

MORNING GRAIN COMMENTARY

Morning Trends:
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as of 5:00 AM CDT
Corn 3 to 5 lower
Wheat 1 to 3 lower
Soybeans 11 to 13 lower
Soy Meal 4.5 to 5.0 lower
Soy Oil 5 to 10 higher

The Stories of the Day:

- Russia/Ukraine** [Russian officers were 'negligent' for launching armored vehicle attacks without the tools to fend off the enemy's exploding drones, war bloggers say \(msn.com\)](#)
Ukrainian Forces Achieve Breakthrough Near Bakhmut, Compel Russian Retreat (msn.com)
- Russia/US** [US detects Russian aircraft flying in Alaska Air Defense Identification Zone \(msn.com\)](#)
- China/Russia** [Major Chinese Bank Halts All Settlements With Russia – Vedomosti \(msn.com\)](#)
- Middle East** [Hamas responds to Israel plan with three-stage proposal to end Gaza war | Israel-Gaza war | The Guardian](#)
[Iran may have unleashed forces that it can no longer control \(msn.com\)](#)
- El Nino/La Nina** [Shift from El Nino to La Nina portends rains in Asia, dryness in Americas | Reuters](#)
- Back to hand brushing** [Millions of hacked toothbrushes used in Swiss cyber attack \(msn.com\)](#)

NWS Weather Forecast: A storm system will push into the Southwest, bringing heavy rain and a flooding threat today. Heavy snow will spread into the Intermountain West and Rockies. High snowfall rates and strong winds could lead to difficult travel conditions. A wet pattern will continue heavy rain and the threat for flash flooding across Puerto Rico and the U.S Virgin Islands through Thursday.

DTN Long Range Forecast: HIGH TUE...81 AT RIO GRANDE VILLAGE, TX LOW TUE...17 BELOW ZERO AT CLAYTON LAKE, ME, SAN JUAN, PR 1.96 INCHES

There is a ridge across central and eastern North America with a trough in the West. The western trough will strengthen this week and push the ridge eastward by the weekend, taking over the eastern U.S. next week. A ridge popping up in western Canada will bring some more seasonable temperatures and brief shots of cold to the country for the remainder of February. The U.S. and European models are fairly similar but have some noticeable differences in the evolution of the storm systems this week and weekend. I will use a blend but favor the European with any differences. For the outlook period, a system will be exiting the Southeast on Monday or Tuesday. More seasonable air will be taking over the country, but still be warm in the Upper Midwest. A clipper may come through late next week and could bring a shot of colder air with it. Models are just starting to grasp on to how that might occur and confidence in it is low.

NORTHERN PLAINS (LIVESTOCK/WHEAT/CORN/SOYBEANS): A storm system will move through Wednesday and Thursday with a mix of rain and snow. Recent and forecast precipitation will help to ease some of the recent dryness in the region. Temperatures behind the system will stay mild but we could see a clipper bringing some colder air later next week.

CENTRAL/SOUTHERN PLAINS (LIVESTOCK/WINTER WHEAT): A system will move through on Wednesday and Thursday with scattered showers, and another will move through southern areas this weekend that could have a mix of heavy rain and snow.

MIDWEST (CORN/SOYBEANS/WINTER WHEAT): It continues to be very warm across the region the next couple of days. A system will go through Thursday with scattered showers, and another will move across southern areas this weekend. The latter storm could bring a mix of rain and snow to some areas. Temperatures behind that system will decrease, but still stay seasonably mild. A clipper may come through later next week with a shot of colder air.

DELTA (SOYBEANS/COTTON/TRANSPORTATION): Soil moisture is much improved, and drought continues to decrease in the region. Water levels along the Mississippi River and local rivers are also much higher, increasing transportation. Scattered showers will move through late week and another storm could bring heavy precipitation over the weekend.

BRAZIL (CORN/SOYBEANS): Scattered showers should continue across central Brazil for the next week. Southern areas may have to wait until early next week for more widespread showers to move in, but they could be significant when they do. Rain showers are expected to be of normal intensity across the central, allowing for a normal pace of field work in most areas. Some areas could be too wet, though.

ARGENTINA (CORN/SOYBEANS): A front should finally bring good showers to much of the country later this week and weekend while temperatures will fall back to normal as well. Another front moves through early next week with good showers as well. The potentially heavy rainfall is needed to turn around crop conditions after more than two weeks of dry conditions and a week of 100-degree heat.

