CORN: LOWER

Lower trade to start the week as we saw beneficial rains over the weekend and favorable forecasts for the week. In addition, the trade is expecting to see the USDA put out steady to better crop ratings this afternoon. Friday, CZ tested the 30-day moving average but was unable to close above it, this morning we're trading back down closer to the 20-day Moving average. We'll see how the rest of the day plays out but would expect to see the steady/weaker trade continue into the day session but would like to see a close above that 20-day moving average if the bulls want any hope going into this week. Friday's CFTC report showed funds a big short coverers, with a little bit of adding to their longs as well, all in all reducing their net short position by 29.1k contracts (174.7k contracts net short) as of last Tuesday. Taking the remainder of last week into consideration, our estimates have that net short position closer to 145k contracts at the end of trading on Friday.

At the break, CU25 was 2 ½ lower.

SOYBEANS: LOWER

The weekend weather was good for many areas with moisture, and the current models are not hotter and drier, if anything is a bit cooler and still wet. Most areas are going to finally be more summer like and even a bit above normal but not scorching hot like one model last week. Still there will be some areas that will see degradation in crop conditions. The gist is that this crop is still on track for a trendline yield for now. The usage is still on track and so is the legislation to keep it so. Exports will be the main issue moving forward is no agreement is reached with China. NC sales are not good, and we need to get some on the books looking at the long tail of SA's crop and their projections for the coming year. If the neutral ENSO holds into the end of the year, as some project, then derailing another record SA crop will be difficult and getting to the USDA export numbers will be tough. Lower to start the week.

Beans: V-290,460/OI-889,474(+1,214); Meal: V-123,589/OI-674,040(-582); Oil: V-171,747/OI-624,978(-1,048)

At the break, SQ25 was 7 ¾ lower.

WHEAT: HIGHER

KC and Chicago wheat carried gains through the weekend, fighting through pressure at the open but finding support from gains in Paris wheat. Black Sea and EU offers rose to close the week and yield reports from Ukraine and Russia remain below expectations, which support Paris wheat into the weekend. U.S. Wheat Associates and Bangladesh Food Ministry signed an agreement over the weekend to import 700k MT of U.S. wheat each of the next five years, which looks like a play to fend off U.S. tariffs on imports of garments. CFTC showed funds added 3k-4k shorts to Chicago and KC net short positions, also extending the short in Paris wheat. Look for support for wheat to continue into the new week, with recent buying and fund short covering related to stronger global cash markets, with traders needing to find levels that shake bushels loose from producers.

At the break, KWU25 was 3 higher.

CATTLE: MIXED

As packer margins again contract, their response has been to slow the kill. Last week's 563K head total was down from 568K the prior week and will be expected to be slightly smaller-yet this week. However, it wasn't enough to stem pressures from either the cash cattle markets which traded steady to $1 higher last week, nor in the choice cutout which lost a net of $5.09 Friday-to-Friday. While the cutout has eroded post-Fourth as is normal, some of these most recent retail stats remain incredibly robust. June retail sales, from Circana, showed beef sales in dollar terms up 10% and pounds up 4% y/y, respectively. This week we'll have the USDA's normal monthly COF data which will be out on Friday where early ideas have July 1 on feed count down 1% y/y, June placements down 2-3%, and June marketings down 4% vs last year. We'll also get their semi-annual Cattle inventory report at that same time.

Fund Position	Accumulative	Yesterday
Corn	-145,044	14,000
Soybeans	3,808	5,000
Soybean Meal	-119,436	3,000
Soybean Oil	38,621	-8,000
Chicago Wheat	-60,034	4,000
KC Wheat	-46,635	1,500

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