

News this week...

- 2** – Crop conditions tick lower amid flash drought
- 3** – Purdue survey shows drop in sentiment across ag
- 4** – A look into our balance sheet assumptions following Crop Tour

Soybeans, wheat anchor on trade – December corn futures traded mostly sideways throughout the week amid a pause following the push higher in the latter half of August. The market remains keyed in on production prospects and is beginning to realize the crop might not be as big as expected. Soybeans saw heavy selling mid-week as traders remain focused on the lack of China purchases before stabilizing to end the week. Wheat futures hit contract lows as freshly harvested supplies are hitting the market. Live cattle futures saw an increase in volatility last week, closing below key technical support for the first time in three weeks. Lean hog futures continued to see impressive strength amid a contra-seasonal rally in the CME lean hog index, shrinking cash market premiums to futures.

Minimal precip expected in east

Light and infrequent rainfall is expected in the eastern Corn Belt in the coming weeks, further stressing crops suffering from one of the driest Augusts on record. Rain in the western half of the Corn Belt will be more regular with occasional thunderstorms. Temperatures will remain colder than normal before warming up into the weekend.

USDA could print higher yields

USDA will release their Crop Production and WASDE reports on Friday. Our analysis points to a potential increase in their yield estimates from a month ago despite the persistent deterioration of the crops due to late season dryness and disease. Our yield model that looks to predict what USDA will print indicates a yield of 189.9 bu. per acre in corn and 53.9 bu. per acre in soybeans, up from 188.8 and 53.6 previously.

U.S., Canada to hold trade talks

Canada and the U.S. agreed to hold technical talks on sectoral tariffs after officials met with Commerce Secretary Howard Lutnick. The talks are focused on reaching common understandings about options that could form a series of small deals to put Canada in a better position, says Canadian cabinet minister Dominic LeBlanc. Canada is facing U.S. tariffs on its steel, aluminum, auto and lumber exports. Canadian Prime Minister Mark Carney told reporters he had a “very constructive” conversation with President Donald Trump and believes they can reach agreements on some tariff-affected industries.

Trump signs Japan trade agreement

Trump has signed an executive order implementing a U.S. trade agreement with Japan, with a maximum 15% tariff on most of Japan’s products. The deal includes a promise that Japan will create a \$550 billion U.S. investment fund, and the U.S. will lift certain tariffs on aircraft and aircraft parts as well as generic pharmaceuticals. Relief for aerospace and automobile imports will become effective within seven days, according to the order.

Appeals court rules tariffs illegal

The U.S. appeals court ruled most U.S. tariffs are illegal, which has injected uncertainty into the marketplace and Trump’s authority to impose the import duties. The judges ruled 7-4 that sweeping U.S. global tariffs exceeded the authority granted under the 1977 International Emergency Economic Powers Act (IEEPA). The Federal Circuit said Congress never delegated the power to impose tariffs through IEEPA, calling the policy an “unheralded” and “transformative” overreach. The judges let the levies stay in place while the case proceeds, but it threatens to freeze corporate investment decisions until the cost of tariffs are more clear.

Jobs growth slows, rate cut likely

U.S. nonfarm payrolls rose by a disappointing 22,000 jobs in August, well below an upwardly revised 79,000 jobs in July and market forecasts of 75,000 jobs, showing signs of an unexpectedly weak labor market. Job gains were led in healthcare while federal government jobs continue to shrink. A weaker job market is one sign the Federal Reserve has been looking to lower interest rates. Following the report, traders are pricing in 100% odds of some sort of rate cut, either 25 or 50 basis points.

China slaps duties on EU pork

China has imposed preliminary duties on pork imports from the European Union, a move set to disrupt shipments from the world’s second-biggest supplier and further stoke trade tensions between Brussels and Beijing, *Bloomberg* reports. The duties come as China struggles with a domestic over-supply of pork and sluggish consumption amid a sustained economic downturn. China will impose preliminary levies ranging from 15.6% to 62.4% on cargoes of the meat, China’s Ministry of Commerce said in a statement. China accused European companies of dumping certain pork and pig by-products and said its domestic industry has suffered material injury. Meanwhile, China purchased some U.S. pork recently. This ruling could drive more business to the U.S.

Dryness spurs crop condition decline

USDA rated the corn crop as 69% “good” to “excellent,” down two points from the previous week as of Aug. 31. USDA rated the Iowa crop as 84% “good” to “excellent,” causing Crop Tour Scouts to balk at the grading system as the crop is dying across the state. USDA rates the soybean crop as 65% “good” to “excellent,” down four points. USDA has stopped tracking spring wheat condition for the season now that the crop is more than 50% harvested. On the weighted Pro Farmer Crop Condition Index (CCI; 0 to 500-point scale, with 500 representing perfect), the corn crop declined 4.4 points to 377.2 while the soybean crop decreased 7 points. Extended periods of dryness across the lower Midwest and the areas surrounding the lower Mississippi River have caused crops in those areas to experience some stress and condition declines.

