

### CORN: STEADY-HIGHER

March corn trading a tight 2 cent trading range this morning ahead of the WASDE to be out at 11:00 am. Trade expects a non-event report, but any surprises will come from the demand side on the US tables and possibly a change in SA production numbers on the world tables. The COT report showed the funds were 18k longer than expected at 40k net long as of last Tuesday, which would leave estimates at 28k net long as of yesterday. Hedger OI was down 82k on the week into last Tuesday with the longs covering and the shorts basically doing nothing. Export inspections were on the low end of expectations at 876k mt with Mexico (284k mt), Japan (196k mt), and Saudi Arabia (147k mt) as the primary destinations. Expect steady to higher trade up until the report. A non-event report will likely keep the status que, but any surprises are likely bearish.

**As of the break, CH19 is 1 higher.**

### SOYBEANS: HIGHER

Putting on what was lost yesterday. No real news, just a continuation of "threats" to a record crop in Brazil due to lack of rain. What a difference a week makes. Argentina the opposite, still too wet in spots. Typically, too wet is a bigger threat than too dry, especially for long periods and early in development. The US is still awaiting a bean sale to China. Spreads are back to 13 in nearby and have worked wider in deferreds. Basis continues to languish at the previous low values as movement has erased gains made in early Nov. The whole complex added OI on the down day. The USDA will issue the Dec. S/D tables at 11 a.m. CST. Look for gains to hold and probably fade into the report a bit.

Beans: V-216,008/OI-740,383(+2,077) Meal: V-110,257/OI-461,792(+637) Oil: V-168,905/OI-520,746(+6,163)

**As of the break, SF19 is 4 higher.**

### WHEAT: BETTER

KC wheat managed to close in the middle of the range on Monday, down 1-2 cents, Weekly export inspections totaled 418k MT, with SWW 133k, HRW 118k, and HRS 117k MT. There were no loadings at the Texas gulf last week, with the majority moving from the PNW. Gulf bids reflect this overall strength of improving exports but are stagnant on the lack of shipments moving from the TX gulf ports. The interior market remains firm, especially for higher protein cars in the KC spot market, with another 4 cent improvement for 12.0 to 13.2 pro wheat. The USD is trading lower after a strong day yesterday, maybe relieving a little pressure on commodities. Look for the market to look ahead to the 11am USDA reports for further guidance of market direction.

**As of the break, KWH19 is 1 ¾ higher.**

### CATTLE: MIXED

The cattle markets started the week off slow, trading both sides of unchanged and settling mixed. The live cattle finished the day down in the front months and up in the deferred while with the feeders finished in the green all together. The market is acting as expected leading up to the holiday shutdowns and will take some big news to change the low volatility sideways trading we have been seeing lately. Packers will be buying in preparation of the short holiday week ahead, likely resulting in light trade this week and next. The CFTC commitment of trader's report, out yesterday, showed more long positions being added to the live cattle in the managed funds category. 7,000 contracts were bot last week just after 15,000 contracts were bot the week prior. This places managed money net long 72,263 LC contracts as it tracks toward the highs made at the end of last summer. On the contrary the feeder cattle funds sold 2,500 contracts on the week with a net short position of 5,774.

Fund Position	Accumulative	Yesterday
Corn	27,910	-6,000
Soybeans	-12,576	-7,000
Soybean Meal	-11,847	-2,000
Soybean Oil	-58,949	4,000
Chicago Wheat	-27,025	-2,000
KC Wheat	-4,183	0



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