

# MORNING BULLS & BEARS



Monday, November 29, 2021

## Upcoming Reports

Export Inspections – Today, 10:00 am  
COT's – Today, 2:30 pm  
Crop Progress – Today, 3:00 pm

## Macro News

Dow futures are up 231 points at 35,089 and Crude Oil is up 3.45 at 71.60.

Stock futures jumped Monday morning to recover some losses after Friday's slide, when uncertainty over a new coronavirus variant stoked volatility across global markets.

## Grain News

**T-Storm Weather Summary:** For the northern ~50% of first-corn and ~60% of soybeans in Brazil, cool fronts trigger t-storms on each of the next 14 days, marking a wet start to December after the wettest November in more than 42 years in Mato Grosso. Conversely, southern Brazil (and Paraguay) will be drier than normal as areas of high pressure limit t-storms and only allow for 25% to 50% of normal rainfall through the first third of next month. Rains will be mixed in Argentina with organized t-storms later this week in some key areas of the south, but less-so central and north (though soil moisture is adequate with corn and soybean planting nearing halfway complete).

**\*\*There were no daily sales announcements today.**

**Conference Call Notes:** Markets are mixed coming out of the holiday with beans and wheat higher and corn lower. Outside markets are higher. The trade will likely wrestle with the Covid news early this week until more is known. Cash markets will have to do the work to keep grain moving. US weather remains very favorable for field work. Black Sea and Europe remains dry. South American weather overall remains favorable.

US stocks, Crude and most commodities have retraced some of Fridays losses on hope. South Africa Covid variant will ne be as bad as feared. Brazil soymeal prices \$50 discount to US. Could slow US soymeal export demand. Matif wheat futures ended lower. Russia wheat prices mixed. MWZ gained on WZ and KWZ. Some feel WH and KWH are near key support. End users should add to 2022 coverage. Some could see further decline in US winter wheat crop due to HRW dryness. Lower Canada supplies. Matif corn new highs. EU supplies declining. Late rally on Friday due to Dec option expiration. Brazil corn exports remain active. Brazil domestic corn prices higher. US ethanol data supportive. CZ found support near 5.70. Resistance is near 5.90. Key is South America 60 day weather. On Dec 9, USDA could raise US ethanol use, lower exports leaving carryout unch. Funds buying 2022

## Russian Wheat-Export Tax to Rise to \$80.80/Ton Next Week

Russia's wheat export customs duty will increase to \$80.80/ton next week from \$78.30, the Agriculture Ministry said Friday on its website. Russian wheat prices gained last week for the sixth consecutive week amid strong export demand and an earlier rally in global benchmarks, analysts said on Monday. Russian wheat with 12.5% protein loading from Black Sea ports for supply in the first half of December was \$340 a tonne free on board (FOB) at the end of last week, up \$6 from the previous week, the IKAR consultancy said. Traders are focused on spot sales as rising state tax complicates forward contracts, IKAR said. Russian wheat exports are down by 35% since the start of the 2021/22 marketing season on July 1, due to a smaller crop and the export tax, which will rise to \$80.8 per tonne this week. The tax is based on an indicative price of \$315.5 per tonne.

## Brazil Will Have the Earliest Soybean Harvest Ever: Agroconsult

Reaping may reach 51m tons by Feb.15, a record for the period, according to Andre Pessoa, head of Brazil's crop forecaster Agroconsult. The earliest harvest ever reported so far was in the 2018-19 season, with 47.4m tons harvested by Feb. 15, he said late Thursday at an event hold by grain exporter group Anec. 6.5m-9m tons should be reaped in the first half of Jan. NOTE: Brazil's early harvest shortens the favorable window for U.S. exports. Brazil soy production seen at 144.6m tons, up from 137m tons past season. NOTE: USDA sees Brazil's crop at 144m tons; Conab at 142m tons. Wet November in Center-West spurs some farmer concerns; Dec. weather will be key for yields. Exports seen at 92.2m tons next year, up from 85.6m tons. Total corn crop seen at 124m tons, up from 87m tons. Corn exports seen more than doubling next year to 45.2m tons

