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Monthly Commodity Futures Overview
January 2026 Edition

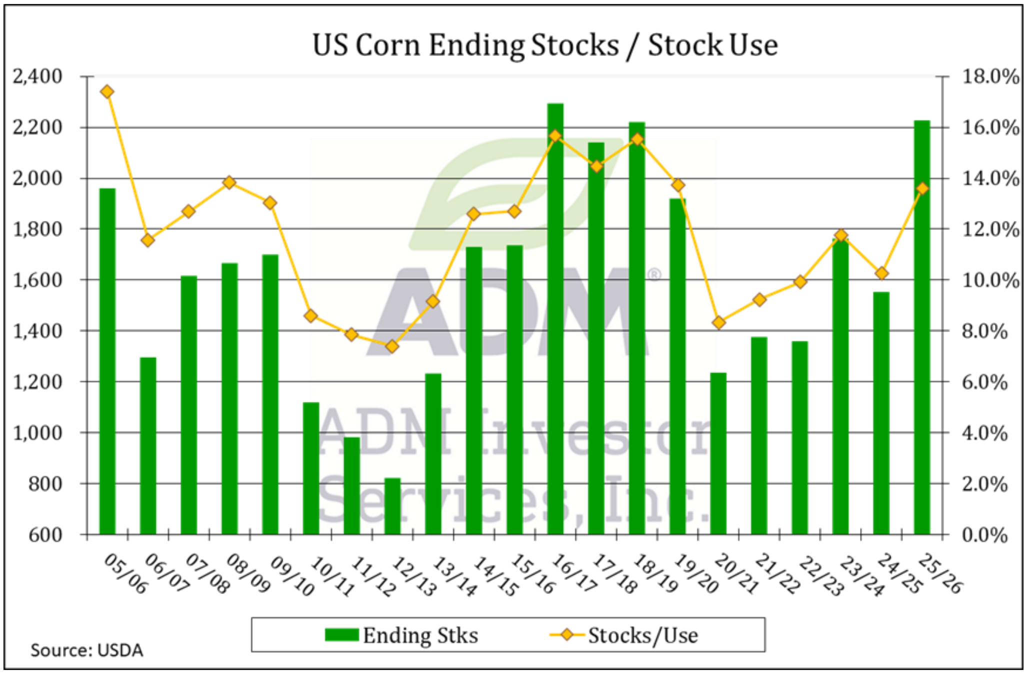
Grain Market Outlook for the United States and South America by Mark Soderberg, Senior Grain Market Specialist, ADM Investor Services

*The following report is an overview of the US and South American economic, political and crop situations as of **January 22, 2026.** This report is intended to be informative and does not guarantee price direction.*

Corn

Corn prices plunged to five-month lows following the release of the bearish USDA production and stocks data in January. The USDA raised US 2025/26 corn production by 269 million bushels to 17.021 billion, which was 470 million bushels above expectations. Harvested acres rose yet again to 91.258 million, up 1.21 million from November. The already-record US yield rose another 0.5 bushels per acre to 186.5. Partially offsetting the higher supply was a 90 million-bushel increase in demand to a record 16.370 billion. This resulted in ending stocks increasing by 198 million bushels to 2.227 billion, 255 million above expectations and a nine-year high. As we expected, the USDA left their export forecast and usage for ethanol unchanged at 3.20 billion and 5.6 billion bushels, respectively. Oddly enough, feed and residual usage was raised 100 million bushels to 6.2 billion, which was up 13.7% from year ago despite cattle on feed inventories running 2% below. The higher feed usage was partially offset by a 10 million-bushel decrease in FSI usage. December 1 stocks were a record 13.282 billion, 320 million above expectations. Implied September-November usage was a record at 5.298 billion bushels, resulting in December 1 stocks/Quarter 1 usage at 2.51, a four-year low. Global stocks surged 11 million metric tons to 291 million versus expectations of 280 million. Chinese production rose 6 million tons to 301 million. We view the role of the market is to find a price level that keeps US demand strong while also trying to restrict additional second-crop acres in Brazil. Prices quickly bottomed after the USDA report but they have not been able to mount much of a recovery. While exports remain on pace to exceed the current USDA estimate, we suspect they will hold at 3.2 billion for now, with

South American production prospects, currently quite high, providing added competition for the second half of the marketing year. There also appears to be growing pressure on the Trump Administration to pass the year-round sale of E-15 in order to boost corn usage and improve the farm economy. While this would certainly be a boost to long term demand, it could take years to fully implement. Without a more threatening forecast in South America, look for March Corn to challenge its contract low at $4.10.

