLAINS (LIVESTOCK/WINTER WHEAT):** In the wake of the strong low pressure system that impacted the region earlier this week, mostly dry conditions will return today and persist into this weekend. Temperatures will remain slightly below normal for the Southern Plains and near to above normal for the Central Plains. By New Year's Day, scattered rain showers may develop across eastern Texas.

**MIDWEST (CORN/SOYBEANS/WINTER WHEAT):** Temperatures will remain above normal through New Year's Day with some of the warmest temperature anomalies expected across northern areas. Rain and snow showers will linger in eastern areas through the end of the week as a system slowly advances east. Another round of light snow showers is possible this weekend as a system from Canada digs south. Through early next week, mostly dry conditions will return with high pressure developing.

**DELTA (SOYBEANS/COTTON/TRANSPORTATION):** Recent widespread rainfall helped increase soil moisture for much of the region and water levels on the Mississippi River and its tributaries rose slightly. Some rain and snow showers will linger across Missouri Thursday and Friday but high pressure returns this weekend, leading to drier conditions. Scattered rain showers will return across southern areas by New Year's Day which should relieve some areas of drought.

**BRAZIL (CORN/SOYBEANS):** Isolated showers late this week will become more widespread by this weekend and into the new year, helping to turn around conditions for pod-setting soybeans in central Brazil. The next chance for widespread rainfall in southern areas will return on Friday and some isolated areas of heavy rain are possible. However, the heavier rain will not be as negative of a factor for developing corn and soybeans given the period of dry weather that occurred through the first half of this week. Showers will become more isolated across southern areas next week with the bulk of precipitation shifting farther north into central Brazil.

**ARGENTINA (CORN/SOYBEANS):** Showers have been frequent lately, keeping soils moist. Moderate to heavy rain showers will develop in northern Argentina today, but some of the heaviest showers will miss the main growing areas. Throughout this weekend, showers will become more isolated and mainly impact western areas. More isolated showers are forecast through early next week, but any substantial rainfall will be hit or miss. Temperatures will be near to below normal this weekend into early next week which should help reduce crop stress for areas that miss most of the precipitation over the next seven days.

**EUROPE (WINTER WHEAT):** An active pattern continues through this weekend for northern areas as systems pour in from the eastern Atlantic. Showers will shift farther south by late this weekend and into New Year's Day. Spain will be mostly dry through the end of this week, but they are in need of more moisture for vegetative wheat. Italy is also forecast to be drier. Both areas will see better chances for scattered showers by early next week.

**AUSTRALIA (COTTON/SORGHUM):** Dryness across the west is concerning for cotton and sorghum, but not so much in the southeast. Scattered showers will develop across the southwest this weekend but by early next week, showers will become limited across the west. Northeastern areas will continue to see steady chances for rain through New Year's Day which is favorable for developing crops.

**Headlines:**

> Malaysian March Palm Oil closed down 30 Ringgits

> Dalian Futures Exchange mixed, May Corn up 9 to the Yuan, March Soybeans up 38, May Meal up 11, May Bean Oil down 6, May Palm Oil down 10

> Asian Equity Markets were mixed to higher, Japan's Nikkei down .4%, China's Shanghai up 1.4%

- > European Equity Markets are steady/lower, German Dax down .1%, London FTSE unchanged to a tickle lower
- > MATIF Markets are mixed, March Corn down .75 to the Euro, Feb Rapeseed up 1.25, March Wheat down .50
- > Save the Date...Jan 5<sup>th</sup>...US Employment numbers
- > Save the Date...Jan 11<sup>th</sup>...US CPI
- > Save the Date...Jan 12<sup>th</sup>...US PPI
- > Save the Date...Jan 12<sup>th</sup>...one of the biggest data dumps of the year from the USDA...Crop production/Grain Stocks/USDA S&Ds/Winter wheat seedings
- > Save the Date...Jan 15<sup>th</sup>...US Holiday
- > Save the Date...Jan 19<sup>th</sup>...Next US Budget Deadline
- > Save the Date...April 8<sup>th</sup>...from Mexico to Maine a Solar Eclipse
- > FAW, Locust, Bird Flu all quiet today
- > ASF...does it ever really go away [African swine fever recurs in central Vietnam \(vov.vn\)](https://www.vov.vn) and in Russia [ASF delays Rusagro's expansion plans in the Far East \(pigprogress.net\)](https://www.pigprogress.net)
- > GASC in looking for March 1-10 shipment
- > Weekly Jobless Claims at 7:30 AM CST expected at 215,000 vs. last week's 205,000

**Commentary:** [Five way-too-early weather predictions for 2024 \(msn.com\)](https://www.msn.com) yes way too early to talk about N. America weather in 2024, but the WP did. Of note from the attached article a sudden turn to winter for the Midwest could be looming. Why this is of interest to us is that since Mid-December the Great Eric Snodgrass has been talking about a late start to winter conditions could lead to a late start to spring conditions. The Great Eric Snodgrass has been suggesting that in the WCB it could be a compacted spring planting season for the US. The other note in the article, something that Eric has been talking about is a quickly declining El Nino that could morph into a La Nina this summer. Why this is important is that it could lead to more tropical weather activity for the US Gulf and Eastern Seaboard. That said the weather concerns of Brazil will dominate price action in early January. The first question, expected rains this weekend and early next week for the dry areas of Central and Northern Brazil, a pattern change, or just some rain in an overall dry pattern? If not a pattern change, it will be time for our favorite game, "Private Analyst Crop Estimate Limbo, How Low Can You Go?" In this case the drive to 150 MMT Brazilian bean crop will be on.

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