

M©RNING BULLS & BEARS

Friday, January 29, 2021

Upcoming Reports

Commitments of Traders - Today, 2:30 pm

<u>Indices and Futures</u> Index Last

<u>Index</u>	<u>Last</u>	<u>Change</u>
Dow Fut	30,323	-0.63%
S&P Fut	3,760	-0.48%
Nasdaq Fut	13,121	-0.49%
Nikkei	27,945	-1.64%
FTSE100	6,384	-1.47%
DAX	13,497	-1.12%
Shanghai	5,352	-0.47%

Macro News

Government debt approached levels last seen in the aftermath of World War II, as nations stepped up spending to fight the Covid-19 pandemic and its economic fallout. The International Monetary Fund said public debt as a share of global gross domestic product surged to 98% by the end of December from 84% at the end of 2019. The increase was particularly large among advanced economies, which can easily borrow at low interest rates. The IMF said governments should emphasize measures to combat the pandemic and cautioned against prematurely dialing back spending.

Johnson & Johnson's one-shot vaccine generated strong protection against Covid-19 in a large, late-stage trial, raising hopes that it can rapidly reshape a stumbling immunization campaign. In the more than 44,000-person study, the vaccine prevented 66% of moderate to severe cases of Covid-19, according to a company statement on Friday. And it was particularly effective at stopping severe disease, preventing 85% of severe infections and 100% of hospitalizations and deaths. Based on the result, J&J plans to file for an emergency-use authorization in the U.S. in early February.

Trading platform Robinhood said it will allow users to resume buying shares of GameStop a day after it restricted trade citing pressure on its capital requirements.

Grain News

T-Storm Weather Summary: Upper-level high pressure continues to limit rainfall in much of northern Brazil (four-state MATOPIBA) and parts of Goiás and Minas Gerais over the next five to seven days, followed by scattered t-storms when a large cool front approaches. The rest of Brazil will be stormy over the next two weeks as a series of cool fronts pass and dissipate every few days, producing above-normal totals in at least southern areas (and Paraguay). Argentina will also be stormy until a large system and cool front clear the region over Mon.-Wed., marking the start of a fairly dry period for 7 to 10 days, but t-storms over the last two days and more into next week limit concerns.

U.S. soybean exports have rocketed higher and our crushers have been processing historically high amounts of the oilseed. Already, reports have surfaced that exporters are no longer offering soy products for export this summer due to tightening supplies. At least on paper, the U.S. is set to run out of beans. That could result in the U.S. importing the most soybeans it has since 2013-14. A risk management consultant told Bloomberg the U.S. could bring in as much as 70 million bu. of soybeans this marketing year, which would be the most since 2013-14 when imports totaled 72 million bushels. That would be double USDA's current soybean import projection.

The USDA soybean crush report for December is set to be released Monday at 2 PM, estimates range from 192-195 mil bu with a median of 194.1. If realized, this would be higher than the November crush of 191 mil bu and the second-largest crush ever on record.

So far this marketing year, Ukraine has exported 28.7 MMT of grain, a 20% dip from year-ago levels, according to data released by the country's economy ministry. The government expects exports to total 45.4 MMT this marketing year. To date, Ukraine has shipped 12.99 MMT of wheat, 10.37 MMT of corn and 3.9 MMT of barley. Roughly five months remain in the marketing year. On Monday, Ukraine decided to cap corn exports at 24 MMT for 2020-21, but most already expected corn shipments to fall short of that level.

Combating climate change and fixing Covid-19-driven food supply disruptions will top the Senate Agriculture Committee's agenda, mirroring the Biden administration's priorities, according to Stabenow. Regarding climate change, Stabenow says she'll seek to use climate legislation to put more money into conservation programs that encourage growers to reduce greenhouse gas emissions. She plans "aggressive action on legislation to help both farmers and foresters cut down their emissions and to create new sources of income from the adoption of practices that store more carbon in soil and trees." Because of the way congressional budget rules work, using a climate bill to expand funding for those programs during this Congress would increase the amount of money available, or "baseline," for writing the next farm bill, which is due in 2023, she said. A legislative vehicle could be the Growing Climate Solutions Act. Stabenow believes that USDA has adequate legal authority to use the Commodity Credit Corp. to buy agricultural carbon credits, an idea of USDA's chief climate adviser, Robert

"With battery technology the linchpin, General Motors says its battery technology will allow electric cars to travel 400 miles on a single charge without compromising driving performance which would exceed Tesla's projected range for its Model 3," wrote Wedbush analyst Dan Ives. "In our opinion this is a very bullish signal for the EV sector domestically and we believe is a shot across the bow at Tesla and other EV players that GM will be aggressively going after EVs and is not just talking the talk with this latest news. With the Biden Green Agenda on the horizon, we believe other automakers could follow GM's lead domestically with Tesla continuing to run away with market share in this EV arms race."

Private exporters reported to the U.S. Department of Agriculture the following activity: Export sales of 2,108,000 metric tons of corn for delivery to China during the 2020/2021 marketing year; and Export sales of 132,000 metric tons of soybeans for delivery to China during the 2021/2022 marketing year.

24-Hour Past Precipitation Map

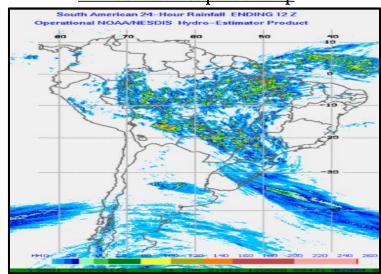


Chart of the Day