Cordonnier's estimates unchanged

Crop consultant Michael Cordonnier left his U.S. corn yield unchanged at 184 bu. per acre with a neutral bias, steady with the prior week.

He noted late season dryness being an issue for the corn crop along with copious amounts of southern rust. Cordonnier held his soybean estimate at 53 bu. per acre with a neutral bias. He noted a drier trend in the southern Midwest and mid-South possibly limiting the yield on double crop soybeans.

Cordonnier left his Brazilian estimates at 173 MMT and 140 MMT for soybeans and corn respectively. His Argentine estimates are at 49 MMT and 54 MMT for soybeans and corn.

Grain fill at risk in corn

A 2019 article from Purdue noted the severe impact droopy ears, often caused by late-season drought stress and excessive heat, can have on ear weights. A pinched ear shank can lead to a collapsed “pipeline,” stopping nutrients from going into the kernels. Grain fill shutting down early in the dent stage can lead to a 40% decline in yield, while shutdown at the late dent stage is estimated to cause whole field loss at 12%. Scouts on the eastern leg of the Crop Tour noted droopy ears with milk line around a quarter of the way down. That could have a severe impact on yield that most market analysts are not considering, especially considering many newer hybrids add weight late in the maturity cycle. That could lead to lower yield that is not likely to show up in this week's USDA Crop Production Report.

Producer crop comments...

Please send crop comments to editors@profarmer.com

Atchison Co. (northwest) Missouri:

“Soybean pods are still flat. Some fields are cracking open (heavy clay soils). Rainfall here erratic all year, widely variable from one field to the next.”

Eastern Iowa:

“Massive disease pressure in corn. Many fields are brown. There's more soybean sudden death in more fields than I've ever seen.”

Northwest Iowa:

“Disease has been finishing off a lot of acres way too quickly. There are some healthy looking fields still, but they are now in the minority.”

Sac Co. (west central) Iowa:

“Driving from Sac County, Iowa to Ames and I'm blown away at all the brown, dead and dying cornfields.”

Black Hawk Co. (northeast) Iowa:

“The corn crop flipped a switch over the weekend and decided it was done. Between the southern rust and some tar spot and the heat, the corn crop is shutting down sooner than need be. I think the bean crop could be good, as we got some precipitation in August we don't usually get.”

Scott Co. (eastern) Iowa:

“Drove from the Quad Cities (eastern Iowa) to Canton, Ill., (central Illinois). The crop is far more yellow and brown than one would expect for the end of August. Late-season dryness and disease has really taken the life out of the corn crop.”

LaRue Co. (central) Kentucky:

“The early beans have been hurt as they are changing drastically. We have fields where we could harvest, but we would be driving around low spots that are still green. There are lots of blank pods. We have lots of corn that has just died with disease pressure.”

Global bond yields tick higher

Global bonds yields are on the rise due to worries about inflation, government debt sales and fiscal discipline. U.S. Treasury yields have advanced, with the 30-year bond now approaching the 5% level. The sell off reflects traders' concerns around heavy government spending and potential inflationary fallout. The private sector is not excluded, with recent bond listings casting worrisome signals. Uncertainty around the Federal Reserve's independence are adding to the bond market pressures. History shows the months of September and October can be rough for the stock, financial and currency sectors, which in turn can negatively impact agricultural markets.



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Purdue survey shows farmer sentiment down amid price weakness

Farmer sentiment dipped again in August as the Purdue University-CME Group Ag Economy Barometer Index fell 10 points to 125. Producers were markedly less optimistic about the future in August as the Index of Future Expectations dropped 16 points to 123. This was the lowest reading for the future index since last September. Producers' perspective on current conditions changed little this month, with a Current Conditions Index reading of 129 versus 127 in July.

Sentiment differed widely among producers. Responses from crop producers were much less optimistic than those from livestock producers, which indicates the disparity in profitability between crop and livestock enterprises.

Beef cattle operations in particular are experiencing record profitability as the smallest cattle inventory since 1951 has pushed cattle prices to record levels. This stands in sharp contrast to returns for crop production, which have weakened in 2025.

National Corn Growers Association (NCGA) continues to ring alarm bell

The NCGA continues to raise alarm about the economic crisis hitting rural America, as commodity prices drop at a time when input costs remain at near-record highs. As NCGA urges Congress and the administration to act to drive increased demand for corn, such as higher blends of ethanol and increased foreign market access, it has also raised concerns about input costs, which show no sign of slowing down ahead of 2026 acreage decisions.


Ag trade deficit a record

The U.S. ag trade deficit hit a record high in the first half of this year. *Bloomberg* said the value of agricultural exports trailed that of imports by \$4.1 billion in June, a gap 14% wider than a year earlier. USDA data says that pushed the ag sector's deficit to a staggering \$28.6 billion for the first six months of this year. AgWeb says the trade deficit is one of the main reasons President Donald Trump gave for imposing tariffs and working on new trade deals.

