John Stewart
AND ASSOCIATES

MORNING BULLS & BEARS

Monday, February 22, 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	31,293	-0.43%
S&P Fut	3,879	-0.63%
Nasdaq Fut	13,420	-1.15%
Nikkei	30,040	-0.55%
FTSE100	6,600	-0.70%
DAX	13,920	-0.60%
Shanghai	5,597	-3.14%

Macro News

who control the House are preparing to approve the next Covid aid package by the end of this week, with the Senate aiming to soon follow with its own party-line vote before unemployment benefits are set to lapse in mid-March. On Friday, the House Budget Committee unveiled the nearly 600-page text for the proposal. Democrats are moving their bill through Congress using a parliamentary process called reconciliation that will allow them to pass it with only Democratic votes. Sens. Joe Manchin (D-W.Va.) and Kyrsten Sinema (D-Ariz.) have expressed objection to the minimum wage proposal contained in the package. The Congressional Budget Office said the stimulus bill slightly exceeds $1.9 trillion, which will force congressional Democrats to make trims before the bill can pass the Senate. On Tuesday, the Senate is expected to approve USDA Secretary Nominee Tom Vilsack, and nominee Katharine Tai may be confirmed U.S. Trade Representative Thursday.

Former U.S. Treasury Secretary Lawrence Summers warned that the Federal Reserve will likely be pressured into raising interest rates sooner than markets expect, and perhaps as early as next year. An overheating economy and rising prices could force the Fed's hand, Summers said in an interview for Bloomberg Television's Wall Street Week. Summers, a top official in the past two Democratic administrations, has emerged as one of the leading critics among Democratic-leaning economists of Biden's $1.9-trillion pandemic plan.

U.S. virus herd immunity is likely by April, according to Dr. Marty Makary, a professor at the Johns Hopkins School of Medicine and Bloomberg School of Public Health, chief medical adviser to Sesame Care. In an opinion item in the Wall Street Journal, he notes Covid cases have dropped 77% in six weeks and that experts should level with the public about the good news. Meanwhile, Dr. Anthony Fauci says it's "possible" Americans will still need to wear masks in 2022, even as the nation may reach "a significant degree of normality" by the end of this year.

Grain News

T-Storm Weather Summary: In Argentina, areas of high pressure suppress rainfall and leave temperatures slightly warmer than normal over the next 10 to 14 days, likely marking four to five consecutive weeks of below-normal rainfall through March 8. The same setup also leaves southern Brazil and Paraguay much drier than normal until possibly 10 to 14 days out. Conversely, scattered to organized t-storms continue in central and northern Brazil for at least 7 to 10 more days, most likely followed by less-frequent rains as upper-level high pressure forms. U.S. SRW wheat turns wetter as two systems pass over Fri.-Tue. and produce heavy totals in the mid-South and southeast Corn Belt.

The impact of Brazil's late soybean harvest has hit the roads of the nation's northern export route, ensnaring truckers in long lines and threatening further delays of shipments to China. Trucks trying to unload the oilseed at the Miritituba river terminal in the northern state of Para formed a line as long as 18.6 miles in recent days, according to Bloomberg, citing Edeon Vaz Ferreira, head of the logistics branch at farmer group Aprosoja. Traffic has been halted for at least a week on an unpaved stretch that provides access to the terminal, extending the stoppage to a federal highway. "There's a backlog of soybean trucks due to harvest delays in Mato Grosso," Ferreira said in an interview, referring to Brazil's largest producing state. "With the harvest highly concentrated this year, we may see more problems like this in the coming weeks."

Late last week, Robobank raised its Brazilian soybean crop estimate by 1.5 MMT, pushing its projection to 132.5 MMT. The company estimates Brazil's corn crop at 107 MMT. USDA projects Brazil's 2020-21 soybean crop at 133 and its corn crop at 109 MMT.

China emphasized food security in its annual rural policy blueprint… The country called for provinces to boost yields and indicating support for its seed industry. The country plans to build a "national food security industry belt," meant to connect the country's key grain areas. The so-called No. 1 document also encouraged "industrial application of biological breeding," a term that includes genetically modified crops, and indicated the government will support leading seed companies in establishing commercial breeding systems. China also said it will work to diversity imports of ag products. Also of note, Tang Renjian, China's ag minister, said he expects China's hog herd to recover to 2017 levels (before African swine fever) by June, but he also said China needs to find ways to made its herd more stable.

