

# MORNING BULLS & BEARS



Thursday, February 18, 2021

## Upcoming Reports

Ag Trade Outlook – Today, 8:00 am  
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	31,374	-0.56%
S&P Fut	3,901	-0.70%
Nasdaq Fut	13,565	-0.98%
Nikkei	30,015	-1.12%
FTSE100	6,582	-0.13%
DAX	13,981	-1.20%
Shanghai	5,768	-0.68%

## Grain News

T-Storm Weather Summary: Areas of high pressure likely keep humidities too low for substantial rainfall in Argentina over the next 10 to 14 days, instead leaving a wide area considerably drier than normal (with near-normal temperatures). Conversely, a series of cool fronts continue to trigger t-storms in varying areas of central and northern Brazil each day into at least early March. Southern Brazil and Paraguay will be between driest and wettest weather, but likely stay drier than normal — especially nearest Argentina in Rio Grande do Sul. In the U.S., the cold wave breaks this weekend, accompanied by more rains and snows for SRW wheat in the Corn Belt and mid-South.

USDA's two-day Ag Outlook Forum gets started today. The theme of this year's virtual event is "Building on Innovation: A Pathway to resilience." A focal point is USDA's initial 2021-22 balance sheets. Planted acreage projections will be released today, with full new-crop balance sheets coming Friday morning. Today's unofficial numbers are based on data such as the entire pool of available acres, the previous year's prevented plantings and new-crop prices. They are not based on farmer surveys. Expectations are available [here](#).

Statistics Canada issued some initial projections for the 2021-22 marketing year this week. It expects all wheat seedings to slide 3% to 9.93 million hectares (24.93 million acres), with production expected to drop 7% to 32.75 MMT. StatsCan expects seeded area to climb 4% to 8.75 million hectares (21.62 million acres) in 2021-22 "as farmers expand canola area at the expense of wheat, forages and summerfallow." It expects an 8% jump in canola production to 20.15 MMT, which would be the third largest crop on record.

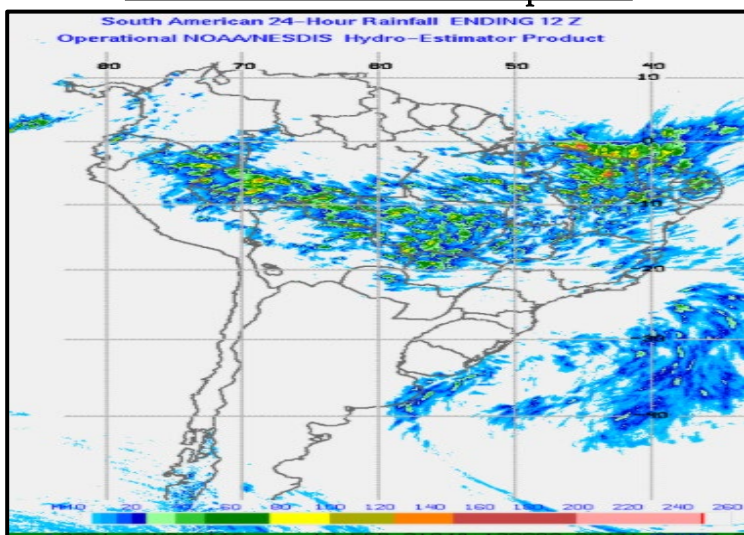
Heavy snow across parts of the southern US has brought chaos to logistics in the key export hub of the US Gulf and is likely to bring further delays, particularly to a tight corn export programme, as snowmelt raises river levels and complicates loading. The weather has sparked reports of forces majeures being declared in the region, with traders forced to trigger a Clause 20 claim under North American Export Grain Association (NAEGA) rules. While the worst is behind us, according to several trade sources, trade sources also warn that as the snow melts, river levels – key components in the supply chain connecting the Midwest growing regions with the US Gulf export hub – are likely to rise, raising fresh fears of further delay in the weeks ahead.

The association of Brazilian grain exporters ANEC expects Brazil to export between 6.00 MMT and 7.99 MMT of soybeans in February, which compares to shipments of 6.60 MMT a year-ago for the month. The forecast is somewhat surprising given the slow development and harvest of the crop. Brazil's February corn exports will likely total 545,165 MT, which would be up nearly 130,000 MT from year-ago.

According to an economic impact study released by the Renewable Fuels Association, the U.S. ethanol industry continues to fuel jobs and create income. In 2020, more than 62,000 U.S. jobs were directly associated with the ethanol industry, which supported an additional 242,600 indirect and induced jobs across all sectors of the economy. The industry created \$18.6 billion in household income and contributed \$34.7 billion to the national gross domestic product. This was 19% below 2019's GDP contribution, primarily as the result of lower output and lower prices.

The Senate Environment and Public Works Committee scheduled a hearing on transportation infrastructure on Feb. 24, titled "Building Back Better: Investing in Transportation while Addressing Climate Change, Improving Equity, and Fostering Economic Growth and Innovation." Chair Tom Carper (D-Del.) said last week he was planning a hearing on the reauthorization of the federal surface transportation programs that will include "a strong climate title." He said he's aiming to report the bill out of committee in May. Of note, Carper in a recent interview indicated he seeds prospects for an eventual rise in gasoline and diesel taxes. Meanwhile the U.S. Chamber of Commerce and the Bipartisan Policy Center led a letter to lawmakers "urging Congress to enact a fiscally and environmentally responsible infrastructure package that stimulates the economy and improves the quality of life for every American." The groups called on lawmakers to enact legislation by July 4, 2021.

## South America 24-Hour Precipitation



## Chart of the Day

