

MORNING GRAIN COMMENTARY

Morning Trends:
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as of 5:00 AM CST
Corn 1 to 3 higher
Wheat 6 to 8 higher
Soybeans 10 to 12 higher
Soy Meal 4.0 to 4.5 higher
Soy Oil 10 to 15 higher

Short Range Weather Snow showers, squalls and strong winds will affect portions of the Cascades and Rockies through Wednesday. Meanwhile, a developing storm across the Southern Plains will track toward the Great Lakes into Thursday as severe thunderstorms, flash flooding and strong winds are forecast for the Mid-Lower Mississippi Valley. Heavy snow is possible for the Upper Midwest and wintry mix for the Northeast. NWS

Long Range Weather: There is a broad ridge across North America with a trough in Texas, another in the Pacific Northwest, and a larger trough in the North Pacific and Alaska. The Pacific trough will continue to send a couple more pieces of energy through North America through the weekend before it drops into the West next week. It will move across the continent late next week. The U.S. and European models agree on the overall pattern but have differences in how they treat each piece of energy moving through the country. I will use a blend but favor the European. For the outlook period, temperatures on Monday will be near to above normal for much of the country with below normal temperatures in the Southwest. Cold temperatures will build in the West and will leak through the rest of the country next week behind a strong storm system that is forecast to move through the country. There will be a storm system that brings more precipitation out ahead of the larger storm, but mostly in the form of rain. The second storm should bring a band of snow somewhere through the country. The models are trying to figure out the details of this system. -DTN

NORTHERN PLAINS (LIVESTOCK): Above-normal temperatures should stay in the region into next week, reducing stress and feed requirements for livestock. Temperatures will be on a cooling trend again next week, which may be a significant drop. That may or may not come with a burst of precipitation. -DTN

CENTRAL/SOUTHERN PLAINS (WHEAT/LIVESTOCK): A low-pressure center continues to develop on Wednesday with scattered rain for the southeast. Some cooler air will move in behind this system to close out the week, but nothing significantly cold that would produce too much stress for livestock. Warmer air will quickly replace the cold again this weekend. A stronger storm is expected to develop in the region early next week that could produce some significant precipitation, which may catch some of the hard red winter wheat areas. -DTN

The Stories of the Day:
Ukraine/Russia: Fugitives were cut locally and 40,000 soldiers of former thugs disappeared... Civil strife erupts over Russian "atrocities committed by private military companies". (msn.com) Ukraine says Russians endure deadliest day, German minister in Kyiv announces tank supplies (msn.com) Ukraine Mocks Russia With a HIMARS 'Good Night': 'Usually Means Farewell' (msn.com)
Mr. Kim He's back North Korea's Kim Jong Un gives clearest sign daughter is heir apparent (msn.com) who does not love a parade Kim Jong Un Readies Military Parade to Showcase Nuclear Push (yahoo.com)
Balloon Update Chinese balloon part of vast aerial surveillance program, U.S. says (msn.com) After Spy Balloon Incident, China Rejects Pentagon's Request to Speak (msn.com)
US State of the Union Biden speech takeaways: More conciliation than conflict (msn.com)
Turkey Earthquake update Live updates: Turkey and Syria earthquake: death toll passes 11,000 as anger grows over official response – latest updates (msn.com)

MIDWEST (WINTER WHEAT): Warmth continues into next week. A system will bring widespread precipitation to the region through Friday, including a band of moderate to heavy snow on the backside of it from Michigan to Wisconsin. Winds with the system will also be strong. There will be another two storms next week that will provide widespread precipitation and flush out the warmer temperatures, even if it is only brief. -DTN

DELTA (LOWER MISSISSIPPI RIVER LEVELS): Though area rivers are full due to recent rainfall, a lack of precipitation farther north is sending Mississippi River water levels down through this week and are forecast to continue next week as well. Some precipitation will be added this week but is not forecast to have a significant enough of an effect to stop the drop in water levels. -DTN

BRAZIL (CORN/SOYBEANS): Scattered showers have returned to central and northern areas, where breaks in the heavy showers will be few and far between. Soybean harvest and safrinha corn planting remain behind schedule. If the delays are too great this week and continue through next week as they are forecast to do, corn runs the risk of running into its pollination stages as the wet season rains shut down -- unfavorable weather conditions for corn production. Southern areas continue to have issues with pronounced dryness, which continues this week as well. Some better rain will come to southern areas next week. -DTN

ARGENTINA (CORN/SOYBEANS): The country is in the midst of a dry stretch that lasts this week before showers move through again this weekend with a cold front. Some spotty showers may occur in a couple of spots over the next day or two, though hot temperatures will negate any precipitation that falls until the weekend. The showers that come with the front are unlikely to have a significantly positive impact on soil moisture, though another front that follows it next week could be more substantial. Crops have had a boost in crop conditions the last couple of weeks, but the heat and dryness this week should have negative effects again. -DTN

