

**MORNING GRAIN COMMENTARY**

**Morning Trends:**

**Morning Trends**

as of 5:00 AM CST

Corn 2 to 4 lower

Wheat 2 to 4 lower

Soybeans 2 to 4 lower

Soy Meal .5 around

Soy Oil 70 to 75 lower

Short Range Weather: A Nor'easter will continue to bring gusty winds, heavy snow, heavy rain, coastal flooding, and rough seas to the Northeast U.S. into Tuesday night. Dry, gusty winds will continue critical fire weather conditions across the High Plains into the Southwest U.S. through Saturday. Two Pacific storm systems will bring coastal rain and mountain snow over the Northwest U.S. through most of this week. - NWS

**The Stories of the Day:**

**Russian Invasion:** [Bleak Assessments of Russian Economy Contradict Putin's Rosy Claims \(msn.com\)](#) [Russia-Ukraine live updates: Russia sets new Mariupol surrender deadline; 'Battle for Donbas' begins \(msn.com\)](#) [Seven Killed in Russian Missile Strikes on Ukraine's Lviv, Officials Say \(msn.com\)](#) [Latest U.S. weapons assistance arrives in Ukraine \(msn.com\)](#) [Ukraine accused a Russian infantry brigade of massacring civilians. Now, Putin is honoring them for 'mass heroism.' \(msn.com\)](#)

**War complications** [Global finance meeting puts war-driven food security in the spotlight \(msn.com\)](#)

**Covid Update:** [China Vows to Ease Supply Chain Woes in Foreign Chamber Meeting \(msn.com\)](#)

**Back in Kazakhstan** [Kazakhstan slowly backing away from its Russian ally | MENAFN.COM](#)

**Yes covid and the war takes up most of the news space but life goes on around the world** [How Imran Khan's removal affected civil-military ties in Pakistan \(msn.com\)](#)

Long Range: There is a trough in the East, a ridge in the Rockies, and another trough in the West. Another trough is building in the North Pacific. The pattern will remain quite active as all four features move eastward this week. The ridge will deflect the western troughs northward, however, and briefly establish itself in the East, but will eventually be pushed out by the North Pacific trough next week. Another trough will move into the West next week. The U.S. and European models are mostly similar with the overall pattern but develop storm systems a bit differently. I will use a blend but favor the European. For the outlook period, temperatures on Sunday will be above normal in the East and below normal in the West. Colder temperatures will slide eastward going into next week while temperatures bump up in the Southwest and may spread into portions of the Plains next week. A system will leave behind a cold front from the southwestern Plains through the Ohio Valley over the weekend. A low-pressure system should form along the front and push it eastward early next week with scattered showers. - DTN

**NORTHERN PLAINS (WHEAT/LIVESTOCK/CORN/SOYBEANS):** Heavy snow cover will take a long time to melt away. That will keep temperatures colder for most of the region even without the snowpack. A storm system moving through on Wednesday may bring some isolated showers through the region, but a system moving through this weekend may dump more heavy snow on western areas. -DTN

**CENTRAL/SOUTHERN PLAINS (CORN/SOYBEANS/LIVESTOCK/WINTER WHEAT):** Several systems will move through the region over the next week. Chances for precipitation in western areas are low, but not zero. Northern and eastern areas should see rounds of showers, however. Systems will also bring windy conditions

that would be unfavorable in drier soils. Drought continues to have negative impacts on much of the region. -DTN

**MIDWEST (CORN/SOYBEANS/WINTER WHEAT):** A mix of rain and snow continues over eastern areas on Tuesday before pulling away. Several storm systems will move through the region over the next 10 days, bringing scattered showers through the region. That will make it difficult for fieldwork and planting. -DTN

**DELTA (SOYBEANS/COTTON):** A couple of systems will move through the region over the next 10 days, but much of the precipitation looks to fall north into the Midwest. While showers will make it difficult to plant at times, that will be surrounded by drier stretches that should make for some better windows. -DTN

**PACIFIC NORTHWEST (WHEAT):** Below normal temperatures continue across the region through the week as well as some periods of showers. The moisture continues to favor increases for wheat already in the ground, while damp and cold conditions will make planting spring wheat more difficult. -DTN

**BRAZIL (CORN):** The middle of the country has entered the dry season about two weeks early and declining soil moisture well ahead of the start has developing to pollinating corn in a difficult situation. Southern areas have seen better precipitation in April and more showers are expected to move through late this week and again next week, favoring developing to pollinating corn. -DTN

**ARGENTINA (CORN/SOYBEANS/WHEAT):** Recent dryness has been unfavorable for the remaining filling corn and soybeans, as well as limiting soil moisture for planting wheat. Scattered showers are expected in the middle of the week and more are expected over the weekend into next week. Showers at this point in the season will have limited positive effects for corn and soybeans while hampering the ongoing harvest. Wheat areas would like to see more showers before planting, however. -DTN

**CANADIAN PRAIRIES (LIVESTOCK):** Heavy snow fell in southeastern areas last week while another system over the weekend brought more snow to southern areas. A few more systems could bring snows to the region through early next week while the cold will remain in the region. While the moisture may eventually be favorable for this year's crop, it is making it difficult to do any spring fieldwork. Livestock, especially newborn calves and lambs likely had a hard time in the heavy snow and blizzard conditions from last week. -DTN

