

**CORN: MIXED**

Corn futures closed out the weekend on a weaker note, closing 6-8 cents lower as there was a mixture of a risk off feeling in the market as South American forecasts showed a bit wetter, as well as a little bit of fund profit taking to close out the week. CFTC data on Friday showed what we were expecting, but not quite to the extent we had thought. Funds only added 13.4k contracts to their net long position, but mainly coming from short liquidation, bringing it to 364,217 net long. This morning corn sits unchanged/ within a half cent of unchanged at the break. This comes after mixed action over night, trading a decent range of about 6-7 cents. Tomorrow, we'll get USDA's update to Supply and Demand for the month with traders estimating minor changes for U.S. numbers and more of a focus on South America. Did see a flash sale of 365k metric tons of corn headed to Mexico.

**At the break, CH25 was unchanged.**

**SOYBEANS: LOWER**

Beans finding heavy resistance at the 200-day we have been monitoring as the rains across driest areas of S. America offer little forward risk to yields and mostly tied to damage done surprises but spec funds are not interested. More interesting is the storyline with Trump and China and how does the ag trade develop as to deficit offset business. Some are guessing we go back to Trump 1.0 trade deal where China would have bought 3mmt of US beans, 2mmt of corn and just how much would China be willing to buy regardless of need nor pricing vs domestic. Quick look at China balance sheets and domestic prices we already know the CCP buyer will roll their eyes if a deal forces them to buy US over Brazil. Wonder how the Brazilian exporter views this? In view of the big moves in spec fund ownership, the trade will more likely take the short end of beans/meal trade for the nearby horizon even though we know China may buy some boats. Once the goodwill deal is traded, why be the net long owner ought to be the question. Said another way, if China does come in to buy a few boats, the spike in prices will be good for sell side traders, in my opinion of course. Today, a political theatre is the largest bull/bear market input where Xi's direction is largely unknown while we know certain the Trump wants a better deal. Spreads and cash market are weak with spreads indicative of larger supplies available. H/K and K/N at the weakest level in a year but could go wider. 16 ½ / 15 ½

**At the break, SH25 was 2 ½ lower.**

**WHEAT: MIXED**

The market closed the week on a softer note, as buying slowed after the move last week. Overnight trade opened lower, continuing pressure from Friday, but Paris wheat supported the market on smaller Russian estimates. CFTC reports showed funds reduced the net short in Chicago by 20k contracts and KC by 6k, with total positions also declining. Producer/Merchant shorts grew on a mix of farmer pricing on the rally and commercial trader activity. Russia's IKAR reduced its exports estimate by 0.5 MMT to 43.0 MMT for 2025, also lowering production from 84 MMT to 82 MMT on dry conditions. February USDA reports will be released Tuesday morning, with minor changes to carryout, but traders will be watching changes in demand by class and Russian production. Look for a firmer start for the wheat market, finding support from declining Russian production and exports, which lifted Paris wheat this morning.

**At the break, KWH25 was ¼ lower.**

**CATTLE: MIXED**

Weekly cattle slaughter totaled 584K head, even a touch smaller than expected, down from 600K the prior week, and our smallest non-holiday week in almost a year. This week's total is expected to be smaller yet, 580K perhaps, with packers making a concerted effort now to steady margins. The spooky part for cattle futures has been the weakness in the spot cutout despite the slowed kills, where the choice index at \$321.87 was down ~\$6 on the week and now ~\$12 off its highs of three weeks ago. Long liquidation remains a theme across cattle futures as well, whether it's related to those soft spot fundamentals or technicals or likely both. Friday's commitment of traders data had Managed Money as net sellers of 7K contracts of live cattle in the week ending Tuesday, Feb 4th. That's sizable, but maybe not as much as we'd have expected given a monster \$9 break in futures during that reporting week?? In feeders, they were net sellers of just 700 contracts on the week. The Producer category of that same report continues to show producers as heavy net short in fats and feeders both, their largest short position in roughly five years.

Fund Position	Accumulative	Yesterday
Corn	334,531	-21,000
Soybeans	62,756	-8,000
Soybean Meal	-43,481	-6,000
Soybean Oil	46,409	4,000
Chicago Wheat	-79,030	-3,000
KC Wheat	-32,250	-1,000



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