

CORN: LOWER

Yesterday saw mixed trading throughout the day for the corn market after quickly coming off overnight lows to start the day. Corn ended up closing the day lower with old crop 3.75 cents lower and new crop down just ½ a cent. We saw increased export inspections yesterday, coming in 2.6 mil bu higher than the previous week at 39.3 Mil Bu, putting physical sales only 5% behind the pace needed to hit USDA's estimate, which has been assisted from the USDA lowering their export number in the March WASDE. we are going to need to see continued weeks of increase physical sales if the U.S. is going to hit the target. This morning grains are trading lower, with corn trading 3-4 cents lower. The main story here is Russia agreeing to extend the Black Sea Grain Corridor deal for another 60 days.

At the break, CK23 was 3 ¼ lower.

SOYBEANS: LOWER

H contracts go off the board at noon today. 38, 18 and 151 were the OI of beans, meal and oil in the H at the open. Most of the fear in beans is related to a renewed arrival of ASF in upto 40% of the provinces in China. A story well worth watching for confirmation and actual effects of the ASF on the swine herd. Some producers reducing numbers is current aspect most quoted one.. Looks like the Black Sea deal for 60 days this round is set to be agreed upon. SVB still causing ripples in the financial circles. A low US\$ due to the trade perception of Fed reaction should be a positive, but the fear that worried investors will be throwing all cash into bonds is a negative for those hoping for added fund money. Avian flu killing flocks in Chile prompting a ban on exports there. The world seems to keep feeding a lot of birds that end up consuming product without adding to the protein locker. At some point that will spur additional demand and increased production somewhere to supply product for that amplified demand. Meal market starting to shift some of the crush margin back to oil. Still oil % of crush is below 40 on most months the next year and a half. Will need to pay attention to oil as some palm production is being trimmed due to wet weather, but at this point not enough to really move oil back above 60 cents. Outside markets will help if not totally determine today's direction. Crude taking a header, but the financials are predicted to move higher early. US\$ is still below 104 after flirting with sub- 103 earlier in the session. Most inflation info this a.m. was on spot with estimates. Yesterday's move lower took OI out of all components of the complex in a bounce on volumes.

Beans: V-226,438/OI-699,871(-3,185) Meal: V-125,878/OI-443,773(-3,222) Oil: V-139,519/OI-460,231(-1,378)

At the break, SK23 was ¾ lower.

WHEAT: LOWER

Steady buying from the open on Monday morning took wheat to highs, but support backed down, and left small gains for KC and Chicago contracts. Gains in Paris wheat yesterday helped U.S. contracts against the rout in corn and beans, with large Saudi and Algeria purchases leading Matif wheat to a higher close. Russia agreed to a 120-day extension of the UN Black Sea export deal this morning, shortening the deal from 180 days on the original and first extension. Export inspections had the worst week since early-January, with 9.1 MB reported, led by SRW and HRW shipments to Mexico. HRW movement also included Honduras and Dominican Republic from the Gulf and S. Korea from the PNW. State conditions updates yesterday showed CO improved to 40% g/e (+11), KS at 17% (unch), and OK at 30% and TX at 17%, both declining. Look for a lower start, with pressure from the Black Sea export deal extension and overall cloud over the markets from a macro perspective.

At the break, KWK23 was 2 ¾ lower.

CATTLE: MIXED

Volatile outside markets sent a wave of angst even across the cattle markets yesterday where futures opened lower and stayed lower. Interesting to note that throughout the last five days of the fund roll, total open interest is off 17K contracts (including 3K yesterday) which sure looks like funds have used the roll period to shed some length. As healthy as spot fundamentals feel, I still see fund liquidation of their outsized position as one of, if not the, main threat to futures values in coming weeks. June futures' 100-day moving average rests at 157.05 for next major technical support, still a little more than a dollar below current market. Do note we'll have our monthly Cattle on Feed report out this Friday, earlier in the month than normal. Official pre-report estimates should be out today or tomorrow, but I suspect the industry will be looking for a March 1 on feed inventory down 5-6% vs last year, Feb placements down 8-10%, and Feb marketings down 4-5% - a continuing theme of declining animal counts that started last fall and continues for the foreseeable future.

Fund Position	Accumulative	Yesterday
Corn	151,290	-4,000
Soybeans	158,037	-4,000
Soybean Meal	157,797	-3,000
Soybean Oil	3,731	-3,000
Chicago Wheat	-120,200	1,000
KC Wheat	15,349	0



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