

MORNING GRAIN COMMENTARY

Morning Trends:
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as of 5:00 AM CST
Corn 1 to 3 higher
Wheat 3 to 5 lower
Beans 7 to 9 higher
Soy Meal 2.0 to 2.5 higher
Soy Oil 75 to 80 higher

The Stories of the Day:
<p>It is one thing to say it, now let see you do it China to stabilise grain output and boost oilseed crop, minister says Reuters Well this is one way China Set to Give Safety Nod to More Domestic GMO Corn Varieties - Bloomberg</p> <p>Even with the updated CDC guidelines it is going to take a while to unwind this mess US Travelers Continue to Face a Wave of Cancellations as COVID Decimates Flight Crews (msn.com)</p> <p>Speaking of new guidelines CDC Changes COVID-19 Quarantine Guidelines, CPS Asks Students To Test Before Returning (yahoo.com)</p> <p>Omicron January looks like it will be a tough month US coronavirus: January will be 'a really, really hard month' as Omicron variant fuels new infections, expert says (msn.com)</p>

Weather: There is a ridge in the Southeast, and a deep trough across the West. The ridge will weaken a bit late this week and

allow the trough to move eastward through the country this weekend into early next week. Another trough will replace it in the West this weekend and then move into the middle of the country by the middle of next week. The U.S. and European models are in fair agreement with the upper-level pattern but develop disturbances differently. I will use a blend but favor the European. For the outlook period, temperatures on Sunday will be below normal in the West and Central and above normal in the Southeast. Cold temperatures will finish sweeping through the rest of the country early next week. A brief warmup will occur in the southern states before they get replaced by the cold again by the end of next week. A strong storm system will push across the country over the weekend with widespread moderate to heavy precipitation. Another system should move from the West into the Plains and Midwest by the middle of next week with scattered showers. -DTN

NORTHERN PLAINS (LIVESTOCK): Though out of the main storm track, the region will still pick up occasional periods of snow. After the accumulating snow today, any additional snow accumulations this week look to remain scattered and light. Cold temperatures will continue to seep into the region, stressing livestock. There may be a bit of a break from the extreme cold early next week. -DTN

CENTRAL/SOUTHERN PLAINS (LIVESTOCK/WINTER WHEAT): A couple of systems will move through this week but will have very little precipitation for drought areas. A stronger system will move through this coming weekend with a better chance for more widespread showers. This will be brief, however, and likely have little impact on the ongoing drought. Cold temperatures will move through only briefly this weekend while staying more focused to the north. -DTN

MIDWEST (WINTER WHEAT): After a round of significant precipitation Monday, an active pattern continues as the western trough brings a few pieces of energy through the region. More light to moderate precipitation is expected, which may help out with some of the regional drought. Cold temperatures will filter into western areas of the region through the week before sweeping through the entire region behind a strong system this weekend. -DTN

PACIFIC NORTHWEST (WINTER WHEAT): The region will stay active as systems move through during the next 10 days. Drought conditions will continue to decline. -DTN

BRAZIL (CORN/SOYBEANS): Dry conditions over southern states are a major concern for reproductive to filling corn and soybeans. Conditions continue to be very good for central and northern Brazil. Some isolated showers will pop up at times over southern areas later this week and weekend, but very spotty with limited impact. Heat and dryness should continue to force crop conditions to decline. -DTN

ARGENTINA (CORN/SOYBEANS): Dryness with high temperatures in the 80s and 90s continue to cause stress for developing to reproductive corn and soybeans. Some isolated showers may pop up at times later this week, and some more scattered showers will be possible this weekend, but it will be difficult for forecast rainfall to match the needs of the crops as conditions should continue to decline. Planting pace is still slow so there is time for the weather to turn around, but prospects are not good through the month of January. -DTN

CANADIAN PRAIRIES (LIVESTOCK): Arctic cold temperatures will continue through the week as the polar vortex remains over the region. There will be just a small break in the harsh temperatures this weekend before they return next week. Stress on livestock will continue to be extreme for the next two weeks. -DTN

EUROPE (WINTER WHEAT): Scattered showers remained Monday, keeping most areas in favorable condition for vegetative wheat in the south. Showers early this week will be followed by dryness and well above normal temperatures. Areas that are still dry will have issues, but those with adequate moisture, which are in the majority, will find good conditions. -DTN

AUSTRALIA (WINTER WHEAT/CANOLA/COTTON/SORGHUM): Some isolated showers lingered on Monday, which may have had a small impact on harvest of winter wheat and canola. But overall conditions have been good recently. Some showers will remain possible over the next few days, but will be followed by dryness, benefiting harvest. Heat that comes into southeastern Australia could start to become stressful for cotton and sorghum in drier areas later this week. -DTN

