

CORN: LOWER

The corn market saw another tight range overnight with values sitting lower ahead of the day session open. No word from the meetings between US and Chinese officials in Washington regarding a trade deal has led to little for US markets to remain hopeful for. Market activity looks to remain slow this week ahead of the Labor Day holiday next Monday. New crop values should continue to drift lower as harvest begins to work its way north from the Delta. December corn has seen a nice recovery from the August Wasde lows, but the rejection of some key moving averages two days ago signals that any rally will be difficult to sustain. CZ24 values made new contract lows this week last year and worked their way higher than the balance of the year. It feels like we have not quite made our harvest lows this year, so we would look for more weaknesses in the near term and then a similar recovery to that seen last year. See where CU25 goes off the board. Brazilian export agency Anec reported corn exports for August at 7.8 mmt, down from the 8.05 mmt last week.

At the break, CU25 was 1 ¾ lower.

SOYBEANS: STEADY- LOWER

Bean futures again held the SX \$10.45 level in what now becomes a waiting game for market direction. Bullish on the themes we know about but can the board rally further without bio fuel details or a Chinese deal. Also have to put in the unknown bucket is a smaller bean acreage number if that trend continued. So the bull case from current levels is tied to the prior 3 points but time works against all of this. More time, lessor upside given the narrow window for US exports to 'make back better". Traders don't expect much on the Chinese visit to D.C. but an X post can change things. Spike highs on news ought to be sold whether in flat price or spreads. Strength in meal continues to come via plant period shutdowns and the unclear path for crush to oil, not crush for meal. Bunge booking another cargo of meal from Argentina to China is a tell on just how China feels about US supplies. Oil was lower on a US exemption to Indo palm oil as part of a tariffs deal but no timeline given. Bean shipments came in at 383 tmt (14.1 mil/bu) vs 420 tmt last year. Currently the run rate should be enough to meet current USDA targets. Long futures need to be rolled out by Friday. US Gulf off 1 to +50c; Decatur IL -5c to option for Nov through 8/31 then +5c.

At the break, SX25 was ¾ lower.

Labor Day Trading Schedule:

Sunday, Aug 31st: No overnight

Monday, Sept 1st: No day or overnight session

Tuesday, Sept 2nd: 8:30am CST open

WHEAT: LOWER

KC wheat remains unable to find footing, posting new contract lows yesterday morning, and unable to follow Chicago wheat higher. Overnight trade saw KC post another contract low, lacking buyers, as Chicago wheat pulled back from gains early this week. One area of pressure for KC wheat is declining global values, with Russian 12.5 pro offers at \$235-237/MT vs \$240-242/MT about 10 days ago. Analyst estimates for the Australia crop are 32-35 MMT, above previously at 30.6 MMT and near last year, and ABARES will give the next official estimate Sep. 2. Ukraine's farmer union reduced its wheat production estimate by 0.9 MMT, but raised corn production by 1 MMT. KC U/Z spread ran to a new low overnight near -26, showing lack of demand nearby and giving the market nice carry for stocks. Look for weakness midweek, with KC continuing the lower trend and pulling Chicago lower, as Paris wheat remains soft on cheaper global offers.

At the break, KWU25 was 6 ½ lower.

CATTLE: MIXED

Last week's uptick in cattle slaughter to 551K head and beef production of 473 mil lbs have so far not put a pause in the boxed beef markets. While those production numbers were slightly larger than we'd experienced the prior few weeks, they are by no means "large". For some context, that total beef production number was down almost 9% from this same week last year. Cumulative production over these past four weeks is down 8% vs LY; cumulative production since May 1 is down 6%... big reductions that the marketplace must now allocate accordingly. The spot choice cutout at \$413.17 was up \$4.68 yesterday afternoon, new highs, and this recent strength is broad, but particularly acute in the rib primal, chuck, and round. The latter two could be attributed to grinding meats, but the rib has some feel of holiday demand to it. The rib primal is already approaching last fall's highs and its only August, not November.... Cattle futures yesterday caught another gear higher after the morning boxed beef print was released and cash cattle expectations will go with it.

Fund Position	Accumulative	Yesterday
Corn	-113,637	-5,000
Soybeans	-10,753	-8,000
Soybean Meal	-101,093	4,000
Soybean Oil	42,877	-9,000
Chicago Wheat	-90,666	1,500
KC Wheat	-41,365	-500



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