

MORNING BULLS & BEARS



Friday, March 12, 2021

Upcoming Reports

Commitments of Traders – Today, 2:30 pm

Indices and Futures

Index	Last	Change
Dow Fut	32,522	+0.14%
S&P Fut	3,923	-0.37%
Nasdaq Fut	12,847	-1.53%
Nikkei	29,450	+1.05%
FTSE100	6,729	+0.04%
DAX	14,476	-0.69%
Shanghai	5,146	+2.49%

Grain News

T-Storm Weather Summary: In Argentina, mainly dry and very warm to hot weather continue into Monday, followed by scattered t-storms as two systems pass and likely mark the first substantial rains since late-January over March 15-20 (days 101-106 since half of soybeans were planted). In Brazil, isolated to scattered t-storms continue in the central and north, and return to the south (and Paraguay) starting in five to seven days. In the U.S., dryness and drought rapidly break over the next two weeks as three large systems turn a wide area wet from more than 300% of normal rainfall (including most HRW wheat and SRW wheat), and leaving a wide area soggy by the last week of March.

Soil moisture is expected to improve in Argentina this weekend and over the next two weeks, a welcome shift after recent heat and dryness, reports World Weather Inc. Drew Lerner, a meteorologist there, said the GFS model continues to suggest rain will favor the western two-thirds of the country, while the European model “insists precipitation will be a little better distributed across all areas of the nation, and I do favor that solution.” Brazil’s center-west production areas are expected to remain too wet, limiting fieldwork. In contrast, net drying is likely to the south in Rio Grande do Sul, World Weather says.

Drought conditions in Argentina’s central region have prompted one of the country’s main agriculture exchanges to revise its outlook for the country’s upcoming soybean production, reducing it by 8% and warning of further cuts unless conditions improve.

The latest update from the Rosario Grain Exchange (BCR) shaved 4 million mt off its forecast for the 2020/21 soybean production cutting it to 45 million mt, down 8% compared to the previous estimate of 49 million mt.

Brazil’s food statistics agency, CONAB, lifted its soybean production estimates for a second straight month and beat market expectations while corn’s revised estimate came within expectations, the agency said in a statement on Thursday. Brazil’s bumper record soybean crop is now expected at 135.1 million mt. If realised, Brazil’s crop would be 10.3 million mt larger than last year’s, with a record 86.2 million mt set to be exported in view of strong Chinese demand. Corn production was also lifted for a second straight month to 108.1 million mt, versus last February’s view of 105.5 million mt. The USDA lifted its estimate of the Brazilian soybean crop earlier this week to 134 million mt, while keeping its corn estimate static at 109 million mt.

Both a slow start to soybean planting and a delay in harvesting has caused the Brazilian second corn crop to see the worst planting delays in a decade. Analysts will watch this story continue to develop as yield risks can arise due to a delay in planting.

Soymeal stocks in China jumped last week to the highest level since late December 2020 as demand failed to pick up as farmers were reluctant to replenish pig herds amid renewed African swine fever (ASF) outbreaks.

The country’s soymeal stocks rose 100,000 mt to 870,000 mt last week – the highest level for 2021 so far, according to data from China’s National Grain and Oil Information Centre (CNGOIC).

The U.S. International Trade Commission (ITC) Thursday voted that imports of phosphate fertilizers from Morocco and Russia are causing material injury to the U.S. phosphate industry, the result of a complaint brought by the U.S. fertilizer company Mosaic. The vote was four-to-one in the decision which followed a determination by the U.S. Department of Commerce (DOC) that the imports were subsidized by the governments of Morocco and Russia. DOC will now issue countervailing duty orders on imports of phosphate fertilizers from Morocco and Russia. The ITC will provide their determination to DOC March 30. OCP, Morocco’s state-owned phosphate fertilizer producer, said there is “no basis” for the imposition of a 19.97% countervailing duty on exports of phosphate fertilizer from Morocco. Nevertheless, it said it “is determined to serve them [American farmers] in the future and will explore the most appropriate options to do so.”

24-Hour Precipitation Map

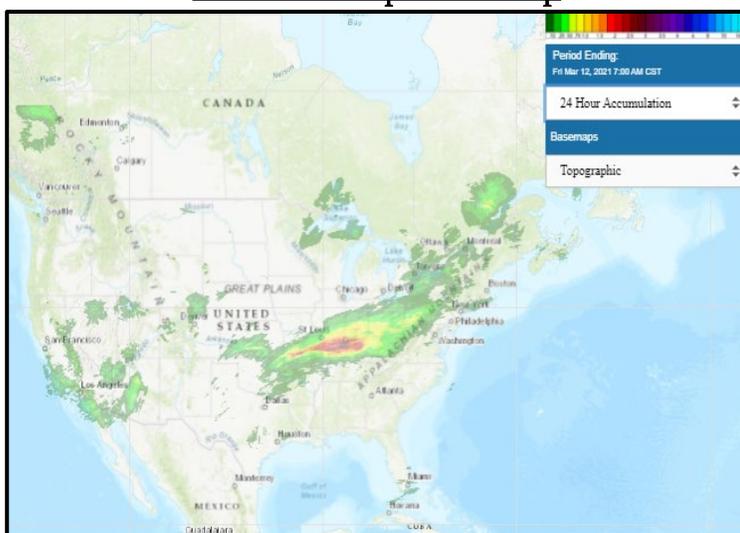


Chart of the Day

