BOCKEN TRADING
LLC

March 2025 Monthly Commentary

It was another rather volatile, choppy month with the trade mostly waiting. Waiting on more clarification on tariffs, waiting on biofuels policy, and waiting on the stocks and acreage report on the last day of the month which always holds a great deal of risk. Trade was mostly sideways, but ended the month with losses in everything but bean oil, as it was rumored that a biofuels policy was in the works and that it would be positive for the industry. Corn was down 12 cents, Chicago wheat down 19, KC 16 lower, and Mpls was down 6. Beans lost 11 cents with meal making new lows, closing $7/ton lower. Oil gained 77 points.

Corn led the weakness with a faction of the trade circulating some very large acreage numbers. The market had already been expecting (and needing) a 3-4 mil acre increase in corn acres, but the market was talking up 6-7 mil. Funds had gotten long and we had a sell-off into the month end reports. Some were also fearing a big stocks number based on lower feed expectations. The stocks came in about as expected and acres were "only" up 4.7 mil. The market has come back from the report day lows as we need the acreage increase and need the weather to cooperate. The mid-south is currently in the middle of a flood inducing few days of rain. Old crop futures are undervalued based on historical stocks-to-use studies and the USDA is underestimating exports (by 100-250 milbus) so it's likely getting tighter. President Trump imposed reciprocal import tariffs starting at 10% with exceptions for Canada and Mexico as they are already dealing with the 20% fentanyl/immigration tariffs. It remains to be seen how this will play out, but currently there are not a lot of other options with Brazilian corn not available for another 3 months and US well discounted. The fund position was cleaned up considerably and futures are currently near the low end of expected ranges. I continue to expect calendar spreads to tighten further and expect additional upside in flat price, and am trading accordingly.

Bean stocks came in right as expected with acres slightly below trade ideas and 500 mil below the USDA Outlook Conf number. Futures sold off however as there had a been a good deal of buy beans and sell corn into the report. The bean S&D can't afford to lose any more acres and futures likely got low enough when SX dipped under 10.00. Old crop is not that burdensome either, especially given previous expectations. The real risk now is what happens with China and the tariffs. It wasn't constructive the first time around. Corn is the driver though and beans are near the low end of my expected range currently. The biofuels policy is a potentially friendly input as is the potential loss of palm oil imports. Bean oil rallied 750 points from the mid-March low and now awaits more clarity.

Wheat was just abysmal in March, making new lows. SRW is the cheapest wheat by far, but interest has been low. We are entering key development times for winter wheat and there is flooding in SRW going on and a cold shot coming this weekend for HRW. It's hard to get excited given its performance/market inefficiency, but the MATIF is massively short (as are our mkts), so there could be a decent move if the market is triggered.

Regards,

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