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Both the grain and livestock markets enjoyed solid gains to start the week. For the cattle complex specifically, I'd like to give the credit solely to the friendly undertone of Friday afternoon's COF numbers. However, it wasn't just cattle that were stout. Pretty much everything ag was trading in the green, which makes me wonder just how much of the cattle market reaction was report related and how much was spillover??

Cattle slg. ___107,000 -6k wa -7k ya

Choice Cutout __225.54 -.76

Select Cutout ___220.15 +.89

Feeder Index: ___198.04 -1.98

Lean Index. __71.27 +.28

Pork cutout ___83.68 +.78

IA-S.MN direct avg __69.31 +.56

Hog slg. ___424,000 -6k wa +17k ya

Grain and oilseed trade was all higher yesterday, but unlike the cattle there really wasn't any bullish spark that was fundamentally specific to any of the individual markets outside of routine news.

After the close there was some legitimate friendly news to rehash, but that was also offset by bearish data in the crop condition numbers. On the bullish side, funds reportedly bought around 11k corn, 6k beans and 7k wheat yesterday. China was rumored to be shopping US milo again,

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which could be really good for milo basis if they go on a buying binge again (I think the odds are slim on that btw, but who knows). There is also the annual Chinese trade delegation trip to the US that hits Iowa later this week. Generally they sign contracts to buy several million tonnes of US beans on those trips. Also, generally a lot of analysts make a really big deal out of the agreements. Keep in mind, it's almost more ceremonial than anything, plus it happens every year. It's friendly, but it's not bullish and it's definitely not worth making a big deal about the news.

OK, the bearish news yesterday afternoon came from crop condition numbers in corn and soybeans. Usually this is the time of year when crops are maturing, changing from green to brown and the aesthetic value going from that lush green to mature usually is making condition ratings go down. Corn condition ratings were unchanged at 68% g/ex. Soybean condition ratings improved two points from the previous week to 63% g/ex. Notable changes in state by state data though told a little different story. Iowa, Illinois and Nebraska corn ratings dropped a point. Kansas, Missouri and Ohio corn improved a point. Soybean ratings increased 1 point in 8 out of the top 10 production states, but yet the national number went up 2 points. Winter wheat seedings gained 10 points up to 19% complete. The average for this time of year is 20%. Corn harvest gained 5 points to 10% done compared to 15% normally. This is the first week for a national soybean harvested number and the first one out of the gate showed 7% complete, which was right at the average.

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