Bird flu has been spreading in many areas of the world, including Europe, Asia the Middle East, North Africa, but until now the virus has not passed from birds to humans. Russia has registered the first case of a strain of bird flu named A(H5N8) that has passed to a human with the World Health Organization. Anna Popova, head of Russia's consumer health watchdog, said the country had reported the infection "several days ago" and said there has been no sign yet of transmission between humans. Seven workers at a poultry plant in a southern area of the country were infected in December, according to Popova. She said those involved feel fine now. Siberia's Vector Institute says it will begin developing human tests and a vaccine against H5N8.

In an interview with Evo, Porsche's Vice President Motorsport and GT cars, Dr. Frank Walliser, stated that the company has been envisioning something called eFuel, a synthetic fuel that would have the same carbon output as an electric car. Testing is supposed to start off in 2022, and it would be possible to use this fuel in any internal combustion car without having to go through the lengthy—and expensive—process of converting it. Earlier this month Mazda announced it was to become the first automotive manufacturer to join the eFuel alliance. eFuels are synthetically produced CO2-neutral liquid fuels based on hydrogen and CO2 as well as biofuels that meet fossil fuel quality standards and can be blended.

South America 24-Hour Precipitation

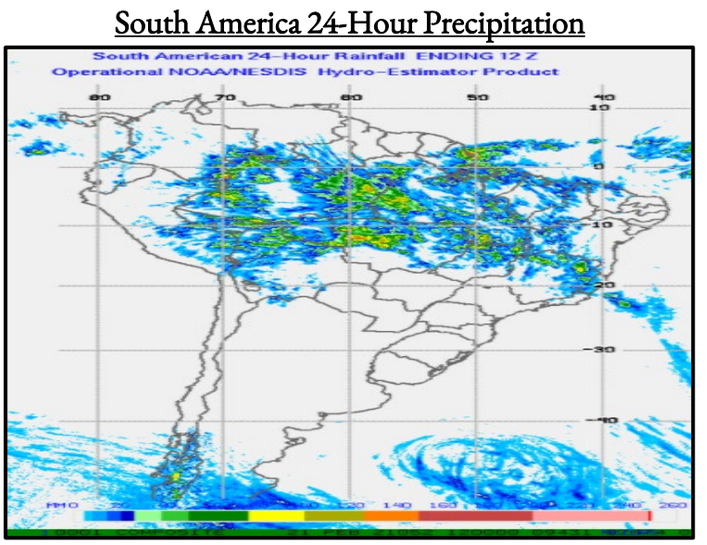
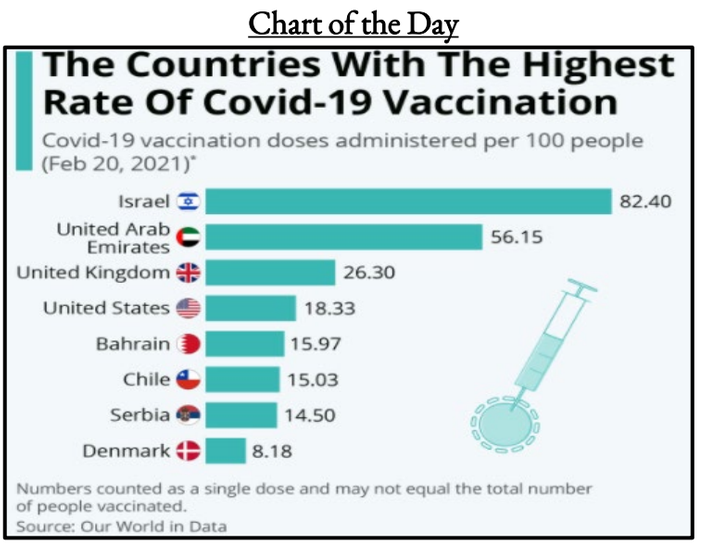
Chart of the Day