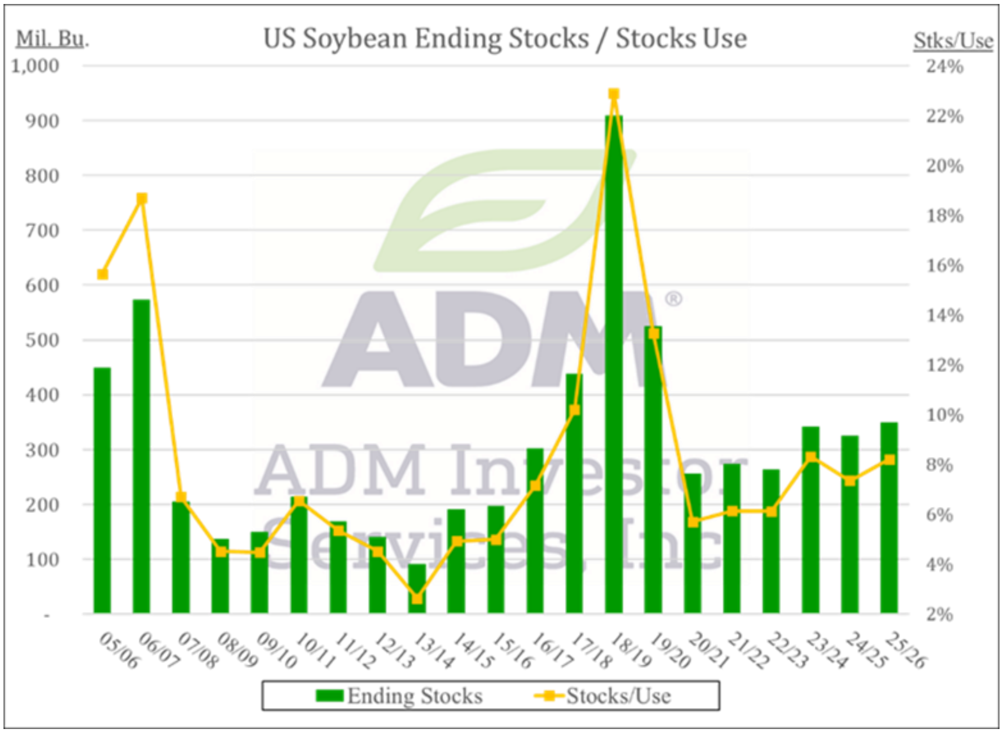


Soybeans

As we forecasted in last month's overview, spot soybean prices slipped back to the $10.25-$10.50 area despite China holding to their commitment to purchase 12 million metric tons of US soybeans. Key for prices pulling back to near their October lows has been a favorable weather pattern in South America, and contributing to the selloff was the neutral to bearish data from the USDA earlier this month. In their January supply/demand report, USDA increased US 2025/26 soybean production by 9 million bales to 4.262 billion, 30 million above expectations. Total demand was cut 43 million bushels, as the USDA finally caved in by lowering exports 60 million bushels Partially offsetting that was a 15 million cut in crush. US ending stocks rose 60 million bushels to a six-year high at 350 million, 55 million above expectations. December 1 stocks at

3.290 billion bushels were 40 million above expectations. December 1 stocks/Q1 usage at 2.53 was a six-year high. Bean oil usage for biofuels was slashed 700 million pounds to 14.8 billion, which was partially offset by a 300 million-pound increase in exports and 150 million-pound increase in other domestic usage. Global soybean stocks were increased by 2 million metric tons to 124.4 million versus expectations for 123 million. Brazil's production was raised 3 million tons to 178 million, which was mostly absorbed by higher exports and crush.

We also stated last month that we felt the selloff in soybean oil had likely bottomed just below 48 cents for the spot contract, which is exactly what happened. Prices have recently surged to 54 cents/pound on optimism the EPA will significantly increase RVO's and perhaps reallocate small refinery exemptions onto larger refineries. This has continued to fuel speculative short covering. We would expect prices to stall out below 55 cents per pound, as any announcement from the EPA has been pushed back to March.

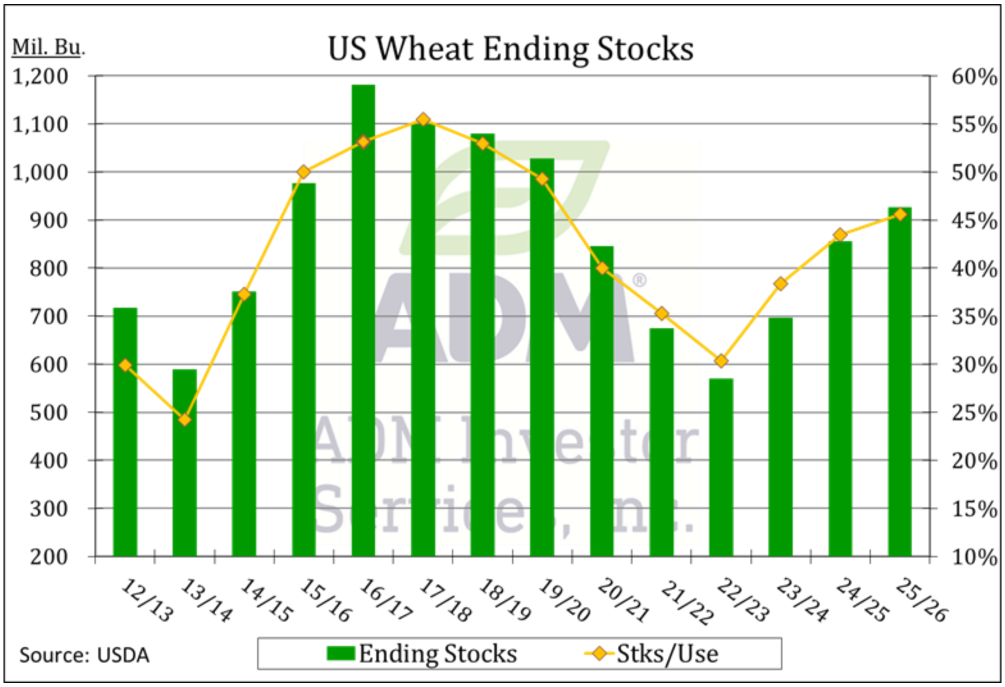


If South American weather hold favorable through February, we would expect higher production forecasts, further cuts to the US export forecast, and higher stocks. As of this writing Brazil FOB offers were running $0.50-$0.75 under US Gulf offers. The surge in soybean speculative buying in November saw the money manager long position jump to nearly 230,000 contracts, just shy of the record 254,000. Their long holdings have quickly been, unwound with money managers as of this writing net long only 13,000 contracts. We look for spot soybean prices to fall back to their late summer low near $10.20 per bushel by end of the first quarter.

Wheat

Since breaking into fresh lows in mid-December, Chicago and Minneapolis Wheat prices have moved nowhere but sideways. Higher global inventories limit upside potential, while prices already at or near multi-year lows limit aggressive new selling. While the January USDA data certainly wasn't bullish, it wasn't nearly as bearish as it was for corn. US 2025/26 wheat ending stocks were increased by 25 million bushels to a six-year high of 926 million, due to lower feed usage. Pre-report expectations were for little to no change. December 1 stocks at 1.675 billion bushels were 40 million above expectations. December 1 stocks/Q1+Q2 usage at 1.35 matches year-ago levels. Global 2025/26 wheat ending stocks rose another 3.4 million metric tons to 278 million versus expectations for 276 million. Argentina's production was up 3.5 million tons to 27.5 million, and Russia's was up 2 million tons to 89.5 million. US 2026/27 winter wheat seeding at 33 million acres were down 150,000 from 2025/2026, but they were slightly above expectations of 32.4 million. White wheat acres were down nearly 170,000, while HRW and SRW were near unchanged.

Argentina and Russia have become more aggressive in the global marketplace in order to shed their higher supplies. As a result, US exports have tailed off in recent weeks. While US export sales commitments as of this writing were still up 16% over year ago versus a USDA forecast of up 9%, we would not expect an increase in the forecast anytime soon. It will take time to access any potential damage to this year's US winter wheat giving the frigid outlook for the last week of January across the nation's midsection. With some snow expected ahead of the sub-zero temperatures, the market senses damage is likely to be minimal. Speculative traders remain a heavy short in Chicago Wheat but only moderately short in both Kansas City and Minneapolis. War continues in Ukraine, which has slowed exports a touch, however easily absorbed by higher sales from Argentina, Australia and Canada. Look for prices to continue to grind sideways, looking for a reason the breakout.



