

CORN: MIXED

Even with Tuesday's wash to \$3.71, March corn managed to close 3 ½ higher on the week as positive rumors out of China emerged once again. Futures backing off this morning as the rumors were discredited over the weekend. Funds were estimated buyers of 10k Friday leaving them at ~137k net long. The estimates are almost a grey gosling at this point considering the margin of error, but the estimated length is bearish if true. Brazil looks to remain dry through the week adding to stress in the north but helping alleviate wetness concerns and 1st crop corn harvest in the south. Argentina welcomed the dryness over the weekend, but forecasts are trending wetter yet again. The technical picture suggests a range between \$3.83 and \$3.78 ½ short-term, but the everchanging Chinese rhetoric will be a driving factor. Expect mixed trade today as trade fades the rumors from last week and digests the new rumors emerging this morning.

As of the break, CH19 was ¼ lower.

SOYBEANS: MIXED

Quiet overnight as we are unchanged. Little or no progress to speak of as we head toward a full month of shutdown. China dealings in the same boat, a few comments, tweets and other snippets, but nothing of substance to encourage hopes of a settlement soon. For that matter, any progress really being made. The weather in SA continues to be the same, some issues but nothing of catastrophic proportions. Harvest progress continues ahead of schedule across the country. Estimates are still in the 115-118 range with most between 116-117 MMT. As we rapidly approach the Feb. insurance pricing, the corn to bean ratio still sits at 2.37, not a number to encourage much movement in acreage higher nor lower. The US\$ has again climbed above 96 on the index. Crude and stocks are lower or expected to be so according to futures trading right now. Options made a big jump in OI, climbing 24K+ Friday. Interesting to see that puts out gained calls on the day. The whole complex gained OI on the day. Look for a mixed open and a two-sided trade after the 3 day holiday.

Beans: V-176,854/OI-690,111(+2,870) Meal: V-92,518/OI-453,362(+1,289) Oil: V-90,199/OI-503,929(+2,756)

As of the break, SH19 was ¼ higher.

WHEAT: HIGHER

The long weekend was pretty active for the global wheat market, with talks of Chinese imports and tougher Russian export controls. The KC March contract managed a 2-cent gain on Friday, losing momentum midday and later climbing back to unchanged to slightly better. Spreads are showing that business must be getting done, as the KC H/K strengthened 2 cents into -9 ¼ and the MGEX H/K traded into -4 ¾ to close the week. Russia could begin to issue export licenses for some markets, which could favor state-owned entities, to limit exports. There are reports this morning that China is considering buying up to 7 MMT of U.S. wheat, with small amounts initially and scaling up if trade talks go well. The final report from the weekend showed that Egypt is expected to buy 1.5-1.7 MMT of U.S. wheat through private and public tenders, due to Russian wheat becoming scarce. With all this supportive news, wheat will start stronger, but be prepared for support to fall apart, which has been the case lately.

As of the break, KWH19 was 3 ½ higher.

CATTLE: LOWER

Week-long expectations for a higher cash cattle trade last week never did turn into reality with a steady-money \$124 live and \$197 dressed trade developing by late Friday afternoon. Trade volumes were overall relatively light, and many of the cattle were reportedly traded with time (two week shipment) which may make for a tough trade for producers again this week. The \$124 trade comes at least \$1 below expectations, and a sharp \$2.50 under nearby Feb futures, disappointing for short hedgers and likely has futures off to a lower start this morning. We've got more winter weather on the radar this morning for parts of KS, NE, and the corn belt, but as we've seen these last two weeks, weather hasn't guaranteed sharply higher markets. Packers continue to seasonally slow the kill down - weekly slaughter totaled 620K head, down from 626K the prior week, but still up from 613K this same week last year. We'll be expecting a smaller-yet production total this week.

Fund Position	Accumulative	Yesterday
Corn	137,427	10,000
Soybeans	-834	6,000
Soybean Meal	-10,177	2,000
Soybean Oil	-62,611	2,000
Chicago Wheat	-6,612	-2,000
KC Wheat	3,908	-



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