Morning Commentary  
March 2, 2020

CORN: STEADY-HIGHER
On Friday, CK20 settled 368.25 (up .25). CFTC reported managed money was 95,510 contracts net short on 2/25—55.4% increase in their short wk/wk. Coronavirus fears led the way for specs to retain their bearish views. Last week, we saw a 12 cent drop in futures. Cash prices are mixed in the Midwest as locations roll over to the new contract month. Weather: This week will be drier for most of the US. Extended forecast shows normal to above normal precipitation in most of the corn belt. Over the weekend, the northern half of Brazil has had heavy rain which will continue over the next 6 to 10 days. Overnight, technical buying has helped stabilize the corn market. CK20 opened 368.25—trending higher. Export inspections at 10am CST.  
At the break, CK20 was 2 ¾ higher.

SOYBEANS: HIGHER
Week two of the financial world held hostage by the coronavirus. Hopefully, some sanity returns this week. Meanwhile, fundamentals are pretty much unchanged, but timing due to logistics would seem to push it all back a month. USDA is taking the initiative to replace regular fuel vehicles with AFV (Alternative Fuel Vehicles) ones when new ones are purchased. Not insignificant when all are replaced as they USDA has around 37K vehicles in its fleet and replaces about 3K a year. Biodiesel is to be mandated where possible and USDA fueling stations are to be filled with the B20 and higher diesel blends. Planting season in the delta will be slow going for any early attempts. More rain and the forecast short term won’t help with 2-5” in the NOAA forecast in the next 7 days from central Texas to SC. SA nothing of notable significance at the moment. Meal took the only hit to Ol on Friday of over 12K, but volumes across the complex were at lower levels than during the middle of the panic last week. Look for a better open and see if the stock markets can get a leg higher to help stabilize in commodities.

At the break, SK20 was 6 higher.

WHEAT: LOWER
The market had an impressive close on Friday, with KC closing 1-2 cents, MGEX gaining 3 cents and Chicago rebounding from lows to close 2 cents lower. The CFTC showed funds liquidated some of the net long in CBOT and KC, leaving Chicago 43k long and KC 8k long. Overnight trade started higher with row crops, but lost momentum early this morning as prices get back into the sluggish trade we’ve seen. The KC spot market found small gains to close the month, with mid-11 and upper 13 pro gaining some traction. The International Grains Council raised its global wheat production number by 2 MMT to 763 MMT, increasing planted area. A Ukraine grain traders union estimated wheat production at 25.8 MMT, down from 28.2 MMT last year. Look for wheat to struggle to gain momentum to start the month, with global values weak and U.S. export values need to remain low to attract business.  
At the break, KW20 was 4 ½ lower.

CATTLE: STEADY-HIGHER
April LC futures led all losses across the cattle complex last week, shedding an incredible $10.67, contract lows, and now finding itself trading at a near $8 discount to last week’s $115 cash cattle trade. Cattle futures and equities have been tied at the hip with managed money selling simply overwhelming all else. Overnight equity markets again have had no lack of volatility, currently trading lower, with global central banks now being prompted into action. Virtually no one saw this level of global financial market panic even two weeks ago and how consumer spending for beef and other proteins plays out is unknowable. Friday’s CFTC position report data showed managed money selling a massive 18K contracts in the week ending last Tuesday, as of then still net long 14K. And with three additional days after that data was gathered, I’d expect the managed money position to currently be near even, having fully liquidated their once 90K contract net long in the last five weeks.

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<tr>
<th>Fund Position</th>
<th>Accumulative</th>
<th>Yesterday</th>
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<tbody>
<tr>
<td>Corn</td>
<td>-120,157</td>
<td>4,000</td>
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<tr>
<td>Soybeans</td>
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<td>Soybean Meal</td>
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<td>Soybean Oil</td>
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<td>Chicago Wheat</td>
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<tr>
<td>KC Wheat</td>
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