

**MORNING GRAIN COMMENTARY**

**Morning Trends:**

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as of 5:00 AM CST

Corn 1 to 3 higher

Wheat 4 to 6 higher

Soybeans 1 to 3 higher

Soy Meal 1.0 to 1.5 higher

Soy Oil 50 to 60 lower

**Short Range Weather:** Blistering heat and fire weather threats continue in parts of the West and into the Plains. Earl will produce dangerous surf and rip currents on the East Coast. Heavy rain and flooding potential in the Southeast. Heavy rain and flooding threat from Kay possible later this week and into the weekend across the Southwest.- NWS

**Long Range Weather:** There is a ridge spread across much of North America with a weakness in the South-Central U.S. Another trough is moving through the Canadian Prairies. That trough will move down into the middle of the U.S. over the next few days and become cutoff in the Midwest this weekend. At the same time, the ridge builds back up across the West, which will then spread through most of the continent again next week. Another trough will form off the West Coast by the end of next week. The U.S. and European models are in fair agreement. I will use a blend but favor the European. For the outlook period, temperatures on Tuesday will be near to above normal for most of the country. Temperatures will be rising east of the Rockies while some cooler temperatures will be possible on the West Coast. Showers will be leaving the East by the middle of next week. The trough forming off in the West will send some pieces of energy through the West and Corn Belt with isolated showers later next week and weekend. -DTN

**NORTHERN PLAINS (WHEAT/LIVESTOCK/CORN/SOYBEANS):** A front will move through Thursday and Friday and produce a few bands of showers, but most areas should stay dry. South Dakota looks like it could be the winner out of the event. Corn and soybeans that are still filling could find some use out of any showers. Heat will occur before the front, which will be stressful, while some cooler air filters in behind it for a couple of days. Cooler temperatures do not last long as readings will rise back above normal next week. -DTN

**CENTRAL/SOUTHERN PLAINS (CORN/SOYBEANS/WHEAT/LIVESTOCK):** Texas has seen some drought reduction recently, but not across the west where drought has been a struggle all season long. A front will move through this weekend, but any showers will come in narrow lines and most areas will get missed. Hot temperatures out ahead of the front will cause stress to any corn or soybeans still looking to fill while soils

**The Stories of the Day:**

**Russia/Ukraine** [EU Leaders Say Putin's Gas Power Is Weakening - The New York Times \(nytimes.com\)](#) [Putin's Threat Proves Futile As EU Pushes Ahead With Russian Gas Price-Cap Plan, Risking Winter Of Discontent \(msn.com\)](#) [Russia's invasion of Ukraine is jolting Germany into rebuilding its military \(msn.com\)](#)

**Hey China how is that zero tolerance policy going** [Biden Delays Decision on China Tariffs Put in Place by Trump \(msn.com\)](#) [China trade falters as global demand wanes | Watch \(msn.com\)](#) [COVID Rules Are Hindering Earthquake Rescue Work in China | Time](#) [China's Zero-Covid Approach Explained as Chengdu Lockdown Is Extended - The New York Times \(nytimes.com\)](#)

**Hey Goldman kind of late to the party on this call???** [Goldman Lifts Forecasts for Fed Hikes in September and November \(msn.com\)](#)

**West Coast heat wave** [Brutal heat wave shatters all-time records, threatens power outages across California. And a hurricane could prolong it \(msn.com\)](#)

**CA not only a heat wave but a hurricane as well,** [Hurricane Kay at sea, but lashes Mexico's Baja peninsula | AP News](#)

**The song of the week on a Thursday, the song says it all** [The Go-Go's - Vacation - YouTube](#) out for the next 6 business days and then it will be back [Pretenders - Back on the Chain Gang \(Official Music Video\) - YouTube](#)

remain too dry for many wheat planters to get an early start. Cooler temperatures move in behind the front but will not last long as temperatures go back above normal next week. -DTN

