

News this week...

2 – Winter wheat crops in focus amid crop tours.

3 – Farmer sentiment drops from March, citing inputs.

4 – Looming catalysts for the grain and soy markets.

Peace talks undercut grain strength – *Wheat led the way lower throughout most of the week as the ceasefire continues to hold between the U.S. and Iran and peace talks make headway. The prospect of the opening of the Strait of Hormuz excited grain bears, prompting selling efforts from funds. The long-term ramifications from the closure remain largely unknown, but energy and fertilizer supplies are not going to hit pre-conflict levels anytime soon. Early-week pressure across grain and soy futures were ultimately met with corrective trade by the end of the week, in tandem with crude oil. Live cattle futures saw another bout of profit-taking, but the cash cattle market remains robust, with record trade possible. Lean hog futures continue to fall under pressure due to concerns of pseudorabies, though there has been no evidence of spread in Iowa.*

Peace talks make headway

The fragile ceasefire between the U.S. and Iran remains in place, despite the parties exchanging fire late in the week in what President Donald Trump called a “love tap.”

Peace talks continue with the U.S. pushing for a memorandum of understanding to fully end the war. Iran is refusing to give up its nuclear enrichment facilities. The U.S. naval blockade remains in place, which Iran says needs to end before any official deal is made.

Solid jobs report limits Fed’s ability

The U.S. economy added 115,000 jobs in April, government data showed Friday. Economists surveyed by the Wall Street Journal had forecast a gain of 55,000. The unemployment rate held steady at 4.3% as expected. Signs of a solid labor market will reinforce expectations the Federal Reserve will be reluctant to resume cutting interest rates as policymakers assess the inflationary impact of a surge in crude oil prices as a result of the Iran war.

Global food prices hit three-year high

Global food prices climbed to their highest levels in more than three years as the war disrupts supply chains, raising the prospect of larger bills for shoppers. The United Nations’ index of food-commodity prices gained 1.6% in April from the previous month, led higher by vegetable oils, meat and cereals. That’s 2.5% higher than a year ago. Elevated oil prices have boosted biofuels demand, with the U.N.’s vegetable oil index climbing 5.9% from March to hit its highest level since July 2022. The FAO index monitors raw commodity costs rather than retail prices, meaning there will still be a lag before the farmgate increase reaches consumers. Still, the gains from March are the first sign food inflation is likely to pick up. The increase in the gauge marks the third consecutive month of gains, after rising for the first time in five months in February. The meat index climbed 1.2% to a record high, while the cereal price index rose by 0.8% on weather concerns and expectations of reduced wheat plantings.

Big week ahead

We look at all the catalysts impacting markets on *News page 4* this week. USDA will give a look into its 2026-27 balance sheets. Production estimates remain key. Most analysts expect trend line yields for both corn and soybeans, outlined in USDA’s Outlook Forum, while using the March Prospective Plantings acres with historic abandonment rates.

EU fails to finalize U.S. trade deal

The European Union failed to finalize a long-delayed U.S. trade deal, despite warnings from President Trump that he would soon impose fresh tariffs.

“Negotiators from the European Parliament and EU countries met Wednesday to discuss potential amendments to the transatlantic deal, which was initially struck in July. They didn’t make any conclusive decisions, according to Cyprus, which holds the EU’s rotating presidency,” Bloomberg says.

Talks will continue in the coming weeks. EU officials are “committed to moving swiftly,” Cypriot Energy Minister Michael Damianos said in a statement.

The EU is under mounting pressure from the U.S. to ratify the trade pact. Trump last week threatened to increase duties on EU cars and trucks to 25% from 15%, accusing the EU of not moving fast enough to adopt the agreement.

Federal court rejects new tariffs

President Trump’s 10% global tariffs were declared unlawful by a federal trade court just months after the U.S. Supreme Court vacated his earlier levies. A divided three-judge panel at the U.S. Court of International Trade granted a request by a group of small businesses and two dozen mostly Democratic-led states to invalidate the tariffs. Trump imposed the 10% duties in February under Section 122 of the Trade Act of 1974, which had never previously been invoked. On Thursday evening, Trump told reporters “we had two radical left judges who voted against it. So nothing surprises me with the courts. Nothing surprises me. So we always do it a different way. We get one ruling and we do it a different way.”

Argentine corn crop impressive

Pro Farmer crop consultant Michael Cordonnier boosted his estimate of the Brazilian soybean crop to 180 MMT from his previous estimate of 179 MMT while holding a neutral bias. Brazil's 2025-26 soybean crop will surpass the 2024-25 production of 172.5 million tons by consistent productivity gains and gradual expansion of the planted area, he wrote. Depending on the outcome, the nationwide average soybean yield in Brazil could surpass 55 bu./acre compared to 53 bu./acre in the U.S. in 2025. He left his Brazilian corn production estimate unchanged at 134.0 MMT with a neutral bias.