Ethanol, crush use up

USDA reported the corn-for-ethanol use for July 2025 at 455.817 million bushels. That compares to an adjusted 446.897 million in June 2025 and 483.87 million in July 2024. USDA anticipates corn used for ethanol to total at 5.47 billion bu. in 2024-25, which would be down from 5.478 billion in 2023-24. Ethanol use will likely come up short of that mark as use ran below 2023-24 levels throughout August.

July 2025 soybean crush totaled 204.758 million bushels. Crush was up 7.8 million bu. from 196.925 million bu. in June 2025 and up 11.484 million from 193.274 million in July 2024. Crush use could top USDA's estimate by a few million bushels, but it will be close as plants often slow down in August for maintenance.

	ACTUAL			DOANE FORECASTS*		
	Year Ago	Last Week	This Week	Oct.	Oct.-Dec.	Jan.-Mar.
(Monthly & quarterly avg.)						
CORN						
Central Ill., bushel	3.65	3.65	3.83	4.25	4.50	4.70
Omaha, Neb., bushel	3.99	3.80	3.89	4.40	4.65	4.85
Dried Distillers Grain, Iowa, \$/ton	125.40	123.92	124.94			
SOYBEANS						
Central Ill., bushel	9.78	10.20	10.27	10.50	10.75	11.00
Memphis, Tenn., bushel	9.73	9.98	10.07	10.40	10.60	10.75
Soymeal, 48% Decatur, ton	336.6	298.5	298.8	300	300	290
WHEAT						
Kansas City, HRW, bushel	5.66	—	—	5.50	5.60	5.75
Minneapolis, 14% DNS, bushel	8.22	6.70	6.53	7.00	7.25	7.40
St. Louis, SRW, bushel	4.84	4.71	4.67	5.00	5.20	5.40
Portland, Soft White, bushel	5.75	6.02	6.00	6.25	6.50	6.70
Durum, NE MT HAD, 13%, bu.	6.31	5.81	5.79	6.00	6.25	6.50
SORGHUM , Kansas City, cwt.	7.04	5.79	5.90	5.85	6.10	6.25
COTTON , 11/16 SLM, 7 area, ¢/lb.	64.94	63.09	61.71	63.00	65.00	68.00
RICE , nearby futures, cwt.	15.12	11.52	11.75	12.00	12.25	12.60
CANOLA , Enderlin, N.D., cwt.	19.36	20.71	19.55	21.00	22.00	23.00
OATS , Minneapolis No. 2 heavy, bu.	3.92	3.61	3.77	4.00	4.10	4.25
ALFALFA , NW Iowa, lg. sq. prem., ton	127.50	—	—	135.00	140.00	145.00
SUNFLOWERS , Fargo, N.D., cwt.	17.50	26.00	25.20	26.00	23.50	24.50
HOGS , Nat'l carcass 51%-52% cwt.	84.11	108.62	105.75	95.00	90.00	100.00
FEEDER PIGS , 40 lb., Nat. avg, head	53.32	71.32	74.50	80.00	90.00	105.00
CHOICE STEERS , feedlots, cwt.	183.81	244.25	243.60	240.00	245.00	255.00
FEEDER CATTLE , Oklahoma City						
Steers, 700 lb. – 800 lb., cwt.	248.51	368.51	378.08	360.00	360.00	340.00
Steers, 500 lb. – 550 lb., cwt.	296.53	449.03	446.86	440.00	440.00	400.00
Heifers, 450 lb. – 500 lb., cwt.	274.71	432.27	430.22	420.00	420.00	390.00
COWS , utility, Sioux Falls, S.D.,	139.96	169.45	169.71	170.00	160.00	155.00
MILK , Class III, CME spot month, cwt.	23.25	17.27	17.24	17.00	16.00	16.00
LAMBS , Slg., San Angelo, TX, cwt.	171.50	235.00	260.00	260.00	250.00	240.00
ENERGY						
Ethanol, Iowa, gallon	1.65	1.65	1.67	—	—	—
Farm diesel, U.S., gallon	3.05	3.06	3.07	2.99	2.95	2.92
*Average prices expected for the indicated time periods based on available information. Forecasts will be revised as necessary to reflect changing market conditions.						

An updated look at 2025 balance sheets with PF estimates

By Lane Akre, economist

Corn

We see old-crop corn carryover 15 million bu. above USDA's August estimate. Higher feed and residual use and exports are likely to be offset by lower corn-for-ethanol use in the Sept. 12 update.

That means slightly higher beginning stocks for the 2025-26 marketing year at 1.32 billion bu. That is more than offset by what we expect will be a half-billion bushels cut to the corn crop estimate. But even at that, total corn supplies for 2025-26 at 17.549 billion bu. are nearly 900 million bu. more than last year. That will encourage more use with the bulk of the increase in feed and residual. Corn-for-ethanol use will expand slightly and exports would do well to be within 50 million bu. of last year.

