Monthly Commodity Futures Overview
August 19, 2026

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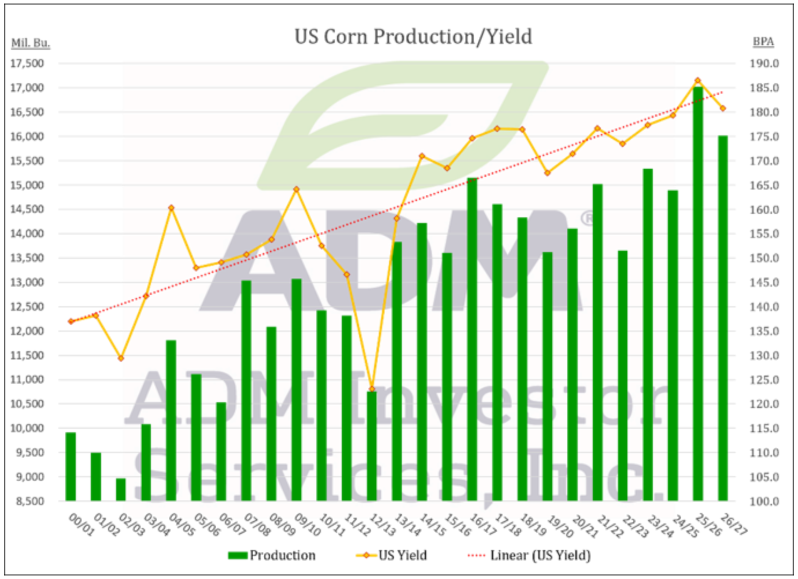
Grains - Corn

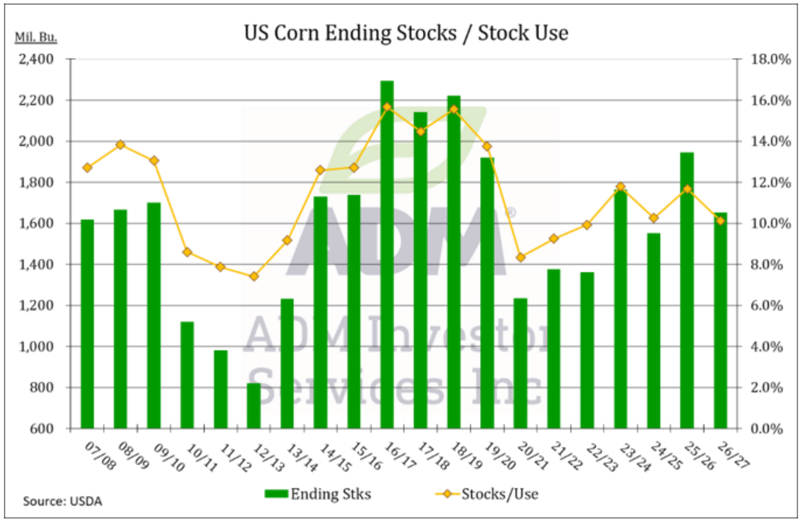
Fundamental Update

- In the August WASDE report, USDA cut US 2025/26 corn ending stocks by 75 million bushels to 1.945 billion, 55 million below expectations.
- Exports rose 75 million bushels to a record 3.4 billion.
- 2026 US production was up 13 million bushels to 16.013 billion, 80 million above expectations.
- Harvested acres were up 1.16 million to 88.592 million, while yields were cut 2.3 bushels per acre to 180.7, still the second highest ever.
- New crop exports up 75 million bushels to 3.275 billion.
- US 2026/27 ending stocks fell 137 million bushels to 1.653 billion, roughly 75 million below expectations.
- 2026/27 global stocks were little changed at 274.7 million metric tons, slightly above expectations.
- EU 2026/27 production cut 3.8 million metric tons to 50.2 million, partially offset by a 2 million metric ton increase in Brazil 2025/26 output.

Price Outlook

- 2025/26 average farm price left unchanged at $4.15 per bushel, while 2026/27 was raised $0.10 to $4.50.
- July-August heat in the western Corn Belt likely to trim yields further; heavy rains in central and eastern belts may induce disease.
- Recent speculative buying likely extended managed money long position to a 3-month high over 250,000 contracts.
- Potential Chinese buying, tighter US stocks, and stronger domestic usage in Brazil raising price floor above $4.50.
- Expected range for Dec-26 at $4.60-$5.30

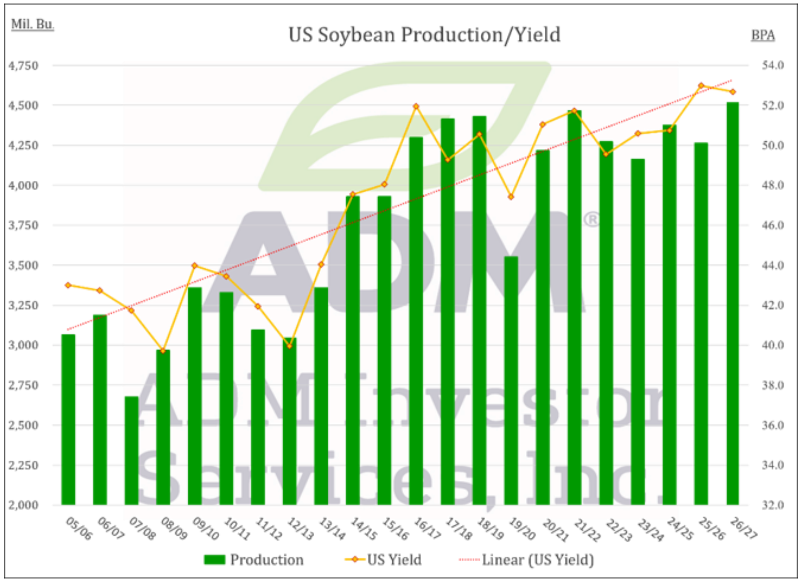


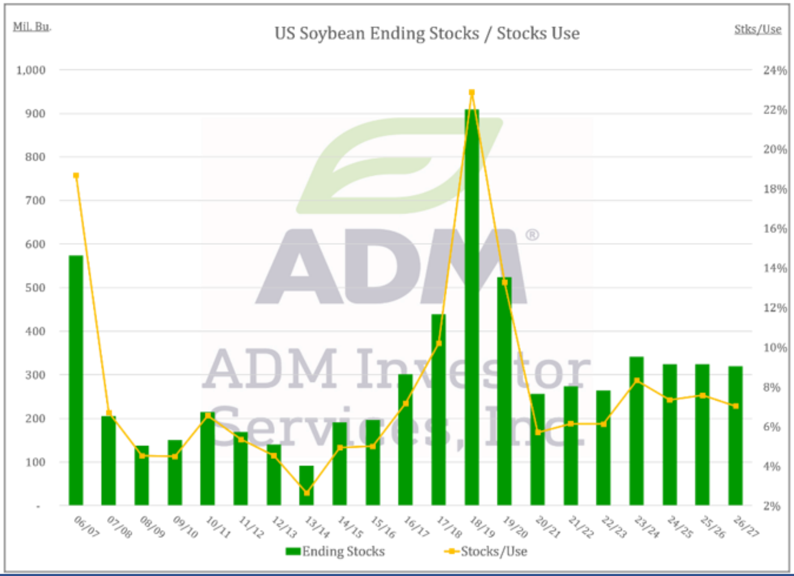


Soybeans

Fundamental Update

- August WASDE showed US 2025/26 soybean ending stocks cut 5 million bushels to 325 million on higher crush, in line with expectations.
- Meal exports raised 200,000 tons for 2025/26 and 700,000 for 2026/27.
- Bean oil exports were cut 225 million pounds for 2025/26; usage for biofuel production raised 150 million pounds, while other domestic usage up 60 million.
- 2026 US soybean production raised 44 million bushels to 4.519 billion, 50 million above expectations.
- Harvested acres up 1.38 million to 85.781 million, with average yield cut 0.3 bushels per acre to 52.7.
- New crop demand rose 29 million bushels on higher crush.
- 2026/27 US ending stocks up 10 million bushels to 320 million, slightly above expectations.
- 2026/27 global stocks little changed at 124.2 million metric tons, in line with expectations.
- Chinese imports were raised 1 million metric tons for both 2025/26 and 2026/27, to 113 and 115 million respectively.





