# AGFLOW SOYBEAN MARKET SIGNAL

*Understand what the soybean market is paying you to do.*

MARKET POSTURE

**FAVOR OWNERSHIP — SELECTIVELY**

**SELECTIVE / CONTROLLED**

Carry supports deferred ownership where local basis and full storage economics also pass. Aggressive accumulation is not supported.

CHICAGO SIGNAL

**STRONGER / BULL FLATTENING**

Nearby futures led the rebound. Sep +18.75¢; Nov +16.00¢; Jul +13.00¢ WoW.

PHYSICAL CONFIRMATION

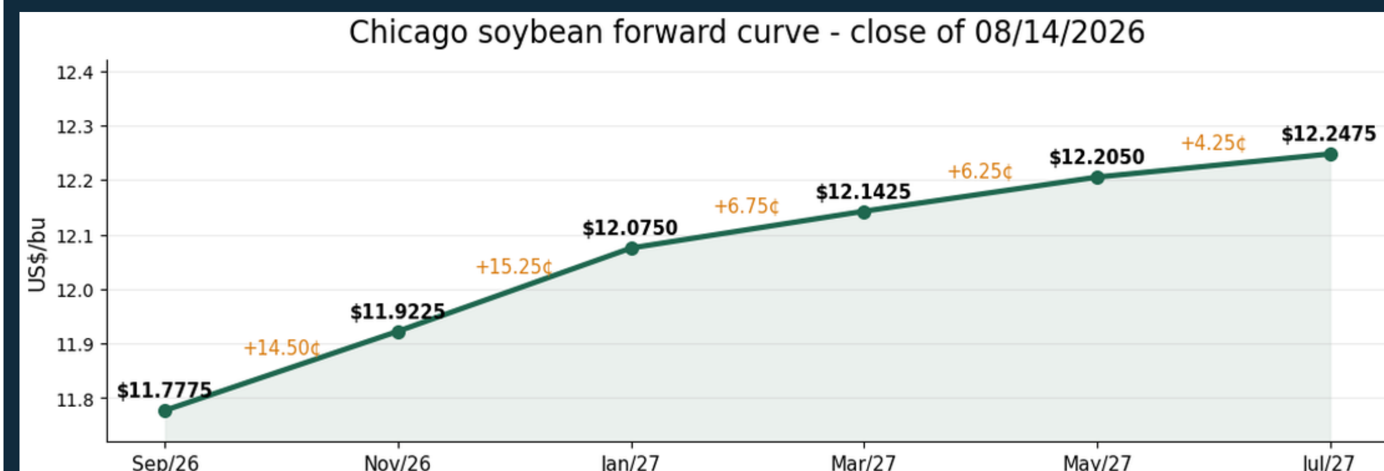
**PARTIAL**

Processor-led basis and crush improved, but origin basis remains negative and exports are below required pace. Broad inventory compression is not confirmed.

AGFLOW CURVE SIGNAL

## MARKET STILL PAYING FOR TIME

Sep-Nov carry narrowed to 14.50¢, Nov-Jan widened to 15.25¢, and Nov-Mar held at 22.00¢. Deferred ownership remains functional, but Sep-Nov compensation is thinner.




Sep–Nov Carry 14.50¢ | Modeled Ownership Cost 11.91¢ | Net +2.59¢ | Carry/Cost 1.22×

## BOTTOM LINE

Chicago recovered and Sep–Nov carry narrowed, but the curve still clears the modeled cost test. Processor-led basis and crush improved, while exports and origin confirmation remain weaker. Favor ownership only where comparable local bids and actual costs also pass.

## WHAT WOULD CHANGE THE SIGNAL?

- Holding soybeans becomes less attractive if Sep–Nov carry falls below the modeled 11.91¢/bu ownership cost.
- Physical support improves if four-week exports reach ≥0.53 MMT/week and positive origin basis broadens.
- Ownership weakens if processor/Gulf basis deteriorates, September roll disorder emerges, or carry falls below cost.

