

MORNING GRAIN COMMENTARY

Morning Trends:

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as of 5:00 AM CDT

Corn 1 to 3 lower

Wheat 3 to 5 higher

Soybeans 8 to 10 lower

Soy Meal 2.5 to 3.0 lower

Soy Oil 10 to 15 higher

NWS Short Range Weather:

Several additional storm systems will continue to bring periods of heavy rain, mountain snow, and high winds through this week across the Northwest U.S. into the central and northern Rockies. Considerable urban, small stream, and moderate to isolated major river flooding impacts are expected between Puget Sound and the Cascades through mid-week.

DTN Long Range Weather: HIGH

SUN...90 AT BOCA RATON, FL

LOW SUN...5 BELOW ZERO AT

OLD FAITHFUL, WY AND DANIEL, WY ...EUGENE, OR 2.06 INCHES

There is a trough in the Central and East, a ridge building in the West, and a deep trough building in the North Pacific and Alaska. The pattern will be progressive with troughs and ridges moving through North America for the next couple of weeks. The U.S. and European models show the same sort of pattern but are different in some of the details. I will use a blend but favor the European. For the outlook period, a cold front will move through the country, which is expected to develop into a stronger storm system for the East this weekend. Another weak system may move through the country next week. It will be very warm ahead of the system and while it will be a cold front moving through, temperatures behind the system will continue to be quite warm for December. It may be cooler than normal for southern areas, however.

NORTHERN PLAINS (LIVESTOCK/WHEAT/CORN/SOYBEANS): It was quite and warm over the weekend. A weak clipper will move through Monday with some mixed showers. Another system will move across the Canadian border Thursday with scattered showers in some areas. A cold front will move through with the system but temperatures behind the front will still be mild or warm for December.

The Stories of the Day:

Russia/Ukraine [Major Factory Helping Russia's War Effort Burns Down in Moscow: Video \(msn.com\)](#) [Estonia announces possibility of closing borders with Russia after increase in passenger traffic from Finland \(msn.com\)](#)

Belarus/China [Lukashenko meets with Xi Jinping in China to discuss partnership and 'titanic changes' in modern world \(msn.com\)](#)

China [China Evergrande Avoids a Debt Disaster—for Now \(msn.com\)](#) [China's economic crisis grows as record 8 MILLION default on mortgages and loans: 'Situation could get worse' \(msn.com\)](#) [but what about the Hog Market China's big pig breeders dig in as losses and debts mount | Reuters](#)

Israel/Hamas [Israel expands its Gaza offensive and bombards the south of the strip \(msn.com\)](#) [Turkey's Erdogan says Israel's Netanyahu 'will be tried as war criminal' | The Straits Times](#)

The Philippines [United States condemns 'horrific terrorist attack' in southern Philippines \(msn.com\)](#)

The Red Sea [3 commercial ships hit by missiles in Houthi attack in Red Sea, US warship downs 3 drones \(msn.com\)](#)

CENTRAL/SOUTHERN PLAINS (LIVESTOCK/WINTER WHEAT): Limited showers moved through over the weekend, which continue on Monday across the north. A cold front will move through on Friday and may develop a system with scattered showers, but models disagree with this development. Cooler air may fill in for a couple of days behind the front but will still be relatively mild for December in most areas. Southwestern areas could use more soil moisture but have the winter season to see good precipitation to potentially eliminate drought.

MIDWEST (CORN/SOYBEANS/WINTER WHEAT): A couple of systems moved through over the weekend, spreading scattered showers and even some thunderstorms for the region. A weak clipper will move through Monday and Tuesday with a mix of rain and snow, but with limited or no accumulation. Very warm temperatures will flood the region mid-to-late week. A cold front will move through Friday and Saturday with some slightly cooler temperatures, but with potential for increased precipitation as well as accumulating snow. If the precipitation occurs, it would help with the remaining drought areas and increases for water levels on the Mississippi River.

DELTA (SOYBEANS/COTTON/TRANSPORTATION): Scattered showers fell over southern areas this weekend but it will be quieter this week. A front will come through with potential for widespread precipitation Friday through the weekend, which may help with the drought and increasing water levels on the Mississippi River.