Headlines:

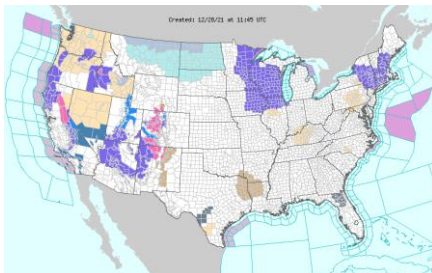
- > Malaysian March Palm Oil Markets closed up 164 Ringgits
- > Dalian Futures closed mostly higher corn down 9 to the Yuan, March beans up 78, May meal up 18, May bean oil up 52, May Palm oil up 38
- > Asian Equity Markets were higher, Japan's Nikkei up 1.4%, China's Shanghai up .4%
- > European Equity Markets are mostly higher German Dax up .3%, London FTSE 100 closed today
- > MATIF Markets are all over the place March Corn down.75 to the Euro, Feb Rapeseed up 5.25, March Wheat down 4.25
- > Save the Date...Jan 7th...US Job Numbers
- > Save the Date...Jan 12th...USDA S&Ds/Crop Production/Grain Stocks/Winter Wheat seedings
- > Save the Date...Feb 14th...Pitchers and Catchers start to report, we hope
- > Save the Date...April 4th...the return of the weekly crop updates from the USDA
- > Ukraine, winter dryness good for potential invading forces not so much for winter planted crops [Dry weather affects Ukraine winter wheat crops in central regions | Nasdaq](#)

- > Ethiopia op/ed how to end this civil war [Biden's One-Sided Support for the TPLF Can't Achieve Peace in Ethiopia \(foreignpolicy.com\)](#)
- > Sudan, the rage continues [Sudan: Troops fire tear gas to disperse protestors heading presidential palace in Khartoum \(republicworld.com\)](#)
- > Libya at an inflection point [Parliamentary panel wants Libya's executive authority restructured \(yenisafak.com\)](#)
- > Bird Flu Israel, Israel is a migratory choke point for birds, this is a big deal [Israel Culls Poultry As Bird Flu Kills Thousands Of Migratory Cranes | ESM Magazine](#)
- > FAW/ASF/Locust all quiet today
- > Weekly CFTC MM Funds Position Report will last night found that as of the close of 12/21 MM Funds were long 13,178 MW, long 58,807 KW, short 11,007 W, long 360,416 C, long 72,924 S, long 50,551 SM, long 39,078 BO

Commentary:

You got to feed the bull everyday but the bear but once a week has been a traditional talking point for the markets since, about forever. In the complex, this long term market wisdom will be put to the test today. As of this writing beans after rallying close to 30 cents yesterday are higher again today. The main point of discussion is S. America weather. There is no doubt that crops in S. Brazil and for that matter in Paraguay and Argentina are being impacted by dry weather at a time of the year where the trade tries to micro-manage S. American weather. The basic baseline is the monthly USDA number. In the Dec USDA numbers had Brazil beans at 144.0 MMT, corn at 118.0 MMT, Argentina beans at 49.50 MMT and corn at 54.5 MMT. Now at this time of year one will see a wide range of weekly crop estimates for this region. We feel a good starting place to the weather's impact on crop potential is with Dr. Cordonnier's weekly crop estimates. The good doctor has been doing this for a long time so we will lean on his early weekly estimates as a starting point. Dr. C pegs this week's Brazilian bean crop at 140.0 MMT WoW down 2.0 MMT, corn at 114.0 MMT down 1.0 MMT. For Argentina the good Doctor has beans at 48.0 MMT down 1.0 MMT, corn at 52.0 down 1.0 MMT. Of note in the 6-10 day forecast needed rain is slated for the areas in question. This rain will not be a drought buster, nor is anyone calling for a pattern change. The question for the day, this weekly decline in perceived crop potential enough to feed the bull all day today. You know the dryness story is getting a bit thin for this week, if market bulls start to emphasize that N. Brazil has been too wet and that needed herbicides and insecticides have not been applied in a timely fashion due to wet field conditions. We bulls are even starting to talk about the lack of sunshine this growing season in this area, photosynthesis anyone? Remember we weather bulls always want to move into the Roddy Rodney Piper Zone, "just when you think you have the answers, we change the questions." [Drone footage shows extensive flooding in northeastern Brazil \(yahoo.com\)](#)

Safe Travels everyone





Tuesday, December 28, 2021

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.