Morning Commentary
July 2, 2025

CORN: LOWER
After recovering some of the losses into the close yesterday, we're back to trading lower this morning, down 2-3 at the break. Despite the selloff yesterday, fund estimates have them net purchasers on the day, buying an estimated 13k contracts. We'll see what today brings but if we can hold yesterday's lows then maybe we've found a bottom here for now? Headlines remain quiet here to start the day and looking ahead probably will be leaning heavily on weather and forecasts to give direction to the market. It's only July 2nd and there is still plenty of time to make or break the corn crop and when it comes to weather I'll believe it when I see it (cough cough all the dry summer forecasts that we've seen for June…) Now I do think that where we're currently sitting we won't break the crop but if it does dry up we could see some taken off the top.
At the break, CU25 was 2 ¾ lower.

SOYBEANS: HIGHER
It was another record monthly crush from USDA for May, but below the lowest estimate and thus a bit disappointing. That said the crush had not had the EPA mandates on renewables issued so June will more so July will be better tests of the new higher volumes and the affect on the crush. Meal and oil deliveries still looking for a home and meal seems to have new party joiners. Weather is not looking like a major issue until MAYBE mid-July based on current maps. Kind of makes it hard to rally for any reason other than short covering for profits. That should start and maybe even mostly end today as many will be looking at a long 3-4 day and, in some cases, already on the long weekend Holiday or week. Headline news is minimal in affecting the complex today that I have seen. Double crop beans will become an item of debate as a later wheat harvest is currently being expected to lower the acreage. IMO, the longer-term forecast doesn't exactly scream drought, so with good moisture already the beans would get off to a decent start. We will see in 2-3 weeks how it sorts out. Better early and see if any momentum can take values higher, if not a weaker close would not surprise.

Beans: V-284,171/OI-846,144(+15,303); Meal: V-119,406/OI-640,748(+5,844); Oil: V-171,496/OI-602,292(+6,635)
At the break, SQ25 was 9 ¼ higher.

4th of July Trading Schedule:
Thursday, July 3rd: Normal close/no overnight
Friday, July 4th: No day/night session
Sunday, July 6th: Normal PM open

WHEAT: LOWER
The market found support after pushing to move lows on Tuesday, with buying in CME spreads lifting flat price. Overnight trade chopped around unchanged, with support around the opening in Paris wheat but lost support into the final hour before the break. Deliverable stocks rose in KC and Chicago, as winter wheat harvest progresses, with HRW stocks up 9.7 MB and SRW up 5.8 MB. Cash markets have a firmer tone in the interior, as resellers search for available bushels for quick movement and for JAS needs. Farmer sales have been sporadic this week, with some areas busy and others almost nothing. Crude oil remains on a slight uptrend from the lows but not giving support to grains. Look for pressure on KC and Chicago wheat to begin the last half of the holiday week, with harvest progress weighing on prices and Chicago September contract bumping up against the 50-day m/a.
At the break, KWU25 was 2 ¼ lower.

CATTLE: MIXED
News that the USDA is allowing a staged re-open of the Mexican border for feeder cattle imports appears to have been the spark for a sharp sell-off across cattle futures yesterday. Nearby feeders off nearly 500 points and nearby live cattle off 300 points seem to be big moves given what appears to be a relatively small amount of cattle to come. However, there's a market sentiment impact, and I do think we should consider whether the USDA could accelerate the plan if all goes well?? This is probably a good time to remind ourselves of the monster position held by managed money, particularly in feeders. Last Friday's commitment of traders data showed managed money as owning a net long of 36K contracts in feeder cattle, essentially record large. Managed money holds 49.7% of total open interest in the feeder cattle market. In cash fed cattle markets, packer bids of $220 in the South and $223 North have seen very little interest to this point.

Fund Position	Accumulative	Yesterday
Corn	-157,396	13,000
Soybeans	44,396	4,000
Soybean Meal	-113,236	0
Soybean Oil	57,775	6,000
Chicago Wheat	-70,868	3,000
KC Wheat	-47,412	1,000

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