Morning Commentary
June 6, 2025

CORN: LOWER
Corn feeling a little bit of pressure this morning as we look to close out the week with maybe a little bit of a correction. Weakness in the spreads seems to be putting more pressure on old crop currently with CN/U down to jut a 6.25 cent inverse which is a new 6 month low. Corn harvest in Argentina is well underway and is moving at a faster than average pace thus far. Then, Brazil's second corn harvest is just starting, but as they keep progressing this will just continue to bring more bushels into the market and will have to keep the U.S. competitive in terms of export demand over the summer. U.S. weather into the weekend remains cooler with the potential for rains across the corn belt and look to remain cool into next week.
At the break, CN25 was 2 ½ lower.

SOYBEANS: LOWER
This week has been about treading water. The next week will be a key one with planting progress expected to be in the final 10%, the USDA report on Thursday and weather forecasts mostly a plus for crops. Brazilian basis is firming as the strong Real is not encouraging the farmer to sell more. Brazil has reportedly sold around 4 vessels to China. Not a robust amount, but better than nothing. Chinese demand is what needs to be monitored. It has waned this year and the biggest question for beans outside 45Z and mandates, is Chinese demand as it still is the biggest chunk of world demand. If SA beans don't flow there as well as their meal, where will it find a home and at what price level? GS roll begins today. Easier into the weekend the early call.

Beans: V-309,466/OI-879,370(-497); Meal: V-150,924/OI-605,984(+1,001); Oil: V-154,813/OI-595,130(+1,987)
At the break, SN25 was 3 ¼ lower.

WHEAT: FLAT
The wheat complex traded mostly lower overnight but has since caught a bid pushing values to show minor gains ahead of the day session. Volume and interest remain exceedingly low however, as values have seen a trend of making a move into the first part of the day session only to chop around the balance of the session. Trade will remain uneasy into the close about possibly retaliation from Russia against Ukraine, but markets continue to quickly shake off any concerns over issues in Black Sea. Calendar spreads for KC remain supported in the KWN/U as commercials are running out of time to buy wheat vs the July. US weather forecasts calling for above average chances for both HRW and SRW over the next 6-10 days before finally drying out, likely to lead to further harvest delays and lodging issues. Dryness continues to linger across France with yield losses becoming likelier as crop is heading out. S Russia saw some moisture, but maps begin to dry out with warmer temps coming.
At the break, KWN25 was ¼ higher.

CATTLE: HIGHER
Eight weeks of stronger cash cattle trade, and the market is accelerating if anything…. Wednesday's $225-228 trade in the South was followed up with a $230-232 trade yesterday. All vs $222 averages last week. The North also did finally see some trade get started late yesterday at $240 live and $380 dressed, vs $235 and $368 averages last week. Sharply higher everywhere. Futures gapped sharply higher on the open yesterday, into new all-time highs which the technicians will read as a "breakaway gap", and are called higher again this morning as values attempt to keep pace with the cash markets. June option expiration is today as well which adds a layer of complexity, with LOTS of in the money calls set to be exercised on the close this afternoon. Beef markets are near unchanged week to date, and a larger kill pace has only found packer margins under deeper pressure.

Fund Position	Accumulative	Yesterday
Corn	-122,149	4,000
Soybeans	54,919	8,000
Soybean Meal	-92,778	-6,000
Soybean Oil	31,578	-3,000
Chicago Wheat	-91,844	2,000
KC Wheat	-75,817	1,000

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