

CORN: MIXED

Keep your head on a swivel and be ready for anything. Yesterday we saw the market trade lower to start the day/ week / month in reaction to tariffs that were put in place on our neighboring countries, and China, that the market knew were coming for how many months prior. Only to end the day higher, back around Friday's highs, as the tariffs were postponed for a month due to cooperation from our neighboring countries. From what I've seen, there hasn't been a reaction from China yet and the additional 10% tariffs stands but given that we've seen practically no corn purchased by China, doesn't have as strong a pull on the corn market. Another strong week for shipments with export inspections about steady from the week prior with 49.3 Mil Bu shipped this past week. Mexico was back to No. 1 this week, followed by South Korea, and Japan both taking just over 8 Mil Bu each. Overnight, we've seen mixed trading take place as the market tries to gain some footing here and awaits the next headline.

At the break, CH25 was 1 ¼ higher.

SOYBEANS: LOWER

It appears Trump has taken Teddy Roosevelt's advice and advanced it to "Speak boisterously and carry a big stick." Using tariffs as the stick and getting people to the table to negotiate, but fully willing to use that stick if they refuse. So the yo-yo that has been this market on each new day seems to be performing the trick of "Walking the dog" today. We are taking a break from the up and down briefly. Assessing how the Chinese reaction will affect exports of beans is the next thing to deal with and watching a drying pattern forming in Brazil's north will bring that into more focus. Will they and can they move exports to Brazil? Do they need to wait on Argy so they can put the bean into govt. reserve? Will Argy beans be cheap enough and plentiful enough to make it happen? By month's end we should have more answers so until then we vacillate. Argy, Uruguay and Paraguay are all a half empty, half full scenario. Some areas will continue to deteriorate, while others will see welcome rain relief. Spreads are a touch stronger again today as we are in the mid- to upper 13s after being at or close to 15 ending last week on the front two spreads, H/K and K/N. Basis values still indicate plenty of beans into processors and the exporters. The pipeline is so full that several processors are shutting down unloading on various days due to being full. High volume in beans and oil yesterday and a 10K+ jump for both in OI. Meal is a slacker right now. Avian flu hitting large flocks not helping support demand for meal either. Lower to open with a good shot to not just trade higher but maybe even close there.

Beans: V-334,153/OI-883,605(+10,496); Meal: V-177,024/OI-588,563(+1,273); Oil: V-259,444/OI-570,362(+10,290)

At the break, SH25 was 3 lower.

WHEAT: LOWER

Volatile start to the week, with tariffs in place on goods from Canada, Mexico, and China as of Feb. 1, and Canada placing retaliatory tariffs on the U.S. Mexico delayed a decision on levies by a month, which sent futures higher into the close. As was to be expected, by mid-afternoon, Trump agreed to postpone tariffs on Canada for 30 days, with Canada agreeing to create a position to combat the smuggling of fentanyl and ensure permanent monitoring of the border. States updated conditions yesterday afternoon, with CO 57% g/e (-13% vs. 1/6), NE 25% (-2%), OK 40% (-5%), KS 50% (+3%), and MT 71% (+29%). Russian fob offers rose to \$239/MT to begin the week, up \$2/MT, and supported Paris wheat on Monday. Overnight trade gapped lower on the open in KC and MGEX, unwinding some of the gains from headline trading of the tariff situation, and grains face pressure from Chinese retaliatory tariffs on a list of items this morning.

At the break, KWH25 was 8 ¼ lower.

CATTLE: MIXED

Cattle futures managed to briefly trade green early in the session yesterday before spending most of the session in the red, and sharply red by day's end. Feeder cattle futures were the big losers - a triple-whammy of a re-opened Mexico border, a larger than expected calf crop in Friday's inventory count, and a higher corn market. Open interest stats this morning do show a serious 5K contracts of liquidation in live cattle yesterday but virtually none in feeders. So was yesterday the just start of some fund long liquidation, or chalk it up to a one-day headline-driven exception?? Friday's commitment of traders data did show managed money as now holding record large net long of 157K contracts in live cattle, and still near record in feeders. Cutout markets were firmer yesterday, choice up \$4+. Last week's 600K head slaughter total was essentially unchanged vs the prior week with this week's total expected to be slightly less, 590K(?), as packers pump the brakes.

Fund Position	Accumulative	Yesterday
Corn	380,789	26,000
Soybeans	85,035	13,000
Soybean Meal	-47,093	6,000
Soybean Oil	57,511	3,000
Chicago Wheat	-93,391	5,000
KC Wheat	-35,907	2,000



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