Bottom line: nearly 600-million-bu. year-to-year increase in carryover and an expansion of the stocks-to-use ratio to 12.1%. Prices will likely be higher than USDA's August projection of \$3.90 but only modestly.

Soybeans

We expect just slight adjustments to the demand side of the balance sheet for old-crop soybeans.

The supply side for new-crop soybeans is still in question, but the drop in acres will result in lower supplies even if our estimate of a record national average bean yield is realized. Total supply for 2025-26 is expected to be down nearly 135 million bu. from last year. How the crop finishes and the potential yield drag of late-season diseases in the central and western Belt and too-dry conditions in the eastern Belt still have the potential to influence price action.

On the demand side, soybean crush is expanding, but that is likely to be offset by a significant cut to export demand. China still has not booked any soybeans for 2025-26 delivery. Odds are China will make some purchases, but the pace is already far-enough behind to anticipate significantly lower exports than USDA's August estimate. Slow exports will drag total use down about 75 million bu. from last year. With bean carryover expected to be down about 60 million bu. year-to-year and the stocks-to-use dropping under 6.5%, we'll be patient on new-crop marketings in anticipation of better selling opportunities in a postharvest rally.

CORN SUPPLY/DEMAND					
CORN: Million bushels					
	2023-24	USDA 2024-25	PF 2024-25	USDA 2025-26	PF 2025-26
Planted acreage (mil ac)	94.6	90.6	90.6	97.3	97.3
Harvested acreage (mil ac)	86.5	82.9	82.9	88.7	88.7
Yield (bu/ac)	177.3	179.3	179.3	188.8	182.7
Beginning stocks	1,360	1,763	1,763	1,305	1,320
Production	15,341	14,867	14,867	16,742	16,204
Total supply	16,729	16,655	16,655	18,072	17,549
Feed and Residual	5,805	5,675	5,700	6,100	6,000
Food, industrial and seed use	6,869	6,855	6,800	6,980	6,849
Corn for Ethanol	5,478	5,470	5,415	5,600	5,450
Domestic Use	12,674	12,530	12,500	13,080	12,849
Exports	2,292	2,820	2,835	2,875	2,800
Total usage	14,966	15,350	15,335	15,955	15,649
Carryover	1,763	1,305	1,320	2,117	1,900
% Stocks to Use	11.8%	8.5%	8.6%	13.3%	12.1%
Avg. farm price (\$/bu)	\$4.55	\$4.30	\$4.30	\$3.90	\$4.25

Soybeans: Million bushels					
	2023-24	USDA 2024-25	PF 2024-25	USDA 2025-26	PF 2025-26
Planted (Mil acres)	83.6	87.1	87.1	80.9	80.9
Harvested (mil acres)	82.3	86.1	86.1	80.1	80.1
Yield (bu/a)	50.6	50.7	50.7	53.6	53.0
Beginning stocks	264	342	342	330	334
Production	4162	4366	4366	4292	4246
Imports	21	25	25	20	20
Total supply	4447	4734	4734	4642	4600
Crushings	2285.3	2430	2425	2540	2570
Exports	1695	1875	1876	1705	1650
Seed	78	70	70	73	77
Residual	47	29	29	34	28
Total use	4105	4404	4400	4352	4325
Ending stocks	342	330	334	290	275
Stocks-use	8.3%	7.5%	7.6%	6.7%	6.3%
Seas. Avg Price	\$12.40	\$10.00	\$10.00	\$10.10	\$10.75

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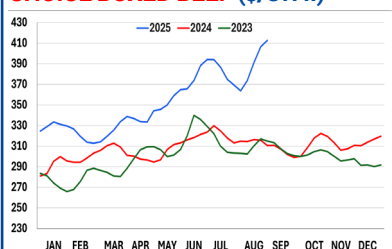
CATTLE - Fundamental Analysis

General uncertainty across the marketplace kept cattle prices rangebound last week, while a strong technical posture and bullish supply fundamentals kept sellers at bay. Meanwhile, packers held an edge amid slightly weaker cash trade and steady wholesale values, though slaughter levels continue to trail year-ago by a notable margin. Choice cutout continued to linger around levels second only to COVID-19-era values in May 2020, which illustrates robust demand for cattle and beef. However, full pricing has not yet arrived to meat counters or restaurant menus, which, if realized, is likely to spur a slump in retail demand.