Price Outlook

- 2025/26 average farm price unchanged at $10.40 per bushel, 2026/27 also unchanged at $11.40.
- USDA export forecast at 1.660 billion bushels likely 25-50 million too low if China buys 25 million metric tons in 2026/27.
- We estimate speculative length in soybean complex around 310,000 contracts, below the record 502,000 from early May.
- 2026/27 ending stocks below 300 million bushels would support a spot soybean range of $11.75-$12.75.

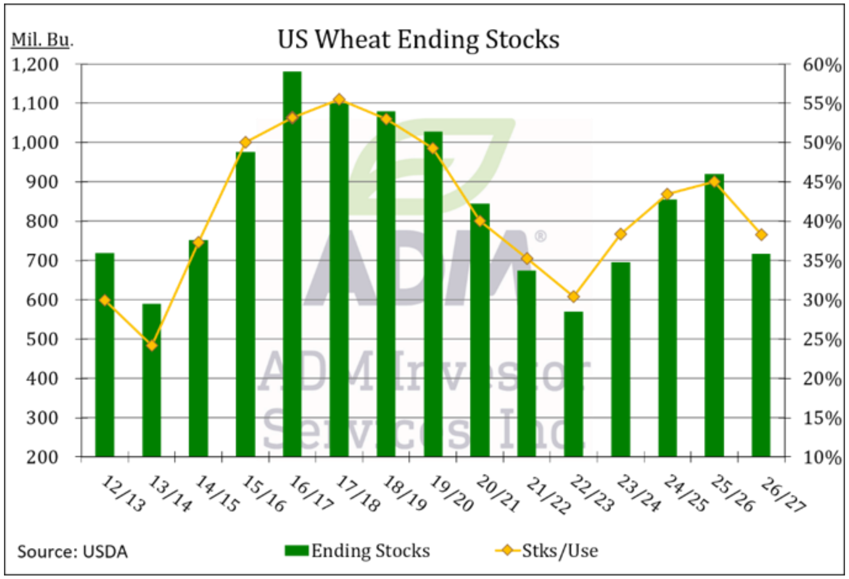
Wheat

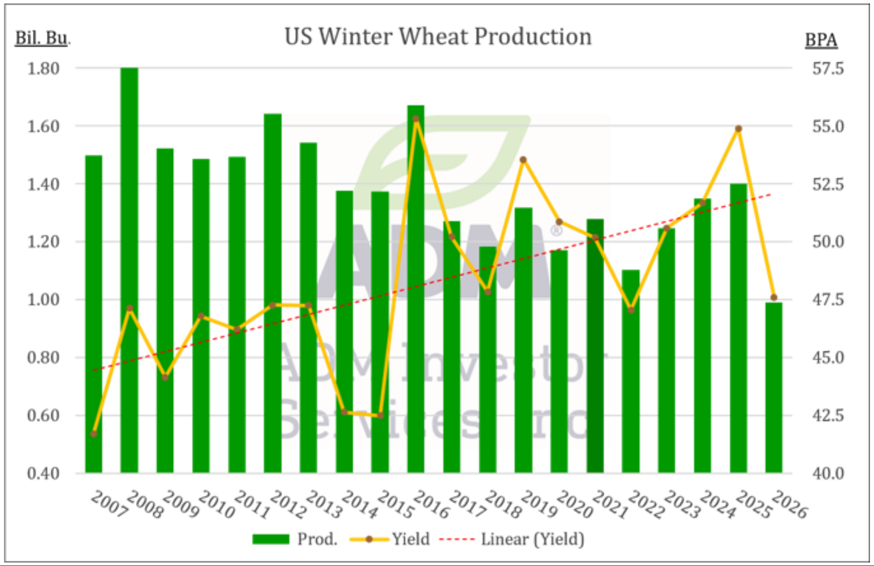
Fundamental Update

- August WASDE showed US 2026 all wheat production lowered by 5 million bushels to 1.531 billion, the lowest since 1970.
- Winter wheat production unchanged at 990 million bushels, 10 million above expectations.
- WW harvested acres were down 170,000 to 21.04 million, with average yield up 0.3 bushels per acre to 47.
- HRW production down 8 million bushels to 463; SRW unchanged at 287 million, white up 8 million to 240 million.
- Spring wheat production down 1 million bushels at 474 million, 6 million above expectations.
- 2026/27 usage unchanged at 1.874 billion bushels, with stocks at 717 million, in line with expectations.
- 2026/27 global stocks little changed at 273.25 million metric tons.
- Russian/Ukraine exports cut only 2.5 million metric tons, while Canada was up 1 million.

Price Outlook

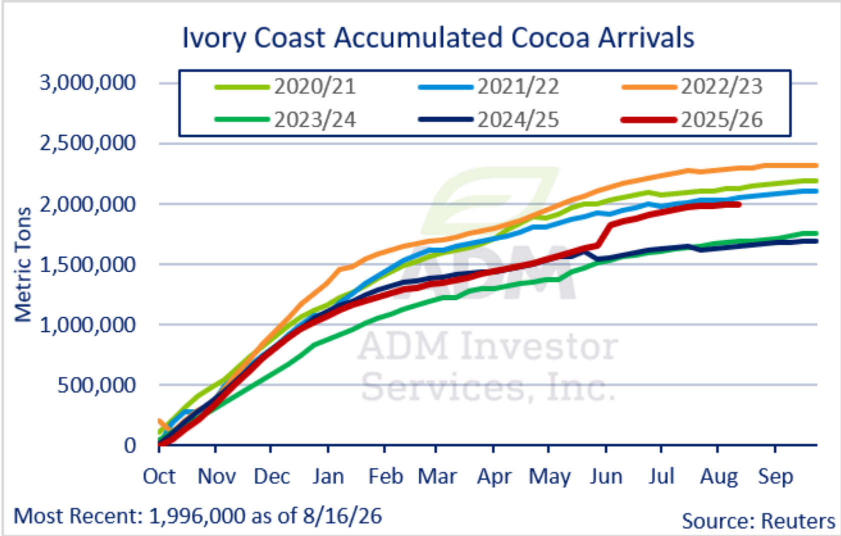
- 2026/27 US average farm price rose $0.20 per bushel to $6.20.
- Shipments from the Black Sea region have been effectively frozen.
- Global importers are forced to shift to more expensive supplies .
- Speculative traders are getting close to flat in CGO wheat while extending length in KC.
- US winter wheat harvest essentially complete; spring wheat harvest nearing halfway .
- Dec CGO futures range $6.50-$7.45, Dec KC futures range $7.25-$8.15.





