

CORN: LOWER

Corn continues to fade lower this morning following a quiet but lower trading session to end the week. More of the same as far as the pressure goes, continued beneficial forecasts in the extended forecast with chances of rain and cooler temperatures. Last week funds added to both their longs and shorts, but we saw an overall increase to their net short, adding 2,610 contracts last week, bringing their net short to 177k. Looking at headlines ahead this week, should be a fairly normal week for corn directly, but on a more macro level we do have a fed meeting followed with an announcement on rates. Then Friday is President Trump's trade negotiation deadline so expect some headlines on that this week. Brazilian harvest continues to progress picking up pace, up to 67% complete as of Friday.

At the break, CU25 was 2 ¼ lower.

SOYBEANS: LOWER

Tough to rally a market when the weather is cooperating so spectacularly. Another deal on trade this time with the EU, but will it mean much to the complex? Export sales of meal would be beneficial as would beans. We need to see more details to be excited though and then the actual adherence to the deal. China appears next in line and more trade negotiations are planned. Probably means an extension coming as long as progress is made. Crop conditions will be out this pm and I don't expect them to be better or worse by much. Conditions are too good to see significant increases. That said, some areas of need did get rain and others were maintained by this active pattern. Looking at OI options really got hit hard on Friday and beans and meal took hits to futures OI as well from that. Lower for the day seems to be the smart money play.

Beans: V-239,192/OI-883,076(-2,908); Meal: V-132,463/OI-681,984(-6,991); Oil: V-172,345/OI-640,009(+1,275)

At the break, SQ25 was 6 lower.

WHEAT: LOWER

The market closed lower on Friday but found buying late to recover from lows set midday, as pressure came from Paris wheat defying strong cash markets due to favorable weather in France, Germany, Poland, and the Baltics. Funds liquidated shorts in Chicago and KC through 7/22, but added 10k shorts to MGE wheat net short position. The KC spot rail market softened into the weekend, with buyers finding limited homes to push bushels toward. Argentina's President announced reductions to export taxes over the weekend, making a temporary wheat tax reduction to 9.5% permanent, so we will see how that effects trade flows. Overnight trade continued the lower trend off last week's high on limited fresh news, but Paris wheat is higher to start the week. Look for a weaker start for KC and Chicago wheat, as buying connected to Paris strength was sold off ahead of the morning break.

At the break, KWU25 was 2 ¾ lower.

CATTLE: HIGHER

The headliner in Friday afternoon's USDA data dump was a much smaller than expected June placement total of 92.1%, roughly 6% (~90K head) smaller than expected. That's a sizable miss for a report which has been fairly tame the last few months and resulted in a July 1 on feed count at 98.4%, also below the low end of the estimate range. TX placements continue to be the laggard much thanks to a closed Mexican border, down 18% vs last year and generated an on feed count there now at 92%. KS, NE, and IA, however, all have on feed counts UP vs last year. Quarterly steers on feed were up 1% y/y and heifers down 5%. Heifers now account for 38% of the on feed supply, off its highs, but still not what I'd call serious evidence of heifers staying on the ranch. Same for the semi-annual Cattle inventory report. Overall the marketplace will read the placement total as bullish, and it did result in some firmer-yet cash trade late Friday afternoon. Weekly slaughter of 549K head was down from 563K the prior week and as expected.

Fund Position	Accumulative	Yesterday
Corn	-139,763	3,000
Soybeans	-2,891	0
Soybean Meal	-131,621	0
Soybean Oil	55,184	-3,000
Chicago Wheat	-55,989	-2,000
KC Wheat	-43,811	-1,000