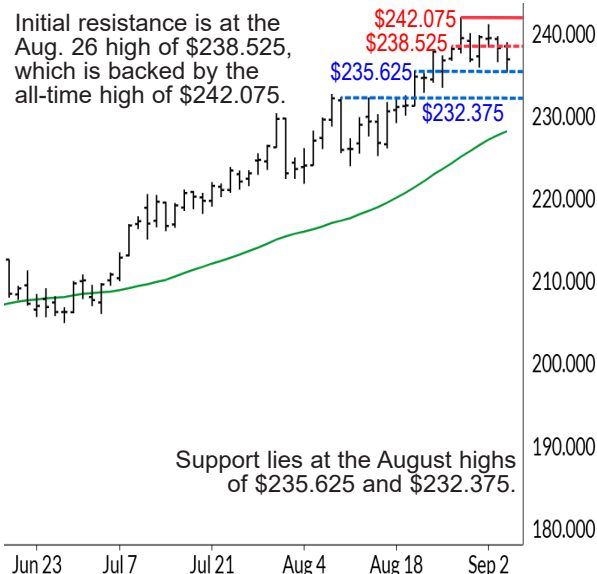
Position Monitor

Game Plan:	Feds Feeders		
Nearby live	III'25	0%	0%
cattle fu-	IV'25	0%	0%
tures have	I'26	0%	0%
	II'26	0%	0%
erased discounts to the cash market. Be prepared to purchase put for downside protection.			

CHOICE BOXED BEEF (\$/CWT.)



DAILY OCTOBER LIVE CATTLE



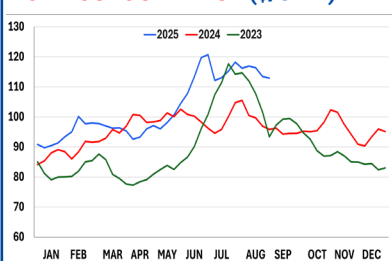
HOGS - Fundamental Analysis

After reaching a more-than-two-month high, October futures retreated from technically overbought territory in midweek trade. Slaughter levels have risen seasonally, while cash fundamentals have faded, though strength in the cattle complex continues to underpin pork. However, pork cutout typically begins to fade after August but that has not been the case thus far as wholesale values remain relatively stable. Strong demand for pork and slowing declines in the cash index may be indicative of a September cash rally, which would, in turn, bode well for futures into autumn.

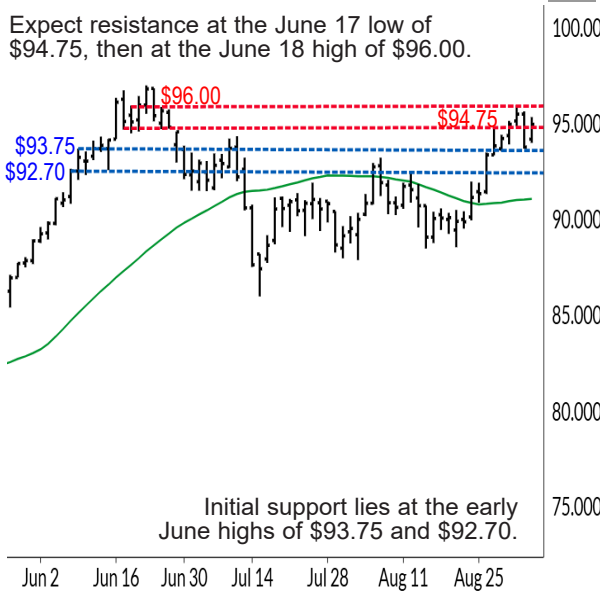
Position Monitor

Game Plan:	Lean Hogs		
all risk in the cash	III'25	0%	0%
market. Nearby	IV'25	0%	0%
hog futures are at	I'26	0%	0%
	II'26	0%	0%
a notable discount to the cash index, which makes it difficult to layoff risk in futures. Stay patient for now.			

PORK CUTOUT VALUE (\$/CWT.)



DAILY OCTOBER LEAN HOGS



FEED

Feed Monitor

Corn

III'25	100%
IV'25	33%
I'26	0%
II'26	0%

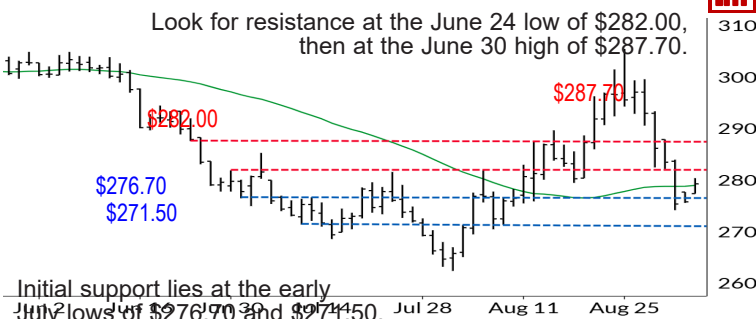
Corn Game Plan: You should have all corn-for-feed needs covered through October. Be prepared to make additional purchases amid evidence of a confirmed low.

Meal

III'25	100%
IV'25	50%
I'26	0%
II'26	0%

Meal Game Plan: You should have your soymeal needs covered in the cash market through September, with half of your needs covered for October, November and December.