Cocoa

- As of August 16, cumulative cocoa arrivals at Ivory Coast ports had reached 1.996 million tons, up from 1.653 million at that time last year and the highest since 2022/23. The five-year average is 1.963 million.
- Ivory Coast exporters association GEPEX reported the nation's cumulative cocoa grind through July reached 553,731 tons, up 7.5% from last year. Ivory Coast has total grinding capacity of 750,000 tons and vies with the Netherlands as world's largest.
- Ghana's cocoa regulator, COCOBOD, reported 750,000 tons were harvested in 2025/26, up 25.6% from the previous season. However, they have forecast their 2026/27 production to fall to 450,000–550,000 tons due to excessive rainfall, poor cherelle development, swollen shoot disease, aging farms and El Niño.
- World Weather Inc. is expecting some increase in rainfall in key central and southern crop areas of West Africa during the latter half of August, but they expect it to come slowly, with drier than normal conditions initially.
- West African weather was dry in July and into the early part of August, which is typical for that time of year, when the rains shift north. In a typical year, the rains return in late August or September, but El Nino has been known to delay that return. This will bear watching, as a delay in the return of wet weather can have negative implications for the upcoming main crop.



Weekly Nearby NY Cocoa

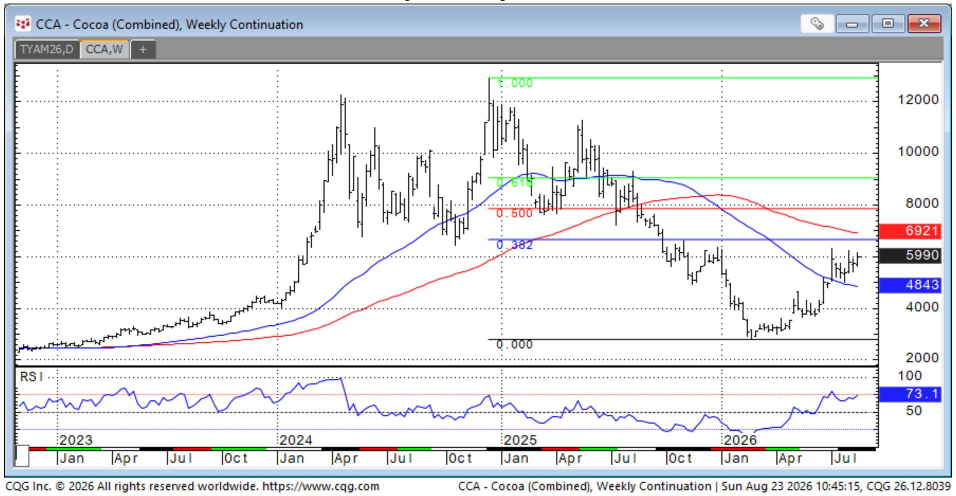


Chart Source: CQG

Coffee

- The Brazilian harvest was delayed by extreme rainfall events that hit the key arabica growing region in June. The rains also reportedly caused beans to drop to the ground. Drier conditions have emerged since to help harvest recover, but it is still running behind, and there is some uncertainty as to the possible damage. Some quality loss is expected.
- Safras & Mercado reported that Brazil had completed 90% of its 2026/27 harvest as of August 12, down from 97% at this point last year. The robusta harvest was nearly done, and the arabica harvest had reach 86% of expected production versus 95% at this point last year.
- Near term supplies remain tight. As of August 18, ICE certified arabica stocks totaled 229,214 bags, their lowest since December 4, 2023.
- The 7.4-magnitude earthquake that hit Colombia in early August interrupted activity at their largest coffee port of Buenaventura. As of August 17, traders were expecting it to take two weeks to get logistics back to normal. Fixing processing installations could take longer. Colombia supplies around 25% of the coffee consumed in the US.
- Colombia's Coffee Growers Association put the nation's coffee production at 1.06 million bags in July, down from 1.37 million for the same month last year and 1.3 million in June. Exports totaled 992,000 bags in July, down from 1.17 million bags a year ago. Their 12-month production is 12.7 million bags, down 13% from a year ago.
- World Weather Inc. is not seeing much change in weather conditions across the globe. At this point, Indonesia is feeling the brunt of El Nino-induced dry conditions, while it has not really shown up in Vietnam, but growers in Vietnam remain concerned. Depending on the timing, El Nino could also cause problems with flowering and cherry setting for the 2027 Brazilian crops.

Weekly Nearby NY Coffee

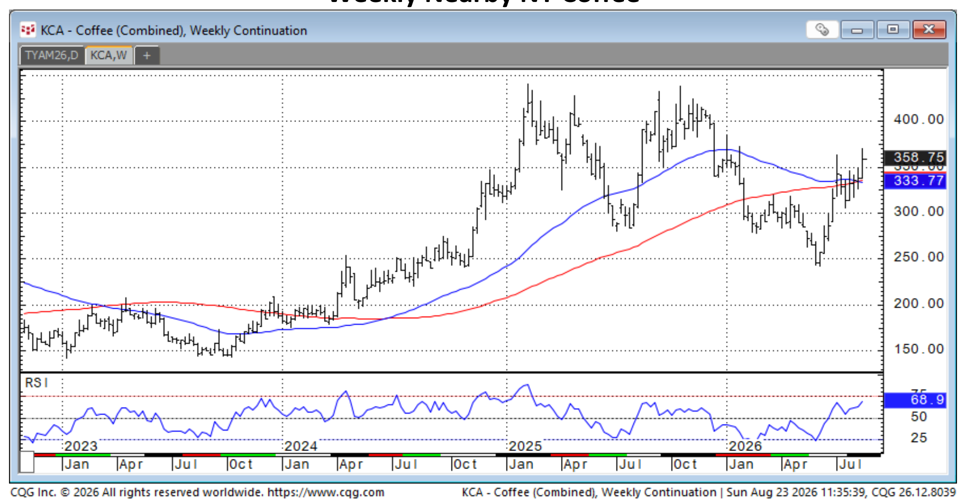
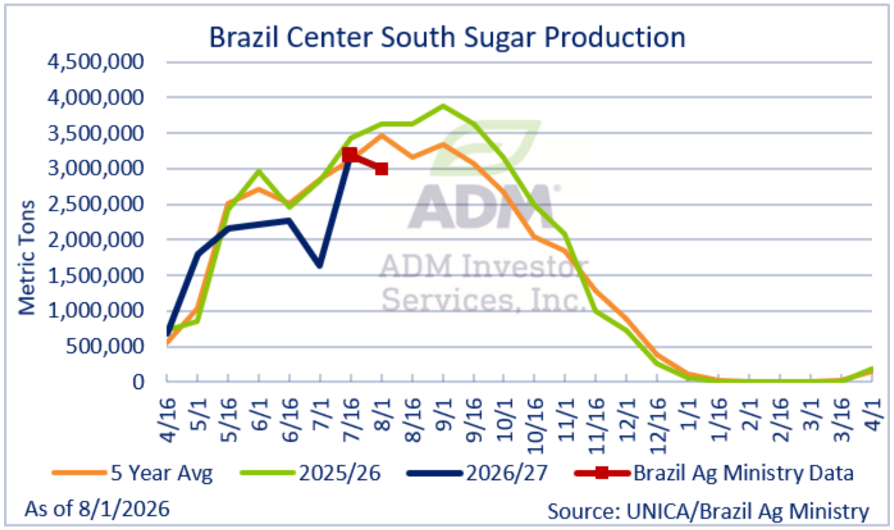


