

MORNING GRAIN COMMENTARY

Morning Trends:

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as of 4:30 AM CST

Corn 1 to 3 higher

Wheat 3 to 5 lower

Beans 6 to 8 higher

Soy Meal 3.5 to 4.0 higher

Soy Oil 5 around

The Stories of the Day:

[Parana River Drafts Low Parana river level 'trims' Argentine farm exports | \[Article \\[AMP\\]\]\(#\) | \[Reuters\]\(#\)](#)

[Part of the break in US equities Yellen says rates may have to rise...tries to walk back comments last night part of the reason for the overnight bounce in world equities Yellen Says Rates Might Need to Rise as Economy Recovers \(msn.com\)](#)

Weather: There is a trough in the Plains and Midwest with a ridge developing in the West. The trough will be slow to move eastward out of the country until this weekend. The ridge will be replaced by a trough later this week. The trough may sit in the West for a few days before moving eastward later in the week. Another trough may move into the Northwest late next week. The U.S. and European models are fairly similar. I will use a model blend but favor the European. For the outlook period, temperatures on Monday will be below normal north and near to above normal south. Temperatures are likely to fall below normal for areas east of the Rockies while rising above normal in the West through the middle of next week. Temperatures may rise across the North-Central late next week. A system will ride along a frontal boundary across the south early next week while another system develops in the Plains in the middle-to-end of next week. This system will move eastward late next week and weekend. -DTN

NORTHERN PLAINS (LIVESTOCK/SPRING WHEAT/CORN/SOYBEANS): Drought continues in the area. Temperatures have fallen below freezing a couple of days this week and may do so this weekend into next week as well, which could damage any emerged corn or wheat. There is a better chance for more moderate showers late Friday into Monday. -DTN

CENTRAL/SOUTHERN PLAINS (WINTER WHEAT/LIVESTOCK/CORN/SOYBEANS): Scattered showers moved through the region over the last couple of days. More isolated showers will fill out the week with a better chance for periods of moderate showers Friday into next week. All shower activity will benefit developing to reproductive wheat and emerging corn and soybeans. -DTN

MIDWEST (WINTER WHEAT/CORN/SOYBEANS): Scattered showers have fallen across the region over the last several days. The increased moisture will be good for emerging crops, though portions of the northwest could use a bit more moisture. Normally rainfall causes planting delays, but it appears that producers are dodging the showers quite easily as planting progress is well ahead of the normal pace. Some chilly temperatures, including frost potential, is possible across the north and east into next week, which may be damaging to emerging crops. This is not a high likelihood nor is it widespread, however. -DTN

DELTA (SOYBEANS/COTTON): Moderate showers have moved through the region recently, benefiting emerged crops. The rain has delayed planting activities but mostly dry weather to finish the week should encourage producers to plant more. More moderate showers are expected this weekend into next week. -DTN

Wednesday, May 5, 2021

SOUTHEAST (COTTON/LIVESTOCK): Scattered showers continue on Wednesday before being pushed out. The showers will benefit emerging cotton but have caused planting delays. More moderate to heavy showers are expected this weekend into next week. -DTN

CANADIAN PRAIRIES (SPRING WHEAT/CANOLA): Temperatures below normal and dry conditions continue to keep planting slow. Showers have been and will continue to be more consistent across the southwest, benefiting soil moisture there. Eastern and northern areas will continue to be on the cool and dry side for the next week. -DTN

BRAZIL (CORN/WINTER WHEAT): Heat and dryness have been the theme over the last couple of weeks, forcing developing corn to deplete subsoil moisture across the region. A front moving northward into southern Brazil is likely to bring moderate showers to Rio Grande do Sul for developing winter wheat but will not bring much shower activity north into Parana or Mato Grosso do Sul for corn. Overall dryness continues for another week, stressing developing to reproductive corn. -DTN

ARGENTINA (CORN/SOYBEANS/WINTER WHEAT): Dryness last week favored harvest of corn and soybeans. A front that moved in late this weekend brought widespread showers through Wednesday. This should disrupt the harvest somewhat, but prime soils for winter wheat planting, which picks up in the next couple of weeks. -DTN

EUROPE (WINTER WHEAT/CANOLA/CORN): Recent cold temperatures across the north and east have been concerning for winter grains over the last couple of weeks, but estimates are for mostly minor damage. Temperatures are likely to remain below normal across the north and east this week, keeping growth slow. However, more widespread showers will help increase soil moisture. The cooler temperatures will likely delay spring planting further, but temperatures will rise this weekend into next week. Favorable conditions are found across the south for winter grains. -DTN

UKRAINE/RUSSIA (WINTER WHEAT/CORN): Scattered showers continue to maintain overall above-normal soil moisture. Warmer temperatures have also moved in, promoting growth. A couple of systems will bring more showers to the area, with favorable weather for wheat. This could cause more delays for corn planting, however. -DTN

