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Morning Commentary
July 14, 2025

CORN: HIGHER

Mixed trading in the overnight, opening about 1.25-1.5 cents lower and continuing to trade lower putting in fresh lows, but we did see a bounce off them and at the break the market is 3-4 cents higher. This is following Friday's WASDE that showed friendly numbers for corn with tighter carryouts for both the 24/25 and 25/26 crop years, but the market seemed to not put too much weight on it and continued to trade lower to close out the week with 24-25 cent losses on the week. We'll see how this week plays out, but it seems the trade is still very much focused on U.S. Weather. Friday afternoon's CFTC report showed funds liquidating both shorts and longs, bringing a net reduction of 2,602 contracts to their net short position. Fairly normal week for grain headlines with Export inspections and crop progress later today, but on a more macro note we'll get updates to inflation data (CPI and PPI) later this week.
At the break, CU25 was 3 higher.

SOYBEANS: HIGHER

With the report in the rearview mirror, we start the week mix with a slant to the plus side. Weather models are a bit warmer, but not necessarily drier, but definitely not wetter either. Honestly, the beans could probably use some drier and hotter weather at this point in a lot of areas. Still some others need rain. The big picture is still for a robust crop. Crop conditions after the close today should remain at least steady. Today is the last trading day for N contracts and all meal OI was delivered on, 4 of 7 in beans and oil has no OI to deal with today. Changes in forecasts will wreak havoc with the market for the next couple of weeks as the corn market starts to settle into a fixed yield and beans are still to be determined. So, more players should be back from vacations and moving to the grain with the most movement and best story to trade. All components of the complex added OI on Friday in mostly a light trading day volume wise.

Beans: V-233,657/OI-872,033(+5,513); Meal: V-151,218/OI-612,407(+6,789); Oil: V-151,218/OI-612,407(+6,789)
At the break, SQ25 was 1 higher.

WHEAT: HIGHER

The market found support at the bottom end of the recent trading range at $5.40 in Chicago with KC resilient to near recent lows. The Wasde report gave bulls nothing to hold on to, so rallies will continue to be shallow, especially with producers looking to sell wheat into any strength. COT reports showed minor movement over the past week. Crop production report on Friday showed all-wheat production at 1.929B bu vs 1.921B bu in June and the average trade guess of 1.915B bu. All-wheat yield at 52.6bu/acre. Winter wheat production was down 17M bu with HRW -18M bu at 755M bu, SRW -4M bu at 337M bu which was partially offset by a 5M bu increase in SWW production to 254M bu (234 SWW and 20 HWW). HRW they lowered harvested acres and increased yield- KS saw a 1 bu/acre decline at 50 bu with production of 335Mbu, OK saw a 1M bu decrease to 38 bu with production of 104.5M bu, Exports rose by 25M bu to 850M bu offset some of the production increase leaving carryout at 890M bu. Initial Spring wheat production totaled 504M bu vs 475M bu estimates, but USDA may be a bit optimistic here. Global balance sheet declined by 1.17 mmt from last month to 261.52 mmt. EU production went up 0.75 mmt to 137.25 mmt with exported lowered by 2 mmt to 32.5 mmt. Russian production up 0.5 mmt with export +1 mmt to 46 mmt. **At the break, KWU25 was 6 ¼ higher.**

CATTLE: MIXED

While Thursday's cattle futures price action was very poor, it appears to have been just a one-day event. Futures on Friday traded right back into fresh highs in the Aug LC contract, supported by sharply higher cash fed markets. $228-230 appears to have caught most of the cash trade volume in the South, up $4-6 vs the prior week, while the North traded mostly $240, up $8 there. Impressive. So cash markets are UP $4-8 while the choice cutout LOST a net of $11 on the week. It means packer margins, which had a brief moment in the sun, are back under pressure. Just how quickly the cutout markets erode remains a central question over these next few weeks, and obviously key for cash and futures market direction and overall sentiment. Last week's slaughter total of 568K head was a touch smaller than expected, down 6% vs the 605K head this same week last year. Total beef production was down 3.5% y/y. Cumulatively, total beef production is down almost 6% y/y over these past four weeks which is why we've watched the cutout markets spike to their highest levels since covid-times.

Fund Position	Accumulative	Yesterday
Corn	-171,287	-6,000
Soybeans	-6,816	-3,000
Soybean Meal	-123,090	-2,000
Soybean Oil	40,223	2,000
Chicago Wheat	-58,593	-2,000
KC Wheat	-42,463	500

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