

**CORN: LOWER**

The sideways trading continues on this morning with overnight action trading both sides and closing within a half cent of unchanged. This comes after a small move higher on low volume Friday to close out the week with a bit of green and a gain of about a penny on the week. CFTC data on Friday showed the Funds adding just shy of 10K contracts to their net short position taking them out to a net short 144.8K contracts. I would expect to see another fairly quiet week as we lead up to the release of the quarterly grain stocks report on Friday. As for the normal weekly reports I would expect that we'll start to see a more substantial increase to harvested acres on this afternoon's weekly crop progress update. **As of the break, CZ23 was ¼ lower.**

**SOYBEANS: HIGHER**

Appears the Russians want to stop grains flowing along the coast that they won't attack due to territorial waters with Ukrainian grains, so they attacked Odessa and inflicted heavy damages overnight. Friday was options expiration and some of that will be felt today as most of the options were calls that expired, but out of the 91K+ total, nearly 38K were puts. So, some liquidation can occur today on the offset. Weather remaining too dry in N. Brazil for most planting. El Nino still to be watched for its affect on their crop. Argentina still not healed up from around 3 years of drought conditions. World oilseed stocks are still OK, but any change in SA will swing that quickly. US bean harvest still in its infancy. Looking at early results is typically not a great indicator. Yet tough not to feel like the better bean yields showing some lower oil content is a worry for the crush and bean oil prices. Doubly so if crude stays up in the \$80's or even above \$90. We have to find what the yields are and oil content to accurately define the domestic demand and where pricing should be prior to the full-blown SA weather market as bookings of exports may create a real issue later if prices drop too much here early. Even at current estimates, sub-\$13 beans feel cheap just based on domestic demand. Look for the issues in the Black Sea to be buoyant. Friday is first notice day for Oct. products so get yourself right prior to the close on Thursday if need be.

Beans: V-208,707/OI-771,148(-1,771) Meal: V-124,170/OI-471,205(+2,770); Oil: V-159,535/OI-453,535(-5,542)

**As of the break, SX23 was 2 lower.**

**WHEAT: MIXED**

The wheat market closed the week with small gains on Friday, with buying at the lows supporting prices. Overnight trade started lower, until the open in Paris wheat due to drone strikes in the Ukrainian port of Odesa, but KC struggled to hold gains. CFTC reports show funds added 13k contracts to the Chicago net short position, while leaving KC steady at 12k contracts short. Producer/Merchant position for Chicago wheat flipped to 4k long, while remaining 27k short against KC contracts. The fund short in Chicago wheat is susceptible to an unwind on concerns over Russia increasing attacks on Ukraine ports, but the recent humanitarian corridor shows vessels can still move. Cash markets remain quiet, with mills satisfied with HRW movement, while capturing higher pro spring wheat as it hits the market. Look for Chicago wheat to start higher on Paris wheat gains, but KC and MGEX were only able to recover from lows but fell below unchanged again. **As of the break, KWZ23 was ¾ lower.**

**CATTLE: STEADY-HIGHER**

Friday afternoon's monthly Cattle on Feed data will be read as generally neutral to the marketplace. Aug placements at 94.9% were perhaps just fractionally larger than expected, Aug marketings 94.0% and slightly smaller than expected, and left the Sep 1 on feed count at 97.5% of a year ago. Regionally, CO placements were just 71% and leaves their on feed count at just 92% of a year ago, by far the largest y/y decline of any of the major feeding states. Looking forward, our model now has available fed cattle supplies flat from now through November before declining in Dec and again in Jan, both on a y/y and absolute basis. Last week's slaughter total of 625K head was as expected and this week's is expected to be smaller yet at 610-620K. The beef cutout did show some strength late last week and smaller kill pace here this week may help further support beef values here short term.

Fund Position	Accumulative	Yesterday
Corn	-149,455	1,000
Soybeans	31,414	1,000
Soybean Meal	55,005	-2,000
Soybean Oil	44,554	3,000
Chicago Wheat	-104,952	2,000
KC Wheat	-12,553	0



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