# THE EVIDENCE

Why the evidence supports FAVOR OWNERSHIP — SELECTIVELY, with PARTIAL physical confirmation.

| SIGNAL | STATE | WoW | COMMERCIAL MEANING / KEY DATA |
|---|---|---|---|
| **Chicago** | **Strengthening** | ↑ | Sep $11.7775; Nov $11.9225. Sep rose 18.75¢ WoW versus 16.00¢ for Nov, so nearby futures led the rebound and Sep-Nov carry narrowed. |
| **Curve** | **Carry narrower / functional** | ↓ | Sep-Nov 14.50¢; Nov-Jan 15.25¢; Nov-Mar 22.00¢. Chicago still pays for time, but the active Sep-Nov ownership cushion narrowed. |
| **Basis** | **Strong / uneven** | → | PSI 80.5. Processor and Gulf basis remain strong and river basis firmed, but origin basis is negative in all tracked regions. |
| **Crush** | **Supportive / improved** | ↑ | June pace 50.87 mb/week vs 51.06 required; Sep board crush $2.69/bu, up $0.10 WoW. Throughput is near requirement and board economics improved. |
| **Exports** | **Partial / weakening** | ↓ | 4-week pace 0.36 MMT/week vs 0.53 required; net sales 0.08 MMT; cumulative surplus +0.22 MMT. Momentum remains mixed/weakening. |
| **Managed Money** | **Net long / moderating** | ↓ | Net long 101,362 contracts, down 24,104 WoW; gross participation 18.92% of OI. Speculative support remains positive but moderated further. |

**EVIDENCE SYNTHESIS**

Chicago rebounded while Sep-Nov carry narrowed but still covers the modeled ownership cost. Processor, river, and Gulf basis plus board crush support physical demand, but origin basis remains negative, exports are below required pace, and managed-money support moderated. Physical confirmation remains partial. Selective ownership is justified only where local cash and actual cost tests also pass.

*Data source: AgFlow machine-readable system output package, week ending August 14, 2026. Key upstream sources include CME settlements, USDA AMS cash bids, USDA NASS crush data, USDA FAS/FGIS export data, USDA WASDE, and CFTC COT.*

# DECISION RULES

One market state. Five commercial decisions. Apply the rule that matches the decision being made.

| DECISION | RULE / CURRENT READ |
|---|---|
| **SELLING**<br>Capture value when the market is paying. | **Favor a cash sale when futures strength is accompanied by stable or improving local basis.**<br>Current read: Chicago strengthened while processor-led basis remained firm. Selective cash sales are more attractive where local basis also passes; do not infer broad strength from Chicago alone. |
| **OWNERSHIP / STORAGE**<br>Store only when you're paid to own. | **Carry only when deferred value covers financing + storage + handling + shrink/quality allowance + required return.**<br>Current read: Sep-Nov carry = 14.50¢/bu; Modeled Ownership Cost = 11.91¢/bu; net = +2.59¢/bu; Carry/Cost Ratio = 1.22x. The test passes, but the cushion is thinner; use comparable local bids, actual costs, and September FND discipline. |
| **HEDGING**<br>Manage price risk without giving up opportunity. | **Separate futures pricing from basis. A Chicago rally can create a hedge opportunity even when the cash market is not fully confirming.**<br>Current read: This week's futures rebound increased hedging opportunity. Reassess pricing where Chicago strength coincides with firm local basis, while keeping basis exposure separate. |
| **BASIS**<br>Lock in strong basis when you have it. | **Lock basis when local basis is unusually strong relative to its own history and futures pricing is not yet attractive.**<br>Current read: Processor, river, and Gulf basis remain supportive, but origin basis is negative across tracked regions. Keep basis decisions location-specific rather than inferred from Chicago alone. |
| **WAITING**<br>Wait when the tests do not offer an edge. | **Wait when neither the cash-sale test nor the ownership/hedging/basis test offers a clear economic advantage.**<br>Current read: WAIT is appropriate where neither the local cash bid nor the 14.50¢ carry clears the relevant economic test. Reassess as carry, export pace, or basis breadth changes. |

**CURRENT SIGNAL CHECK**

FAVOR OWNERSHIP remains valid only while Sep-Nov carry covers the 11.91¢ modeled ownership hurdle and processor/crush support holds. Export recovery to ≥0.53 MMT/week plus broader origin basis would strengthen confirmation; carry below 11.91¢/bu, disorderly September roll, or broad processor/Gulf basis deterioration would weaken the signal.