Cordonnier left his Argentine soy production forecast unchanged at 49.0 MMT. Harvest is 18.3% completed, well-behind average. Cordonnier left his Argentine corn production estimate unchanged at 62.0 MMT.

Winter wheat conditions mixed

USDA rated U.S. winter wheat in 37% very poor to poor condition, 32% fair and 31% good to excellent. The good to excellent category was up a point from the previous week and was one point above the average analyst estimate. according to a poll conducted by Bloomberg. On the weighted *Pro Farmer* Crop Condition Index (0-to-500-point scale, with 500 being perfect), the HRW crop declined 0.56 points to 263.90. Declines in Kansas and Oklahoma were partially offset by slight gains elsewhere in the Plains. The SRW crop notched a mild increase of 3.92 points to 363.59 following spotty precipitation and cooling temperatures that offered some relief across the Midwest.

USDA reported corn was 38% planted, in line with a year ago and ahead of the five-year average. Soybeans were 33% planted, ahead of 28% last year and well ahead of the five-year average. Recent cold temps across the Corn Belt are drawing concerns that some crops will need to be replanted.

Winter wheat tours in focus

A group of crop scouts led by the Oklahoma Wheat Commission toured the state and took field assessments before estimating the crop at 47.799 million bushels with an average yield of 23.11 bu. per acre, which would be the lowest yield since 2014 for the state. Production would be sharply below the 10-year average of 94.499 million bushels, despite a modest uptick in acres. Drought and weather challenges have led to a drop in estimated production.

The Wheat Quality Council will do its annual tour of Kansas next week, giving key insight into how the largest U.S. winter wheat producer is faring.

U.S. gasoline stocks hit record low

U.S. gasoline inventories are on pace to drop to historical seasonal lows by late summer, according to a Bloomberg report.

Morgan Stanley analysts wrote: "Stockpiles are expected to fall below 200 million barrels by the end of August."

The projections for record seasonal low fuel inventories are the latest indication the global energy supply crunch appears set to continue for months to come.

Baltic Dry Index hits 2.5-year high

A key measure of bulk-shipping rates jumped to the highest level since December 2023, driven by rising demand for Capesize vessels along with tightening supply of ships that haul bulk commodities. The Baltic Dry Index rose to 2,991 points midweek. The gauge tracks freight rates for Capesize, Panamax and Supramax ships transporting raw materials such as iron ore, coal and grain. The Capesize market has "strengthened sharply over the past two weeks" on tightening ship availability in the Pacific, disruptions to iron ore exports from Brazil and hedging of future freight rates, said Pranay Shukla, the head of dry bulk freight and commodities research at S&P Global Energy, according to Bloomberg.

Fertilizer makers' profits jump

Fertilizer makers CF Industries Holdings Inc. and Nutrien Ltd. each reported nearly 20% jumps in revenue for the latest quarter, showing the extent of the U.S.-Iran war's upheaval on supply chains for the key crop nutrients.

"The windfall comes as the North American (fertilizer) producers have benefited from higher prices for nitrogen fertilizers. Illinois-based CF Industries reported earnings per share that more than doubled from a year ago. Canada-based Nutrien's adjusted per-share earnings more than quadrupled, though they fell short of analyst estimates," Bloomberg says. "Prices for the inputs were already elevated prior to the war due to a tight supply balance, prompting concerns from farmers and antitrust scrutiny from the Trump administration."

NASS releases county yield estimates

McLean County, Ill., remains the top county for corn and soy production at 77.31 million bushels and 21.74 million bushels, respectively. The highest-yielding county for corn changed from Sangamon County, Ill., to Adams County, Wash., with an average yield of 264.8 bu. The highest yield for soybeans in 2025 was in Tazewell County, Ill., at 75.9 bushels, which took the title from Macon County, Ill.

Note: The yields from NASS will not be used to determine indemnities for crop insurance. RMA will release its county level yields next month, which will be the benchmark for county level insurance products.

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Farmer sentiment drops from March

Growing worries over rising input costs further dented farmer sentiment in April, according to the Purdue Ag Economy Barometer, falling to 121 from 127 in March.

“Concerns about input costs remained high, and a higher percentage of respondents indicated input availability is a major concern, likely driven by the uncertainty the Iran conflict has caused in fertilizer markets,” wrote Purdue economists Michael Langemeier and Joana Colussi.

The percentage of respondents who listed high input costs as their biggest concern remained at 46% this month, while the percentage who listed input availability as their biggest concern increased from 11% to 14%.

Approximately two-thirds of respondents expected net farm income to decline in 2026 due to the war in Iran.

Among respondents who planted corn in 2025, approximately half expected corn breakeven prices to increase by up to 6%, 14% expected breakeven prices to increase 6% to 9% and 37% expected breakeven prices to increase 10% or more.