Chart Source: CQG

Sugar

- There are still expectations for a global supply deficit in 2026/27 season due to El Nino bringing dry conditions to beet areas of Europe as well as key cane-growing regions of India and Thailand.
- Southern and some areas of west-central Thailand have seen lighter and more sporadic rainfall than usual, and that we expected to continue into the end of August.
- India has already seen a rain deficit this year, and record sugar prices have prompted the government to limit exports, discourage ethanol production and even allowing limited duty-free imports. News that the Indian government will allow duty-free imports of 1 million metric tons in the next few 31 was sparked a rally in nearby sugar to its highest level since May 2025.
- Brazil's Agriculture Ministry put Center-South sugar production at 3 million metric tons for the second half of July, which was down 17% from the same period last year. Cane crushing was -8.4% from year ago, while ethanol production (cane and corn combined) was +2.8%. Cumulative sugar production since the marketing year began in April was -12.4%.
- Conab forecast Brazil's 2026/27 sugar production at 42.9 million metric tons, be down 2.9% from 2025/26. The sugarcane crop is expected to be up 4.7% at 705.2 million metric tons.
- The recent Commitments of Traders Report showed managed money traders recently went from a net short position they had held since June 2025 to a modest net long. This does not present a significant long liquidation threat, but the buying trend is positive, as it shows fund interest turning bullish, which could prove to be a juggernaut.

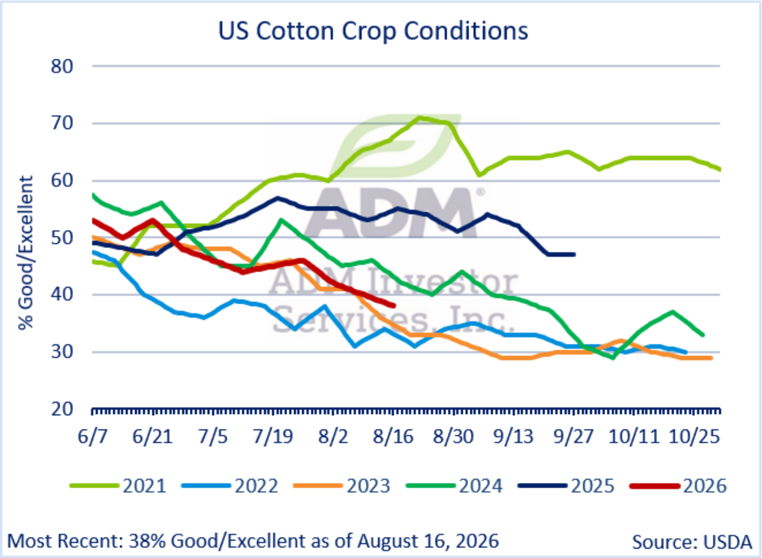


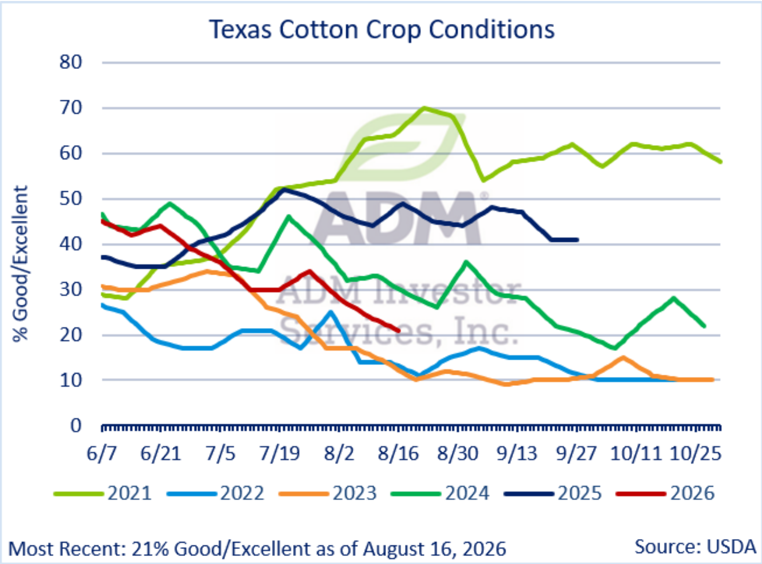
Weekly Nearby Sugar

Chart Source: CQG

Cotton

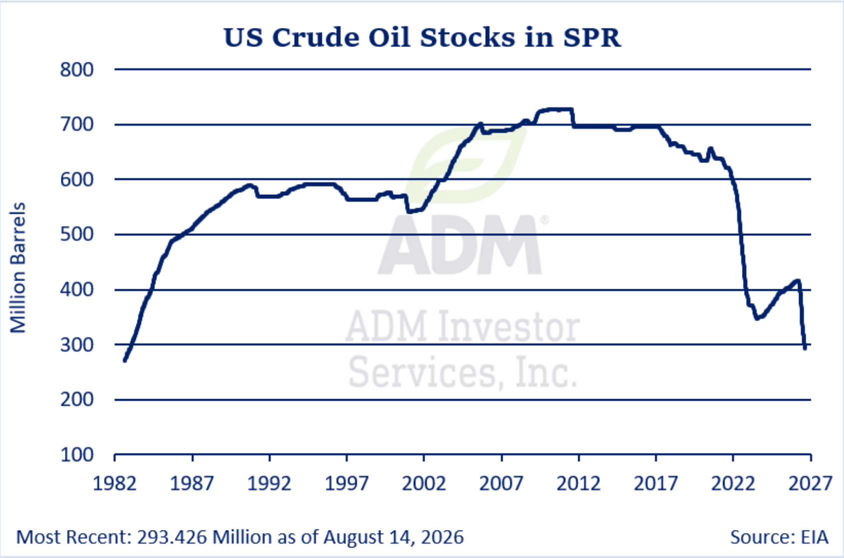
- In the August WASDE Report, USDA lowered its forecast for US 2026/27 cotton production to 13.61 million bales from 13.70 million in the July update.
- Average yield was lowered to 798 pounds per acre versus 872 in July, but planted area was raised 6% from the previous month and harvested area by 8%.
- Exports were left unchanged at 12.30 million bales, and ending stocks were lowered to 4.00 million bales from 4.10 million in July.
- This put the stocks/use ratio at 28.8% versus 29.5% in July, 30.5% last year, and a five-year average of 28.6%.
- World 2026/27 ending stocks came in at 69.69 million bales versus 71.22 million in July, and this put the stocks/use ratio at 56.7% versus 58.4% in July, 61.9% last year, and a five-year average of 63.5%.
- The condition of the US crop is on traders' minds as dryness continues in West Texas and is threatening some areas of the Delta. World Weather Inc. says dryland crops in West Texas have been deteriorating recently and the trend was expected to continue through the end of August.
- Crop Progress reports showed 38% of the US crop was rated good/excellent as of August 16, down from 55% a year ago and below the five-year average for this date of 47%. Texas was 21% G/E, down from 48% a year ago and the five-year average of 34%.etc.
- The export sales report for the week ended August 13 showed net cumulative for 2026/27 had reached 4.236 million bales, up from 3.233 million at for the same time last year and below the five-year average of 5.032 million. Sales had reached 36% of the USDA forecast versus a five-year average of 43% for this point in the season.

