

CORN: HIGHER

Corn has managed to close higher 4 days in a row this week, and is currently 12 ¼ higher on the week with December over the \$3.66 ¾ resistance level. A close over that would carry plenty of momentum into next week. The funds have been decent buyers throughout the week and are estimated to be around 125k net short as of yesterday. The COT report should be watched this afternoon because it would not be surprising for the funds to be taken off more shorts than estimated. The Buenos Aires Exchange lowered their Argentine production estimate another 1m mt to 31m mt. China sold another 1.1m mt (28% of offerings) this morning. US forecast remain favorable again with decent coverage over the next two weeks. The thing to note is decent rain chances for dry areas in the 6-10 day forecast. Expect higher trade on the day, but President Trump's recent threat of all-encompassing tariffs could result in further backlash and managed money ruining the party and pushing us back below key resistance levels.

As of the break, CZ18 is 2 higher.

SOYBEANS: HIGHER

Feeling like some solid footing is finally being established. Meanwhile, weather is pretty ideal. Chinese devaluation of their currency isn't going to make their people happy when inflation kicks in. US exports are finding other homes and it appears the NC values have brought in interest, most interestingly from SA. All aspects point to Argentina plans to crush US beans Oct. to Feb. Spreads are a bit tighter on the rally. Basis remains firm. CFTC shouldn't be a negative surprise this afternoon for once, IMO. Volume in beans is so low that meal is nearly an equal yesterday. Options are still the active market. Look for a decent close to the week.

Beans: V-127,092/OI-860,698(+3,854) Meal: V-118,688/OI-527,974(+3,924) Oil: V-85,726/OI-520,612(+1,969)

As of the break, SX18 is 2 ½ higher.

WHEAT: HIGHER

The U.S. wheat market followed Paris wheat higher on Thursday, with all three U.S. contracts closing 8 cents higher and keeping the sideways pattern intact. Paris wheat gapped higher today and the Sep contract is at contract highs, due to production concerns in France, Germany, Baltics and Australia. Jordan continues to announce tenders for milling wheat, the next for Sep/Oct/Nov shipment, but uncertain quality specs and payment terms has limited offers and trades. It is obvious that the cash market is not well-supported, with interior markets the only option, as bids continue to decline on increased movement and competition from spring wheat. The U.S./China trade war undercurrent remains, with President Trump threatening to place tariffs on the remaining \$505 billion of Chinese goods. Look for grains to attempt to close the week on a positive note, with wheat seemingly the leader on global production fears, but row crops have been supportive as well.

As of the break, KWU18 is 6 ½ higher.

CATTLE: MIXED

Here we are on a Friday morning and have yet to commence any significant cash cattle trade outside of the small \$112 business seen Wednesday. Cattle futures went nowhere fast yesterday, trading in a relatively narrow range and settling just fractionally mixed, waiting on some cash signals. Aug futures at near \$109 and a +\$4-5 over basis would seem to be pricing a \$113-114 trade, up from \$110-111 markets last week. Weekly beef export shipments were record large yesterday while cumulative YTD sales are now up a sharp 21% vs last year. Of course today we have a deluge of cattle inventory data out this afternoon in the form of the USDA's monthly COF report and their semi-annual Cattle report. The former is expected to show a record large on feed inventory of 104.0%, placements 100.6%, and marketings 101.1%. The latter should show the all cattle and calves inventory near 101%, beef cows 101%, and this year's calf crop 101.5% - all categories still expanding, but at a slowing pace.

Fund Position	Accumulative	Yesterday
Corn	-124,944	9,000
Soybeans	-70,543	3,000
Soybean Meal	42,173	3,000
Soybean Oil	-97,563	-3,000
Chicago Wheat	4,734	5,000
KC Wheat	18,405	0



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