Among other key findings:

- The Current Conditions Index fell by 11 points while the Future Expectations Index decreased by 4 points.
- The Farm Capital Investment Index fell 9 points to 44, its lowest level since October 2024, indicating a decline in willingness to make large investments.

Fertilizer spike implications

The late-cycle timing of the Iran conflict means the resulting fertilizer price surge will hit producers unevenly, according to a University of Illinois farmdoc paper published Tuesday. While most farmers pre-purchased inputs, those with unpriced nitrogen now face a distinct cost disadvantage. However, economists note a corresponding rally in grain prices has largely offset the pain. In central Illinois, the \$96-per-acre increase in expected corn revenue is currently outpacing the \$23-per-acre rise in fertilizer costs. This suggests relative profitability between corn and soybeans hasn't shifted enough to trigger massive late-season acreage flips, though soybeans were already projected to be the more profitable play under pre-conflict conditions.

The paper warns nitrogen prices are unlikely to return to pre-conflict levels by the time planning for 2027 begins around September.

Russian spring wheat plantings lag

Russian spring wheat planting is well behind the historic pace, with only 0.4 million hectares planted, down 81% from last year at this time. Cool and wet weather has slowed sowing, leading some analysts to start cutting production estimates, says SovEcon.

Egypt imposes fertilizer duty

Egypt imposed a temporary export duty on nitrogen fertilizers, according to a Reuters report. The \$90-per-ton duty comes after the country raised its state natural gas prices due to prices nearly tripling from the war in Iran. Egypt produces around 7 MMT to 8 MMT of nitrogen fertilizers annually and makes up for 6% to 7% of the world's urea trade.

Tyson notes decline in beef sales

Tyson Foods reported earnings this week, with the food giant continuing to see pressure on its beef business, reflecting a squeeze from high cattle prices and, perhaps notably, a drop in consumer demand. Tyson said beef prices rose 11.5% during the second quarter while sales volumes sank 13.1%, Reuters reported. The company said consumers were substituting more affordable types of meat, including chicken and pork, as beef prices continue to rise.

China tariffs to impact Brazilian beef

Brazil's beef exports could fall 10% in 2026 due to China's 55% tariff on beef imports that exceed quota levels, lobby group ABIEC president Roberto Perosa said on Tuesday. According to Reuters, Perosa told journalists the country's beef production aimed at China is expected to halt around June, noting domestic consumption would need to grow to the cover volumes that will no longer be shipped there.

OPEC+ hiking output again

OPEC+ has agreed to the third output increase since the closure of the Strait of Hormuz. The cartel is signaling it is ready to raise supplies as soon as the war stops. The closure of the Strait has limited OPEC+'s ability to ship oil. So the tangible impact of the agreement will not be seen until the war is over and supplies begin shipping once again.

Brazilian area to grow modestly

Brazilian soy planting is expected to post only marginal growth in 2026-27 due to higher production costs and risks linked to El Niño, says Argus analyst Nathalia Giannetti. Margins are expected to tighten further, and the historical pattern of reduced rainfall from El Niño is likely to deter the transfer of additional pasture acres to cropland.

StoneX raises Brazilian soy estimate

StoneX raised its Brazilian soy production estimate to 181.6 MMT, up modestly from its April estimate. Planted area and higher yields led the agency to boost production. StoneX raised its corn estimate to 137 MMT, up from 135.7 MMT previously. The revision came from an increase to first crop corn, while it left the safrinha estimate roughly unchanged.

Running the gauntlet: WASDE, E15 and Trump-Xi summit loom

By Editor Bill Watts and Economist Spencer Langford



A faltering spring rally for grains and the soy complex may hang in the balance ahead of week jam-packed with potentially market-moving events.

—On Tuesday, USDA will deliver its May World Agricultural Supply and Demand Estimates, or WASDE, report, which will offer the department's initial outlook for the new crop year.

—On Wednesday, the House is slated to vote on long-sought legislation to green-light year-round sales of E15.

—President Donald Trump is scheduled to visit China Thursday and Friday, where a meeting with leader Xi Jinping is hoped to bring affirmation that Beijing will follow through on commitments to buy U.S. soybeans.

And then, there's the Iran war. News of a U.S. proposal to open the Strait of Hormuz and end the conflict sparked a crude selloff that dragged down grains this week, though Tehran has yet to signal whether it will accept the plan.

Let's break down what's at stake:

May WASDE

While the outlook often sets the initial tone for the new crop year, the timing of the forecast during corn and soybean planting season leaves high potential for changes later in the year, with both acreage and yield still fluid. Over the past 30 years, on average, USDA's initial forecast for soybean ending stocks is 78 million bushels higher than the final estimate. For corn that disparity is even wider at 129 million bushels higher than the initial forecast. With fuel and fertilizer prices rising sharply this spring, that further exacerbates the variability around potential yields as farmers may cut inputs to save costs. Due to winter wheat already being planted and the agency including survey yield data in this report, the margin of error in ending stocks is smaller, and averages 51 million bushels lower than the final.