DAILY DECEMBER SOYBEAN MEAL

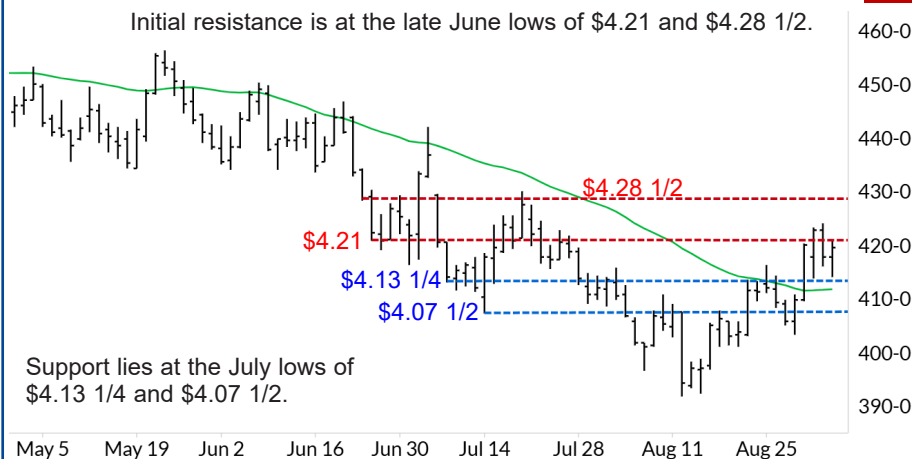


Position Monitor

	'25 crop	'26 crop
Cash-only:	20%	0%
Hedgers (cash sales):	20%	0%
Futures/Options	0%	0%

Game Plan: You should have 20% of your 2025-crop sold. With a push to lows in mid-August, we're willing to wait for a more profound move before making any more new-crop sales. We are targeting \$4.40 for additional sales, but be prepared to pull the trigger on a rally. Sales for the 2026-crop will also be assessed given the next opportunity.

DAILY DECEMBER CORN



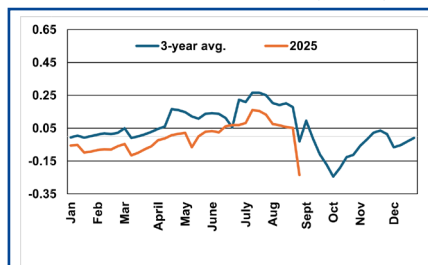
DAILY MARCH CORN



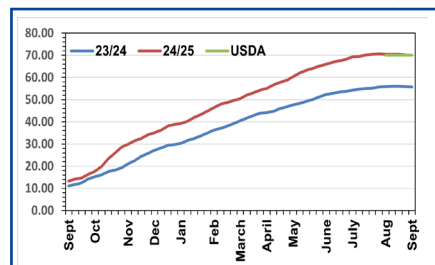
CORN - Fundamental Analysis

Technically overbought conditions failed to spur a major correction last week despite a general risk-off tone as trade uncertainties reentered center stage. SRW wheat and soybeans were each a drag at one point or another, but futures aired resilience as the marketplace pondered the size of the U.S. crop ahead of next week's September Production and Supply & Demand Reports. Meanwhile, current prices continue to bode well for demand, though robust input prices and elevated uncertainty could push producers to look toward alternative crops as they secure inputs for the 2026-27 crop year.

AVERAGE CORN BASIS (SEPT.)



CORN EXPORT BOOKINGS (MMT)

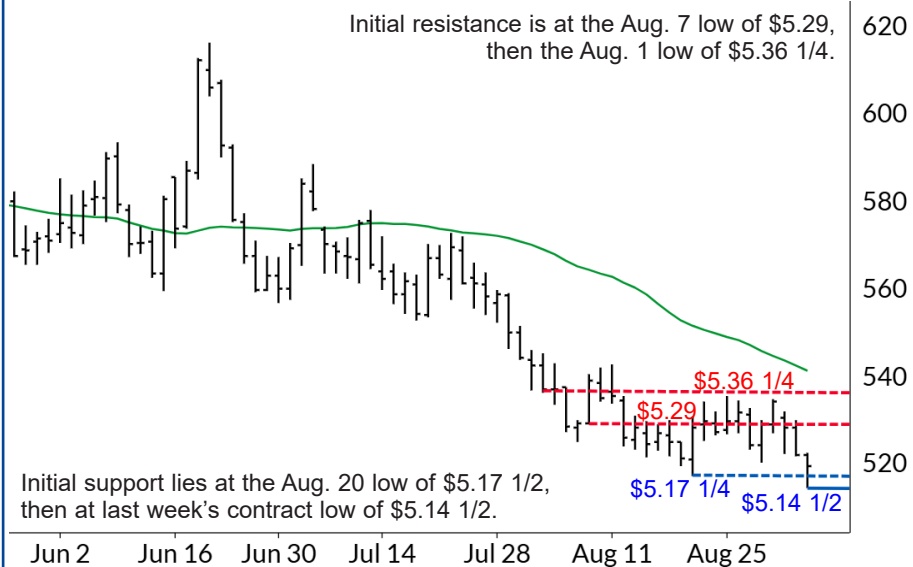


Position Monitor

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

Game Plan: You should have 30% of your 2025-crop sold in the cash market and 10% of the 2026-crop sold for harvest delivery. Be prepared to make additional sales on an extended upside move.

