

MORNING GRAIN COMMENTARY

Morning Trends:

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as of 5:00 AM CST
Corn 9 to 11 higher
Wheat 3 to 5 higher
Beans 12 to 14 higher
Soy Meal .5 to 1.0 higher
Soy Oil 70 to 80 higher

The Stories of the Day:

White House widens the off limit Chinese investment list [Biden Widens List Of Chinese Firms Off-Limits For Investment \(barchart.com\)](#)

Not many questions answered here [Report does not confirm, or rule out, UFOs in unexplained aerial events \(msn.com\)](#)

The song of the salesperson [Linda Ronstadt - When Will I Be Loved - YouTube](#)

Weather: There is an upper-level low moving into Texas with a trough diminishing in the East and a strong ridge building across the western and northern U.S. The ridge will continue to shift eastward through the weekend, anchoring in the East and building next week. A trough moving into western Canada will deepen over the West Coast early next week. The trough-west and ridge-east pattern will force the upper-level low to weaken and move northward into the Midwest and stall next week. A piece of energy from the western trough will move across the northern tier of the country late next week, deepening over eastern Canada. This will force the ridge into the middle of the country next weekend. The U.S. and European models have a similar upper-level pattern, but disagree enough to create some significant differences in precipitation and temperatures through the period. I will use a model blend, but favor the European. For the outlook period, temperatures on Wednesday will be near to below normal across the West Coast and near to above normal elsewhere. Temperatures will keep this pattern through the end of next week, though we may see some cooling in the Northeast next weekend. The upper-level low will be somewhat stalled in the Midwest for the end of next week with widespread showers over the eastern half of the country. A system will move through the Northern Plains and Canadian Prairies late next week and could produce some moderate to heavy showers. -DTN

NORTHERN PLAINS (LIVESTOCK/SPRING WHEAT/CORN/SOYBEANS): Hot temperatures approaching triple digits are on tap into the weekend. Humidity will also be low, causing significant stress to developing crops in need of moisture. Showers may return with a system moving through this weekend but will be isolated. The system will knock temperatures down, but only by a few degrees and only temporarily. The region will hope for showers next week as the region remains unstable, but the trend has been to keep significant showers eastward until another system moves through late next week. -DTN

CENTRAL/SOUTHERN PLAINS (WINTER WHEAT/LIVESTOCK/CORN/SOYBEANS): Periods of scattered showers will continue over Texas through Saturday as an upper-level low moves into the area. The low will move northeast Sunday and next week, spreading showers across the eastern half of the region. The western half is likely to be drier, though some isolated showers may form in the High Plains at times. Temperatures will remain below normal through the weekend but be on a slow rising trend through next week. -DTN

MIDWEST (WINTER WHEAT/CORN/SOYBEANS): A system brought light to moderate showers across southern and eastern areas this week. Drier areas across the north have seen only limited showers. An upper-level low moving through next week will bring more widespread showers back into the region. Temperatures will

continue above normal, accelerating growing progress. In the absence of showers across the north, near-record highs could stress vulnerable crops for the next few days before the rains set in. -DTN

DELTA (SOYBEANS/COTTON): A system produced scattered showers across the region earlier this week, which may continue over southern areas through the weekend. More widespread showers are likely next week due to an upper-level system moving through. Recent dryness was beneficial for those still left to plant soybeans and cotton and soil moisture is adequate for early growth. -DTN

SOUTHEAST (COTTON/LIVESTOCK): Scattered pop-up type showers are expected for at least the next week as a front lingers in the region. This will allow for at improving soil moisture conditions for those areas that are hit by showers. -DTN

CANADIAN PRAIRIES (SPRING WHEAT/CANOLA): Soil moisture is adequate due to recent heavy precipitation, but more is needed to end drought for many areas. Very little shower activity is expected through the weekend but could increase next week as a few systems move through the area. Temperatures well below normal last week caused widespread frosts and freezes and a need to reseed. Temperatures this week have been well above normal but will fall closer to normal this weekend and through next week. That may not be true for eastern areas, where temperatures could remain above normal. -DTN

BRAZIL (CORN/WINTER WHEAT): Another week of nearly complete dryness is forecast for central states, along with above normal temperatures. This will continue to stress and damage safrinha corn in the region. Southern states will see scattered showers this weekend through early next week as another system brings moderate to heavy rainfall, benefiting reproductive to filling corn and developing wheat. The front has a chance to move into central states late next week and weekend, but any showers are likely to be waning by that point. -DTN

ARGENTINA (CORN/SOYBEANS/WINTER WHEAT): A system this weekend will bring more moderate to heavy showers across northern areas, which may disrupt the corn and soybean harvest. Overall, conditions remain favorable for winter wheat planting and development. -DTN

