

CORN: MIXED

Market lost some of its luster yesterday, giving back the gains seen on Tuesday as funds paused on the buying allowing for a selloff of an estimated 18k contracts. As the hope brought to the market by a lack of tariffs on day one, was weaned by President Trump restating to media that Feb 1 is his target deadline for tariffs to be put in place if not sooner. Overnight the market has traded mostly lower but pulled back closer to unchanged at the break, ending the night session within a half cent of unchanged either way. With the holiday to start the week, USDA reports will be delayed with Ethanol data released later this morning and then export sales released tomorrow.

At the break, CH25 was ½ higher.

SOYBEANS: HIGHER

Bean price action now looking for the next input as slow stochastics and our DDM machine index holds sell signal status for nearby and new crop producer selling. Brazil weather has support for holding the 170mmt estimates while Argentina at 52mmt seems high. Models for Argentina weather hold a dry bias there coupled to the S. Brazil issues perhaps we have traded the largest estimates in total as we could argue USDA and Arg gov't agencies could reduce by 2-4mmt. Bean meal trading within \$3/ton of recent highs but comes up against a larger technical challenge at the 200-day moving average or approx., another \$8/ton higher. Meal spreads trading bearish values for this kind of year where La Nina fuels Argentine cutbacks in meal output, also telling us supplies should be adequate. Meal spec funds, in my opinion, will be challenged on the risk reward to run things much higher in terms of net length now called net short -44,000 contracts. Four weeks ago, meal funds were net short -90,000 contracts so they have driven values higher in a net buy of ~40,000 contracts. Bean oil took it on the chin yesterday as Trump freeze on spending for 90 days has the Senators in ag states reeling for a voter win not in the cards. If politicians are coming up with new policy like Farm to Fly it tells me the 45Z is a long way down the road if not dead for clarifying any kind of tax credits flowing back to the farm. No update on the Brazil soybean export halt per China leaving weekly exports and daily flash sales something to follow. Are the Chinese floating this phytosanitary related suspension of Brazil sourced beans a way for them to book more US beans to appease trade relations? It is early days for the Trump 2.0 leadership, but we know the discussion of tariffs will come down to how Trump reads the trend in trade imbalance and just how interested in negotiations they appear.

At the break, SH25 was 2 ¼ higher.

WHEAT: LOWER

Buying ran out of steam on Wednesday, after some follow through support to start the day, with losses led by Chicago and Paris wheat contracts. Overnight trade moved quietly sideways for KC and Chicago wheat, while Paris wheat gapped lower but stayed within Tuesday's trading range from its rally. Russian fob offers have been a weight on Paris wheat prices, with 12.5 pro moving down to \$234/MT, and have left U.S. export offers out of reach of global demand. Domestic cash markets remain flat, with few nearby needs and buyers downplaying expectations of forward needs through March. The KC/corn spread attracted liquidation of positions the last two sessions, lifting the spread by 25 cents this week. Look for a quiet, sideways start to the day, as support has cooled, with fund liquidation the driver, and short covering may have played the course on this move.

At the break, KWH25 was 2 ½ lower.

CATTLE: STEADY-HIGHER

Nearby live cattle futures have eclipsed the \$200-mark for the first time ever, a LONG WAY from the \$80 levels of post-covid.... Cash markets have come a long way too, from the "charity" packer bids to now industry fears that cattle supplies may get so tight as to force a packing plant to shutter. Cash markets did trade some \$202 in the South yesterday, though most of this week's biz was already complete at \$201. The North has yet to trade much, with asking prices no doubt being ratcheted higher after yesterday's futures explosion. Big daily trade volume and growing open interest will be mostly attributed to another round of fund buying yesterday, and perhaps rightfully so, but the underlying fundamental catalyst might just be the wholesale beef markets. The choice cutout at \$332 is essentially unchanged over the past two weeks, not lower as many have anticipated, and the select cutout is actually higher. The choice-select spread is seasonally contracting, but it's entirely due to higher selects. Both indexes are up 11% vs this same date last year.

Fund Position	Accumulative	Yesterday
Corn	316,163	-18,000
Soybeans	76,327	-7,000
Soybean Meal	-44,154	7,000
Soybean Oil	-10,809	-10,000
Chicago Wheat	-86,469	-4,000
KC Wheat	-32,995	0



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