**MIDWEST (CORN/SOYBEANS):** A front will slowly move through Friday through the weekend and into next week. A similar situation to the previous front will be possible with limited showers in the west and more consistent ones in the east. This offers a mixed bag of conditions for the next 10 days. Temperatures ahead of the front are rising well above normal but will fall dramatically behind it. The cooler air does not last that long with temperatures rising above normal next week. -DTN

**DELTA (SOYBEANS/COTTON):** Rains will return Friday and continue through the weekend as the next front pulls more moisture northward. Conditions will be tougher for maturing crops and harvest but those looking for some more finishing rains will find some decent conditions. Conditions become much drier next week with rising temperatures. -DTN

**BRAZIL (CORN/WHEAT):** A stalled front in the region early this week and another coming through later in the week will continue to bring scattered showers to southern areas. While soil moisture continues to be good for early corn plantings and establishment, as well as prepping soils for soybean planting as well, colder temperatures will move into southern areas this weekend, which would be unfavorable. Maturing wheat could also stand some warmer and drier weather, but conditions are not cooperative right now. -DTN

**ARGENTINA (WHEAT):** A cold front moving through Thursday will bring in another round of cold air, producing some frosts through the weekend. Limited rainfall and cold temperatures have been detrimental for wheat development so far this season. More developed wheat would be at risk for damage while corn and soybean planting may be further delayed this spring. -DTN

**CANADIAN PRAIRIES (LIVESTOCK/WHEAT/CANOLA):** A cold front coming through Thursday is bringing some limited showers and breezy conditions as well as some colder temperatures. Frosts are not expected but will relieve any late-planted crops still filling and reduce the dry-down of mature crops. -DTN

**EUROPE (WHEAT/CORN):** A system over the UK continues to spread showers eastward through most areas of the continent, finally moving east next week. Another system will move into western areas early next week with another slow-moving system that should bring more widespread rains. Any showers will be welcome to ease the incredible drought from this year and to prep soils for winter wheat and grains planting. -DTN

**BLACK SEA (CORN/SUNFLOWERS/WINTER WHEAT):** Cooler temperatures remain in the region through most of the next week, reducing stress for corn and sunflowers. Soil moisture in the region is limited in many of the wheat areas which will need more before winter wheat planting commences. The system that pinwheels through Europe this week will eventually find its way into Ukraine and western Russia by the weekend. The slow-moving nature should bring scattered showers to many areas in need. -DTN

**AUSTRALIA (WINTER WHEAT/CANOLA):** Good mixes of sun and rains have kept conditions for winter wheat and canola quite favorable as more of both crops approach and enter reproductive stages of growth. Cooler temperatures over the next several days are perhaps a little unfavorable, but no frosts or freezes are forecast in the main agricultural areas. -DTN

**Headlines:**

> Malaysian Nov Palm Oil Market closed down 196 Ringgits

> Dalian Futures markets were mixed Jan Corn down 4 to the Yuan, Jan Soybeans up 11 (Nov beans up 10), Jan Meal up 54, Jan Bean Oil down 176, Jan Palm Oil down 138

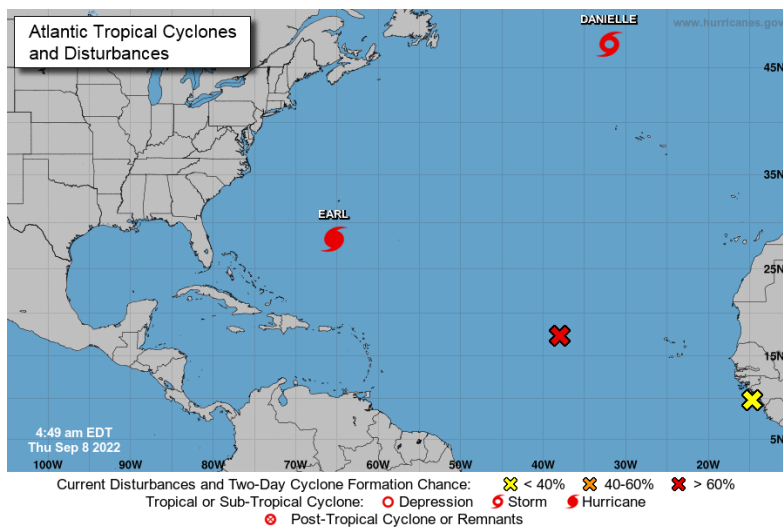
> Asian Equity Markets were mostly higher Japan's Nikki up 2.3%, China's Shanghai down.3%

