

### CORN: MIXED

Futures rallied after rumors emerged that China was buying US grain. Another “buy the rumor, sell the fact” scenario is possible as there is no confirming evidence, and March diving below support at \$3.79 would confirm that. First level of resistance is at \$3.82 ½-\$3.84 ½. Funds seen as buyers of anywhere between 10k-23k contracts yesterday bringing their estimates to ~127k net long. After this week, there really is no telling where true position is, and it could be quite the surprise when the data returns. The dry Brazilian weather is expected to result in a quick bean harvest and safrinha plantings, but the dry forecasts persist well into germination. Argentina has concerns as well as trade expects some production loss from recent flooding. Expect mixed/better trade early, but there is plenty downside risk given the nature of yesterday’s rally.

**As of the break, CH19 was ½ higher.**

### SOYBEANS: MIXED-HIGHER

The 4-month uptrend in March beans was saved by a 13 ¼ cent rally off rumors that China was buying US soybeans again. Futures are catching some follow through this morning, but trade remains cautious unless soybeans gets something going early. Some conflicting reports about the US adjusting the Chinese tariffs ahead of next week’s meeting, but officials denied anything but the status quo. Next trade meetings expected at the end of the month. No substance coming out of the Chinese buying rumors yesterday as there are no export reports and privates haven’t confirmed. Rail rates don’t reflect a large flux of movement either. Brazil forecasts remain dry, and trade expects a swift harvest there. Argentina looks to finally dry out next week. Expect higher trade early with plenty downside risk as we go along. Futures clearing \$9.13 ¾ early suggests further moves to \$9.20. Support sits at \$9.06 ¼.

**As of the break, SH19 was 4 ½ higher.**

### Martin Luther King Day Market Hours:

**Friday: Normal close @ 1:20 pm**

**Sunday: No overnight**

**Monday: CLOSED, overnight opens @ 7:00 pm**

### WHEAT: HIGHER

The whole grain complex grabbed onto reports of some wheat sold to China for reserves. Reports showed that China bought some U.S. wheat for reserves, but there was no confirmation and a little uncertainty of how it pencils out. Traders were also talking about multiple cargoes of HRW to private Egypt buyers yesterday. We heard overnight the Russian Ag Ministry plans to regulate domestic prices but doesn’t appear to have plan to regulate export prices, which is hard to understand. World crop conditions are mostly favorable, with France seeing some precipitation coming to dry areas. The milling market has seen a little deferred activity this week, with F/M trading going west and A/M trading for eastern demand, as both sides look to lock in these levels. Look for prices to move higher to close the week, with a lot of optimism over potential trade war resolution possibility and buying on the rumor of export sales.

**As of the break, KWH19 was 3 ¾ higher.**

### CATTLE: STEADY-LOWER

The cattle complex traded well into the red all session yesterday, including even those nearby LC contracts which had been so firm earlier in the week. Most will chalk it up to an overbought correction, and it’s still uncanny how frequently cattle futures have traded lower on Thursday’s dating back to early last fall. Versus what we’d seen earlier in the week, the weather forecast has trended less threatening for cattle country, though still obviously not ideal, wet and cold, for those in the corn belt. It’s also trended more threatening for demand, moving the heavy snow forecasts to the east coast this weekend which also perhaps added some futures pressure yesterday. Cash cattle expectations remain for something higher than last week’s \$124 live / \$197 dressed trade, though we haven’t seen any significant trade yet this week. Weekly slaughter looks to be on track for something in the 615-620K head range, down from prior weeks as packer margins get pinched (and ready cattle supplies decline), but still up from a 613K head kill this same week last year.

Fund Position	Accumulative	Yesterday
Corn	127,427	13,000
Soybeans	-6,834	7,000
Soybean Meal	-12,177	4,000
Soybean Oil	-64,611	4,000
Chicago Wheat	-4,612	4,000
KC Wheat	3,908	-



This material should be construed as market commentary, merely observing economic, political and/or market conditions, and not intended to refer to any particular trading strategy, promotional element or quality of service provided by FCStone, LLC. FCStone, LLC is not responsible for any redistribution of this material by third parties, or any trading decisions taken by persons not intended to view this material. Information contained herein was obtained from sources believed to be reliable, but is not guaranteed as to its accuracy. Contact FCStone designated personnel for specific trading advice to meet your trading preferences. These materials represent the opinions and viewpoints of the author, and do not necessarily reflect the viewpoints and trading strategies employed by FCStone, LLC.