



MORNING BULLS & BEARS



Friday, March 26, 2021

Upcoming Reports

Commitments of Traders –Friday, 2:30 pm

Indices and Futures

| Index | Last | Change |
|------------|--------|--------|
| Dow Fut | 32,667 | +0.51% |
| S&P Fut | 3,913 | +0.32% |
| Nasdaq Fut | 12,741 | -0.21% |
| Nikkei | 29,100 | +0.74% |
| FTSE100 | 6,670 | +0.68% |
| DAX | 14,748 | +0.92% |
| Shanghai | 5,038 | +2.27% |

Grain News

Weather Summary: Significant rain will continue in Argentina through Saturday with the greatest new moisture totals expected in the north and southeast parts of the nation. A period of drier conditions will then benefit fieldwork advancement in Argentina before more rain arrives later in the first week of April. Net drying in much of Brazil will continue to benefit fieldwork advancement. Some shower and thunderstorm activity is still expected to return to the drier areas of Brazil in early April but with resulting moisture that is below normal.

Buenos Aires Grains Exchange says recent helped stabilize Argentina's bean crop. "Rains during the last week interrupted the progressive deterioration of soil moisture conditions in northeast Argentina," the exchange said in its weekly crop report Thursday. Ten percent of the country's soybean plantings are in that region. The exchange expects more rain and moderate temperatures for the central farm belt in the days ahead. But it also warned an early frost could clip crops in southern Buenos Aires. Harvest is getting started and will likely continue through May.

In its first full forecast for 2021-22, the International Grains Council (IGC) called for record-setting grain production of 2.287 billion MT, but it also expects the bigger supplies to be matched by higher consumption. Stocks are expected to hold steady with 2020-21 at 609 MMT. IGC says global wheat production will likely climb 16 MMT to 790 MMT amid a boost in production in several major wheat exporting countries like France and Argentina that was only partially offset by a smaller Russian wheat crop. Wheat carryover is expected to climb 12 MMT to 304 MMT. Global corn production is expected to shoot 54 MMT higher to 1.193 billion MT, thanks in large part to a boost in U.S. production. But consumption is also expected to jump, dropping carryover 10 MMT to 258 MMT. Global soybean production is expected to climb 22 MMT to 383 MMT, but carryover stocks are expected to edge 5 MMT higher from 2020-21 to 50 MMT.

The U.S. Energy Information Administration (EIA) said it will start publishing additional biofuels data in a monthly report to account for the increase in biofuel production. The report to be released March 31 will include expanded information on production capacity for biodiesel, fuel alcohol and renewable fuels along with expanded information on feedstocks used to produce those biofuels. Reuters previously reported the change was coming and could possibly be added to the WASDE report in May, the first 2021-22 forecasts from USDA.

A substantial replacement of corn usage in animal feed by wheat, peas and other grains are expected to offset pressure on China's corn supply tightness in 2021, according to China's National Grain and Oil Information Centre (CNGOIC). "Considering all substitutions, supply gaps can be filled," said Chen Qin, the chief corn market analyst at CNGOIC, at a virtual conference on Friday. "Domestic tight supply situation will ease compared to last year," Chen said. The use of wheat, peas, DDGs and corn flours in animal feed since the second half of last year were said to play a key role in bridging China's corn supply gap in 2021. In a latest estimate, the centre expects China's corn imports in the 2020/21 marketing year to total 20 million mt, which was lower than the USDA's expectation of 24 million mt. "The high point of the corn price has passed," said Chen.

Corn futures on the Dalian Commodity Exchange have fallen to the lowest level in three months after touching an all-time high of CNY2,930/mt (\$448/mt) in mid-January this year.

China's Commerce Ministry in a final ruling decided not to collect anti-subsidy tariffs against Australian wine, but it will impose anti-dumping measures on some imports of wine from Australia. The penalties will take effect March 28 and will remain in effect for five years. The interim anti-dumping tariffs ranged from 107.1% to 212.1%, making shipments unfeasible. The probe was largely thought to be fueled by Chinese displeasure regarding Australia's criticism of its handling of Covid-19 in the early days of the pandemic. China has targeted a number of Australian commodities like barley, meat, dairy, cotton and timber as political tensions rose, again reminding that Chinese President Xi Jinping will work to impose real costs for governments/businesses that criticize his country. Many are currently condemning China's human rights record, particularly as it relates to allegations of forced labor in its Xinjiang region. China has responded by boycotting products and removing them from its online platforms.

24-Hour Precipitation Map

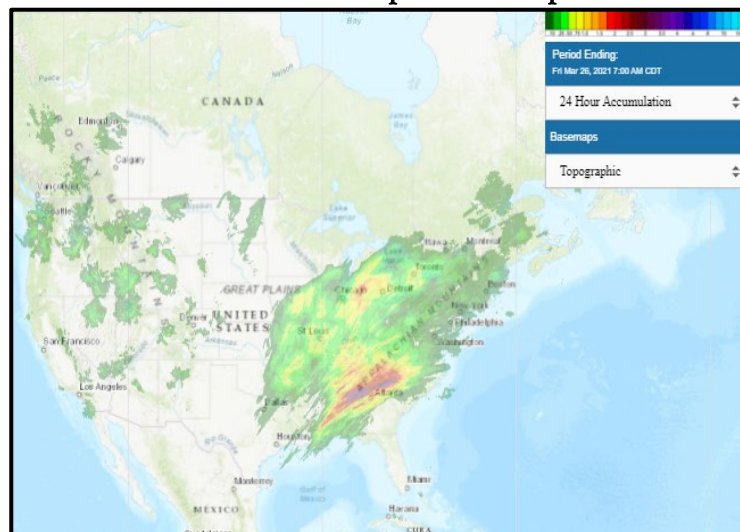


Chart of the Day