- > European Equity Markets are mostly higher, German Dax down .1%, London FTSE 100 up .4%
- > MATIF Markets are lower Nov Corn down 2.50 to the Euro, Nov Rapeseed down 8.0, Dec Wheat down 2.50
- > Save the Date...Sept 10<sup>th</sup>...China Mid-Autumn Festival [Mid-Autumn Festival \(Zhong Qui Jie\) 2022: Facts, Traditions, Greetings, Food \(chinatravel.com\)](#)
- > Save the Date...Sept 12<sup>th</sup>...USDA S&Ds... Reuters average trade guess for corn yield 172.4 vs. USDA 175.4...production 14.089BBU/14.359BBU...harvested acres 81.7million/81.8million...carryout 1.195BBU/1.388BBU...beans yield 51.5/51.9...production 4.500BBU/4.531BBU...harvested acres 87.3million/87.2million...carryout 246MBU/245MBU
- > Save the Date...Sept 13<sup>th</sup>...US CPI
- > Save the Date...Sept 16<sup>th</sup>...US Rail Strike???? [Biden calls rail unions to Washington for talks in bid to head off strike action - World Socialist Web Site \(wsws.org\)](#)
- > Save the Date...Sept 21<sup>st</sup>... FOMC
- > Save the Date...Sept 29<sup>th</sup>...2Q US GDP
- > Save the Date...Sept 30<sup>th</sup>...US Grain Stocks
- > Save the date...Oct 1<sup>st</sup>...National Golden Week in China
- > Save the Date...Oct 2<sup>nd</sup>...Brazil goes to the poles... #reliablesuppliers...[Brazil's Bicentennial Celebrations: Bolsonaro says he will defeat evil — MercoPress](#)
- > Save the Date...Oct 7<sup>th</sup>...US Employment Numbers
- > Save the Date...Oct 12<sup>th</sup>...USDA S&D
- > Save the Date...Oct 16<sup>th</sup>...The Chinese Communist Party's twice-a-decade leadership congress will begin
- > FAW/Locust all quiet today
- > ASF [African swine fever: Over 480 pigs culled in Patiala district : The Tribune India](#)
- > Bird Flu [New bird flu wave in France raises fears deadly virus here to stay \(msn.com\)](#)
- > Another world hot spot [Greece warns another European war could be on the horizon as Turkey hints at the possibility of an invasion \(msn.com\)](#)
- > This world concern is one reason that China will struggle replacing Russia in Central Asia [Switzerland summons China's envoy over Uighur rights concerns \(msn.com\)](#)
- > Reuters on Thursday published an expose suggesting US environmental regulations and agencies have allowed Ethanol producers to produce more than double damaging pollution on a per gallon basis than US oil refiners. The report cited federal data pointing to the greenhouse gas emissions. -QT

**Commentary:** Yesterday President Putin was in full bluster mode. His comments on the Ukraine grain deal sent the wheat market screaming higher. Corn and beans came along for the ride as well. But President Putin did not

stop with just grain comments, he also talked about holding back key energy supplies from the west as long as they continue to sanction the Russian economy. Energy values seemed to yawn in his face, as if to say President Putin you are entering the Mr. Kim zone, a little boy who cries wolf one too many times. Corn and beans took note and finished the day lower. Wheat on the other hand, held on to much of its gains. The question, can wheat keep it going? Yes, the world has plenty of wheat issues ahead, including a dry and cold winter in Argentina wheat country. But as we approach the weekend it feels like today, the wheat bull will have to prove values need to be here. Technically a close over the 860ish level in WZ would go along way in making the bull sleep well going into the weekend. That said the bull knows wheat do what it do, over trades headlines only to reverse course quickly.

In the Atlantic it's the Yellow X that has our attention...keep watching this space



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