

CORN: LOWER

New crop corn put in fresh contract lows during the overnight session, with CZ25 trading down to 4.00. This doesn't come at much of a surprise after USDA posted better than expected crop conditions, raising it a point from last week to 74% G/E nationwide. Export inspections were strong yesterday, bouncing from last week and continuing to trend well above average for this time of year with 58.7m bu shipped this past week. Mexico, Japan and South Korea were the top three destinations this week, will be interesting to watch what plays out given that President Trump just imposed a 25% tariff on Japan and South Korea starting Aug. 1st... We did see a flash sale of 112,776 metric tons of corn to Mexico for new crop sales this morning. However, I doubt that is enough to spark any kind of life back into this market as forecasts remain favorable.

At the break, CU25 was 2 ½ lower.

SOYBEANS: LOWER

A long drop yesterday is not as of yet creating the dead cat bounce nor turnaround Tuesday effects we often expect. Crop conditions were as expected, stable with variances in where gains and losses in those conditions were achieved. Illinois continues to be my bellwether for a bin buster as without at least a good crop there we fall back to a USDA like scenario or more likely even a bit less. Weather forecast for the next 7 looks pretty ideal for reversing course for Illinois and maybe Ohio. CFTC delayed report revealed the predictable as the whole complex sold off from previous numbers. Deliveries still high in meal with some beans still looking for a taker. Spreads should see some weakening in NC if the rains continue through the week and no forecasts change to much hotter and drier in the near future and extending into Aug. Options traders betting more on downside than upside yesterday. Futures volumes mediocre yesterday. Expect the same today. Lower with a chance to trade higher, but will need a good reason to finish higher today as in a news item for the bulls.

Beans: V-296,140/OI-848,564(+4,268); Meal: V-155,680/OI-647,639(+5,912); Oil: V-156,373/OI-607,301(+3,329)

At the break, SQ25 was 6 ½ lower.

WHEAT: LOWER

Wheat started the week lower, following pressure on corn and soybean contracts spurring from lack of trade deals and favorable weather. Overnight trade continued lower but found support from Paris wheat before selling into the break. Export inspections showed HRW and SRW to Mexico, HRW to S. Africa and Brazil, and HRS and WW to the Philippines. CFTC reports showed modest buying in Chicago and KC, but selling took MGX to a small net short. KC spot rail bids perked up yesterday, as buyers chased some 12.5 pro that hit the market, as movement remains generally slow. Spring wheat conditions declined by 3% to 50% g/e, with ND -1%, SD -4%, MN -7%, and WA -11% last week. Winter wheat harvest progressed to 53% complete, with KS 82%, OK 83%, TX 83%, CO 25%, and NE 22%. Look for KC wheat to approach contract lows, with harvest continuing in the Plains and bringing some farmer selling on concerns of prices going lower.

At the break, KWU25 was 5 ½ lower.

CATTLE: STEADY-HIGHER

After trading just mixed through the first 30 minutes of the session, cattle futures spent the rest of the session powering into fresh highs. Fresh two-week highs for the nearby Aug LC contract; fresh contract highs in the case of feeders. A firm cutout remains at the top of the conversation, and its downstream effects on packer margins, kill rates, cash markets, and ultimately futures which continue to trade at record wide discounts. We did get some month of May beef import/export stats released, and as expected it's a continued trend toward huge imports. Monthly imports of 550 mil lbs on a carcass weight equivalent was our second largest month ever, only behind this past January's 608 mil lb mark, and up a sharp 60% vs this same month last year. Brazil shipments totaled 175 mil lbs, up 5x(!) from last year, Australia 103 mil lbs, up 45% there. Cumulative YTD imports are now up 34% vs last year's pace. Monthly exports of 229 mil lbs were down 12% vs this month last year. China volumes were particularly poor as we'd expect given the lacking plant registrations and trade tensions to boot.

Fund Position	Accumulative	Yesterday
Corn	-177,540	-10,000
Soybeans	10,901	-10,000
Soybean Meal	-130,872	-4,000
Soybean Oil	36,126	-5,000
Chicago Wheat	-64,414	-6,000
KC Wheat	-43,527	-3,000



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