Softs and Energy Outlook by Mark Bowman, Senior Global Market Analyst, ADM Investor Services

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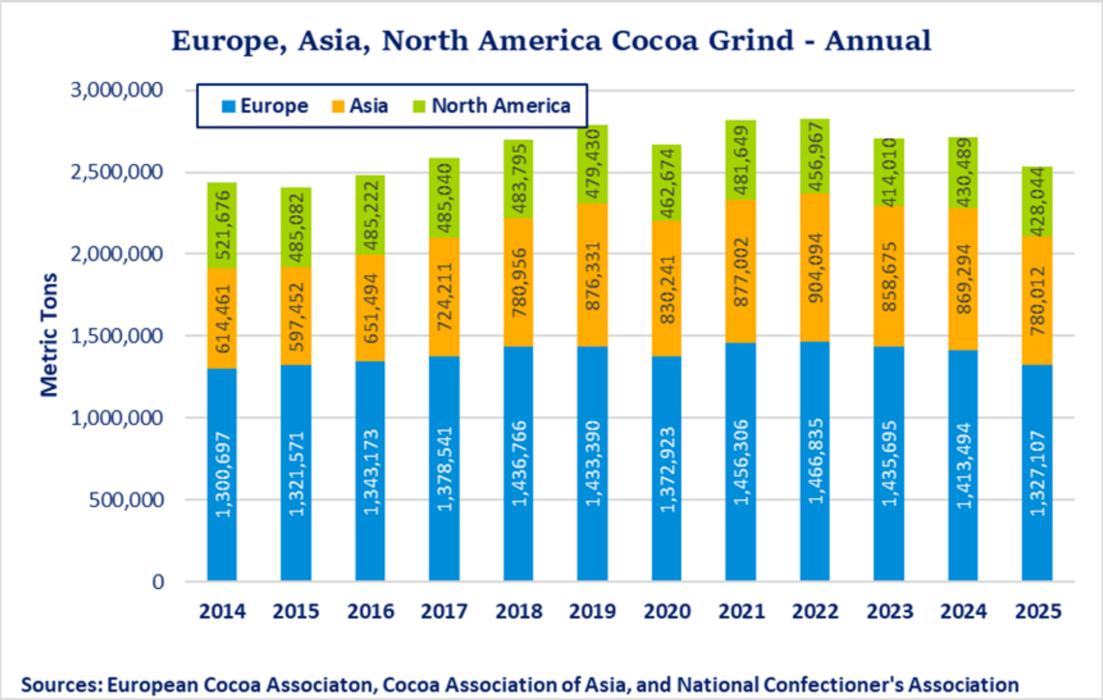
Cocoa

March Cocoa prices collapsed in January from low grind numbers, good growing weather in West Africa, and oversupply at Ivory Coast ports. Europe's fourth-quarter cocoa grind data came in at 304,470 metric tons, down 8.3% from a year earlier. This was a bigger than the 4.8% decline in the third-quarter and much bigger than a pre-report expectation from a Bloomberg poll calling for a 3% decline. Europe's grind total 2025 was 1.327 million tons, down 5.9% from 2024 and the lowest since 2015. Asia's fourth-quarter grind, was 197,000 metric tons, down 4.82% from the same period in 2024, and the North American grind was 103,117 tons, up 0.35% from the same period in 2024. This was the second straight quarter the North American grind was above year-ago levels, though the fourth-quarter increase was not as impressive as the 3.2% increase in the third quarter. The weak European grind data confirmed fears that the high prices of the past two years have eaten into consumption.

Reports of excess supply at Ivory Coast ports added to the pressure. Growers were reportedly eager take advantage of the high farmgate price established by Ivory Coast's regulator, the CCC, this year. The were also reports of congestion at the ports and trucks unable to unload cocoa beans. Ivorian farmer groups were accusing multi-national chocolate processors of deliberately slowing their cocoa purchases in a bid to force a reduction in the farmgate price. West Africa has seen a mild dry season this winter, with above average rains raising expectations for late main-crop and early mid-crop production. The Harmattan wind, which comes down from the Sahara this time of year, has not been severe.



Coffee

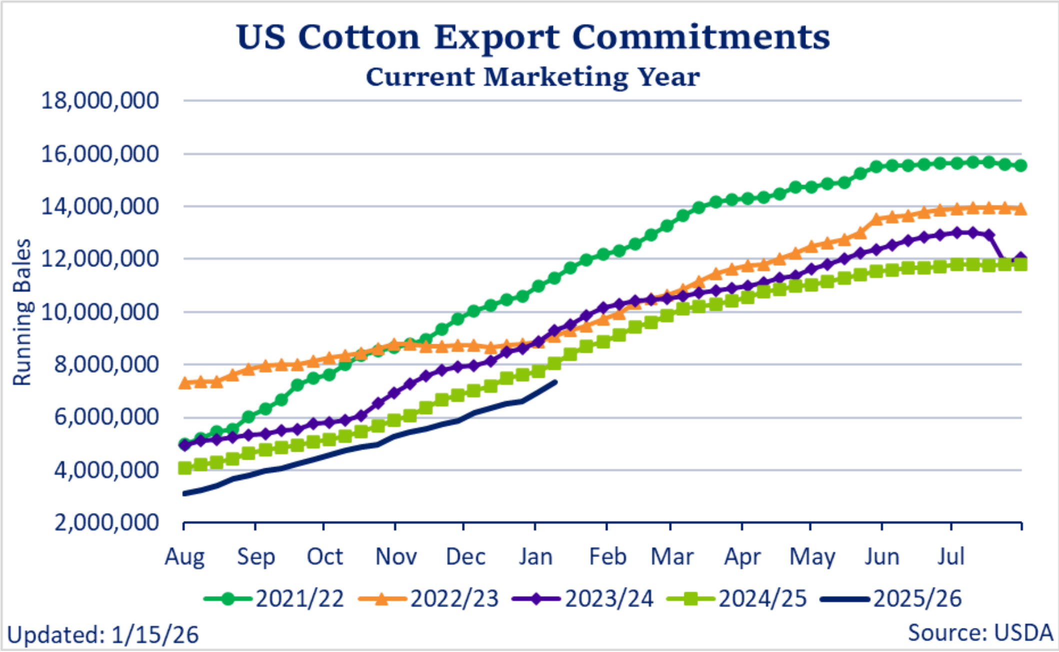
March Coffee saw a brief rally in early January on heated political rhetoric between President Trump and Colombian President Petro in the wake of the capture of Venezuelan President Maduro. Colombia is the second largest supplier of arabica coffee to the US after Brazil, and traders were fearful of tariff on their exports, such as the one on Brazil last fall that sent prices back near all-time highs. Things calmed down after the two spoke on the phone, and there are plans for Petro to meet with Trump at the White House in early February. There are still no official data for the 2026/27 Brazilian coffee crop, which will be harvested starting in May, but growing conditions have improved considerably over the past two months, with timely and what appears to be adequate rains. This is also the on-year in the arabica crop's biennial cycle. Early forecasts for 2026/27 Brazilian production have arabica at 45-50 million bags 36-37 million in 2025/26. Coffee production in Colombia, the world's second largest arabica producer, fell by 2.3% in 2025 to 13.6 million bags, its first decline in three years, according to Colombia's National Federation of Coffee Growers.

