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Another solid day to the upside for the grain and oilseed complex with soybeans up in the double digits, corn and wheat were just mildly higher. The meats showed flat and mixed closes in the cattle complex and two-sided mixed to actively lower marks in the hogs.

Choice beef cutouts gained over \$1.00 yesterday, marking the single largest one day gain in a month and half. Market bulls jumped all over that news citing the strong gains, but it was only the second time in well over a month that choice has gained over \$1.00. It fell more than \$1.00 eight times in the month of July with six of those losses being more than \$2.00. Beef product has a long way to go before it legitimately looks bullish, but yesterday was a good start, so I don't want to discount it too much.

Negotiated cash fed cattle trade looks to be stronger again this week. With futures in the spot August contract continuing to chug slowly higher, trading at a nice premium to last week's cash, it would appear higher money is already in the bag. August live futures are also trading premium to the October contract, which is the next traded month out. That inversion between August and October is very counterseasonal. On one hand, it looks bullish because the front month is trading higher. On the other hand though, I know these lower deferred futures have come about because a lot of traders and analysts don't have a lot of faith in the longevity of the cattle market bull and larger supplies are in the works with the growing cow herd.

Cattle slg. ___102,000 -3k wa -12k ya

Choice Cutout__235.21 +1.73

Select Cutout___228.85 +.68

Feeder Index:___217.70 +.32

Lean Index.___78.96 +.28

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Pork cutout___89.12 +.55

IA-S.MN direct avg___77.15 +1.07

Hog slg.___425,000 +3k wa +18k ya

In the grain trade, coming up next Wednesday is the USDA's latest shot at guessing the 2015 corn, soybean and wheat production in the monthly S&D and crop production reports. This August report is a big one, because it is the first surveyed yield data for corn and beans this year and with the huge discrepancy between eastern and western Corn Belt crop ratings, the state by state corn yield breakdowns will be watched very closely. I'm guessing most will discount the soybean data somewhat though because it's too early for accurate prediction in bean yields. FC Stone came out earlier this week with a 165 corn yield guess and 45 bu beans. Informa was at 165.4 corn yesterday and 45.4 on beans. For comparison, USDA yield data on the July report was 166 bpa corn and 46 bpa in beans.

With a lot of the spec trade holding short positions, squaring of those trades ahead of the report numbers could probably lead to a few more up days than down heading into that data.

Export sales data this morning in the 8:00 am daily reporting showed 132,000 mt's of new crop bean sales to China. The weekly sales numbers were pretty good in wheat, but looked really bad from the outside looking in for corn and beans, although the data could be skewed somewhat by an apparent overstatement in the numbers from last week. Old crop soybean sales were a negative 447,300mt's, which included a switch of 300,000 mt's of old crop sales to new crop from China. New crop sales were slightly over 1 mmt's. Corn sales were a negative 2700 mt's old crop and 277k mt's of new. Wheat sales were 838,500 mt's, which should be viewed as friendly.

On a side note regarding export sales, the beef sales for the week were the second lowest for the year and continue to fall far short of year ago totals. That kind of reaffirms my stance on the demand side of the beef equation being sluggish and a limiting factor on big rally potential.

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