DAILY DECEMBER SRW WHEAT



WHEAT - Fundamental Analysis

SRW — Short-covering efforts at the end of August were wiped out last week as December futures forged a fresh contract and more than five-year low on the daily continuous chart amid persistent technical selling. A strong rebound in the U.S. dollar in early week trade also encouraged sellers.

Position Monitor

	'25 crop	'26 crop
Cash-only:	20%	0%
Hedgers (cash sales):	20%	0%
Futures/Options	0%	0%

Game Plan: You should be 20% sold for the 2025 crop. Rallies may be limited in the near term, but be prepared to advance new crop sales on an extended short-covering rally. We are targeting \$10.75 basis November futures, but may advise sales if a pullback seems imminent. Sales for the 2026-crop will be assessed when the next opportunity arrives.

DAILY NOVEMBER SOYBEANS

Resistance stems from the January highs of \$10.39 1/2 and \$10.51 1/4.



DAILY JANUARY SOYBEANS

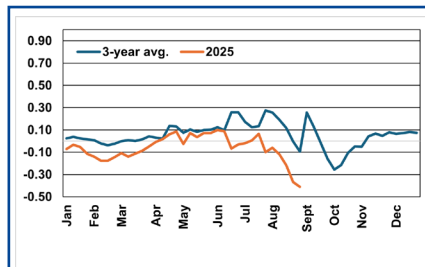
Resistance stands at \$10.69 3/4, then \$10.51 1/4.



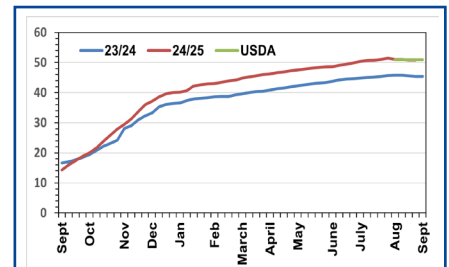
SOYBEANS - Fundamental Analysis

Short-sellers showed up in full force last week, as pressure stemmed from meal futures and a generally enhanced risk-off tone across the marketplace. However, bulls forged a comeback in late-week trade amid talks of frosts and freezes in the northern Plains and upper Midwest. Moreover, USDA's weekly condition rating declined on the week, which accounted for heat and dry weather in the eastern Corn Belt and disease pressure in the western Corn Belt. While production concerns certainly loom, a lack of new-crop purchases from China continues to limit both futures and basis. As the calendar advances, prospects of purchases from China fade (See *From the Bullpen on Analysis* page 4).

AVERAGE SOYBEAN BASIS (NOV.)



SOYBEAN EXPORT BOOKINGS (MMT)



DAILY DECEMBER HRW WHEAT

Resistance is at \$5.25.

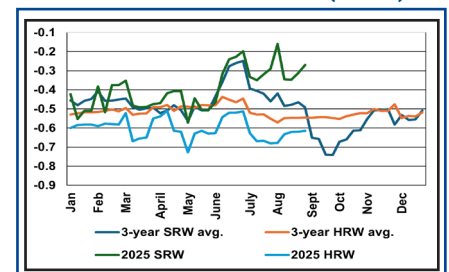


DAILY DECEMBER HRS WHEAT

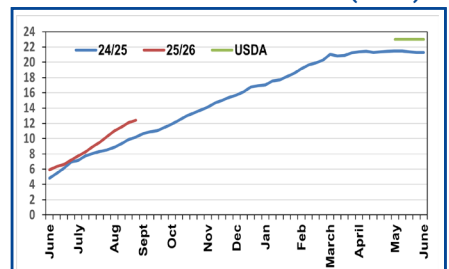
Resistance is at \$5.85 3/4.



AVERAGE WHEAT BASIS (SEPT.)



WHEAT EXPORT BOOKINGS (MMT)



HRW — While recent moisture in HRW wheat growing areas of the U.S. has created an ideal environment for planting and emergence, last week's push to multi-year lows continued to bring questions around whether producers will keep HRW wheat in their rotations. However, given a catalyst, futures are ripe for a correction.

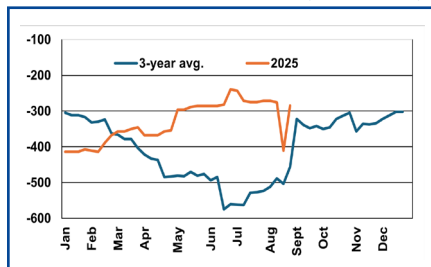
HRS — New contract lows were forged amid continued technical selling, though hedge pressure was also a likely culprit as harvest efforts advanced to 72% complete early last week, according to USDA. Current prices are certainly positive for demand, though ongoing trade tiffs inflame uncertainties for producers.