Sugar

March Sugar continues to consolidate, supported by ideas of an oversold status and a possible shift to more ethanol production but limited by a large global surplus. The Indian government has allowed exports of 1.5 million metric tons this year, but only minimal sales have been reported so far. CovrigAnalytics recently projected the global sugar surplus for 2025/26 at 4.7 million metric tons, up 600,000 tons from their previous forecast. The recent UNICA report showed Brazil Center-South cane crush during the second half of December totaled 2.171 million metric tons, up from 1.714 million a year ago but down from 5.960 million for the first half of the month. Sugar production totaled 56,000 tons, down from 66,000 a year ago and 261,000 for the first half of the month. Processors continued to focus more of their efforts on ethanol and less on sugar. Sugar's share of the crush was 21.2% during the second half of December versus 32.7% for the same period last year and the lowest going back at least two years. However, the crushing season is winding down, so the effects of the switchover are not particularly large. Cumulative sugar production has reached 40.222 million tons versus 39.881 million at this point last year. The recent Commitments of Traders Report showed managed money traders were net short 139,399 contracts of sugar as of January 13. This is well off the record net short of 205,988 from November, but it is still very large, which leaves the market vulnerable to short covering if resistance levels are taken out.

Cotton

March Contract fell to a new contract low at 62.97 on December 16 and appeared to reject that price level, but the market managed only a modest rally to 65.76 by January 6. The USDA supply/demand report on January 12 was bullish against expectations but not enough to spark more than a minor, one-day rally. US 2025/26 cotton production came in at 13.92 million bales versus an average trade expectation of 14.20 million and 14.27 million in the December update. Exports were left unchanged at 12.20 million bales despite the slow pace of US export sales. US ending stocks fell to 4.20 million bales, lower than the 4.56 million expected and down from 4.50 million in December. This pulled the stocks/use ratio down to 30.4% from 30.9% in December but still above the five-year average at 26.4% and the highest since 2022/23. World 2025/26 production at 119.43 million bales was down from 119.79 million in the December update. World ending stocks were lowered to 74.48 million bales 75.97 million December. The stocks/use ratio fell to 62.6% from 64.1% in December, but it was still up from 62.0% last year and on par with the five-year average of 62.6%. US export sales for the week ending January 15 came in very strong at 438,392 bales, the highest so far for the 2025/26 marketing year and up from a strong number the week before at 349,844. There have only been four weeks so this marketing year above 300,000 bales.



Crude Oil

Nearby Crude Oil fell to its lowest level since February 2021 in early January on a peak of geopolitical calm. The Trump administration and European counterparts were optimistic about a peace deal for the Ukraine/Russia war, leaving open the possibility of sanctions being lifted on Russian crude. But then the US action against Venezuelan oil tankers notched geopolitical concerns up a bit and pushed the peace talks out of the headlines, which allowed the market rally some $7.40 per barrel over the next four weeks. The fact that Russia and Ukraine were hitting each other's energy infrastructure also lent support. The US blockade succeeded in shutting down Venezuelan production, forcing buyers in China and India to look for other sources in the Mideast. The market fell off in the immediate aftermath of the Maduro capture on ideas it would open up Venezuelan supply, but not enough to take out the December low, as the trade realized it would take some time to restore their production after several years of disinvestment. Still, the government of Venezuela appears to be willing to work with US oil companies. Geopolitics reemerged again as a source of supply during the protests in Iran, with the Iranian regime and the Trump administration trading threats, with the US threatening Iran if protesters were killed and Iran threatening to attack US bases in the Middle East, even to the point where some US military personnel were moved out of the region. Then came the Greenland debate that threatened the stability of NATO. Once that issue moved out of the headline, Trump said the US had an "armada" heading toward Iran. He said he hoped he would not have to use it, but he renewed warnings to Tehran against killing protesters or restarting its nuclear program. In their latest Short Term Energy Outlook, EIA forecast US crude production to fall by less than 1% in 2026 and by 2% in 2027 after reaching a record 13.6 million barrels per day in 2025. The also expected oil prices to decline in 2026, as global oil production is expected to exceed global demand. The agency predicts global liquid fuel inventory builds of 2.8 million bpd in 2026 and 2.1 million bpd in 2027.

Natural Gas

Nearby Natural Gas prices fell steadily during December, reaching their lowest level since October, as warm weather in the US lowered heating demand and prevented a normal, seasonal drawdown in US supply. Gas production in the lower 48 states reached 109.7 billion cubic feet per day in December, a new record. But that all change in the third week of January with the arrival of very cold weather in the eastern half of the US which not only was expected to boost heating demand but also reduce supply. On January 23, Chicago area temperatures were as low as are -12 Fahrenheit (with a -36 wind-chill). The cold weather extended all the way south into

Texas and the southeast, and the 6-10 and 8-14-day forecast had below-normal temperatures from the Great Plains all the way to the east coast. There were concerns that the cold would cause "freeze-offs," a situation where moisture near the well caps freezes and blocks the gas from coming out of the wells. In an article in the Wall Street Journal today, Randall Collum Jr., senior vice president for commodity trading data and analytics at Wood Mackenzie, said about 1.6 billion cubic feet of US gas production was already blocked on January 22. He said wells in the Northeast tend to be the best weatherproofed and will flow until temperatures are below 15 degrees for more than 12 hours, but in other regions, temperatures below 20 degrees can cause freeze-offs. We was forecasting that as much as 20.8 billion cubic feet of daily output could be iced over in the ensuing days, about 18% of total lower-48 production. The weekly EIA January 22 showed US gas storage was up 6.0% from a year ago and 8.8% above the five-year average versus, but that was expected to change in future weeks because of the cold weather. LSEG said average gas output in the Lower 48 states has already fallen to 108.6 billion cubic feet per day (bcfd) in January.