EUROPE (WINTER WHEAT): Soil moisture continues to fall for vegetative wheat in Spain and Italy. However, a storm system will move through southern areas starting Thursday with more impulses through next week which will be helpful for reversing the dryness trend. Temperatures will continue to be warm with no threat of an arctic freeze.

AUSTRALIA (COTTON/SORGHUM): Recent heavy rain over New South Wales eased rainfall deficits, but drier weather elsewhere in the country is unfavorable for cotton and sorghum that are mostly filling. Some isolated showers will move through northeastern growing areas at times over the next week.

Headlines:

- > Malaysian April Palm Oil closed up 34 Ringgits
- > Dalian Futures Exchange were mostly higher, May Corn up 4 to the Yuan, March Soybeans up 18, May Meal up 6, May Bean Oil down 14, May Palm Oil up 8
- > Asian Equity Markets were mixed, Japan's Nikki down .1%, China's Shanghai up 1.4%
- > European Equity Markets are mixed to lower, German Dax down .1%, London FTSE down .2%
- > MATIF Markets are lower, March Corn down 2.0 to the Euro, May Rapeseed down 4.75, March Wheat down 1.25
- > Save the Date...Feb 8th...USDA S&Ds
- > Save the Date...Feb 12th...Golden Week in China
- > Save the Date...Feb 12th...Putin in Turkey

- > Save the Date...Feb 13th...US CPI
- > Save the Date...Feb 13th...Pitchers and Catchers to report
- > Save the Date...Feb 14th... US PPI
- > Save the Date...April 8th...from Mexico to Maine a Solar Eclipse [How to watch the last total solar eclipse in the US until 2045 \(msn.com\)](#)
- > FAW all quiet today
- > [FAO: Invasion Of Desert Locust In Sudan Threat Egypt, Gulf Countries | MENAFN.COM](#)
- > [Japan to step up measures against African swine fever | NHK WORLD-JAPAN News](#)
- > [Concern mounts over potential 'new human pandemic' after avian flu mutation raises the alarm \(msn.com\)](#)
- > [India may extend parboiled rice tax \(msn.com\)](#)

Commentary: A bit of new/old business today. Overnight in your inboxes was the return of the Leese Trading Daily Tech Sheet. Below we have included the corn portion of the tech sheet. Now given the huge volume overnight in corn (thought to be generated by spread rolls) we thought it would be interesting to look at CN flat price via the Daily Tech Sheet. Our eyes are drawn to the daily, weekly, and monthly support and resistance calculations. We are looking for areas that the daily, weekly, and monthly numbers line up, but being fans of the great American Singer Meatloaf, two out of three ain't bad. Now we get it CN RSI at 33.28 is not in oversold areas, something we like to see if we were going to pick a bottom. That said with range support on the daily number at 457ish, and on the weekly charts first level support for CN at 457ish, if one was a bit short this area might be a level to accept some profits. Given elevated selling overnight much on the back of the excellent start to the Brazilian fall corn plantings we feel this is an area to watch. Yes, Brazil is off to a good start for corn plantings, but significant portion of their bean crop was planted late, so delays in corn plantings might mount as we move deeper into February. And yes, we have USDA WASDE numbers on Thursday that should favor the bear. But lets keep an eye on the levels described above. Take a look at the Tech sheet in your inboxes and give us a call on further explanations on how to read this new/old tool.

Daily Technical Trade Sheet

Corn

		Daily	Weekly	Monthly		
March Corn						
		RR	448.08	454.92	486.08	
H	445.5	FR	443.42	448.83	467.17	
L	438.25	S	440.83	442.67	451.83	
C	438.75	FS	436.17	436.58	432.92	
Change	-4.5	RS	433.58	430.42	417.58	
Moving AVG						
21	447.5				Trend	
50	464.75	10 cross	445.50		Bear	-6.75
200	505.25					
Momentum						
RSI	31.52					
Stoch	DN					

		Daily	Weekly	Monthly		
July Corn						
		RR	466.50	473.08	509.5	
H	464.75	FR	463.50	467.92	488	
L	460	S	461.75	462.33	472.25	
C	460.5	FS	458.75	457.17	450.75	
Change	-1.75	RS	457.00	451.58	435	
Moving AVG						
21	467.5				Trend	
50	485.75	10 cross	464.50		Bear	-4.00
200	518.75					
Momentum						
RSI	33.28					
Stoch	DN					

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