

MORNING BULLS & BEARS



Tuesday, March 2, 2021

Upcoming Reports

EIA Report – Wednesday, 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	31,463	-0.15%
S&P Fut	3,891	-0.19%
Nasdaq Fut	13,253	-0.20%
Nikkei	29,408	-0.86%
FTSE100	6,599	+0.75%
DAX	14,085	+0.54%
Shanghai	5,349	-1.28%

Macro News

Biden’s nominee for trade chief, Katherine Tai, said she’d work to ensure that tariffs imposed by the Trump administration on billions of dollars of imported Chinese goods are appropriate, signaling no immediate changes to the levies. “If confirmed, I will work with Congress to ensure that those tariffs are appropriately responsive to China’s practices; account for their impact on U.S. businesses, workers and consumers; and support the U.S. response to the Covid-19 pandemic,” Tai said in written responses to questions from senators following her confirmation hearing last week. Biden last month directed his administration to identify supply-chain vulnerabilities for key goods like semiconductors and rare earths.

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Volvo says it will only make electric Vehicles by 2030. In the announcement, Henrik Green, Volvo’s CTO said, “There is no long-term future for cars with an internal combustion engine. Volvo’s announcement follows General Motors’ pledge earlier this year to make only battery-powered vehicles by 2035.

Grain News

T-Storm Weather Summary: Mainly dry and hot weather remain likely for much of Argentina over the next 10 days to mark at least six weeks of below-normal rainfall since heavy t-storms focused on / near key areas of Córdoba January 29-31 (except for t-storms in the north over the next few days). Some t-storms probably return within March 11-14 when a cool front breaks heat, but the setup will take days to determine. In Brazil, occasional t-storms affect a wide area over the next five days, followed by drying south while some t-storms continue in central areas. Mainly dry and mild in the U.S. until a strong system passes within March 10-13, except for rain Thu.-Fri. on key wheat in KS.

The La Nina weather phenomenon is past its peak and is weakening, the Australian Bureau of Meteorology (BOM) said on Tuesday, with its impact on global weather systems expected to linger until around April. While the BOM kept its El Nino–Southern Oscillation (ENSO) alert on ‘La Nina’ in its fortnightly update, it expects ‘Neutral’ conditions to return by the middle of Australia’s autumn, which runs from March through to May.

House Energy and Commerce Committee Democrats today will unveil a major clean energy bill aimed at achieving net-zero greenhouse gas pollution by 2050. The measure, the Climate Leadership and Environmental Action for our Nation’s (CLEAN) Future Act will serve as “the basis for comprehensive climate action this year,” Chair Frank Pallone (D-N.J.) said during a Feb. 18 Energy Subcommittee hearing. The bill will include a federal clean electricity standard.

During the National Farmers Union annual confab, Ag Secretary Tom Vilsack reiterated his vision to create viable, voluntary, incentive-based carbon markets so farmers can get paid to store carbon. He said USDA will soon be asking farmers for input on how to create these markets so that they will be “designed by farmers, for farmers,” and not for the investor class. Besides new initiatives like those aimed at establishing carbon markets, Vilsack said USDA climate moves will include a focus on the expansion of existing farm bill programs. The goal, he said, is to use those programs “in ways that will allow us to expand significantly and to invest in and to incent climate smart agricultural practices and regenerative practices.” Vilsack mentioned the potential expansion of several programs to address climate, including the Environmental Quality Incentives Program (EQIP), Conservation Stewardship Program (CSP), Conservation Reserve Program (CRP), Rural Energy for America Program (REAP) and Regional Conservation Partnership Program (RCPP). He signaled he will draw on USDA’s Commodity Credit Corporation to fund greenhouse-gas emission-reducing initiatives.

The soybean lineup at Brazilian ports has shot to 19 MMT, a record, according to South American Crop Consultant Dr. Michael Cordonnier, who cites the agribusiness Patria Agronegocios. Slow soybean harvest and strong demand for Brazilian beans contributed to the long lineup. The country shipped around 2.6 MMT of the oilseed the last week of February, and the 19 MMT of backed up beans should be exported during the next 45 days, depending on the weather. The forecast remains very wet for ports along the Amazon River, notes Cordonnier, adding that those ports have taken on greater importance in recent years. The backlog is expected to get cleaned up over the next couple months.

China’s ag ministry says it will crack down on the production and sale of counterfeit, low-quality seeds. The ministry issued a notice calling for a nationwide inspection of seeds. Such moves offer more signals China is gearing up to roll out GMO seed.

US soybean crushers processed 196.5 million bushels (5.35 million mt) in January, up 4% on the year and its highest monthly volume since October as US crushing continues to beat market expectations, USDA data showed. Market analysts expected the January bean crush to come in at 195.6 million bushels, while the National Oilseed Processors Association (NOPA) – which represents around 95% of all US crushers – reported the January crush a fortnight ago at 184.7 million bu. Soybean oil futures are trading at their highest level in 7 years.

Private exporters reported to the U.S. Department of Agriculture export sales of 175,000 metric tons of corn for delivery to Japan during the 2021/2022 marketing year.

24-Hour Precipitation Map

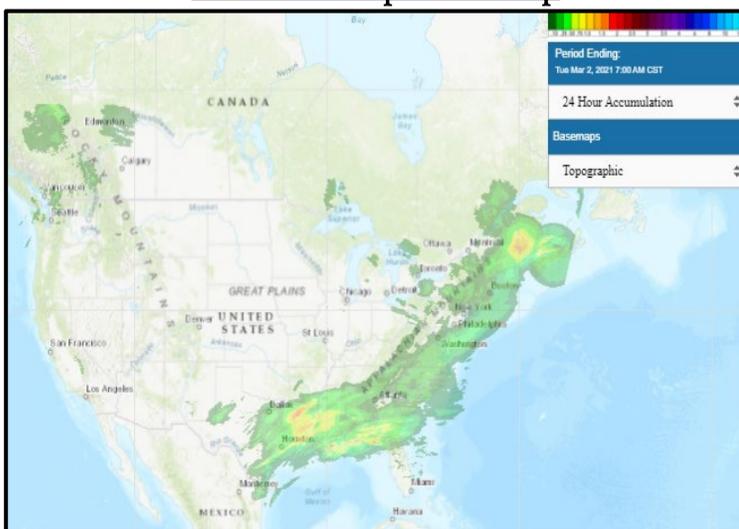


Chart of the Day

