

# MORNING BULLS & BEARS



Friday, October 8, 2021

## Upcoming Reports

Commitments of Traders – Today, 2:30 pm  
WASDE – Tuesday the 12th, 11:00 am

## Macro News

Dow futures are down 29 points at 34,609 and Crude Oil is up .59 cents at 78.89.

The U.S. added fewer jobs than forecast for a second month in September, signaling weakness in the labor market recovery and complicating a potential decision by the Federal Reserve to begin scaling back monetary support before year end. Nonfarm payrolls increased 194,000 last month after an upwardly revised 366,000 gain in August, a Labor Department report showed Friday.

## Grain News

**T-Storm Weather Summary:** In southern Brazil, a series of cool fronts and circulations converge to produce widespread rainfall over the next 10 to 14 days, further marking the wettest open to the corn and soybean growing seasons since 2018. Each front also moves across Argentina and triggers some rain Sunday and more-so around Wednesday, resulting in a slightly wetter forecast (aiding wheat, but not substantially slowing corn and sunflower planting). In the U.S., a stormy period unfolds through the middle of next week as a powerful system develops and passes, producing helpful rain on drying HRW wheat in much of the Plains, but slowing corn and soybean harvesting from IL west.

There were no USDA daily export sales notices

**Conference Call Notes:** Strong overnight markets especially in beans/bean oil which continues to be impressive given export pace remains behind USDA. Fertilizer price and supply chain continues to be cause for concern. A wet fall that delays fertilizer application will further stress this supply chain in the spring. Barge freight continues to weaken which is providing support to an already firm corn basis. Get Dec shorts out to the May at 14. Forecast will slow harvest progress. USDA report next Tuesday will provide direction until we get more confirmation of yields as we work through harvest.

There are strong indications that China is back buying US soybeans as the US soybean commit only 930 mil bu. USDA, Brazil and Argentina closed Monday for holiday. US inspections, crop rating delayed until Tuesday Some could see higher US soybean 2020 supplies, final US 2021 soybean crop and higher 2022 acres. Private estimates of US October US corn yield near 176.7. USDA 176.3. US harvest yields improving. Matif/Canada rapeseed futures higher. EU rapeseed crushers downtime. Malaysian palmoil higher. Sask Canada canola harvest yield 21 bpa vs 34 average. 10.5 mmt crop vs 19.5 ly. No export supplies

Corn news news was limited to weekly export sales which at 1.27 Mmt were a season high, and total commitments of 1,046 Mbu are 3% ahead of last year against the USDA's projected 10% decline. That's a 350 Mbu spread, and would make a huge difference to the US S&D. Brazil is now effectively out of the world export market until July next year, and Argentina only has about 12 Mmt old crop corn to sell/ship for the next 6 months (but whether or not the USDA makes any changes on Tuesday remains to be seen)

The Brazilian Association of Soy Producers (Aprosoja Brasil) says it is receiving information from soy producers about delays in the delivery of inputs for the planting of the current crop and also the cancellation of contracts and purchase orders. fertilizers and pesticides, including the herbicide glyphosate. "The lack of these products could compromise Brazilian rural production... Failure to apply inputs at the right time for soy and corn planting will reduce the volume and quality of the grain harvest produced in the country," said the organization in a statement. Aprosoja says it is asking companies to comply with signed contracts and withdrawn orders. "Such compliments do not differ in any way from the posture that has been demanded of rural producers in the face of contracts with companies that finance them and buy their production," he says.

## U.S. Corn, Soy, Wheat Ending Stocks Survey Before USDA WASDE World Corn, Soybeans, Wheat Survey Before USDA WASDE Report

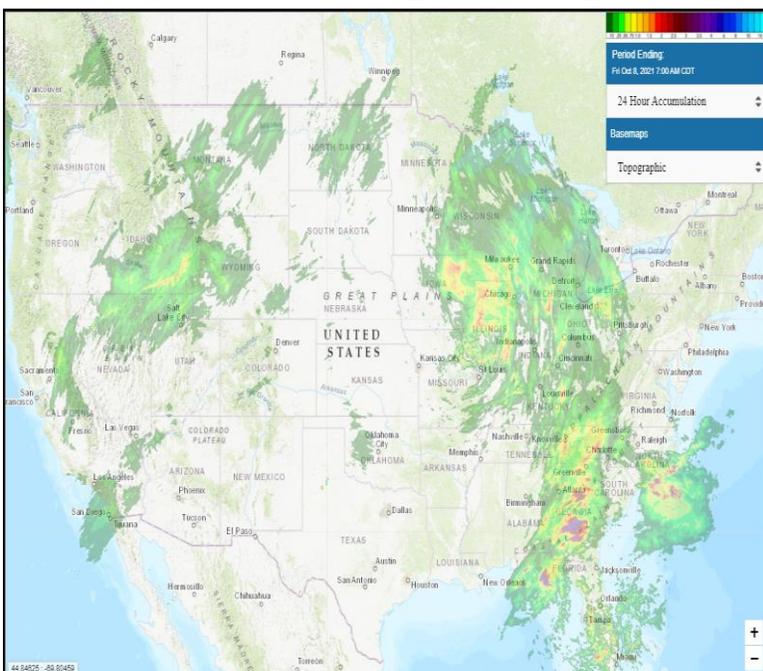
2021-22 Crop:	Survey Results			USDA	Avg vs
	Avg	Low	High	Sept.	Prior
Corn	1,418	1,154	1,625	1,408	10
Soybeans	298	217	373	185	113
Wheat	582	490	625	615	-33

2021-22 Ending Stocks:	Survey Results			USDA	Avg vs
	Avg	Low	High	Sept.	Prior
Corn	298.1	295.0	303.0	297.6	0.5
Soybeans	100.6	96.0	103.0	98.9	1.7
Wheat	281.0	278.0	284.5	283.2	-2.2

## U.S. Corn, Soybean Production Survey Before USDA WASDE

2021-22 Crop:	Survey Results			USDA	Avg vs
	Avg	Low	High	Sept.	Prior
Corn Harvest Area	85.0	84.4	85.3	85.1	-0.1
Corn Yield	175.9	174.0	178.5	176.3	-0.4
Corn Production	14,953	14,702	15,188	14,996	-43.0
Soybean Harvest Area	86.4	86.0	86.7	86.4	0.0
Soybean Yield	51.0	50.5	51.5	50.6	0.4
Soybean Production	4,410	4,374	4,466	4,374	35.6

## 24-Hour Precipitation Map



## Chart of the Day