The May WASDE is generally neutral in terms of the direction it moves the price of row crops, with July HRW and SRW wheat futures ending the day of the WASDE release higher 14 times in the past 30 years, December corn higher 16 times, and November soybeans higher for 12 times. In absolute values, the change in price is 11 3/4 cents for July HRW wheat, 10 1/4 cents for July SRW wheat, 7 cents for December corn, and 11 1/4 cents for November soybeans. Still, outliers are possible. 2022's initial forecast sent wheat futures soaring, with KC July wheat rising 69

1/2 cents following the release that compounded on worries of lower production from the Black Sea at that time.

Trump-Xi summit

Soybean traders are putting a lot of emphasis on the meeting. What they want to hear is affirmation – from Beijing – that China is prepared to follow through on what the White House has said is a commitment to buy 25 million metric tons of soybeans per calendar year for the next three years. That's less than what China was buying before the Beijing's boycott of U.S. purchases that undercut the market last year. China has yet to affirm specific targets.

The good news is that such a commitment may be low-hanging fruit. What's more, reports have portrayed Chinese negotiators as open to purchases of agricultural goods, including beef, poultry and non-soybean row crops – in addition to soybeans. Trade watchers say an agreement that would see China buy agricultural goods and aircraft alongside further tariff reductions may be the summit's most likely outcome, with thornier issues kicked down the road.

A deal could trigger a relief rally, but risks remain. Friction over the Iran war, AI guardrails and Taiwan could make Xi reluctant to commit. Given how sensitive soybeans have been to China-related headlines a disappointing outcome could quickly rattle the market.

E15

Despite being blocked from the Farm Bill during recent negotiations, E15 legislation is slated for a House vote. High fuel prices driven by the Iran war have intensified bipartisan pressure to pass the bill before the midterm elections, though oil-state opposition remains a hurdle. A victory would bolster biofuel demand at the margin and perhaps provide a timely psychological lift for corn futures.

The war and the market

The nosedive by crude-oil futures this past week dragged corn, wheat and soybeans back from new highs, raising questions about the staying power of a budding spring rally that saw December corn briefly push above the \$5 a bushel mark. The coming week will see market participants run a gauntlet of market-moving fundamental events that may end up setting near-term direction.

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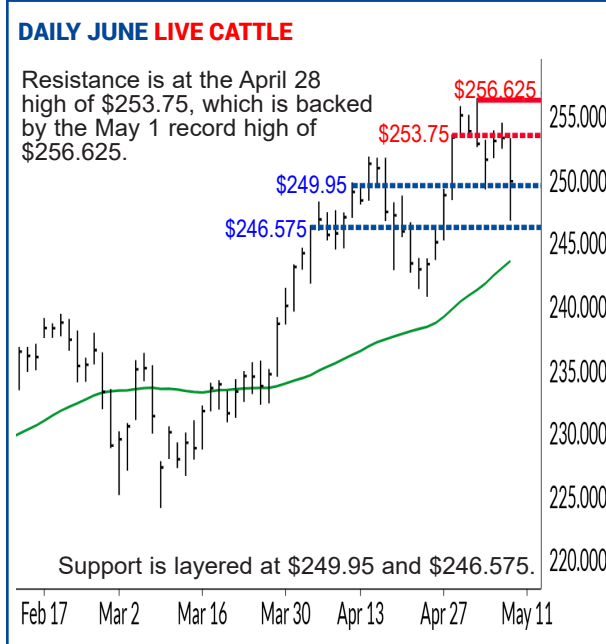
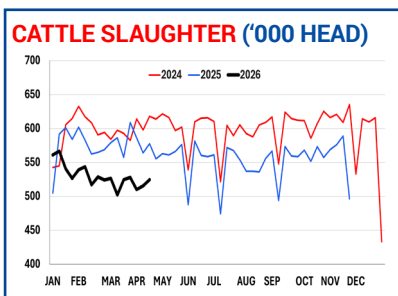
Farm Journal CEO, Prescott Shibles

CATTLE

The May 1 record high has held buyers at bay, though a strong technical posture and supply and demand fundamentals continue to lean supportive. Despite the recent uptick in cash trade, packer margins continue to ink deeply negative returns, which is likely to limit slaughter near-term as packers look to keep cash trade steady to lower. If this trend persists, it could mean an increase in retail prices as grilling season demand picks up. However, any uptick in boxed beef values and movement could be attributed to grocers locking in purchases for Memorial Day features.