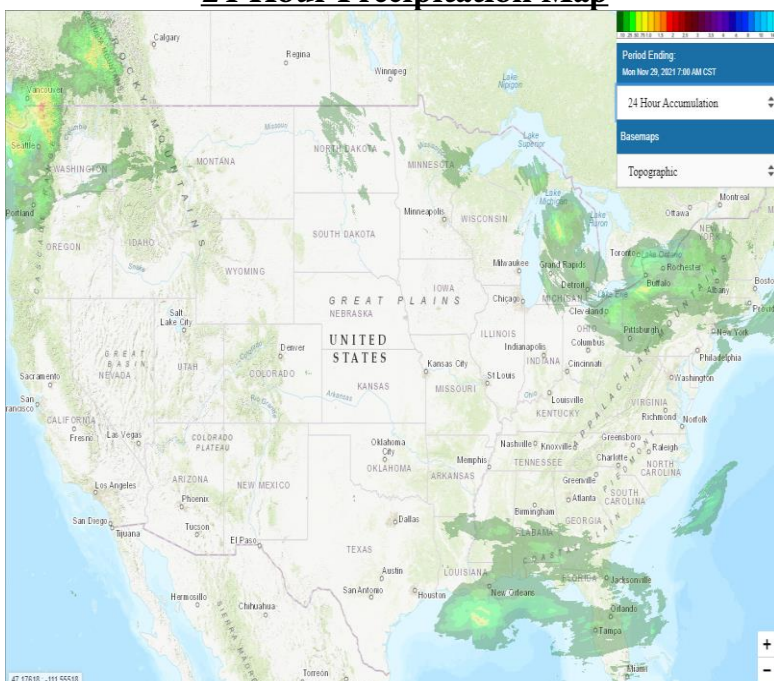
## Food Costs May Soon Hit Record in Inflation Warning

Omicron is not the only thing traders will have on their minds this week. Global food costs may hit a record, or at least come very close to a new high, in a move that'll fuel the debate about inflation, squeeze consumers, and pose another challenge for pandemic-weary governments. The UN's comprehensive World Food Price Index is already at the highest in a decade and just a little more than 3% shy of the all-time peak. The gauge -- which covers everything from cereals and vegetable oils to dairy, meat and sugar -- has jumped during the pandemic on costlier freight rates, labor shortages, and inclement weather. A rally in energy has also raised farm-input costs, including fertilizer. Key staple wheat has been on a roll lately, jumping 10% this month. Corn has pushed higher too, along with whole milk powder.

## China urged to be 'vigilant' to rising grain prices in battle for food security

China should boost policy support, monitor global grain prices and diversify imports to maintain food security, state media says. Rising food prices are driving inflation concerns and putting average people under more economic pressure, analysts say. Domestic prices of corn and wheat are high, while rice has fallen below the minimum purchase price, the state-run Economic Daily said in a commentary published on Thursday. High corn prices caused by production shortages could be made worse by continuous rainfall and an unusually cold winter in northern China, it added. "It is necessary to continue boosting policy support, increase rewards to counties with large yields, strengthen agricultural subsidies, and fully mobilise the enthusiasm of local governments and farmers," the commentary said.

## 24-Hour Precipitation Map

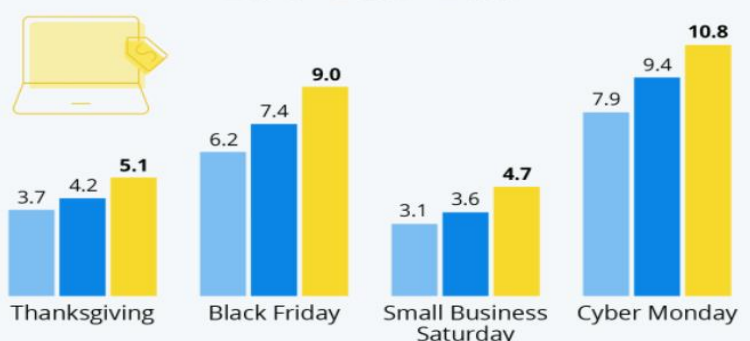


## Chart of the Day

### Cyber Monday Online Sales Hit \$10.8 Billion

Thanksgiving weekend e-commerce revenue in the United States (in billion U.S. dollars)

■ 2018 ■ 2019 ■ 2020



Source: Adobe Digital Insights



statista