Daily Nearby Natural Gas

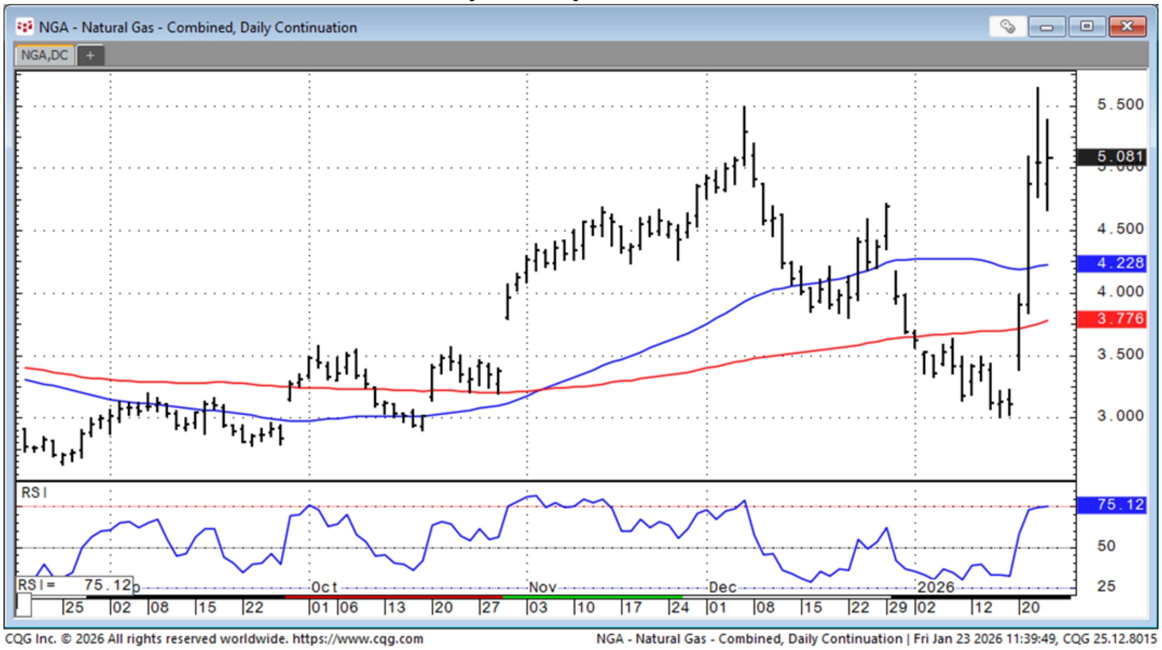


Chart by CQG

Livestock Outlook by Chris Lehner,
Senior Livestock Analyst, contracted by ADM Investor Services

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Live Cattle

Wholesale and retail beef prices made record highs in 2025. Feeder Cattle and Fed Cattle prices soared. Cattle producers had record profits. And although the USDA's numbers haven't been officially tabulated, 2025 will be a record year for beef imports into the US, even with tariffs on largest exporting countries. Feedlots pumped feed into cattle, cattle were left on feed for long durations, and cattle weights rose to record highs. Open interest in Live Cattle futures moved to historic highs.

Daily April Live Cattle

Chart by CQG

What is in store for 2026? Heifer retention and cattle placements will be the most important factors to monitor. Placements will start out low, partly due to increases in heifer retention. The January 2025 Cattle on Feed report had indicated that heifer and heifer calf retention was 3%, but in reality, in the late fourth quarter of 2024 and increasingly in 2025 retention was significantly higher through the mid- to northern Plains, the Dakotas, mountain states, upper Midwest, the northwest, and across Minnesota and Michigan. Furthermore, to limit taxable income from high profits, feedlots retained heifers in 2025. With plummeting milk prices since June 2025, record high prices for feeder cattle, the surplus of baled forage, and plentiful supplies of grain and silage, dairy heifers were put on feed instead of being sent to the milking barn. Consumers will be comparing high-priced beef with cheaper poultry and pork, while ground beef prices continue to make new highs. Beef imports will increase, as most of the tariffs have been lifted. Global competition in beef exports will keep US exports low. Other factors that could influence prices in 2026 will be when (or if) the quarantine of Mexican cattle is ended and whether New World Screwworm reaches the US.

Lean Hogs

The December Quarterly Hogs and Pigs Report showed the US hog inventory on December 1, 2025 was up 1% from December 1, 2024 and slightly higher than it was on September 1, 2025. December 2025 – February 2026 farrowings are expected to be up 2% from 2024-25, and March–May farrowings are expected to be 2% higher as well. The number of pigs per litter continues to increase. Global hog numbers are increasing as well and are cutting into US exports. Brazil's 2026 pork production is expected to continue to grow in 2026, and their already record exports are expected to increase another 6.3%. Russia is quickly expanding is production, and it is expected to become the fifth-largest exporter in the world in 2026, with expected increases to China and other Asian countries. US exports for 2025 have not been totaled due to the delays from the government shutdown, but results compiled through October showed Mexico remained the largest importer of US pork, with imports of all pork and variety meats up 7% from the same period in 2024. However, exports to other major buyers were lower, with China down 20%, Japan down 8%, South Korea down 6%, and Canada down 14%. Because of an oversupply of hogs in China, they have increased domestic pork sales and are expected to slow imports in 2026.

Daily April Lean Hogs

Chart by CQG

Stock Index, Currency and Precious Metal Futures Market Outlook
by J.P. Steiner, Associate Economist, ADM Investor Services

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Stock Index Futures

Apart from the Dow, stock index futures have faltered over the past month, as blue chip stocks have proved resilient and large-cap tech stocks have continued to face scrutiny over high valuations. The S&P 500 was little changed since mid-December, the Nasdaq slipped around 1%, and the Dow Jones advanced nearly 1.5%, hitting an all-time high of 49,633.35 on January 12. Tech stocks continue to experience moderate volatility. Expectations of Fed policy had a marginal impact on equity performance. US economic has reflected a cooling, yet stable, labor market.