Position Monitor		
Game Plan:	Feds Feeders	
Live cattle	I'26	0%
have re-	II'26	0%
bounded	III'26	0%
	IV'26	0%

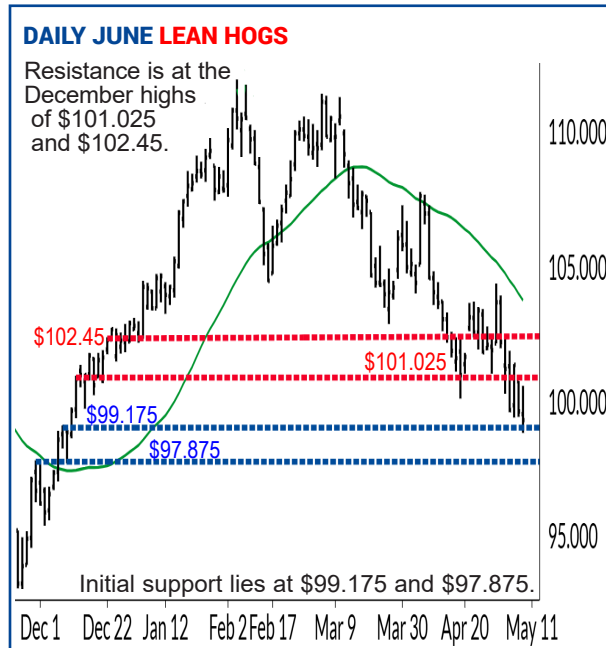
after a recent selling, as supplies remain tight. Consider using LRP to establish price floors.



HOGS

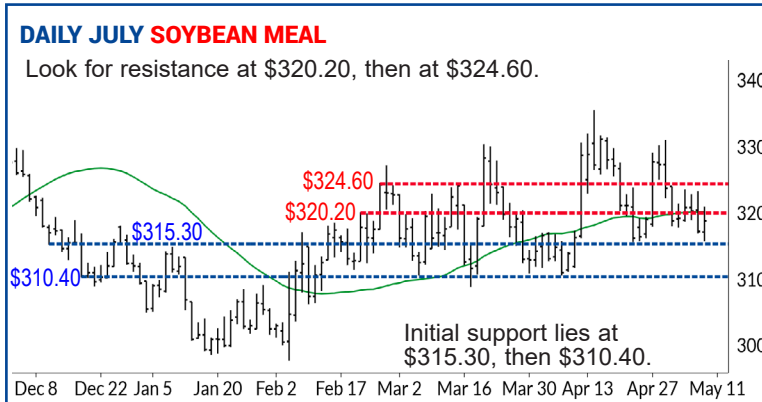
Lean hog futures have faded since the April 30 case of pseudorabies reported in a small facility in Iowa, which traced back to an outdoor herd in Texas with likely exposure to feral swine. Measures have been taken to contain and isolate any risks, with the incident only involving a small number of animals. This should bring the full supply and demand fundamental picture back into focus, with traders eyeing pork demand as cattle prices remain elevated by comparison. A small breeding herd and waning slaughter into Q2 and Q3 should provide a floor.

Position Monitor		
Game Plan:	Lean Hogs	
We advised liquidating the \$104.00	I'26	0%
July puts bought	II'26	0%
on Jan. 28 for Q2 production. Stay patient for now as we assess the next opportunity for hedges.	III'26	0%
	IV'26	0%



FEED

Feed Monitor		
Corn		
II'26	33%	Corn Game Plan: You should have corn-for-feed need covered through the end of May. Be prepared to make purchases.
III'26	0%	
IV'26	0%	
I'27	0%	
Meal		
II'26	33%	Meal Game Plan: You should have meal needs covered through the end of May. Be prepared to make additional purchases on an extended pullback.
III'26	0%	
IV'26	0%	
I'27	0%	



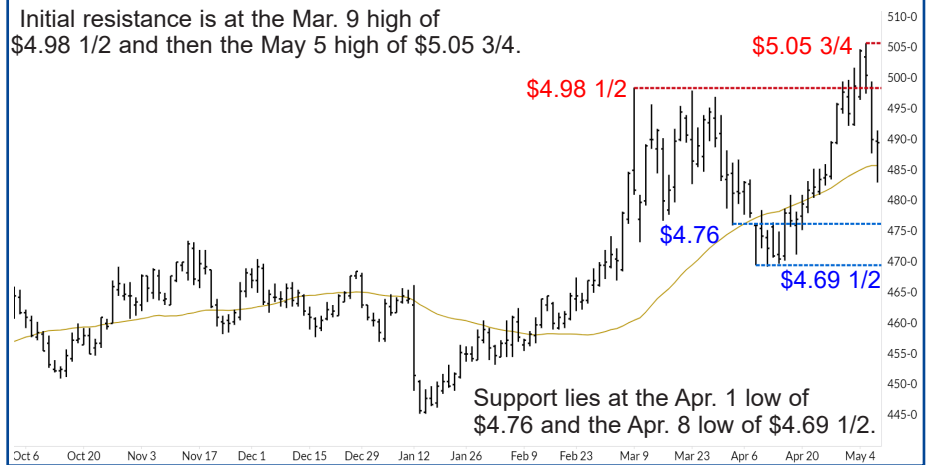
Position Monitor

	'25 crop	'26 crop
Cash-only:	60%	30%
Hedgers (cash sales):	60%	10%
Futures/Options	0%	40%

Game Plan: We advised hedgers to purchase \$4.80 December puts on 40% of expected 2026 production to establish a \$4.48 floor price. We also advised cash-only marketers to forward sell another 20% of expected production at that time. You should be 60% sold for the 2025 crop in the cash market. Be prepared to make additional sales.