EUROPE (WINTER WHEAT): Spotty showers continue in Spain through Thursday. While below-normal temperatures are found across the region for the next few days, it should not be cold enough to produce widespread problems with winterkill. It should be drier for the majority of the continent until a front moves through next week, though models are backing off on this potential. Overall, winter wheat is in a favorable situation, though France and Italy could use more rain. The crop remains vulnerable to a blast of cold air with somewhat limited snow cover, though none is forecast at this time. -DTN

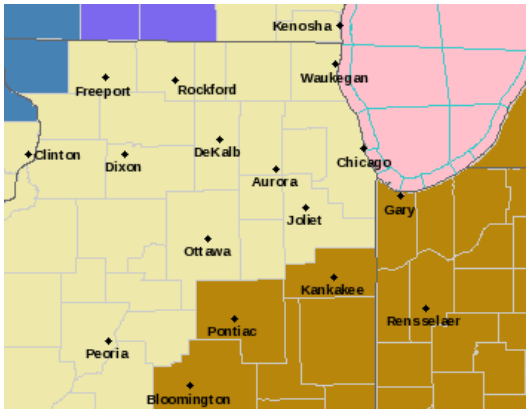
Headlines:

- > Malaysian April Palm Oil Market closed up 59 Ringgits
- > Dalian Futures were mixed March corn down 4 to the Yuan, May Soybeans down 29, May Meal down 15, May Bean Oil up 108, May Palm Oil up 94
- > Asian Equity Markets were lower Japan's Nikkei down .5%, China's Shanghai down .3%
- > European Equity Markets are higher German Dax up .5%, London FTSE 100 up .7%
- > MATIF Markets are mixed March Corn up 1.75 to the Euro, May Rapeseed up .25, March Wheat unchanged
- > Save the Date...Feb 8th...USDA S&Ds, crop production...average guess/Jan USDA...US wheat carryout 575 MBU/567, corn 1.266 BBU/1.242, beans 211 MBU/210...world carryout wheat 268.6 MMT/268.4, corn 294.7 MMT,296.4, beans 102.3 MMT/103.52...Argentina production guess/Jan USDA/Dr. C this week...Argentina corn 48.5 MMT/52.0/44.0, Argentina beans 45.5/45.5/38.0...Brazilian corn 125.2 MMT/125.0/125.0, Brazilian beans 153.0 MMT/153.0/151.0
- > Save the Date...Feb 13th...Its Baseball Ray [See when pitchers and catchers report to MLB spring training 2023 \(yahoo.com\)](#)
- > Save the Date...Feb 14th...US CPI and Real Earnings

- > Save the Date...Feb 15th...NOPA Crush
- > Save the Date...Feb 20th...US Holiday
- > Save the Date...Feb 23rd...US 4Q GDP
- > Save the Date...Feb 27th...Adv Durable Good
- > Locust/FAW/ASF all quiet today
- > Bird Flu [Bird flu experts see a familiar threat — and an unpredictable virus \(statnews.com\)](#) and in Brazil the Andes Mountains have been breeched [Emergency in Brazil as avian flu outbreak reported in neighboring Bolivia; poultry exports total US\\$ 9,7billion — MercoPress](#)
- > NYT deep dive into today's hog farm in China [China's Bid to Improve Food Production? Giant Towers of Pigs. - The New York Times \(nytimes.com\)](#)
- > ADM's Decatur, IL and Teamsters local 916 are in talks to restart labor negotiations and settle the union's strike. -QT
- > Russia is yet again complaining that the EU is not doing enough work to unblock Russian exports under the United Nations grain deal -QT
- > In response to accusations last week that western suppliers had suspended shipments of sunflower seeds to Russia, Germany's Bayer said they continue to supply products to Russia and insisted on swift resolution to "technical" delays by Russia over the import of sunflower seeds. -QT
- > Media reports from France say hundreds of farmers drove their tractors into Paris today, protesting against restrictions on pesticides, and other environmental regulations that are threatening farm production. -QT

Commentary: Okay, it is on to the 11:00 AM USDA S&D data dump and reset of the US Ag markets. Since we are not expecting huge changes on the US domestic lines, the focus of the market will be on production numbers for S. America crops. That means post the numbers the fundamental trader will be in personal fast markets as they work their numbers. But for us we feel the most interesting thing will be the reports have any surprises that could upset the technical trader? Going into the numbers technical momentum for wheat is pointed higher from here. That said, if there is a bearish reaction to the numbers and WH closes under the 735 level the MM Funds who we feel are short close to 60,000 Chicago wheat would sleep well. In corn the MM Funds continue to lug forward close to 200,000 longs. They would like to hear bull talk coming from the report so that 7-dollar corn is back in the mix. A close in CH under the 670 level and the MM Fund spec length would not sleep well. We start the day thinking the MM Funds have close to 170,000 bean longs, 150,000 meal, and 35,000 bean oil. Chart momentum is pointed to the 1570 area, but this length would feel better if the spin from the report is bullish. A close in SH under 15-dollars and the MM funds might rethinking their total market length in the complex.

Chicago Weather, Winter to the North/Wind to the South



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