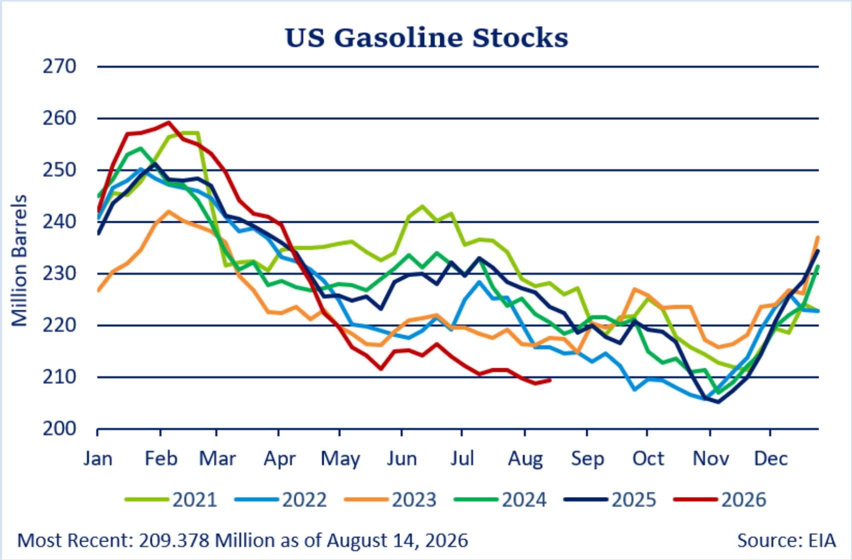




Crude Oil

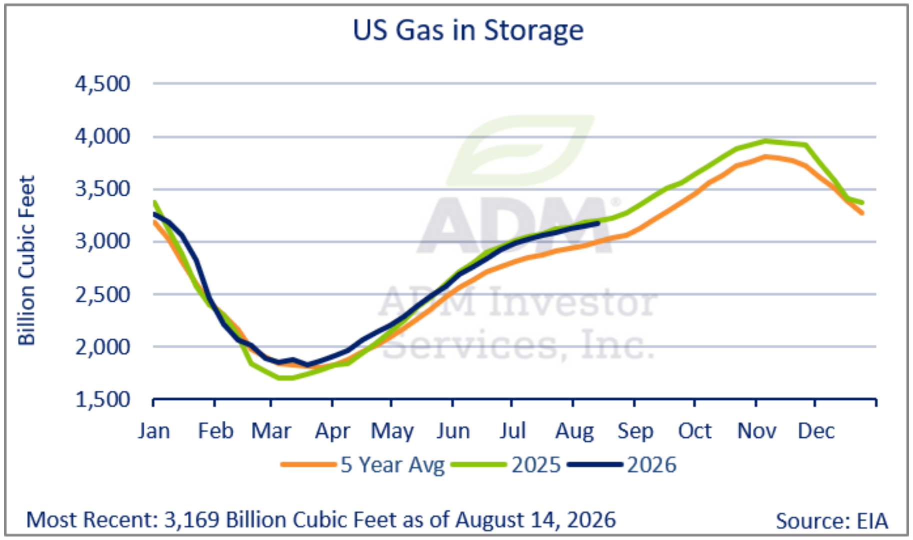
- As of this writing, negotiations towards reopening the Strait of Hormuz appeared dead in the water, with Iran having a list of demands for reopening and the US blockading the strait in an attempt instill more economic pain on the country
- Current flows through the strait are minimal, with an average of roughly 11 commodity ships moving through according to data from Kpler versus 130-140 prior to the war. These latest numbers include very few if any very large crude carriers or LNG tankers.
- Gulf producers have been adjusting to the new circumstances by looking to expand pipelines to the Red Sea and Mediterranean ports and to the other side of the Strait of Hormuz. They are also looking at expanding storage facilities outside the region. This has helped mitigate some of the supply interruptions, though Houthi attacks on shipping through the Bab el-Mandeb strait at the southern end of the Red Sea is causing problems as well.
- The release of strategic crude oil stockpiles have also helped mitigate the supply interruptions mas well, but this cannot go on forever. In March, the Trump administration announced they planned to release 172 million barrels. So far, they have released 122 million, leaving 50 million left as of this writing. Releases have been averaging around 5.8 million barrels per week, which would leave about 8-9 weeks left at that pace. SPR stocks have fallen to their lowest level since late 1982, shortly after they started collection the data, and there has been some concern that the drawdown is compromising the stability of the salt caverns where the crude is stored.
- Global product supplies remain tight, not only due to the strait closure but also from interruptions to Russian supply due to the Ukraine/Russia war. US gasoline stocks are the lowest for this point in the marketing year since 2012, and distillate stocks are lowest since 1996.





Natural Gas

- US output remains strong, with LSEG lower 48 states production at 111.6 billion cubic feet per day (bcfd) as of mid-August, up from a record 110.7 bcfd in July.
- For most of the summer, above normal temperatures have predominated the US lower 48 states, but that has done little to pull supplies in the face of record output.
- As of August 14, US gas in storage was 0.9% below a year but 6.4% above the five-year average.
- As of August 17, LSEG was estimating average gas flows to the nine big US LNG export plants were estimated at 17.2 bcfd for the month, steady with July and down slightly from the record 17.4 bcfd in June.
- The world needs to rebuild supply ahead of winter (especially Europe), and this should keep US LNG in demand and exports running near capacity.



Daily October Natural Gas

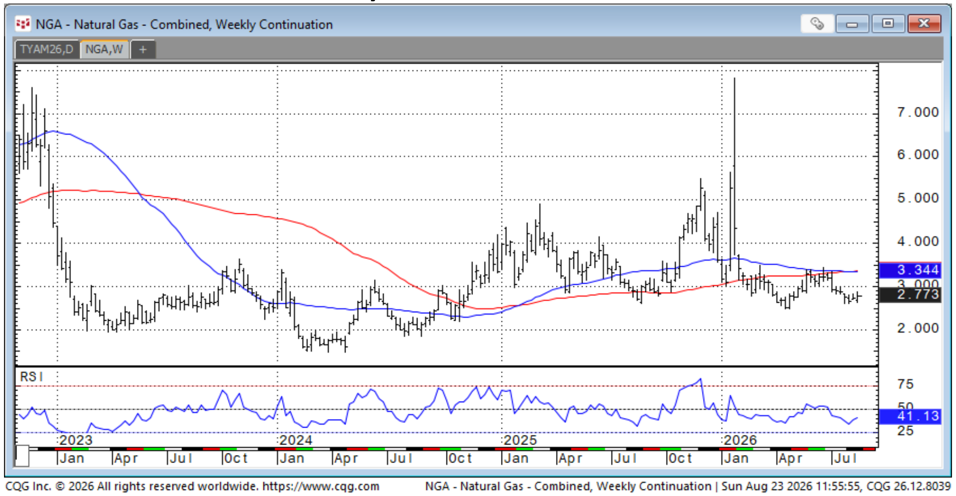


Chart Source: CQG

Live Cattle

- As of August 15, year to date US federal cattle slaughter was 1,470,433 head, down 5.5% from a year ago.
- Year to date US beef production was down 5.5%.
- But even with the lower slaughter, cattle prices had declined since June 22.
- The highest closing price for the August Live Cattle futures was on June 16 at $249.20. Prices tumbled to $223.00 by July 23, and after a quick bounce in July, they fell to $220.35 by August 14.
- Beef imports were an important factor in the price decline. As of August 8, imported beef passed for inspection was up 12% on the year at 1,181,864 metric tons.
- Brazil and Australia are the largest exporters of beef to the US, and having met their export quotas to China during the first half of year increased the urgency of the selling.
- The majority of the imports into the US consist of lean trimmings slated for grinders and processors. The imports have reduced demand for US chucks, rounds, plates and flanks.