December's payrolls were neutral, with the economy adding 50,000 jobs, while November's were downwardly revised from 64,000 to 56,000. The unemployment rate edged back down to 4.4% from 4.5%, suggesting that the level of hiring in the economy was supportive enough to keep labor conditions stable. Political headlines have dominated market moves to start the new year, beginning with the US capture of Venezuelan President Nicolas Maduro. President Trump has increased his rhetoric about the US' need to obtain Greenland for national security purposes, initially threatening European allies with an additional 10% tariff. On January 21 Trump said he would not impose tariffs after he reached the "framework of a future deal" on Greenland and the Arctic region with NATO Secretary-General Mark Rutte.

Third-quarter 2025 GDP was +4.4% (annualized), the strongest reading in two years. Consumer spending rose 3.5%, up from 2.5% in the second quarter. Exports surged 9.6%, rebounding from a 1.8% decline in the prior quarter, while imports fell 4.4%, extending the decline seen in Q2. Government spending rose 2.2%, while the drag from private inventories eased significantly, subtracting just 0.12 percentage points from growth compared with 3.44 percentage points in Q2. Meanwhile, fixed investment increased 0.8%, below the initial estimate of 1% and down sharply from 4.4% in Q2. ISM Services PMI data for December increased for a third consecutive month to 54.4 in December, up from 52.6 in November and well above forecasts of 52.3. The reading pointed to the strongest growth in the services sector since October 2024, with all subindexes in expansion territory for the first time since February. Businesses reported a boost from the holiday season while also reporting a rebound in employment and declining yet elevated price pressure. Meanwhile, ISM's Manufacturing PMI survey for December came in below expectations, indicating that activity for the sector had contracted for the 10th month in a row. A drop in production and inventories was responsible for the disappointing figure, while price pressures remained elevated but down from previous months.

US Dollar Index

The US Dollar Index experienced a strengthening throughout the first part of January, as economic data has bolstered the case for the Fed to remain on hold in the near term. December's CPI showed that prices rose 2.7% on the year, matching November's figure. While it is too early for officials at the Fed to celebrate the reading, recent inflation figures have suggested that tariffs' impact on consumer prices has been milder than initially expected. However, the data was also a reminder that inflation remains above the Fed's 2% target rate, and that paired with a stable labor market could buy Fed officials more time to leave rates where they are. Money markets have fully priced-in just one rate cut for 2006 (in July), with chances for another cut in December being viewed as “favorable.” The Fed’s summary of economic projections showed that the median expectation for monetary policy in 2026 is for just one rate cut as well. Fed Chair Powell suggested a rate hike is off the table and that it was not any policymaker’s base case.

Euro Currency

The European Central Bank left borrowing costs unchanged as expected in early December, and it raised some growth projections as well. Inflation is still seen dipping below 2% next year and in 2027 as well, mostly on lower energy costs, but it is expected to come back to target in 2028, underpinning policymakers' arguments that no policy change is needed for some time. Growth is expected to be slightly stronger this year than earlier predicted, as the bloc is proving resilient to global trade tensions and Chinese goods dumping. GDP is to grow at 1.4% in 2025, 1.2% in 2026, and 1.4% in 2027. Eurozone Inflation in December came in at 1.9%, below November’s figure of 2.1%. It is not expected to deviate much throughout 2026, as a stronger euro and resilient economy have helped stabilize prices. November unemployment held flat at 6.3%, quite low on a historical level.

Business activity in the eurozone slowed in December per S&P Global PMI surveys. Manufacturing activity fell to an eight-month low, reflecting a PMI reading of 48.8, below expectations of 49.9 and signaling that activity contracted. The weak reading was primarily attributable to Germany, where the index fell to a 47, its lowest since last January, which underscores a continued downturn in manufacturing conditions. New orders declined and output contracted. However, expectations for future conditions rose to a six-month high. Service sector activity slipped, falling to a three-month low with a reading of 52.4. This still marked an expansion, as it has seven straight months. Firms reported that they continued to hire.

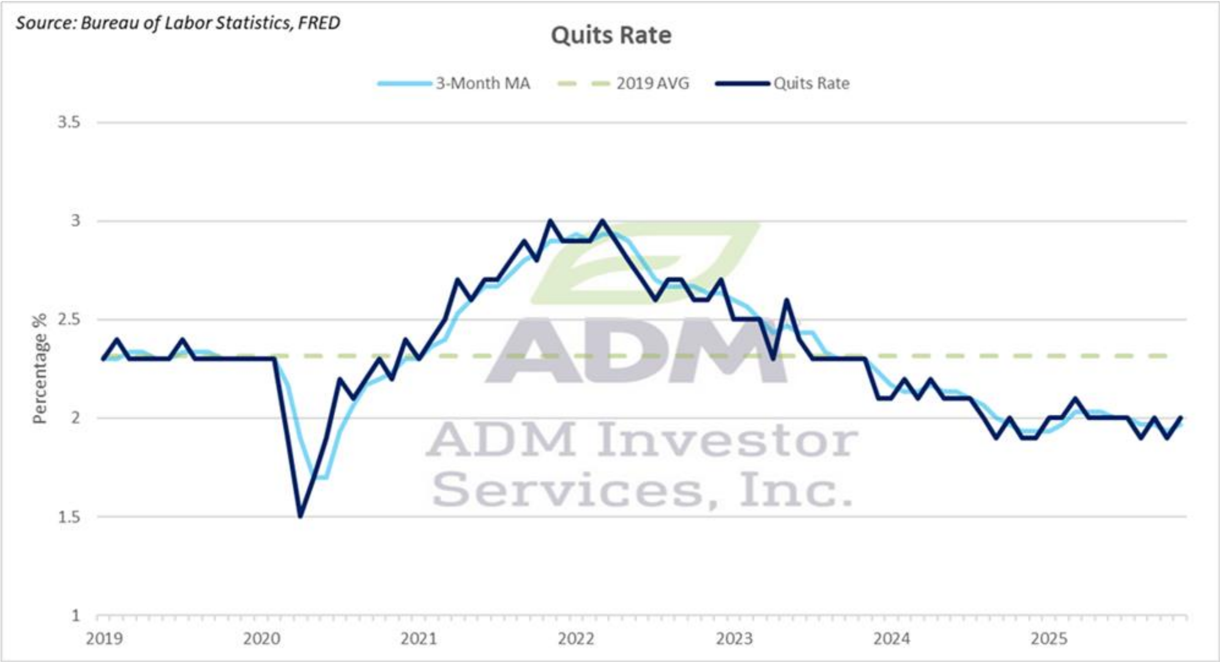
Japanese Yen

The yen has experienced moderate volatility since mid-December, with recent pressure on the currency coming in response to a snap election called by Prime Minister Takaichi for February 8. The call for elections marks a high-risk gamble to for Takaichi to gain a stronger mandate and more control of her agenda. She enjoys popular support, but her former coalition partners have merged with the main opposition party, potentially stirring market-unfriendly uncertainty. The yen has fallen since her election in response to her stance on fiscal policy, which emphasizes debt-fueled spending to grow the economy. Takaichi has also proposed eliminating consumption taxes on food, which would dramatically help affordability. Bond yields spike to record highs as debt markets adjusted to the new fiscal reality.

