

MORNING BULLS & BEARS



Monday, March 1, 2021

Upcoming Reports

Export Inspections – Today, 10:00 am
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	31,260	+1.14%
S&P Fut	3,851	+1.12%
Nasdaq Fut	13,061	+1.22%
Nikkei	29,565	+0.96%
FTSE100	6,530	+1.42%
DAX	418	+1.15%
Shanghai	5,336	+1.54%

Macro News

House Democrats passed a \$1.9-trillion stimulus/aid bill early Saturday morning over solid Republican opposition. The two Democratic defectors joining all Republicans were Kurt Schrader of Oregon and Jared Golden of Maine. The American Rescue Plan now heads to the Senate, where it will undergo changes. Democrats want it signed into law by March 14, when enhanced unemployment benefits are set to expire. A provision that would more than double the federal minimum wage must be stripped from the package, based on guidance from the Senate parliamentarian. Democrats were prepping an alternative to try to get around budget rules by taxing employers that don't pay higher wages. Not even half of the Biden/Democrats' \$1.9 trillion stimulus package is likely for true Covid relief, according to a detailed accounting by the Wall Street Journal editorial board. "The rest of the bill — more than \$1 trillion — is a combination of bailouts for Democratic constituencies, expansions of progressive programs, pork, and unrelated policy changes," the WSJ.

The annual meeting of the National People's Congress of China begins on Friday, which will include the release of its latest five-year economic plan. In the short term, the Chinese economy looks comparatively strong — helped by its quick stamping out of the virus's spread and heavy state investment — and some economists earlier this year predicted that China could overtake the U.S. as the world's largest economy by 2028, years earlier than expected. But the world's most populous country is losing when it comes to demographics, according to the WSJ. There have been several indications that fewer babies were born in the country in 2020 than in any year since 1961, when China suffered mass starvation. A report from Capital Economics this month says it is possible that slowing productivity growth and a shrinking workforce would prevent China from ever overtaking the U.S., or that if it does, the U.S. would regain the top spot again, helped by immigration.

Grain News

T-Storm Weather Summary: In Argentina, some t-storms form over the next day or two, but most will be limited to the northwest edge of corn and soybeans Wed.-Thu. when a strong system passes. Otherwise, mainly dry and hot weather dominate into mid-month as areas of high pressure linger and likely mark five to six weeks of limited rainfall after heavy rain in key areas January 29-31. In Brazil, isolated to scattered t-storms affect varying areas each day going forward, including a mix of the central, north, and south. Beyond some rain for U.S. HRW wheat Thu.-Fri., the central U.S. will be fairly dry and mild over the next 10 days, followed by some t-storms in the Corn Belt March 10-14.

The Food and Drug Administration (FDA) on Saturday authorized Johnson & Johnson's single-shot Covid-19 vaccine for emergency use, beginning the rollout of millions of doses of a third effective vaccine. The federal government is preparing to ship out millions of doses this week. One administration official familiar with the distribution of the vaccine said that shipments would begin on Monday and deliveries could arrive as soon as Tuesday. J&J has pledged to provide the U.S. with 100 million doses by the end of June. When combined with the 600 million doses from the two-shot vaccines made by Pfizer-BioNTech and Moderna slated to arrive by the end of July, there will be more than enough shots to cover any American adult who wants one.

Tight supplies and expectations for Chinese producers to reduce soybean plantings in favor of corn propelled the soybean futures on the Dalian Commodity Exchange to a record high to start the week. The May contract shot 2.5% higher to 6,058 yuan (\$937.23) per metric ton. Rising edible oil prices also provided support, as did expectations for delayed arrivals of soybean imports due to Brazil's harvest delays.

Russian wheat export prices climbed last week for the second week in a row, according to reports from two consultancies. IKAR says Russian wheat with 12.5% protein loaded from Black Sea ports for supply in March climbed \$4 to \$287 per MT, free on board, by week's end; Sovecon reported wheat prices climbed \$4 to \$284 per MT. Russia's wheat export doubled to 50 euros (\$60) per MT today, which will likely slow the country's shipments. SovEcon estimates Russia exported 3.1 MMT of wheat in February, a 12% jump from January. So far this marketing year, the country has shipped 30.821 MMT of wheat, a 30.1% jump from year-ago. Also of note, the consultancy reports snow protected the country's main wheat producing regions from damage from last week's brief cold snap, but it added ice crust remains a concern for some areas.

Malaysia plans to cull 3,000 wild and domestic pigs due to an outbreak of African swine fever in wild boar and backyard pigs on Borneo island. The mid-February discovery of the outbreaks marks the country's first cases of the disease, according to the World Organization for Animal Health. So far, just 22 pigs have been culled.

The Phillipines has temporarily banned poultry imports from the Russian Federation after that country reported the world's first case of human transmission of H5N8 highly pathogenic avian influenza (bird flu). In a memorandum order signed on Feb. 26, Agriculture Secretary William D. Dar suspended imports from Russia of domestic and wild birds and their products, including poultry meat, day-old chicks, eggs, and semen. On Feb. 26, the World Health Organization said the risk of human-to-human transmission is low based on current available information, since all close contacts of the cases in Russia were monitored and showed no signs of clinical illness.

24-Hour Precipitation Map

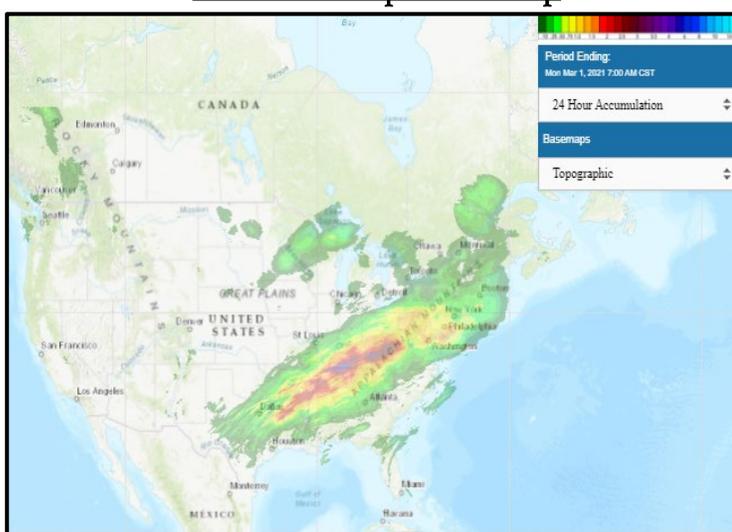


Chart of the Day