Position Monitor

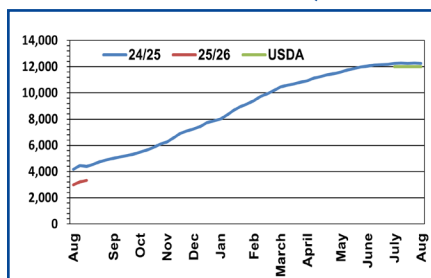
	'25 crop	'26 crop
Cash-only:	0%	0%
Hedgers (cash sales):	0%	0%
Futures/Options	0%	0%

Game Plan: You should have 100% of your 2024 crop sold, wait on an extended rally to make 2025 sales. We are targeting 69.00¢ to 70.00¢.

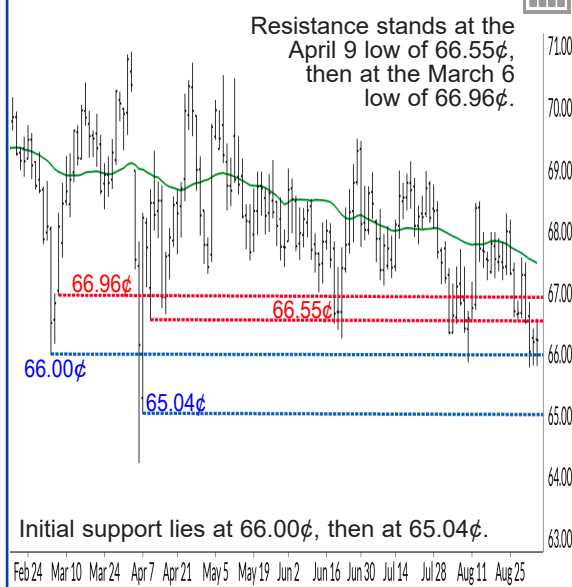
AVERAGE COTTON BASIS (OCTOBER)



COTTON EXPORT BOOKINGS ('000 BALES)



DAILY DECEMBER COTTON



COTTON - Fundamental Analysis

Chart-based selling was featured last week, with bears gaining the upper hand as equities slipped amid an enhanced risk-off tone. Meanwhile, the U.S. cotton crop continues to deteriorate in the Delta, while recent rains in the Texas Panhandle have been beneficial.

GENERAL OUTLOOK

METALS: Gold prices last week hit an all-time record high, while silver notched a 14-year high. Safe-haven demand is driving the metals markets higher. A main bullish elements is lower U.S. interest rates that are likely yet this year. Another bullish fundamental for the safe-haven metals is a jittery bond market.

Global bonds yields are on the rise (lower prices) mostly due to worries

about inflation, government debt sales and fiscal discipline.

Uncertainty surrounding the Federal Reserve's independence is only adding to the bond market pressures and general trader and investor anxiety – bullish for gold and silver.

History shows September and October can be rough for the stock, financial and currency sectors, yet another positive for gold and silver.

DAILY OCTOBER GOLD FUTURES



FROM THE BULLPEN By Economist Lane Akre

Soybeans continue to struggle to garner bullish momentum despite a historically tight new-crop balance sheet and stocks-to-use (see *News page 4*). The market remains keyed in on China, as the U.S. has historically supplied 30% to 45% of the country's soybeans. During the Trade War in Trump's first administration, that fell to 16%. Since then, China's U.S. soy imports have fought to regain market share, supplying around 22% the past couple years.

China foregoing new-crop purchases in the past three months is unprecedented. That has led to soybeans being undervalued. Trump's comments a month ago encouraging China to quadruple soybean purchases led to a quick 2% rally, but those gains have faded. It has been made

clear soybeans will get some sort of carve out in an eventual deal with China, but the concern is it will come too late.

China typically sources most of their soybeans from the U.S. September through January. With negotiations currently stalled until mid-December, when the current "tariff truce" ends, the majority of that export window will be missed. China has shipments booked from Brazil throughout that window.

There is hope other importers will source U.S. beans, but new-crop sales are the lowest since 2019. Crush demand will make up for a portion of lower exports but will not be able to fully offset the steep drop, which will weigh on beans in the coming months without a trade deal.

WATCH LIST

1	Crop Progress Report A look at late-season conditions.	MON 9/8 3:00 p.m. CT
2	U.S. Consumer Inflation CPI data for August.	THUR 9/11 7:30 a.m. CT
3	USDA Export Sales Report Corn exports remain strong.	THUR 9/11 7:30 a.m. CT
4	USDA Crop Production Rpt. Updated corn, soybean estimates.	FRI 9/12 11:00 a.m. CT
5	USDA WASDE Report Updated balance sheets.	FRI 9/12 11:00 a.m. CT

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