NORTHERN AFRICA (WINTER WHEAT): Recent showers have been beneficial, and periods of showers for much of this week should be helpful for filling wheat. -DTN

AUSTRALIA (COTTON/SORGHUM/WINTER WHEAT/CANOLA): Shower activity is increasing across the west and portions of the east this week, which will benefit early growth for winter crops, but cause planting delays and harvest delays for cotton and sorghum. -DTN

CHINA (WINTER WHEAT/CANOLA/CORN/SOYBEANS): Conditions have been mostly favorable across the country so far this spring, though it has been overly wet across the south for rice and sugarcane and cool across the northeast for corn and soybean planting. Systems will continue to move through the region this week with shots of precipitation and roller-coaster temperatures, though the northeast is likely to remain mostly below normal. This may continue to have a delaying impact on corn and soybean planting.

INDIA (WINTER WHEAT/RAPESEED/COTTON/SOYBEANS): Periods of showers that have continued this spring have kept conditions favorable for much of the winter crops in northwestern India as they move through reproduction and fill. Scattered showers have started to develop occasionally over the interior of India well in advance of summer planting season for cotton and soybeans, which starts with the monsoon in June. -DTN

Headlines

> Malaysian July Palm Oil down 2 Ringgits

Wednesday, May 5, 2021

- > Dalian Futures Exchange were closed for national holidays
- > Asian Equity Markets were mixed, Japan's Nikkei closed for national holidays as well as China's Shanghai
- > European Equity Markets are higher, German Dax up 1.4%, London FTSE up 1.2% WSJ reporting that the EU starting to get the vaccine rollout under control
- > MATIF Markets are higher, June corn up 1.75 to the Euro, August Rapeseed up 1.25, Sept wheat up .75
- > Remember the Date...March 10th...Parana, Brazil second season corn crop is late...clock is ticking towards an early frost? <https://mygeohub.org/resources/879/download/Corn-growth-stage-day-and-GDU-calendar10.pdf>
- > Save the Dates...the week of May 3rd...Golden week in Japan, China memorial holidays
- > Save the Date...May 7th...US monthly jobs numbers...expected 978,000 new non-farm jobs created vs. March at 916,000...unemployment rate expected at 5.8% vs. March at 6.0%...hourly wages MoM down .1%
- > Save the Date...May 12th...US and world S&Ds including our first look at 21/22
- > Save the Date...May 17th...NOPA Crush
- > Save the Date...May 27th...1Q US GDP
- > Save the Date...May 31st...US Memorial day
- > FAW not directly related but coming to control insects soon? GM bugs [These Bugs Carry a Self-Destruct Button. Could They Come to Ag? \(dtnpf.com\)](#)
- > African Swine Fever ripping through Borneo [African swine fever ravaging Borneo's wild pigs \(nature.com\)](#)
- > Locust/Bird Flu all quiet
- > Weekly EIA numbers will be out at 9:30 AM CDT WoW trade is expecting a 2.2 million barrel draw in crude oil stocks and gasoline stocks are expected to be down WoW 600,000 barrels...last night API numbers WoW had crude oil stocks down 7.7 million barrels, and gasoline stocks down 5.5 million barrels
- > Copper prices in overnight dealings for only the second time in a decade sticks its head above \$10,000.00

Commentary

We know many in the trade feel that the Brazilian corn crop totals are in doubt and could fall well below 100.00 MMT. We know many in the trade feel that the crop totals as they stand now could be below 98.00 MMT and on the way to 96.0 MMT. That said May 12th is looming. It is clear that given the fall in Brazilian crop prospects it appears the Chinese will lift their summer commitments of US corn. This seems to be the reason for CN breaching the 7-dollar level during yesterday's N. America session. The question moving forward does 7-dollar CN represent a Brazilian crop that is well under 100.00 MMT? If so, what will the market's reaction be if the USDA and CONAB slow walk their crop estimates lower. How will the market handle a crop estimate that is at 105.00 MMT after hearing for the last two weeks the crop is closer to 95.00 MMT? The bottom line when values move to historical extremes, continued extreme volatility should be expected.



Managed Money Fund Positions

5/4/2021

	COT Estimate as of 4/27/2021	Est as of 5/4/2021	Change Since COT Estimate	5/4/2021 Activity	Record Long	Record Short
Wheat	13,399	4,899	-8,500	5,500	80,827	-162,327
Corn	378,663	413,663	35,000	22,500	429,189	-322,215
Soybeans	180,014	180,014	0	9,000	253,889	-168,835
Soymeal	54,086	50,586	-3,500	4,000	133,549	-77,112
Soyoil	92,587	106,587	14,000	3,000	126,543	-109,950

An investment in futures contracts is speculative, involves a high degree of risk and is suitable only for persons who can assume the risk of loss in excess of their margin deposits. You should carefully consider whether futures trading is appropriate for you in light of your investment experience, trade objectives, financial resources, and other relevant circumstances. PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.