

**CORN: HIGHER**

Tuesday ended up looking a lot like Monday with early support in the markets before pulling back and closing within about a penny higher. We did see higher highs with the same low yesterday with better volume than Monday. The bounce off the lows is starting to pull more players back into the market as open interest is up over 10K, and we did see a small amount of farmer selling early yesterday when the market was up closer to the 4.50 level. Speaking of that level, that seems to be the resistance level we're testing this week with CH24 putting in a high at 4.5050 yesterday before pulling back. I would say a close above that level this week would provide some hope for bulls. This morning we're seeing more of the same here recently with strength in the night session, price action was mostly higher overnight and closed out the session 1.5-2.25 cents higher.

**At the break, CH24 was 2 ¼ higher.**

**SOYBEANS: HIGHER**

Can we keep working higher? If the newest shorts in the complex from the last CFTC report keep bailing, yes, we can. But where to after that? This doesn't have the feel of a fundamental rally, nor a look nor smell for that matter. The rally at this point is more like a relief valve being popped off. Long term the trend still looks lower. Spreads and basis continue to point to a tight carry out and limited availability for even the crushers. Finishing the Chinese business off the west coast has its issues as well with logistics on trains and slots to elevate. In just over a week, starting next Thur. to be exact, we will begin the spring planting insurance pricing. Just eyeballing it the \$12 mark looks like an equilibrium level for now. Corn/bean ratio is above 2.53 which will keep the early estimates from adding back corn acreage. Input prices will be a key this spring. Without additional price reduction in inputs, mainly fertilizer, we could see some added acreage, but the opposite is true for adding corn acreage. For the most part with rotations, barring egregious price differentials, only about 2 million acres each year are flexed to one crop or the other based on price. Insurance price will help, but so will prices at planting and the weather at planting time will be another key factor like it was/is in SA this year. We are right now looking at a wetter spring with current snow levels and predicted continued active weather pattern into March. Look to start out better and see if we can hold it today. Volumes was middling yesterday at best, but all components added nice little gains in OI for the day.

Beans: V-206,571/OI-726,571(+7,279) Meal: V-127,223/OI-479,925(+4,037); Oil: V-111,031/OI-560,418(+5,155)

**At the break, SH24 was 3 ½ higher.**

**WHEAT: HIGHER**

KC led the complex on Tuesday, bringing gains from overnight and building through the day on momentum trading, but all three contracts could not hold above their 20-day MA. There was not much to fundamentally support the rally yesterday, but stocks are declining, and quality is starting to be talked about on the remaining bushels in the country. Forecasts show the Plains will see normal temperatures in the 6-10-day range, with better chances for precipitation, aiding soil conditions going into February. Rail logistics are becoming a bigger concern, with equipment costs very high, cars are moving slowly to origins and when loaded, and adding to the pipeline will be hard for areas needing mainline cars. Ukraine weather has been favorable to the crop, with good snow cover to protect the crop, but plantings are down, and yield estimates declined from last year. Look for buying to continue into the day session, as funds cover shorts, and KC and Chicago flirt with 20-day MA.

**At the break, KWH24 was 4 higher.**

**CATTLE: STEADY-HIGHER**

Cattle futures notched a round of fresh highs yesterday, everywhere except the very nearby Feb LC contract. Some far deferred months are into fresh contract highs, the Nov24 feeder contract for example which trades a serious ~\$34 premium to the nearby month as the market continues to price in expected tighter herd supplies with time. We'll have our best update of the year on that topic next week in the USDA's annual January 31 Cattle inventory report, where I haven't seen official pre-report estimates yet, but I think we'll be expecting the beef cow herd to have declined another 2-2.5% this past year and producing smaller calf crops in 2023 and 2024 too. The choice cutout printed a fresh high as well yesterday, now back on top of the \$300-mark, and cash cattle expectations... steady-higher? Normalized slaughter rates are the most healthy piece of info for that market, with feedyards needing to play catch up with marketing schedules despite the weather problems we've had.

Fund Position	Accumulative	Yesterday
Corn	-269,050	1,000
Soybeans	-75,827	5,000
Soybean Meal	-3,494	5,000
Soybean Oil	-44,443	1,000
Chicago Wheat	-69,863	1,000
KC Wheat	-38,122	0