EUROPE (WHEAT/CANOLA/CORN): Scattered showers over western areas of the continent will shift slowly to the east and southeast through the weekend and early next week. Soil moisture is mostly favorable across the continent. Temperatures continue to be on a rising trend, benefiting developing crops. -DTN

UKRAINE/RUSSIA (WHEAT/CORN/SUNFLOWERS): An upper-level low in the area will continue to produce shower activity through the weekend and most of next week. This should help to recharge soil moisture, especially for eastern areas that have seen soil moisture plummet over the last month or so. Prospects for spring-sewn crops have improved over the last week. -DTN

AUSTRALIA (COTTON/SORGHUM/WINTER WHEAT/CANOLA): Scattered showers have fallen over eastern areas over the last couple of days, being highly beneficial for vegetative winter wheat and canola. Irrigation levels are still adequate. -DTN

CHINA (WINTER WHEAT/CANOLA/CORN/SOYBEANS): Recent shower activity has left most of the area with adequate moisture. Temperatures below normal have kept growth slow for corn and soybeans in the northeast. Showery and cool weather this week will turn to somewhat drier and warmer weather next week, which should help to accelerate growth. -DTN

INDIA (WINTER WHEAT/CANOLA/COTTON/SOYBEANS): Two Tropical Cyclones have impacted the country over the last couple of weeks, which may have caused flooding damage to maturing winter wheat and canola. The monsoon is starting to arrive in the southeast, on schedule, and widespread showers are increasing across the country as well. This is allowing for widespread planting of cotton and soybeans between the showers. -DTN

Headlines

- > Malaysian Aug Palm Oil down 25 Ringgits...Monday is a holiday in Malaysia
- > Dalian Futures Exchange was lower, Sept Corn down 12 to the Yuan, Sept Beans down 39, Sept Meal down 20, Sept Bean Oil down 22, Sept Palm Oil down 38
- > Asian Equity Markets were mixed, Japan's Nikkei down .4%, China's Shanghai up .2%
- > European Equity Markets are mixed, German Dax down .1%, London FTSE down .2%
- > MATIF Markets are mixed, Aug Corn up 2.25 to the Euro, August Rapeseed down 1.75, Sept Wheat up .25
- > Save the Date...June 3rd...US monthly jobs data...expected 674,000 private sector jobs, unemployment rate falls to 5.9% from 6.1% and MoM hourly wages up .2%
- > Save the Date...June 10th...US & World S&Ds
- > Save the Date...June 15th...NOPA Crush
- > Save the Date...June 16th...FOMC Meeting Results
- > Save the Date...June 30th...Grain Stocks and Planted Acres
- > FAW/ASF/Locust/Bird Flu all quiet for today
- > With so much canola being planted in Canada in dry conditions we have a new bug to follow the canola flea beetle [Farmers urged to keep watch for flea beetles | The Western Producer](#)
- > Weekly Export Sales will be out at 7:30 AM CDT we expect wheat sales to fall in between 300-500,000 MT, corn 1.0-1.2 MT, beans 200-400,000 MT, meal 100-300,000 MT, oil 5-25,000 MT...all numbers old and new crop combined
- > Weekly CFTC numbers when they are released are expected to find that as of the close of 6/1 the MM funds were long 25,534 wheat, long 323,091 corn, long 159,890 beans, long 33,232 meal, and long 91,327 bean oil
- > Due to ongoing drought Brazil has huge water issues ahead [Brazil's reservoirs suffer from drought, while floods hit Amazon | Daily Sabah](#)
- > Rare earth meets rare flower: The U.S. Fish and Wildlife Service said on Thursday it will propose listing the Tiehm's buckwheat flower as an endangered species, dealing a blow to Pioneer Ltd's proposed Rhyolite Ridge lithium mine in Nevada. The decision reflects the ongoing tension between environmentalists and industry as the United States tries to wean its economy off fossil fuels and go electric. Lithium is a key component of electric vehicle (EV) batteries. -Bloomberg

Commentary

We went home last night with brisk risk off winds blowing out of the macro markets and hopes for better rain chances next week for the WCB and the N. Plains. Macro market risk off bears got excited yesterday on ideas that the service sector job front in the US is rebounding quicker than hoped for allowing for potential room for the US Central Bank to start earlier than expected in easing off their covid era monetary policies. Weather forecasts yesterday were indicating a better chance for rain showers for the WCB/N. Plains next week. We could see decent coverage of .25-1.5 inches of rain. The problem with this forecast is 1.5 inches of rain in the WCB will be great after the expected above normal temps this weekend...but less than .50 inches of rain not so much. Given the lack of sub soil moisture in the WCB and the unrelenting drought in the N. Plains back into the West Coast



Friday, June 4, 2021

timely rain and a lot of it is required. The trade knows that the 76% good excellent rating assigned to the corn crop this week could start to decline and decline quickly if rains underperform in the next 10 days. Weather markets make for long Fridays and early starts to the work week on Sunday nights.

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