**EUROPE (WINTER WHEAT/CORN):** Scattered showers moved across eastern areas over the weekend and favored increasing soil moisture for winter wheat and other grains. A couple of cutoff low-pressure systems will sit and spin across the southwest and east this week and another will move over western areas this weekend. The slow-moving showers will pile up soil moisture for many areas, though northern zones could use more as temperatures increase this week. -DTN

**BLACK SEA (WINTER WHEAT/CORN):** An upper-level system moved into the region over the weekend, bringing scattered showers. The system will remain in the region through the week, increasing soil moisture for wheat, but making it difficult to plant corn. -DTN

**NORTH AFRICA (WINTER WHEAT):** Recent showers have improved soil moisture, but it may be too late for most of the crop. An upper-level low pressure system will move into the region this week with widespread showers for several days. The showers will eventually leave by the weekend. -DTN

**Headlines:**

> Malaysian July Palm Oil Market closed for Nuzul Al-Quran XX Ringgits

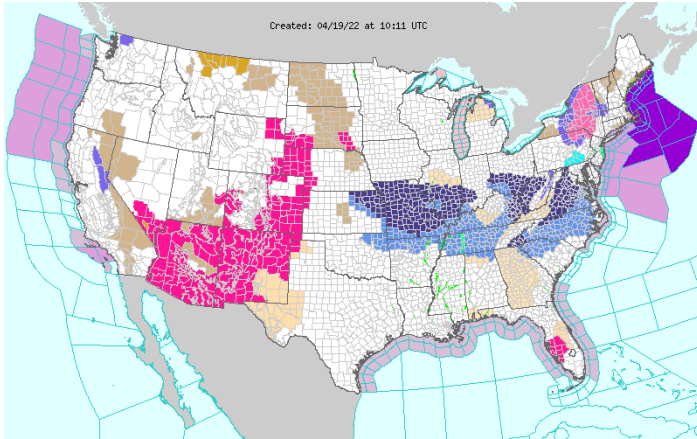
> Dalian Futures markets were mostly higher Sept Corn up 21 to the Yuan, July Soybeans down 38, Sept Meal up 47, Sept Bean Oil up 92, Sept Palm Oil up 118

> Asian Equity Markets, were mixed, Japan's Nikkei up .7%, China's Shanghai down .3%

- > European Equity Markets are mostly lower, German Dax down .5%, London FTSE 100 down .3%
- > MATIF Markets are higher Aug Corn up 2.50 to the Euro, Aug Rapeseed up 7.75, Sept Wheat up 3.25
- > Save the Date...April 21<sup>st</sup>...after this date Fed Chairperson Powell and FOMC Governors go into a news blackout until May 4<sup>th</sup>
- > Save the date...April 21<sup>st</sup>... Treasury Secretary Yellen will host news conference -QT
- > Save the Date...April 28<sup>th</sup>...1Q US GDP
- > Save the Date...May 4<sup>th</sup>...FOMC meeting results
- > Save the Date...May 6<sup>th</sup>...US Job Numbers
- > Save the Date...May 8<sup>th</sup>...US Mother's Day
- > Save the Date...May 9<sup>th</sup>...Victory Day is celebrated in Russia...On that day in 1945 Nazi Germany announced its capitulation to the Soviet Union...will Putin have a victory in E. Ukraine by this date?
- > Arab Spring 2.0 [Bill Schmick: Food, famine, and global unrest | Columnists | berkshireeagle.com](#)
- > Bird Flu: [Avian flu 2022 killing millions of birds in US, driving up egg prices \(usatoday.com\)](#)
- > ASF [African Swine Fever breaks out in Tripura, Mass execution of pigs ordered: Know ASF Symptoms, Treatment & Severity \(jagranjosh.com\)](#)
- > Locust/FAW all quiet today
- > USDA weekly crop updates on Monday pegged the winter wheat good/excellent rating at 30% WoW dropping 2%...worst rating since 1996, corn plantings at 4%, spring wheat plantings at 8%, bean plantings at 4%

**Commentary:** On March 8<sup>th</sup>, CN settled at 726. On April 12<sup>th</sup> CN settled at 772 ½. Yesterday CN settled at 807. War and weather the principal drivers of price action over the last month. Since April 12<sup>th</sup> we feel the MM funds have been net buyers of over 22,000 contracts of corn. Between end user fear over planting delays in the US, Brazilian corn going backwards plus the impacts of war and covid on the potential of world production it makes since we are on an 80-cent rally. It makes sense that we are being driven there by the outsized influence of the MM Funds. With so many know unknowns in the marketplace fear (the end user for lack of a better term) and greed (The MM Funds for a lack of a better term) have taken prices sharply higher. The only problem with this outlook is the fact MM funds have been fairly static since the war started. On March 8<sup>th</sup> MM Funds were long 368,784 C, long 20,208 W, long 171,714 S. On April 12<sup>th</sup> the MM Funds were long 369,952 C, long 16,639 W, long 171,873 S. In our mind the driver of price action has been the end user, both domestic and world. This buying magnified by lack of farmer selling. Technically CN trading to 810 suggest some short-term chart objectives have been achieved. Fear will do that for you. Longer term CN has a chart objective somewhere over the 840 level. If we are to make a sustained run to this level the make-up of the rally will have to shift from fear (the end user) and over to greed (the MM Funds). If not, yesterday we might have seen a shot term blow off top by the fear crowd.

...and cue the SW US winds



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.