Daily October Live Cattle

Chart Source: ESignal Interactive

Lean Hogs

- On of August 15, cumulative US hog slaughter for 2026 was down 511,919 from the same period in 2025. This was the second year hog slaughter has dropped. (The same period in 2025 saw a 1,889,309 decline from 2024.) However, 2026 hog weights are up from 2025, putting pork production up 4% for the year.
- The August 2026 Lean Hog futures went off the board at $95.40 versus $109.65 for the expiration of the August contract the previous year.
- Hog and pork prices are lower because global production is up.
- China, with about half of the world's hog production, increased slaughter by 2.8% the first quarter. The nation is culling sows to bring down production.
- The Brazilian Animal Protein Association reports that their nation's production is expected to increase by 5% in 2026, with pork exports expected to be up 10%.
- Russia is also becoming a large part of global exports. For the first four months of 2026, Russian hog production was up 4.7%, making the nation the fifth largest pork exporter in the world. Russia is selling pork to China, North Korea, and the Philippines.

Daily October Lean Hogs

Chart Source: ESignal Interactive

Stock Index Futures

- Stock index futures have put in a strong, broad-based market performance over the past month with historically low volatility, despite the geopolitical backdrop. From July 15 to August 17, the September S&P rose 2%, the September Dow was up 1.6%, and the September Nasdaq gained 0.5%.
- Pressure on the tech sector, particularly in semiconductors and AI-related names, has eased relative to previous months, though risks remain. The VIX is reflecting one of the calmest periods of 2026, having closed at a 2026 low on August 14. Since President Trump began his second term in January 2025, the VIX has closed lower a total of six times.
- Bloomberg's "other 493," which excludes the Magnificent Seven, the equal-weighted S&P 500, and the S&P 500 ex-tech have all risen strongly, as corporate earnings per share and revenue have outperformed, suggesting growth outside of the AI narrative. Still, geopolitical risk remains in play, as the US-Iran memorandum of understanding has expired without any material agreement or prospect of agreement in place.
- The macro narrative remains little changed from July, though inflation worries have somewhat subsided. The market perceived July's CPI print as "benign," giving the Fed more breathing room to hold rates at its September meeting. Still, inflationary risks remain pointed to the upside against the US-Iran backdrop and still-firm inflationary pressures.
- The overall picture for the equities remains supportive amid strong economic activity and favorable corporate earnings. On cautionary note, late-August and September are historically volatile for equities, while a potential bond-vigilante revolt could offer some roadblocks.

Daily September E-mini S&P 500

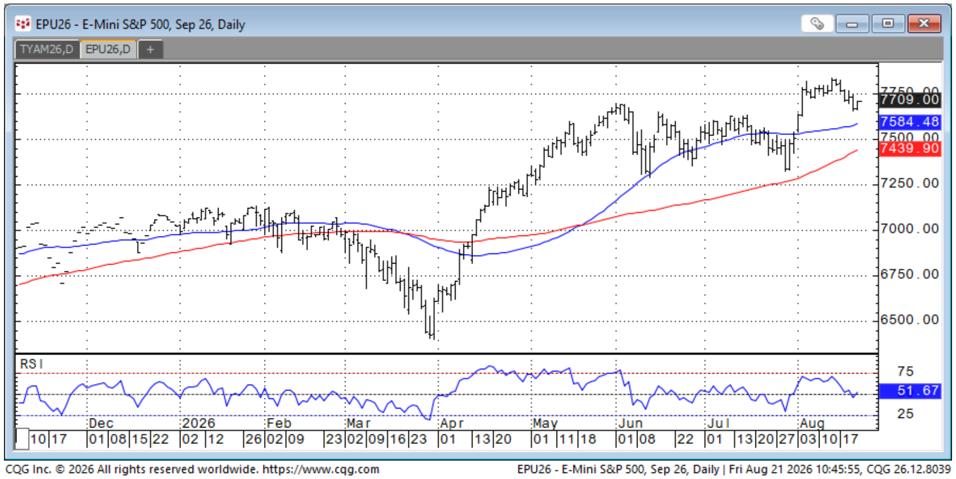
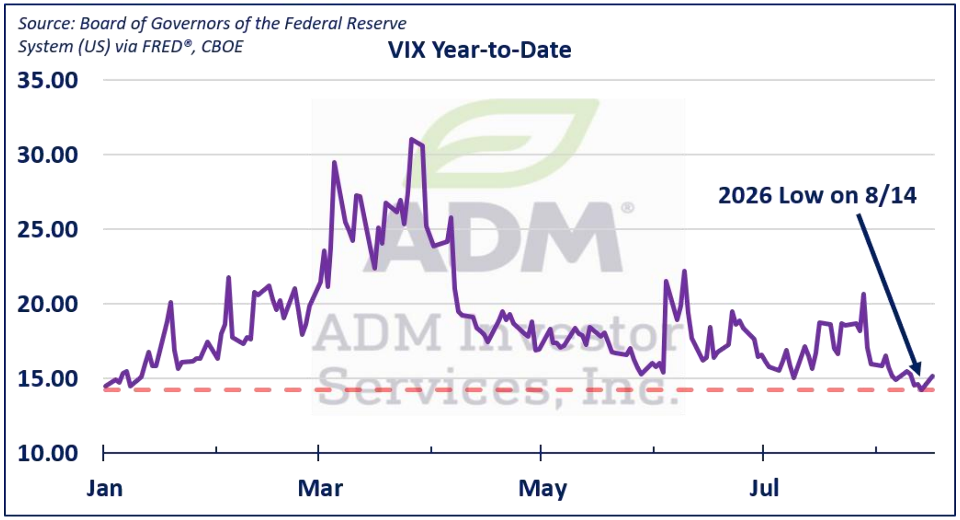
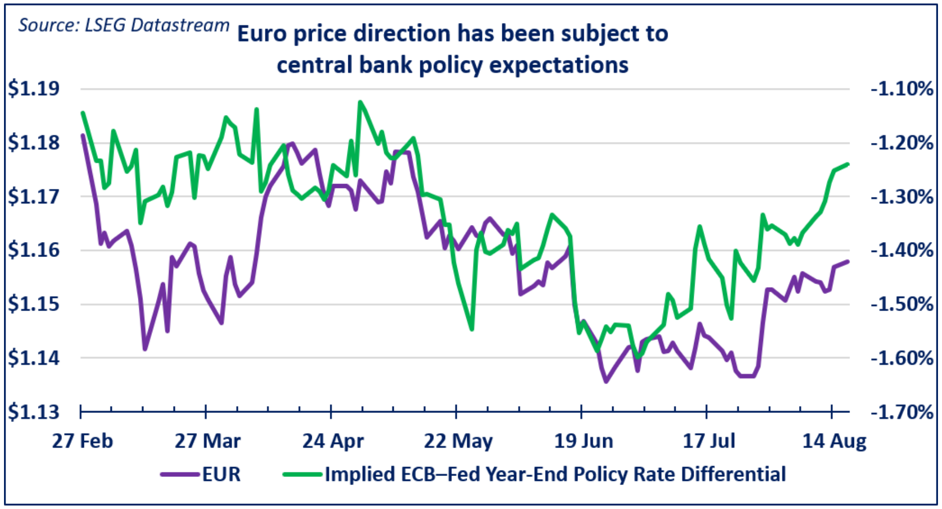