DAILY DECEMBER CORN

Initial resistance is at the Mar. 9 high of \$4.98 1/2 and then the May 5 high of \$5.05 3/4.



Support lies at the Apr. 1 low of \$4.76 and the Apr. 8 low of \$4.69 1/2.

DAILY JULY CORN

Resistance is at the Mar. 6 high of \$4.71 1/2 and then the Mar. 27 high of \$4.81 1/4.

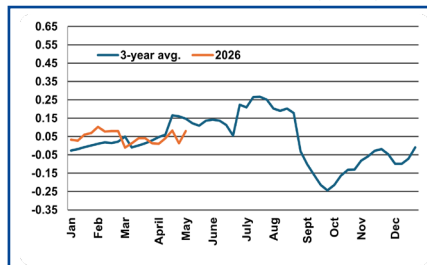


Support is at the Apr. 1 low of \$4.59 1/4 and the Apr. 10 low of \$4.48 1/2.

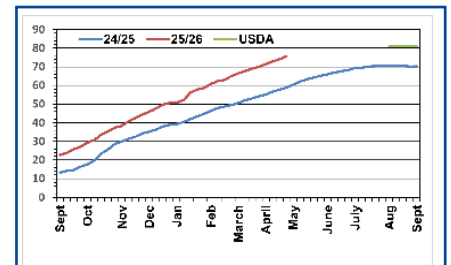
CORN

Corn fell victim to sharply lower crude prices that impacted grains across the board this week. Ethanol production remains sluggish as of late, though part of that can be attributed to seasonal maintenance as production remains near year-ago levels. A House vote on standalone legislation allowing year-round E15 sales is scheduled for May 13 after being sidelined in the recent farm bill debate. U.S. planting should proceed on pace in the near-term, as farmers make good progress around rains. Early planted crops that had emerged in the northern portions of the Midwest were hit by a frost, though impacts are expected to be limited overall.

AVERAGE CORN BASIS (JULY)



CORN EXPORT BOOKINGS (MMT)



Position Monitor

	'25 crop	'26 crop
Cash-only:	70%	30%
Hedgers (cash sales):	70%	30%
Futures/Options	0%	0%

Game Plan: You should have 70% of the 2025 crop and 30% of 2026 crop sold in the cash market. Be prepared to make additional sales on an extended weather rally.

DAILY JULY SRW WHEAT

Resistance is at the Mar. 31 high of \$6.36, and then the Mar. 9 high of \$6.49 3/4



Support is at the Apr. 17 high of \$5.90 1/2, and then the Apr. 10 low of \$5.77 3/4.

WHEAT

SRW – With focus on poor HRW conditions, SRW has seen the sharpest losses from the recent pullback. The relative lack of concern on crop quality has left the class more susceptible to following crude lower. Rains forecast in the eastern U.S. should help bolster soil moisture.

Position Monitor

	'25 crop	'26 crop
Cash-only:	70%	30%
Hedgers (cash sales):	70%	10%
Futures/Options	0%	40%

Game Plan: We advised hedgers to buy \$11.60 November puts on Mar. 31 on 40% of expected production, establishing an \$11.00 price floor. We also advised cash-only marketers to forward-sell 20% of expected production on Mar. 31. You should be 70% sold in the cash market for the 2025 crop. Be ready to make new sales.

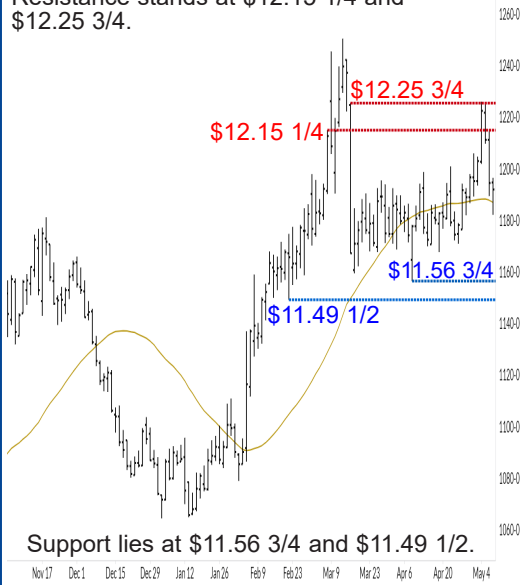
DAILY NOVEMBER SOYBEANS

Resistance stems from the Apr. 30 high of \$11.78 and then the May 4 high of \$12.00 1/2.



