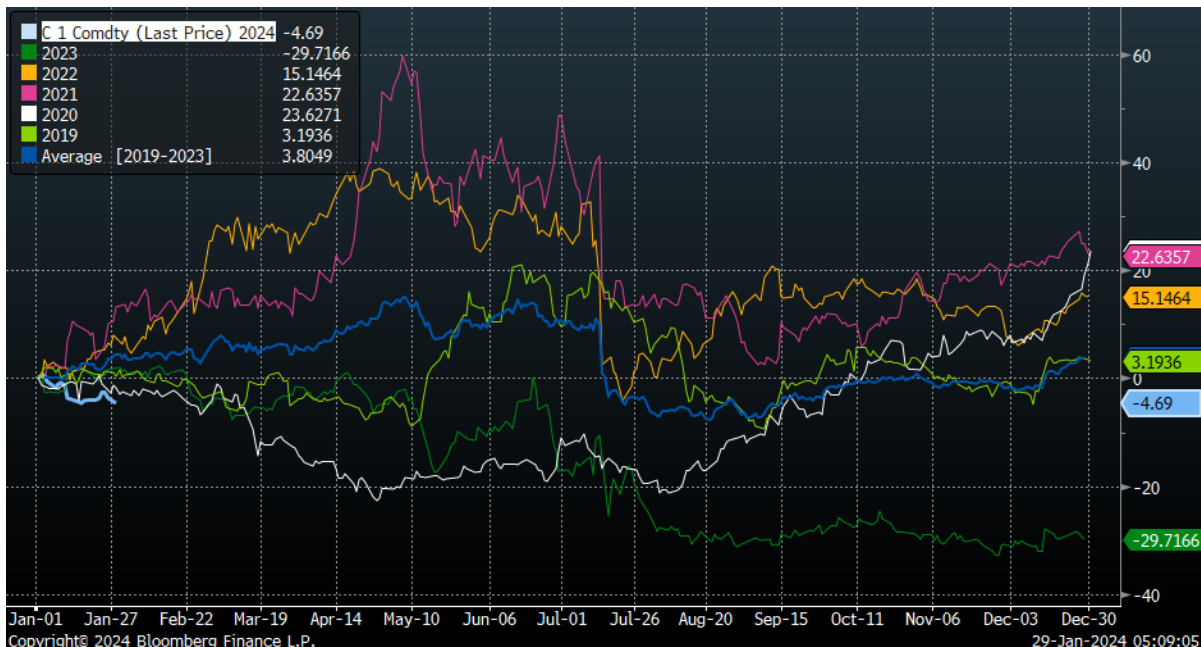
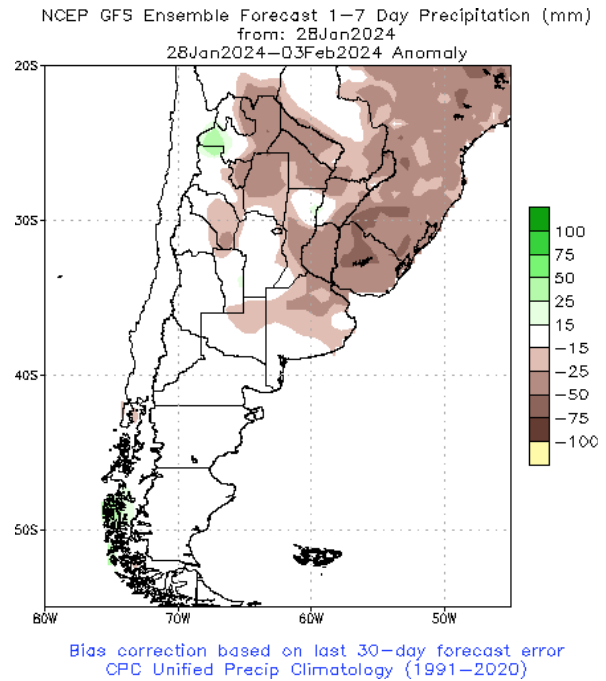


