CORN: MIXED

Eerily quiet this morning if you are a corn bull as we go into the day session off our overnight lows but confidence on a day 4 of rally seems as steady as a 2-legged chair. The gap in CZ chart at $4.3275 feels so close yet so far away after the amount of energy the market has used to get to our current point. Market feels like it has 3 options, all-out blitz to fill the gap today with cheers “unlikely”, market grinds here at for next 2 days and see if next week’s heat forecast confirms to make another run early next week “best case” or market rolls back over to chase lows and remain on overall trend lower “probable case”. That all being said, plenty of chatter of some CIF corn business being done, which buyers needing upper MS coverage so we saw bigger pop in barge frt than bid structure as harvest in southern delta will start in earnest early next week. New crop selling by the producer remains slow to nothing as I am pegging commercial ownership for new crop only around 5-8%. I expect a mixed to lower day today unless the midday maps ramp up temp forecast for next week.

At the break, CU25 was ¾ lower.

SOYBEANS: MIXED

A big rain ahead of the heat for many parts of the plains/SW growing area overnight and into today. The heat is being debated on models as to actual extremes and length. Some showing a week plus of 100+ degrees in this region. That said others have more moderate temperatures like upper 90s. Basis values are bouncing for processors to keep an inflow of beans to be able to crush until the NC harvest. Crush is still a good net and the oil value is hitting new highs on % for this rally. Just a spitball projection, but oil in the 55-60 cent range and meal in the $250-275 area seems comfortable as long as the mandates and 45Z are all in place moving forward and this crop does attain trendline yield. Export sales a non-event for the complex. Mixed trade today unless the weather models go full blazing heat.

Beans: V-231,949/OI-890,282(+8,888); Meal: V-168,791/OI-679,183(+2,926); Oil: V-122,124/OI-617,386(+1,018)

At the break, SQ25 was ¼ lower.

WHEAT: LOWER

The market continues to slowly grind lower as there remains little to get excited about from a demand standpoint while production remains ample. Values do look as though they are trying to build a base near recent lows, but what will be the spark higher remains unknown. KC calendar spreads continue to firm up on the light farmer selling, but would look for them to walk back out to -25 in the U/Z. Weekly export sales totaled 494k tonnes which landed firmly within estimates ranging 300-700k tonnes. Breakdown by class: 327k HRW with 56k Korea, 53k Mexico, 52k South Africa, 47k Peru and 37k unknown, 101k SRW with 32k Mexico, 31k Venezuela, 30k Ecuador, 56k HRS with 22k to Japan and Panama with 10k unknown, 9.8 SWW with 12k to Indo offset by a cancellation of 16k by Korea, 6.9k durum to Venezuela. Rosario Grain Exchange lowered their estimates for 25/26 wheat production by 0.7 mmt to 20 mmt.

At the break, KWU25 was 3 lower.

CATTLE: STEADY-LOWER

After a few sessions’ worth of pause and consolidation, live cattle futures traded back into new contract highs yesterday along with many of the feeder cattle contracts as well. This again appears to be a case of discounted futures eventually playing catch up to a cash market that just doesn’t want to break lower. That light volume steady-money cash business in the North we’d seen Tuesday was followed up with just a touch of steady-money $230 business in the South yesterday, all light volume, but not lower…. Meanwhile the cutout market does continue to erode, choppy, but eroding nonetheless. Taking away the day-to-day erratics, and the choice cutout at $372.85 is down a material $13.60 vs Wednesday last week. In “normal” years, the cutout might not make lows until around Oct 1, which likely leaves packers as playing the balancing act with operating hours for the foreseeable future.

Fund Position	Accumulative	Yesterday
Corn	-137,287	3,000
Soybeans	2,184	12,000
Soybean Meal	-131,090	0
Soybean Oil	43,223	-2,000
Chicago Wheat	-61,593	1,000
KC Wheat	-42,963	0

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