The yen is currently trading just above 158 yen per dollar, levels last seen in July 2024. Speculation of a possible FX intervention from the government continues to circulate, although the timing and actuality of a move remain in question. The Bank of Japan raised rates at its meeting in December, but yen bulls were disappointed as Governor Ueda offered remarks that were less hawkish than expected. Strong prospects for next year's spring wage talks have been driving rate hike expectations. The BoJ said that most of the companies it surveyed expected to raise wages at the same rate they did in 2025.

Interest Rates

The US Treasury market has seen a substantial flattening in the curve, reversing a strong steepening move during the November-December period. Yields have been lifted by economic data that has been supportive of a case for the Fed to hold rates steady in the short term. Treasury yields have been range-bound, though they spiked in the second half of January in response to President Trump's threats of imposing additional tariffs on key US allies. This threats were pulled back after the president announced an agreement on a framework for a deal on Greenland. Recent data on the economy has supported the case to hold rates steady as the Fed it continues to tackle inflation. December's labor report showed a gain of 50,000 jobs, which was below forecasts but not by far, and unemployment edged back down to 4.4%. November's JOLTS report reinforced recent themes of the labor market's "low hire, low fire" environment, with job openings at a 14-month low at 7.15 million, below expectations of 7.6 million and down from October's 7.45 million. Job openings decreased in all but one sector, construction. November saw 5.11 million new hires, down slightly from October, while total separations remained unchanged at 5.1 million. Layoffs and discharges (involuntary separations initiated by the employer) were little changed and in line with figures from the past four months. The layoff rate edged down to 1.1%, which is a positive and signals a labor market that is stable. However, the quits rate, despite rising to 2% (from 1.9%), remains below its pre-pandemic level, This suggests that workers are finding less mobility and are choosing to stay in their current roles. When the labor market is healthy, workers enjoy a stronger sense of job mobility. This dynamic drives wage growth and economic momentum. The low quits rate reinforces the idea that the labor market has become stagnant.



Source: Bureau of Labor Statistics, FRED
Quits Rate
3-Month MA
2019 AVG
Quits Rate
Percentage %
3.5
3
2.5
2
1.5
1
2019
2020
2021
2022
2023
2024
2025
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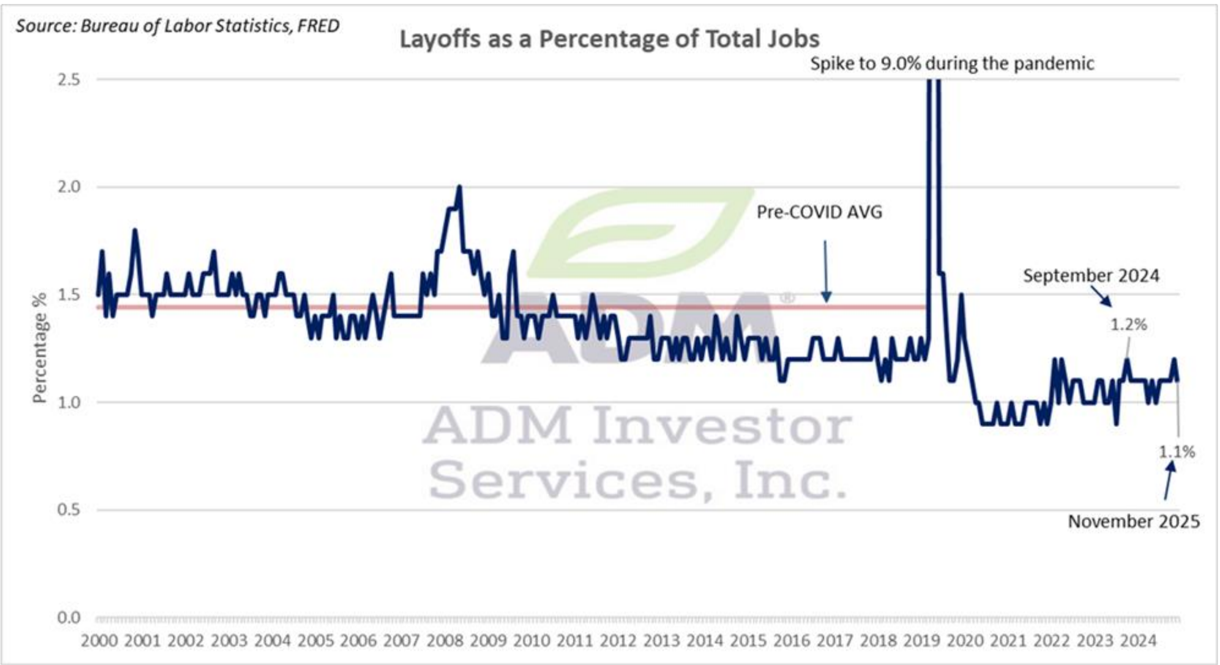