BRAZIL (CORN/SOYBEANS): Scattered showers increased over central Brazil this weekend but also across the south, where rain was more widespread and heavy. Some areas of central Brazil continue to see lower rainfall amounts by happenstance. Scattered showers will continue over the country this week, but may be a little more isolated in coverage by the second half of the week. That is not certain, however, and precipitation will still be around, favoring those areas that are indeed hit by rain. Southern states continue to deal with too much rain this week but may get a better break this weekend into next week a bit. These areas need drier weather to drain saturated soils for developing corn and soybeans.

ARGENTINA (CORN/SOYBEANS): Scattered showers moved through over the weekend and another system will produce widespread, though perhaps lighter showers Tuesday and Wednesday. With another system moving through this weekend, conditions continue to be mostly favorable for planting and development of corn and soybeans.

EUROPE (WINTER WHEAT): The pattern stays active for the next week, which has started to include southern areas more and more as well, beneficial for vegetative winter wheat. Wheat is going dormant mostly in good conditions in other parts of the continent. Warmer air moving into the northwest may prolong the wheat's ability to produce good root systems before going dormant later this month.

AUSTRALIA (WINTER WHEAT/CANOLA/COTTON/SORGHUM): Eastern areas have been much wetter in recent weeks, which has disrupted the wheat and canola harvest, but favored the development of cotton and sorghum crops. Western areas have been drier. Some rain will move through later this week which may be more beneficial for developing cotton and sorghum but continue to disrupt the wheat and canola harvest, which may cause quality concerns as well.

Headlines:

- > Malaysian Feb Palm Oil closed down 52 Ringgits
- > Dalian Futures Exchange were mostly lower, Jan Corn down 2 to the Yuan, Jan Soybeans down 24, Jan Meal up 19, Jan Bean Oil down 48, Jan Palm Oil down -44
- > Asian Equity Markets were lower, Japan's Nikkei down .6%, China's Shanghai down .3%
- > European Equity Markets are mixed to lower, German Dax flat, London FTSE down .6%

- > MATIF Markets are mixed, March Corn up .50 to the Euro, Feb Rapeseed down 3.25, March Wheat up .25
- > Save the Date...Dec 8th...US Employment numbers...expected 190,000 new non-farm jobs created, vs. last month's 150,000...unemployment M/M expected unchanged at 3.9%...M/M hourly wages up .3%
- . Save the Date...Dec 8th...USDA S&Ds...there will be no changes on US production numbers on this report
- > Save the Date...Dec 12th...US CPI/Real Earnings...Dec FOMC meetings start
- > Save the Date...Dec 13th...US PPI...Dec FOMC Meeting Results
- > Save the Date...Dec 15th...NOPA Crush
- > Save the Date...Jan 19th...Next US Budget Deadline
- > Locust, FAW, ASF all quiet today
- > Bird Flu...[Belgium reports bird flu outbreak on farm near French border | Reuters](#)
- > And so it begins, at the intersection of war and weather...shipping cost, the story starting to make its way up the media chain [Panama Canal Jam Sends Ships Sailing Continents Out of the Way \(yahoo.com\)](#)
- > On Friday the CFTC found that the MM Funds position as of the close of 11/28...short 119,986 W, short 49,779 KW, short 28,917 MW, short 206,478 C, long 67,562 S, long 135,798 SM, short 4,720 BO

Commentary: This is one of those weeks. Of course, early price action will depend on Brazilian weather, how much rain and where does it fall will give short term price guidance. That said on Friday we will have USDA S&Ds. Updated production numbers for S. America will be closely watched. In Nov the USDA had Brazilian bean production at 163.0 MMT. Dr. C is at 158.0 MMT, StoneX is at 161.9 MMT, the old Informa is at 158.0 MMT, AgResource is at 156.0 MMT. Given how early it is in the growing year, we feel the USDA will be slow to trim too much off the production number. Also, on Friday we will have US job numbers. It has been a point of interest by the FED to rebalance the US job market. That said unemployment at 3.9% has been slow to respond to the FED's efforts. The employment numbers will help shape ideas on if the FED is going to raise interest rates or hold steady on Dec 13th. We look for the lows of the week for wheat, corn and beans to be set in the first couple of days of the trading week. We bulls, will need to see continued interest by Asian countries for US West Coast Corn.

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