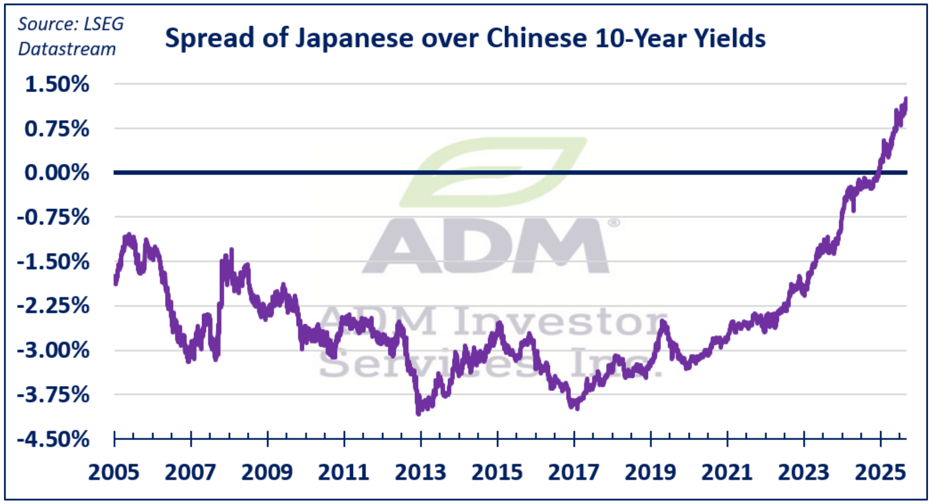
Chart Source: CQG



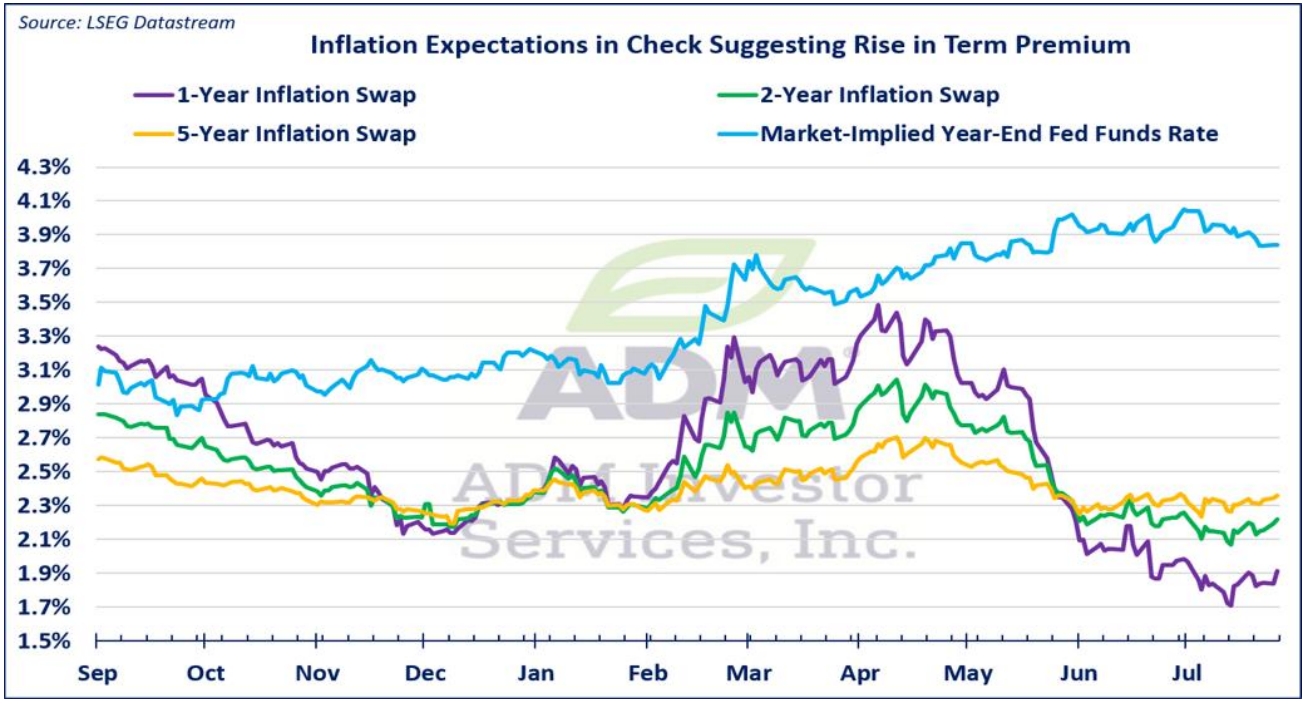
Currencies

- The US Dollar Index fell sharply between July 15 and August 19, thanks to a pullback in Fed tightening expectations and the recent Treasury Department's plan to double the size of its buybacks of long-term debt.
- A round of soft data for July has been reduced tightening expectations, though renewed safe-haven flows resulting from the US-Iran war are beginning to limit further downside. The Dollar Index fell below the 100 level at the end of July has and repeatedly failed to reclaim it.
- Despite the July's CPI alleviating some fears of broad-based inflation, core inflation still rests above the Fed's 2% target, and money markets have priced-in one rate hike by December.
- The euro gained roughly 1% against the dollar between July 15 and August 17, as a reduction in expectations for Fed tightening and shored-up bets of European Central Bank tightening were favorable to the currency. As of August 18, markets were priced for around 43 bps of tightening by year-end, placing an 89% chance of a move higher at the bank's September meeting. ECB President Lagarde has retained a hawkish bias, and the current inflation environment across the globe favors tighter monetary policy.
- The Japanese yen experienced another round of intervention at the end of July, this time a joint US-Japan effort that involved the US selling euros to help prop up the currency and also to prevent a JGB selloff from causing global spillovers. The yen has since back more than half of its intervention-gains. A large debt overhang and a central bank that has been slow to raise rates are factors that block the way for a durable rebound.
- The spread between Japanese and Chinese 10-year yields has moved in Japan's favor in recent months. Under normal circumstances, this relative yield improvement would support the yen. Instead, the currency has continued to depreciate, a reflection of mounting investor unease over Japan's fiscal outlook.





