

MORNING GRAIN COMMENTARY

Morning Trends:

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as of 5:00 AM CST

Corn 6 to 8 higher

Wheat 9 to 10 higher

Beans 13 to 15 higher

Soy Meal 3.5 to 4.0 higher

Soy Oil 90 to 100 higher

The Stories of the Day:

God's speed good woman [Elderly Woman Who Went Viral for Her 'I Need More Beer' Sign During Lockdown Dies \(msn.com\)](https://www.msn.com/en-us/news/us/gods-speed-good-woman-elderly-woman-who-went-viral-for-her-i-need-more-beer-sign-during-lockdown-dies)

US Infrastructure the debate begins [Biden frames infrastructure debate as choice between needed investments and tax breaks for wealthy \(msn.com\)](https://www.msn.com/en-us/news/us/us-infrastructure-the-debate-begins-biden-frames-infrastructure-debate-as-choice-between-needed-investments-and-tax-breaks-for-wealthy)

Weather: There is a trough in the East with a ridge over the Rockies and another trough moving into the West. The eastern trough will be slow to move through the East this weekend though a portion of it will remain behind. The western trough may sit in the West for a few days before moving eastward next week and be replaced by a ridge. Another trough may move into the Northwest late next week while the ridge slides into the middle of the country. The U.S. and European models are fairly similar in the upper levels but have differences in how widespread rainfall will be next week. I will use a model blend but favor the European, which for now is a drier solution overall. For the outlook period, temperatures on Wednesday will be below normal east of the Rockies and above normal in the West. Temperatures are likely to remain in this pattern through the end of the week but rise in the Central and East next weekend. A system will ride along a frontal boundary across the south in the middle-to-end of next week. Another system will move into the Northwest late next week and into the Plains over the 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. Moderate showers are expected through Sunday for a good portion of the region, being very beneficial for soil moisture where it occurs. Northeast North Dakota is not likely to receive much precipitation, however. -DTN

CENTRAL/SOUTHERN PLAINS (WINTER WHEAT/LIVESTOCK/CORN/SOYBEANS): Soil moisture has improved for much of the region over the last week. A couple of systems will bring good chances for periods of widespread moderate showers through next week. All shower activity will benefit developing to reproductive wheat and emerging corn and soybeans. Temperatures will be below normal for the next week, limiting overall growth. -DTN

MIDWEST (WINTER WHEAT/CORN/SOYBEANS): Scattered showers have fallen across the region over the last several days, increasing soil moisture for much of the region. The northwest could use more showers, though. A system will bring more rainfall over the weekend, mostly across the south, while the north stays drier for the next week. Some chilly temperatures, including frost potential, is possible across the north and east through much of 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. More moderate showers are expected this weekend and next week to benefit germination and early growth. -DTN

SOUTHEAST (COTTON/LIVESTOCK): Recent showers will benefit emerging cotton but have caused planting delays. More moderate to heavy showers are expected next week to benefit germination and early growth. -DTN

CANADIAN PRAIRIES (SPRING WHEAT/CANOLA): Temperatures below normal and dry conditions normally slow planting, but reports from Saskatchewan and Manitoba note increased activity. Showers have been and will continue to be more consistent across the southwest through the weekend, benefiting soil moisture there. Eastern and northern areas will continue to be on the cool and dry side for the next week. More widespread showers may wait until next weekend. -DTN

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

ARGENTINA (CORN/SOYBEANS/WINTER WHEAT): Recent showers have disrupted the corn and soybean harvest somewhat, but primed soils for winter wheat planting, which picks up in the next couple of weeks. Another system is set to bring more widespread showers Sunday into next week. Periods of showers will continue to delay harvest. -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. More widespread showers this week will help increase soil moisture but delay spring planting. The cooler temperatures will rise this weekend into next week. Favorable conditions are found across the south for reproductive to filling 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, but with falling temperatures, causing mixed conditions for wheat. The showers could cause more delays for corn planting. -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): Recent showers this week will benefit early growth for winter crops, but has caused some planting delays for wheat and canola and harvest delays for cotton and sorghum. Dryness over the next week should be beneficial overall. -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 over the next 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. -DTN

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 up 156 Ringgits
- > Dalian Futures Exchange were higher, Sept corn up 41 to the Yuan, Sept beans up 114, Sept meal up 53, Sept bean oil up 128, Sept palm oil up 160
- > Asian Equity Markets were mostly mixed, Japan's Nikkei up .1%, China's Shanghai down .5%
- > European Equity Markets are higher, German Dax up .9%, London FTSE .4%
- > MATIF Markets are higher, June corn up 4.25 to the Euro, August Rapeseed up 3.25, Sept wheat up 2.225
- > 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 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...Reuters trade survey average trade guess for Brazilian corn production 103.05 MMT
- > Save the Date...May 17th...NOPA Crush
- > Save the Date...May 27th...1Q US GDP
- > Save the Date...May 31st...US Memorial day
- > Save the Date...June 3rd...US monthly jobs numbers
- > Save the Date...June 10th...US and World S&Ds included updated acres
- > FAW/locust all quiet
- > African Swine Fever day old story but China continues to try to defeat the Fever [African swine fever: China limits live pig shipments to curb outbreaks | South China Morning Post \(scmp.com\)](#)
- > Bird Flu continues to impact S. Africa [Avian flu now detected in Western Cape \(timeslive.co.za\)](#)
- > Argentina it is good to be an exporter [High prices drive Argentina agricultural exports to record high | Article \[AMP\] | Reuters](#)
- > Saudi bans some Brazilian poultry [Saudi Arabia bans poultry from 11 Brazilian processing plants | Reuters](#)

Commentary

It is Friday morning and as always on a Friday weekly closes are some of the most important prices for next week. Weekly closes will help shape what kind of chart momentum we might expect next week. Given the straight up nature of prices as of late shifting chart momentum lower for corn and beans might be too much of an ask for the market at this time. Technically for the bear to have any hope in corn, we will need to see a close in CN below the 660 level. It is much the same story in beans with a close under 1485 needed to turn chart momentum lower. Closes in CN over the 725 level and it could be blow off top time. For SN, a close over 1590 will be explosive. The other Friday event that we need to accomplish before we can enjoy the weekend is the CFTC MM fund position report. We feel as of the close of business on 5/4 the MM funds were long 4,899 wheat

contracts, long 413,663 corn contracts, long 180,014 bean contracts, long 50,586 meal contracts, and long 106,587 bean oil contracts.



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 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.