

CORN: LOWER

Well, the party seems to be over for bulls at the moment, with corn gapping lower to start the week and down 12.5 cents into the break this morning erasing a lot of the gains made at the end of last week. The selloff seems to be coming from good rains over the weekend with anticipation of another good week for crop conditions. In addition, corn is feeling pressure from an overnight selloff throughout the rest of the Ag sector. Corn harvest in Brazil and Argentina continue to progress nicely, with Brazil around 23.3% complete and Argentina at 61.7% complete. We did see some flash sales of corn this morning headed to Mexico with a total of 135k metric tons, 29k for this year and 106k for new crop delivery. Other than that, I don't see much hope for bulls today. Technically speaking, I would look for a range between 4.20-4.50 going ahead for the foreseeable future.

At the break, CU25 was 12 ¼ lower.

SOYBEANS: LOWER

Thoughts and prayers to all affected by the disastrous floods in Texas. Elsewhere, over the weekend rains are responsible for the drop in crop prices today. Forecasts are not conducive to a threat until late July by current models. Even then, it doesn't appear much of one. Demand and USDA thoughts on yield will be on full display Friday when the July issue of stats is exposed. Interesting aspect that we may need to get used to is how much OI is still in the July contract for meal. With just under half of it being delivered the OI in meal exceeds the OI in beans as of the close on Thursday. Deliveries exceed OI in bean oil. The crop conditions report should show steady if not improvement from last week, UNLESS Illinois is the drag on the overall crop. They just seem to miss all the good rains so far, but the current forecast looks better for them. Look for a lower trade today as we await a bullish news item.

Beans: V-271,678/OI-843,653(-4,429); Meal: V-166,491/OI-641,728(-3,918); Oil: V-130,064/OI-607,258(+285)

At the break, SQ25 was 18 ¾ lower.

WHEAT: LOWER

The market closed the short week lower, after attempting to extend the gains on Thursday morning but falling by midday. Losses continued overnight, as traders showed disappointment in the lack of trade announcements from Trump during his trip to Iowa last week, and reports came out saying Russia will remove export tariffs on July 9. Rains moved across E. CO and W. KS over the past 72 hours but harvest progress should have continued ahead of the system and in areas that received lesser amounts. Cash markets were softer going into the weekend, as we saw a mix of July applications and optimism that more wheat will hit the market soon. CFTC reports were delayed until this afternoon, but will be nearly one week old once they are released. Traders will be looking for fundamental data from export inspections this morning and conditions reports this afternoon. Look for selling pressure to start the week, but little fresh news is in the market and that seems to be negative prices.

At the break, KWU25 was 11 ½ lower.

CATTLE: STEADY-LOWER

Last week's cash cattle trade looks to have wound up very near unchanged with the prior week at \$224-225 in the South and \$230-232 in the North, which did support discounted futures into triple-digit rally on Thursday before the holiday. Weekly slaughter estimates will be out today, but look like they'll be near 480K head last week, a 10+ year low for this holiday week, but should rebound back to near 580K this week and the upper end of its recent range. Packer margins of course have seen a dramatic improvement over the past several weeks and they'll be tempted to run harder. Beef buyers will welcome the increased production and just how quickly the cutout markets come back down is probably the key determinant for cash cattle and futures action over these next several weeks. A \$5 per day loss like we'd seen Thursday will change the improved packer margin / speedier kill rate dynamic fairly quickly.

Fund Position	Accumulative	Yesterday
Corn	-135,396	-3,000
Soybeans	51,396	-2,000
Soybean Meal	-114,236	-1,000
Soybean Oil	59,775	-2,000
Chicago Wheat	-65,868	-2,000
KC Wheat	-46,412	-1,000



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