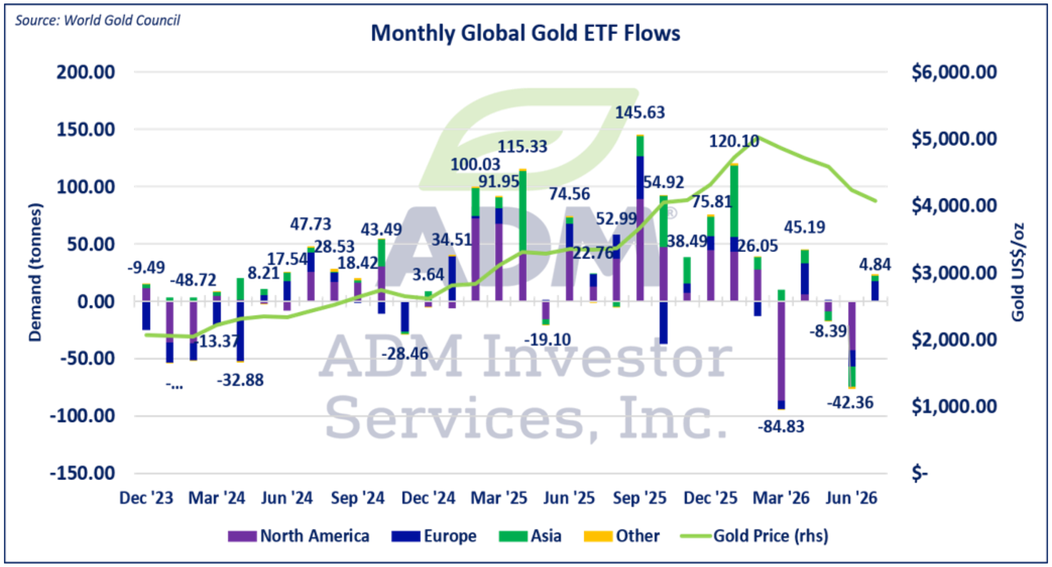
Interest Rates

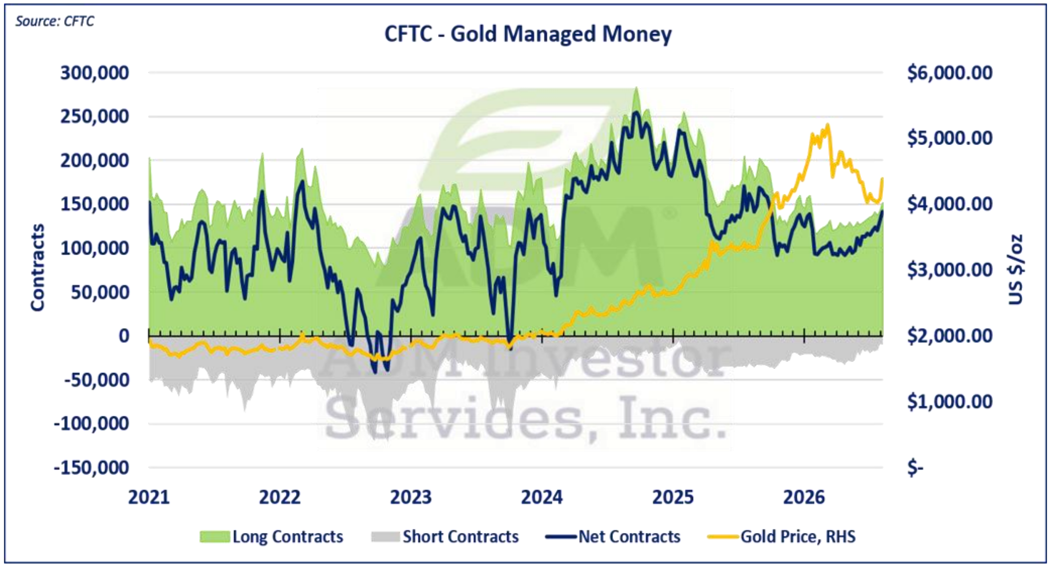


- Treasury yields no longer appear to be at the mercy of Fed rate hike expectations and oil prices. Increases in corporate supply, strong equity performance, and government debt appear to explain the rise in yields, while inflation expectations have remained anchored.
- The Treasury Department's announcement that it would double the size of its buyback operations for longer-dated debt (10 to 30-year horizon) was supportive of prices at the end of the curve, but it also underscored the rising concerns over US public debt and rising supply.
- The vast amounts of debt being issued to fund AI capital expenditures means Treasuries have to compete with corporate debt, and that alongside a growing budget deficit is likely to continue put upward pressure on yields.
- The Fed's July minutes revealed a deepening divide among rate-setters over the appropriate course of action on inflation. The various measures of core, median, sticky, and supercore inflation all declined in the July CPI report, but they all remained above 2.5%, as they have been since the pandemic.
- Many Fed members indicated further tightening would be needed if disinflation stalled, though most expect the inflation rate to fall in the second half of the year. Still, inflation risks are skewed upwards, and the main concern at the Fed is that inflation, having running above target for 64 months, could increase inflationary expectations.

Gold

- Gold prices have reversed their downward trend, with December COMEX contracts marking a 12% gain from July 15 to August 19. Near-term Fed tightening expectations have waned, and real yields have risen modestly. The dollar has lost substantial strength as well, making foreign purchases more enticing.
- The challenges that gold has faced in recent months are still present, but with fewer obstacles. With core CPI at 2.5%, headline inflation is well over the Fed's 2% target, but the market has reduced expectations for Fed tightening, having viewed the July CPI report as benign.
- The Treasury's buyback announcement proved strongly supportive to gold, with December contracts rallying 3% on the news.
- Gold is still trading as a pure macro asset, with a relatively tight inverse relationship to the dollar and US 2-Year yields.
- Gold's near-term path is likely to be dictated by the direction of the dollar and short-term yields, as traders await further clarity on the Fed's course of action.
- A sustained recovery probably requires either softer inflation expectations, lower yields, or a renewed bout of growth anxiety that revives safe-haven demand.





Copper

- COMEX copper futures rose more than 3% between July 15 and August 19, and cash LME prices touched record highs in mid-August, as worries over lower LME inventory, accelerated shipments to the US amid expectations of US tariffs, and broad-based demand for AI infrastructure and energy transition underpinned demand.
- Supply worries continue in the global market as warehouse inventory is shipped to the US, and this is helping to keep the LME cash copper contract trading at a premium to the three-month benchmark. However, it has declined at the start the second half of August as some copper has flowed back into the LME system. The premium was trading near $170 as of August 19, down from $270 on August 18 and $545 on August 17.
- Available LME stocks were up 75% between August 12 and 19, to just under 159,000 metric tons. Meanwhile, COMEX stocks are sitting more than 670,000 tons.
- The lack of transit through the Strait of Hormuz has disrupted global sulfur supply, raising processing costs and threatening SX-EW copper production globally.
- China's ban on sulfuric acid exports beginning May 1, aimed at protecting domestic supply, is estimated to jeopardize up to 200,000 metric tons of Chilean production, approximately 1% of global supply.

Daily September COMEX Copper

Chart Source: CQG

Support and Resistance

Grains	Support	Resistance
December Corn	$4.60	$5.30
November Soybeans	$11.75	$12.75
December Chicago Wheat	$6.50	$7.45
December KC Wheat	$7.25	$8.15
Softs		
December Cocoa	$5,130	$7,150
December Coffee	285.00	370.00
October Sugar	16.00	20.00
December Cotton	82.50	95.00
Energy		
October Crude Oil	$75.00	$95.00
September RBOB	$2.4900	$4.0000
September ULSD	$3.6000	$5.2500
September Natural Gas	$1.850	$3.500
Livestock		
October Live Cattle	$215.00	$235.00
October Lean Hogs	$72.75	$87.85

Stock Indices	Support	Resistance
September S&P 500	7,632	7,813
September Nasdaq	28,752	30,574
September Dow	52,995	53,844
Currencies		
September US Dollar Index	99.269	99.809
September Euro Currency	1.15568	1.16213
September Japanese Yen	0.0062508	0.0063078
Treasury		
September 30-Year T-Bond	107-09	109-26
September 10-Year T-Note	108-015	108-315
September 5-Year Note	106-042	106-222
September 2-Year Note	102-300	103-051
Metals		
December Gold	4,262	4,591
September Copper	6.1217	6.8642

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