

MORNING BULLS & BEARS



Wednesday, March 10, 2021

Upcoming Reports

EIA Report – Today, 10:00 am
 USDA Export Sales – Friday, 7:30 am
 Commitments of Traders –Friday, 2:30 pm

Indices and Futures

Index	Last	Change
Dow Fut	31,984	+0.55%
S&P Fut	3,889	+0.40%
Nasdaq Fut	12,865	+0.61%
Nikkei	29,115	-0.36%
FTSE100	6,705	-0.30%
DAX	14,525	+0.45%
Shanghai	5,003	+0.66%

Macro News

The House will vote today to clear the \$1.9-trillion Covid/stimulus package for President Joe Biden's signature on Wednesday, Majority Leader Steny Hoyer (D-Md.) said. House lawmakers received the paperwork on Tuesday from the Senate after that chamber's marathon "vote-a-rama" that ended Saturday afternoon. The House is expected to vote along party lines to send the bill to Biden's desk, following similar votes during the last few weeks. Biden says he'll sign it before expanded unemployment insurance benefits run out on March 14.

The stimulus adds money to the Paycheck Protection Program and provides indirect help to small businesses in general through stimulus payments and unemployment benefits. But restaurants got the biggest share of direct help: \$28.6 billion in grants for restaurants whose revenue fell in 2020 as a result of the pandemic. The bill calls for grants equal to the amount of restaurants' revenue losses, up to a maximum of \$10 million per company and \$5 million per location. Eligible companies cannot own more than 20 locations, and they can't be publicly traded. The bill sets aside \$5 billion for the smallest restaurants, those whose annual revenue is \$500,000 or less.

Economists surveyed by the Wall Street Journal expect 5.95% GDP growth from the fourth quarter of 2020 to the fourth quarter of 2021, the fastest in nearly 40 years. That was up from their 4.87% projection last month and would be the U.S. economy's fastest since a 7.9% burst in 1983. The analysts also lifted their forecasts for inflation and job growth from last month's survey. They now expect consumer prices to rise 2.48% by December from a year earlier and projected that employers will add an average of 514,000 jobs a month over the next four quarters. Economists in the WSJ survey said they see annual inflation rising to 2.8% by the middle of this year, then falling gradually after that.

Grain News

T-Storm Weather Summary: Mainly dry and hot weather affect Argentina into next week. A system then wobbles by and triggers scattered t-storms, but the setup will take days to determine (European output likely too wet, GFS likely too dry). In Brazil, isolated to scattered t-storms recur in central and northern areas, but not south. In the U.S., a wide area turns wet over the next two weeks as moderate to major systems pass and: 1) turn most HRW and SRW wheat wet, 2) potentially unleash top-five snowstorm of the last 125 years in eastern CO and western NE over Sat.-Mon., 3) end drought with some flooding in CO, KS, and NE, and 4) turn the southern Corn Belt and mid-South wet.

Port premiums for Brazilian soybeans have turned negative for the first time in years, Luiz Roque, an analyst with the agribusiness consultancy Safras & Mercado, said yesterday. He pointed out trucks in some areas of Brazil are waiting two days in line to unload grains and commented that "logistical problems hit premiums as buyers don't like disruptions." Rains have slowed both harvest and transport of the oilseed. After exports were delayed in February, Brazil is expected to ship between 13.30 MMT and 15.51 MMT of soybeans during March, the association of Brazilian grain exporters ANEC said yesterday.

China's seed law and regulations on new plant varieties should be overhauled as soon as possible, Ning Gaoning, chairman of state-owned Sinochem Group and China National Chemical Corp (Chemchina) said, according to Xinhua. Sinochem owns Syngenta. Ning also said enforcement against infringement should be stepped up. Tang Renjian, the country's ag minister, said the ministry is considering a plant to help its animal and plant breeding sector close the gap with foreign countries, but achieving the turnaround would take a decade.

U.S. Rep. Rodney Davis, R-Taylorville, and the co-chairs of the House Biofuels Caucus introduced two new pieces of legislation to increase access to biofuels and recognize the environmental benefits. Davis and Rep. Cindy Axne of Iowa led introduction of the Renewable Fuels Infrastructure Investment and Market Expansion Act, which would expand access to higher blends of biofuels. Rep. Dusty Johnson of Alabama was the lead sponsor of the Adopt GREET Act, which will direct the Environmental Protection Agency (EPA) to update its greenhouse gas modeling for ethanol and biodiesel. The Renewable Fuel Infrastructure Investment and Market Expansion Act would authorize \$500 million over 5 years for infrastructure grants for fuel retailers and direct the EPA Administrator to finalize a proposed rule to repeal E15 labeling requirements warning drivers about E15's potential impact on cars, which may confuse and deter drivers from using E15, a blend of gasoline with 15 percent ethanol. The bill would also direct the EPA Administrator to finalize provisions from the same proposed rule to allow certain existing Underground Storage Tanks (UST) to store higher blends of ethanol.

The U.S. USDA left its outlook for domestic corn and soybean supplies unchanged at seven-year lows, Reuters has reported. USDA forecast U.S. corn stocks will stand at 1.502 billion bushels by Aug. 31 and soybean stocks at 120 million bushels. While the stocks forecast was slightly bigger than what analysts were expecting, it showed that CBOT soybean and corn futures sank to session lows immediately following the report's release. But all three commodities quickly returned to their pre-report levels, with the trade focused on forecasts for planting weather in the United States. The ag agency also kept its outlook for U.S. wheat stocks unchanged at 836 million bushels, which would be the lowest since the 2014/15 marketing year.

Ukraine's grain exports have decreased ~21.5% so far in the 20/21 season, with total exports at 32.9 million tonnes, including 14.53 million of corn exports.

Kuwait reports it has detected bird flu at some of its poultry farms. The virus has been spreading across many areas of Asia, Europe and Africa.

24-Hour Precipitation Map



Chart of the Day

When Does Spring Usually Start?