DAILY JULY SOYBEANS

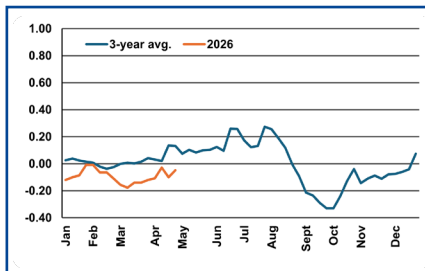
Resistance stands at \$12.15 1/4 and \$12.25 3/4.



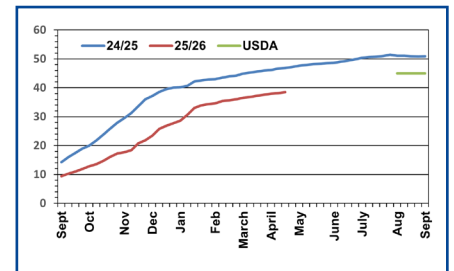
SOYBEANS

The breakout from the trading range that has defined soybean markets since mid-March was short lived. Soy oil had continued to set contract highs that worked to push futures higher, but the sharp drop in crude prices proved to be too much to overcome for the commodities sector, resulting in a drop across the soy complex. Despite the decline, fuel prices are likely to remain high in the near-term (see *From the Bullpen*) which should offer some support to biofuel inputs. Harvest is well under way in Argentina and is estimated at 18% complete. Yields reported by Argentine farmers last week averaged 55.4 bushels per acre according to Dr. Cordonnier.

AVERAGE SOYBEAN BASIS (JULY)

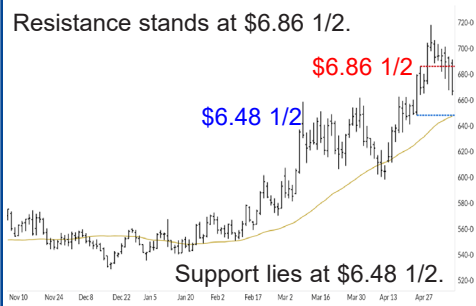


SOYBEAN EXPORT BOOKINGS (MMT)



DAILY JULY HRW WHEAT

Resistance stands at \$6.86 1/2.

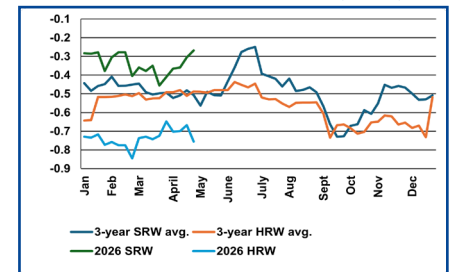


DAILY JULY HRS WHEAT

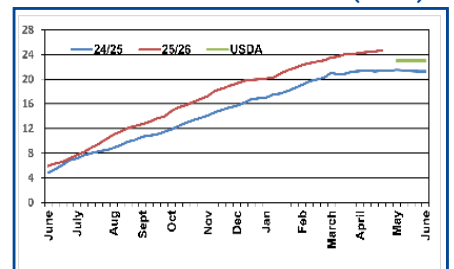
Resistance is at \$6.95.



AVERAGE WHEAT BASIS (JULY)



WHEAT EXPORT BOOKINGS (MMT)



HRW — Wheat harvest in the southern Plains is expected to begin sooner than usual due to the quick maturation this spring. Markets will begin receiving information on yield prospects from crop tours in the coming weeks. Current crop condition data points towards yields being well below their year-ago marks.

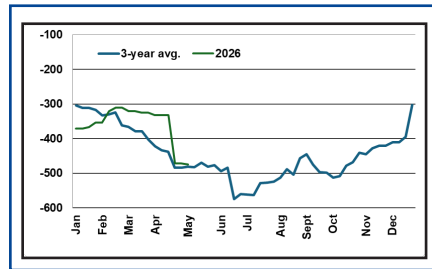
HRS — Drier conditions in the northern Plains recently have allowed for planting to proceed, though some areas still experiencing daily low temperatures below freezing has likely slowed farmer activity. Slow planting in the Black Sea region may limit the top end of yields for the area come harvest time.

Position Monitor

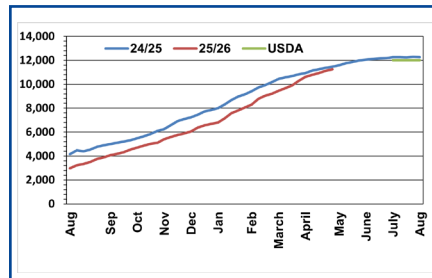
	'25 crop	'26 crop
Cash-only:	90%	40%
Hedgers (cash sales):	90%	40%
Futures/Options	0%	0%

Game Plan: On April 16, we advised selling 15% of old- and new-crop production. Be prepared to make additional sales.