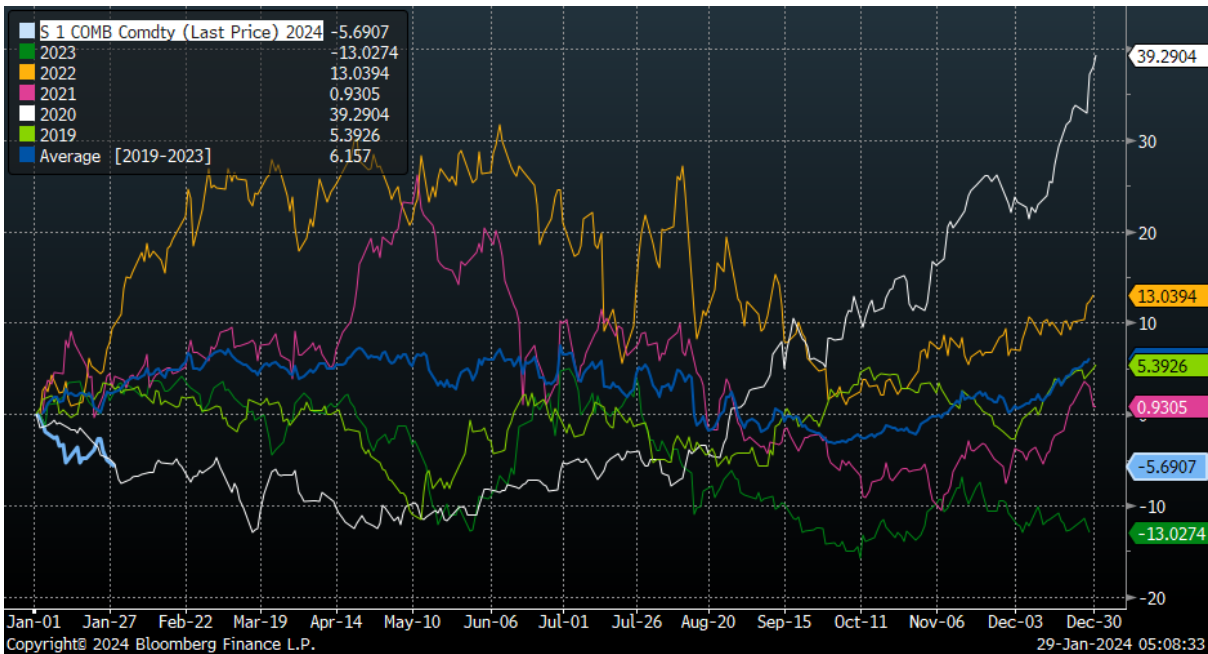
Weather

The only change in weather over the weekend is a longer stretch of dry weather for Argentina. Argentina is now expected to be mostly dry through the first week of February. However, there seems to be good model agreement that, starting around Feb 8, we should see good chances for rainfall move back into the region. After very good conditions so far this year, I'm reluctant to get too bothered by a week of stressful conditions...though obviously this forecast is less than ideal.

Crops

I'm not strongly inspired by any story to write about this morning, so I just want to simply point out something very quickly. The charts below look at the percentage change in the price of the spot corn and soybean futures contract over the course of the calendar year. The corn chart is first, and you can hopefully make out that this year's 4%+ decline is the worst start to the year in several years. Even in 2020 the opening weeks of the year were not quite as negative...of course at that time Covid was still just a Chinese issue. This opening month in soybeans is basically tied for 2020. The Chinese Covid issues combined with the trade war were making for a pretty tough time of things for the soybean market...yet so far this year we're essentially matching those losses. This obviously isn't forward-looking...but I thought it was a little interesting...

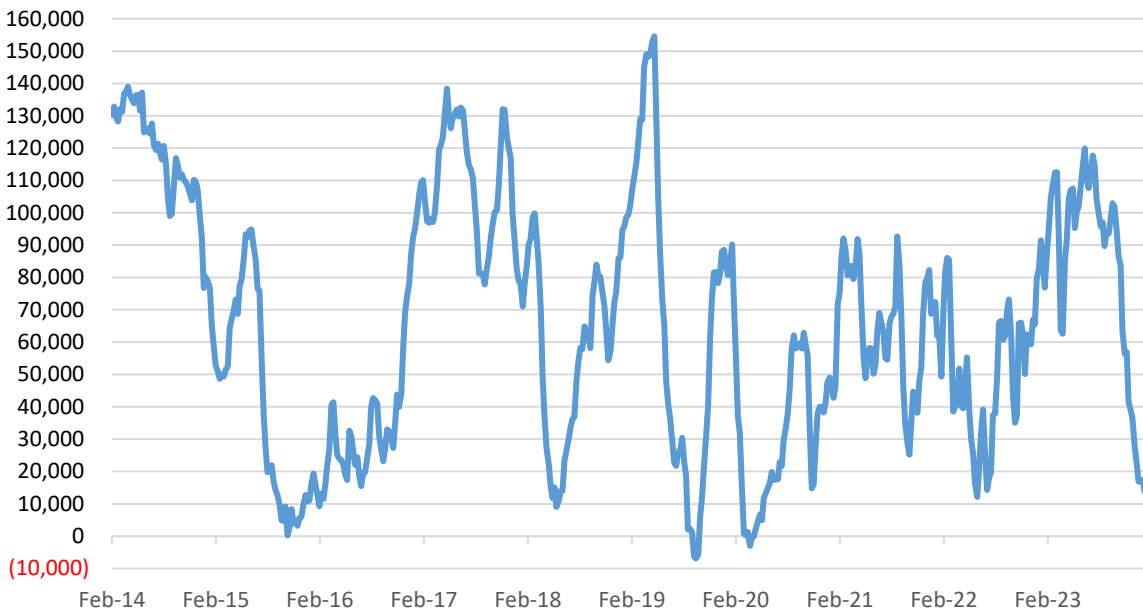




Livestock

MM positioning in cattle remains very subdued. There has been a modest bounce in buying in the past couple of weeks but as you can see below, the MM positioning is very small. Only during the peak-Covid period and the post TSN fire period did the MM positioning go negative. I guess the only point here is...plenty of dry powder to get pushed into cattle if a catalyst develops.

MM Net Position - Live Cattle



Financials

A chart we've shown before below. This takes the non-commercial net positioning in the major FX futures contracts and combines them. The idea is to get a handle on the overall positioning towards the dollar. If the chart below is in positive territory, that implies a net short bias vs the dollar....and vice versa. I noted last week that the strength in the dollar so far in 2024 is my biggest early-year surprise. The chart below does show some buying in the dollar, but honestly the positioning is still pretty neutral at this point in time.

Non-Commercial Net Position in FX Futures
 EC, SF, BP, CD, AD, JY



Energy

A strong close to finish last week in the oil market. It pushed above levels that had recently been acting as resistance, so it definitely has my attention for the moment. However, we've still got some tough sledding ahead. At shown at right we still have the 100-day moving average and the \$80 level which has acted as tough resistance a few times before. In fact, prices shot to near that level initially in overnight trading and have spent the rest of the night/morning back-tracking.



Today's Calendar (all times Central)

- Export Inspections – 10:00am

Thanks for reading.
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