Source: Bureau of Labor Statistics, FRED
Layoffs as a Percentage of Total Jobs
Spike to 9.0% during the pandemic
Pre-COVID AVG
September 2024
1.2%
1.1%
November 2025
Percentage %
2.5
2.0
1.5
1.0
0.5
0.0
2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024
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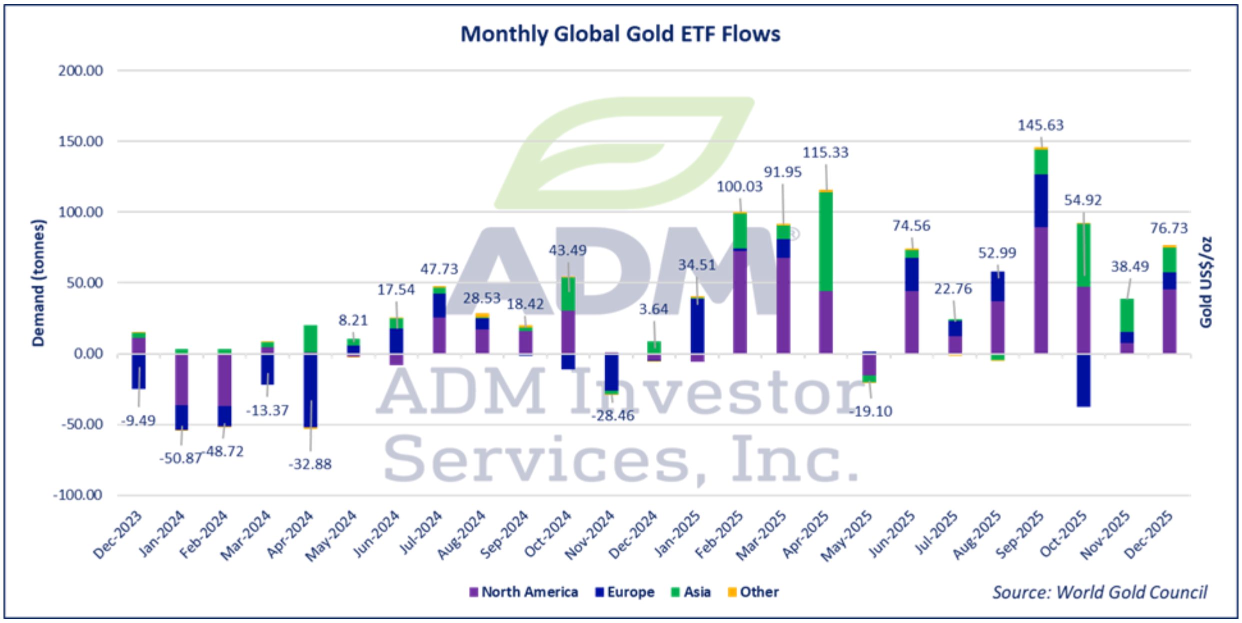
December price data revealed moderate but sticky inflation, with headline prices up 0.3% on the month and up 2.7% year over year, while core inflation rose 0.2% on the month and was up 2.6% on the year. Services inflation remained sticky, with notable increases in recreation, airline fares, medical care, and lodging. This highlights why inflation progress has slowed even as headline readings have stabilized. However, the data is not very likely to shape opinions on how to move on monetary policy.

Yields have also seen upward pressure in response to news that the Trump Administration threatened Fed Chair Powell with a criminal indictment in mid-January, reigniting concerns over central bank independence. This development came prior to the Supreme Court hearing arguments in the case of Lisa Cook, a Biden-appointed member of the Federal Reserve's Board of Governors. The Trump administration accused her of falsely claiming two properties as primary residences to obtain favorable mortgage terms. Cook denies the allegations. The justices signaled overwhelming concern about how Trump's attempt to remove Cook played out, but they seemed far less certain about what to do about it. The court's decision could ultimately determine whether the central bank can continue to enjoy its long history of setting monetary policy without presidential oversight.

Gold

Gold has risen more than 10% since mid-December, supported by the same themes that brought it to record highs in 2025. Volatility in the equity markets, a weakening dollar, and geopolitical uncertainty served as the main catalysts. February Gold neared $4,900, as the metal continued to see strong safe-haven flows and investor interest despite high price. The price direction was primarily driven by Fed interest rate expectations in 2025, with the metal advancing strongly on days where notable Fed speakers offered dovish remarks and in the wake the Fed's decision to lower interest rates by 25 bps at the beginning of December. Threats to central bank independence in the US, rhetoric from the Trump administration, and geopolitical uncertainty encouraged flight-to-quality longs as well.

ETF flows and central bank purchasing of gold still remain supportive, even as recent buying has slowed. Data from the World Gold Council shows that global gold ETFs have experienced net inflows for seven months in a row, with North America and Asia taking the lead. Global ETFs recorded their strongest year on record, led by purchasing in North America, as investors poured unprecedented amounts of capital into the metal. Central banks added a 53 tons of gold to reserves in October, up 36% from September. Buying remained concentrated among a small number of banks, notably the National Bank of Poland. Central banks, particularly China's, have been aggressively buying gold to diversify away from US Treasurys and dollars.



Copper

US copper prices have risen as more copper has continued to ship to the US in anticipation that additional US tariffs will be announced in mid-2026 and implemented in 2027. That dynamic used to support LME-COMEX arbitrage, but as US inventories grow more 500,000 tons and LME stocks moved above 100,000 tons arbitrage opportunities have faded. LME copper has flipped above COMEX, sending the metal back to LME warehouses and lifting stock levels. The market is moving from a "tight" to a more balanced condition, reducing the urgency behind the rally. Demand is expected to rise about 3% in 2026, thanks in part to AI data center infrastructure demand, and this could result in a 300,00-400,00 metric ton deficit this year. Many existing mines have been run at or well beyond their capacity for years, which has led to several failures. Elevated prices are likely to spur investment in the industry to generate new production, but structural issues remain and will likely support prices for some time to come. However, high prices have dented some of the appetite for copper in China.

Support and Resistance

Grains

March Corn

Support	$4.05	Resistance	$4.40

March Soybeans

Support	$10.15	Resistance	$10.85

March Chicago Wheat

Support	$4.95	Resistance	$5.40

Softs

May Cocoa

Support	$3,300	Resistance	$6,504

May Coffee

Support	325.00	Resistance	383.85

May Sugar

Support	13.69	Resistance	14.964

May Cotton

Support	64.00	Resistance	69.00

Energy

April Crude Oil

Support	$55.50	Resistance	$64.50

April RBOB

Support	$1.9000	Resistance	$2.2600

April ULSD

Support	$1.9200	Resistance	$2.7000

April Natural Gas

Support	$2.750	Resistance	$4.660

Livestock

April Live Cattle

Support	$221.00	Resistance	$248.50

April Lean Hogs

Support	$89.00	Resistance	$98.75

Stock Index

March S&P 500

Support	6,703.83	Resistance	7,096.08

March Nasdaq

Support	24,484.33	Resistance	26,369.83

March Dow

Support	47,681	Resistance	50,663

Currencies

March US Dollar Index

Support	97.775	Resistance	99.260

March Euro Currency

Support	1.16275	Resistance	1.18270

March Japanese Yen

Support	0.0062980	Resistance	0.0063940

Treasury

March 30-Year T-Bond

Support	113-05	Resistance	116-17

March 10-Year T-Note

Support	111-050	Resistance	112-030

March 5-Year Note

Support	108-155	Resistance	108-297

March 2-Year Note

Support	104-011	Resistance	104-071

Metals

April Gold

Support	4,869.8	Resistance	5,141.6

March Copper

Support	5.5398	Resistance	6.0273

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