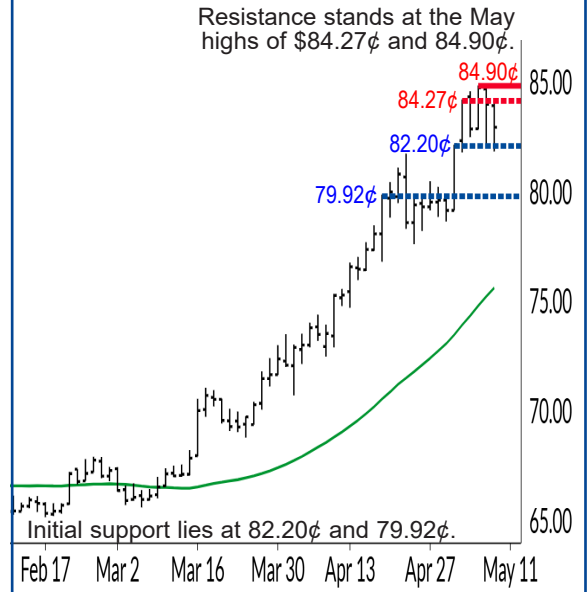
AVERAGE COTTON BASIS (JULY)



COTTON EXPORT BOOKINGS ('000 BALES)



DAILY JULY COTTON



COTTON

Crude oil has been an obvious driver in recent weeks, with peace prospects pulling cotton futures from the December contract high carved on May 5. A solid technical posture and waning global production is likely to continue to provide support in the near-term.

GENERAL OUTLOOK

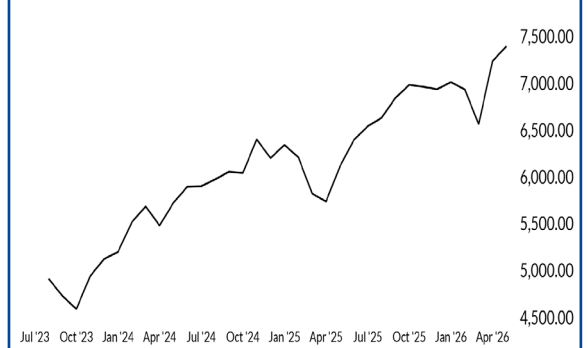
FISCAL DYNAMICS: Major U.S. stock indexes have hit record highs amid optimism the U.S.-Iran war may be ending. However, the U.S. dollar index has been trending lower the past five weeks.

With a booming U.S. stock market and the prospect of Middle East peace, logic would seemingly suggest the greenback should be appreciating against its major rivals. It appears cur-

rency traders are giving more credence to the likelihood new Fed Chairman Kevin Warsh will lean dovish and lower interest rates, which would be bearish for the U.S. dollar.

However, those currency-trader notions are not widespread. U.S. Treasury traders have been pricing in better odds for a U.S. rate hike coming this year, as opposed to a rate cut.

MONTHLY JUNE S&P 500 E-MINI FUTURES



FROM THE BULLPEN By Market Analyst Hillari Mason

Elevated fuel prices are undoubtedly a consequence of a surge in crude oil since the onset of the conflict in the Middle East. Though musings of peace talks beg the question – will a deal immediately alleviate high prices at the pump?

Industry experts have indicated a full recovery of crude flow could take weeks, even if the Strait of Hormuz reopens fully, due to backlogs, damaged infrastructure and well restarts. That said, refiners will continue to tap reserves to meet peak summer demand.

In the U.S., crude drawdowns have been significant, as exports have served as a backstop for importing countries. As of May 1, U.S. gasoline stocks were just under 220 million barrels, which

was the lowest for the period since 2014. Morgan Stanley estimates U.S. gasoline inventories will fall to around 198 million barrels by late summer – the lowest level for that time of year in modern records.

Rystad Energy estimates the world has lost an estimated 600 million barrels of oil supply. If production normalizes by the end of May, 1.2 to 2.0 billion barrels of supply, or 16-27% of pre-war inventories, will be lost. Moreover, nearly two million bpd of disrupted refining capacity in the Middle East will likely continue to curtail normal supplies.

Look for volatility in crude and grains, and a slow retreat in fuel prices when supplies begin to rebuild.

WATCH LIST

- 1 USDA Crop Progress** **MON 5/11**
Corn plantings in focus. 3:00 p.m. CT
- 2 USDA WASDE Report** **TUE 5/12**
Initial look at 2025-26.. 11:00 a.m. CT
- 3 Weekly Ethanol Production** **WED 5/13**
Will production rebound? 9:30 a.m. CT
- 4 Weekly Export Sales Report** **THUR 5/14**
Corn sales remain strong. 7:30 a.m. CT
- 5 NOPA Crush Report** **FRI 5/15**
April member crush. 11:00 a.m. CT

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