

CORN: LOWER

In true February WASDE fashion, it was a quiet report with no updates to the U.S. Balance sheet this month. There were minimal updates to the world balance sheet with small reductions to both production and feed demand, lowering world carryout by 3.02mmt. As for our neighbors / competitors to the south, USDA reduced production for both Argentina and Brazil by 1mmt each, bringing production to 50mmt and 126mmt respectively. Price action brought a 6-8 cent lower close for the old crop contracts while only a 1-2 cent lower close for new crop contracts as it seems buy the rumor sell the fact came into play with the funds selling an estimated 9k contracts. In the overnight we've seen more mixed trading, but the lower sentiment seems to be sticking as corn is 1-2 cents lower going into the break. While I would imagine the lower tone sticks around today given where the rest of the ag markets are at, we did see a flash sale of 130k metric tons of corn to unknown. **At the break, CH25 was 1 ½ lower.**

SOYBEANS: LOWER

Yesterday's USDA report out of the way gave bullish traders little to apply capital to remaining net long. The report does a couple things for the money flow crowd confirming world beans are in surplus supply 124.34 mmt ending stocks, up from 11.80 mmt from last year. From the Jan report world stocks are 4mmt tighter but the forward look including an average US crop, would leave world exporters flush to cover stable demand. Daily charts all rejected key moving averages with meal down below the 20-day as Arg crush was record large for them last year and guidance per USDA includes no slowdown in Arg crush tied to the smaller bean crop there. Same for bean oil production from Arg which will soon compete with US bean oil exports. India's palm oil imports fell to their lowest levels in 14 years as refiners there turned to cheaper alternatives driven by negative refiner margins for palm. Palm oil futures have been running higher YTD. JFM peak seasonal is in play, trade accordingly. Historical price moves suggest a harvest pressure cycle down on the heels of the S. American crop harvest before resetting market prices on US planting intentions, new crop balance sheet build outs and demand forecast. Brail export basis remains weaker which should continue to show up in US weekly export sales.

At the break, SH25 was 8 ¾ lower.

President's Day Schedule:

Sunday, Feb 16th, No overnight session

Monday, Feb 17th, No day session. Regular PM open

Tuesday, Feb 18th, Regular market hours

WHEAT: LOWER

The market started trimming overnight gains at the 8:30am open yesterday, and selling continued most of the rest of the session after USDA numbers lacked supportive changes. USDA S&D reports had very little for traders to chew on with U.S. carryout down 4 MB to 794 MB, with food use up slightly for HRW and Durum, while HRS food use was cut by 1 MB. World ending stocks fell by 1.2 MMT, with exports cut by 0.5 MMT each for Russia and Ukraine, but Chinese imports were cut by 2.5 MMT. Overnight trade started lower but found support in the early morning hours, running KWH near \$6.00, but weakness in Paris wheat turned KC and Chicago lower. Cash markets are flat, allowing spreads to weaken modestly this week on limited optimism of nearby support. Look for traders to continue to digest global numbers, as prices continue the lower trend from highs. **At the break, KWH25 was 2 ½ lower.**

CATTLE: STEADY-HIGHER

This week's slaughter estimate continues to get revised downward, now in the 570-580K(?) range and with some winter weather here today to perhaps further disrupt things. Futures have not appreciated the news, nor the ongoing long liquidation which may be related to the softer fundamentals or just the deterioration in the chart picture. Futures posted \$2.00+ losses in the most-active April LC contract yesterday, and again came on a sizable 5K contracts of drain in open interest, which makes 14K contracts in just the last four days. Getting out. Lower futures did draw out some cash cattle trade at \$203 in both KS and TX, down \$3 from the \$206 trade there last week, with no significant trade yet in the North. USDA monthly supply/demand tables did incorporate news of the Mexican border re-opening for feeder cattle imports as well as that larger than expected 2024 calf crop shown in their Jan 31 Cattle report. 2025 beef production is now forecast to be down just 1.6% vs last year. 2025 domestic availability (net of foreign trade) is now forecast to be down just 0.3% vs last year, virtually unchanged from last year's record large total.

Fund Position	Accumulative	Yesterday
Corn	328,531	-9,000
Soybeans	56,756	-4,000
Soybean Meal	-47,481	-4,000
Soybean Oil	49,409	5,000
Chicago Wheat	-86,030	-2,000
KC Wheat	-35,250	-1,000



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