



# MORNING BULLS & BEARS



Monday, April 5, 2021

## Upcoming Reports

Export Inspections – Today, 10:00 am  
Crop Progress – Today 3:00 pm  
EIA Report – Tomorrow, 9:30 am  
USDA Export Sales – Thursday, 7:30 am  
WASDE – Friday, 11:00 am  
Commitments of Traders –Friday, 2:30 pm

## Indices and Futures

### Index Last Change

Dow Fut	33,286	+0.75%
S&P Fut	4,037	+0.68%
Nasdaq Fut	13,425	+0.83%
Nikkei	30,130	+1.46%
FTSE100	6,692	+0.00%
DAX	15,113	+0.56%
Shanghai	5,161	+0.99%

## Grain News

T-Storm Weather Summary: Dryness concerns are increasing for corn in Brazil. Isolated to scattered t-storms continue in top-producer Mato Grosso this week and to a lesser extent next week, but most other corn areas will be fairly dry — especially the southern half where dryness is already becoming notable. In the U.S., temperatures stay warmer than normal over the next 10 to 14 days to aid winter wheat growth and prevent cold soils from limiting corn and soybean planting later this month. Each system triggers showers and t-storms — initially focused on SD, the Corn Belt and mid-South this week, and then a wider area next week (no area is expected to turn particularly wet).

More than 400 vessels that were waiting at the northern and southern ends of the 120-mile waterway on March 23 when the Ever Given ran aground have passed through the canal since Monday, authorities said. New ships were entering the waterway, returning movement to normal, they said, and marking the end of a 12-day saga that upended the maritime shipping industry and strained already struggling global supply lines. Reinsurers are taking a financial hit from covering losses due to cargo delays. The latest shipping glitch raises questions about how much bigger ships can get and still safely transit through crucial maritime bottlenecks such as the Suez Canal.

Last Wednesday, China sold between 1.4 and 1.5 MMT of rice from its reserves for feed use, representing around 70% of the total offered, three sources close to the matter told Reuters. They said the rice was sold through state companies directly to feed makers. One of the sources said more rice auctions will be coming, predicting China will continue to release wheat and rice until high corn prices eases. That source indicated China held private rice auctions for feed use last year. Quin Yuyun, head of the National Food and Strategic Reserves Administration's reserves division, said China has sold nearly 5 MMT of rice from its reserves this year via regular and public auction, with some of that rice heading to the feed market. Qin also offered that "China's rice, and wheat inventories are both at historically high levels and can meet more than one year's consumption demand."

The ag consultancy Sovecon on Friday shaved 200,000 MT off its forecast for Russian wheat exports in 2020-21, dropping its projection to 38.9 MMT, based on the current slow pace of exports and a fall in export prices during March. Russia doubled its duty on wheat exports in March as part of its food price inflation battle. "The domestic market is adjusting to the new taxes more slowly than expected," the Russian ag consultancy said. Meanwhile, Russian wheat export prices fell for the fifth week in a row last week, according to SovEcon.

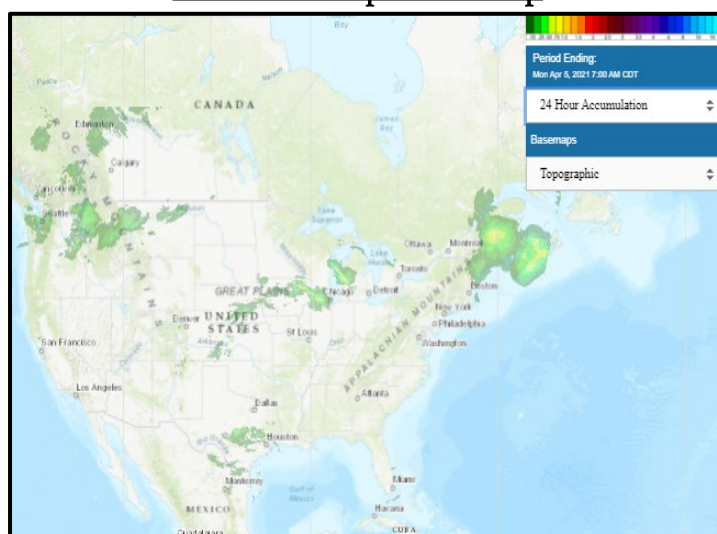
The consultancy APK-Inform expects Ukraine to bring in a 73.8 MMT grain crop in 2021, which would be a 13% jump from 2020, with exports expected to come in at 54.2 MMT. The consultancy detailed that it expects Ukraine's wheat crop to climb 10% to 27.5 MMT, with exports climbing to 19.8 MMT. "The positive outlook is due to fairly good wintering conditions for winter crops, favorable conditions for sowing spring crops, as well as price trends," APK-Inform said in a report.

A cold winter, high density of pigs amid restocking and new strains of African swine fever fueled new outbreaks of the virus across China's northeast, northern China and Henan province, the country's third-largest hog producing province, according to Reuters. "At least 20% of the herd was affected, maybe even 25%" in the northern and northeastern Chinese provinces because of outbreaks during the first quarter, said Jan Cortenbach, chief technical officer at feed maker Wellhope-De Heus Animal Nutrition. Meanwhile, Beijing Orient Agribusiness Consultant Ltd. reported sow stocks in northern China dropped between 25% and 30% in northern China from February to March. Consequently, live hog prices are climbing after dropping between January and March. Average piglet prices now at 1,800 yuan (\$273.94) per head, nearly double the average price of 995 yuan in November, according to Changjiang Securities. Southern producers are on edge as rain/floods were blamed for previous ASF outbreaks, and the rainy season is nearing.

Maintenance margins for CBOT soybean futures will rise to \$3,350 per contract, up 11.7% from the current \$3,000, for May 2021, the CME Group announced Thursday. The rates will be effective after the close of business today.

Private exporters reported to the U.S. Department of Agriculture export sales of 130,000 metric tons of soft red winter wheat for delivery to unknown destinations during the 2021/2022 marketing year.

## 24-Hour Precipitation Map



## Chart of the Day

