

### CORN: HIGHER

Friday continued the trend we saw last week and brought lower lows to the corn market on decent volumes throughout the day as spreads continued to take the spotlight of the day with CH/K pushing back out to a 13-cent carry. CFTC data showed what we had been expecting with another week of managed money increasing their net short position, adding a net 16.5k contracts to their already large net short position. This brings their position to 314,341 contracts net short, which is the second largest net short position in the last 5 years. After the long weekend, the market is seeing a bit of a respite from the sell off this morning with corn closing 3.5-4 cents higher on the overnight session. While this is very much a welcomed sight, the question on the front of my mind is how long do we see it last? A 4 cent rally isn't going to excite people too much given the losses we've seen this fall/winter, but on the other hand it's a lot better than another day of red.

**At the break, CH24 was 4 higher.**

### SOYBEANS: HIGHER

Bean futures gapped open last night as spec funds loaded up on new shorts the past month leaving them exposed to a sentiment reversal on the charts. With crush not blazing to supply oil to renewables and Chinese demand muted at best, tightening the world balance sheet on S. American production could be a catalyst for short covering. Bean and meal spreads remain bullish with spot month leadership in play more on the uncovered meal buyer who does want to see Argentine farmers selling new crop off the combine in April. Problem is hyper-inflation remains even with the Milei who has work to do on Arg gov't currency policy. The seasonal trade rallies from here purely on the crop calendar – weather risk on planting then assessment of early growing season. As crops develop, they can be downgraded or upgraded which spec funds buy and sell. Today the funds are so deep into oversold territory, it is very common to see some buying into March which is the seasonal we see on charts. Trade accordingly. It will not take much to get charts into sell zones given the deep V we are into now. Spec funds are estimated net short -131k beans, -24k meal & -41.5k bean oil. In the net numbers, beans have a -183,000 short leg, up +150,000 contracts since the Nov highs. Have not seen a short only side to bean specs of this size since 2019 which as mentioned already, leaves open a sentiment/fundamental change on the charts.

**At the break, SH24 was 12 ¾ higher.**

### WHEAT: HIGHER

The wheat market found a little support overnight, after five consecutive lower closes last week. KC wheat is looking for anything that will turn the tide, but fundamental signals are not giving much to stand on, with the Egypt tender trading cheaper last week and U.S. cash markets running into pressure. CFTC numbers showed funds cut the net short in Chicago wheat by 11k contracts but added 3k contracts to the KC net short through 2/13. Domestic cash markets trended lower last week, with spot rail bids in KC and Minneapolis trended lower, as car placements improved, including DETs that quickly satisfy the LA market, but shipments are still slow. We should get more definition this week, especially about shorts left to cover into the end of the month. Look for a firmer start, with Chicago March tagging a new low before recovering, and KC and MGEX try to find enough buying to slow the decline.

**At the break, KWH24 was 4 higher.**

### CATTLE: STEADY-LOWER

Despite the early week weakness and subsequent \$1-2 lower cash trade, cattle futures came roaring back Thursday and Friday to trade into fresh highs. Futures are now ~\$5 above last week's cash trade which did inspire another round of deliveries on Friday evening - 23 contracts between Dodge City and Amarillo that were NOT demanded like the prior round. Weekly slaughter wound up at 608K head with only 2K on Saturday, even slightly smaller than expected. This week's total may be smaller yet at near 600K? Sub-600K?? And at that, we're getting to levels that the industry would feel inadequate to match ready cattle supplies. Friday's weekly CFTC commitment of traders data showed some modest fund buying in the reporting week of 6K contracts in LC to now own a net long of 42K contracts. Early ideas for this Friday's COF report have Jan placements down 10%, Jan marketings unchanged, and leave the Feb 1 on feed count near unchanged with a year ago.

Fund Position	Accumulative	Yesterday
Corn	-312,003	-1,000
Soybeans	-131,369	4,000
Soybean Meal	-23,985	5,000
Soybean Oil	-41,496	-1,000
Chicago Wheat	-73,880	-3,000
KC Wheat	-34,256	0



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