

### CORN: STEADY-HIGHER

July corn put in a huge hammer yesterday trading 17 lower all the way to December lows before trade saw it as a buying opportunity and finished the day just 2 ¼ lower. The technical picture suggests some consolidating action short-term, and moves will likely be dictated by political headlines up until the Stocks & Acreage report next week. South Korea bought another 138k mt of optional origin corn this morning at \$208 C&F bringing their total corn purchases close to 1.5m mt. Japan feed data from April showed an increased corn usage to 48.4% compared to 47.8% in March and 46.4% last April. It's hard to imagine any significant production concerns over the next couple of weeks with most of growing areas expecting decent rain chances and slightly lower temperatures. Expect trade to be mostly steady to higher today as futures are due for some consolidating action short-term, but any news out of China could dictate a sharp move in either direction.

**As of the break, CN18 is 1 ½ higher.**

### SOYBEANS: MIXED

Not a lot of conviction in a rally so far. Values were actually a bit more negative overnight, but have rallied back to green by the break. Spreads will likely tighten a bit on any rally in the front end. Basis running steady. Oil on bean futures and options continued to come together. Same action in a lesser way is taking place in products as well. Weather will only become an issue in the next couple of weeks by being too wet. Tariffs will be the market mover for the next two weeks as we attempt to get something worked out prior to implementation and further tariff announcements. Another issue that will come to the front in the next few weeks will be the pullback in poultry and pork production due to tariffs. That would be a bad thing for meal demand domestically and thus for the projected solid crush numbers. Look for a two-sided trade as we await news, good or bad to move the needle.

Beans: V-538,772/OI-917,679(-9,367) Meal: V-266,679/OI-511,547(-4,188) Oil: V-290,710/OI-525,839(+2,840)

**As of the break, SN18 is 2 higher.**

### WHEAT: HIGHER

The market was hammered on Tuesday, as CBOT and KC lost 12-16 cents, due to harvest pressure and weakness from trade war rhetoric knocked the whole grain complex down. Overnight trade showed that the market feels like weakness was overdone, and traders are trying to see if the bottom was established at the lows. Rains moving through KS this week could slow harvest progress, but the system looks to move through quick enough to avoid much damage to quality. Egypt's GASC purchased 240k MT of Romanian wheat for Aug. 1-10 delivery at \$218/MT C&F, which was down over \$10/MT from the previous tender. The cash market remains supported, with mills showing favor to 11 pro cars that spread well and some 13 pro that was shown to the market. The market will be watching to see if the downward move can be steadied, and if short positions get covered at these levels.

**As of the break, KWN18 is 7 ½ higher.**

### CATTLE: STEADY

Cattle futures took yesterday's Chinese news about as well as any market, trading lower alongside the rest of the complex early in the session only to rally back and close with solid gains. That's different than the grains/hogs/equities which all finished with losses, but perhaps rationally so as a tariff war with China simply has less impact on the beef than those other markets. Here at home, we're into what will likely be our largest production rates of the year, the beef markets have turned expectedly soft, but packer margins remain very good. And despite seasonally larger cattle supplies, showlists still appear to be relatively current thanks to aggressive marketing rates over the past couple months. Cash cattle expectations sound steadyish with last week's \$112+ trade, or perhaps even higher after yesterday's futures strength?? Most active Aug futures are back to the very top end of their three-month range, just 25 points from the \$106.67 highs.

Fund Position	Accumulative	Yesterday
Corn	-88,238	-10,000
Soybeans	-61,895	-27,000
Soybean Meal	65,492	-6,000
Soybean Oil	-84,234	-11,000
Chicago Wheat	6,135	-5,000
KC Wheat	60,606	0



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