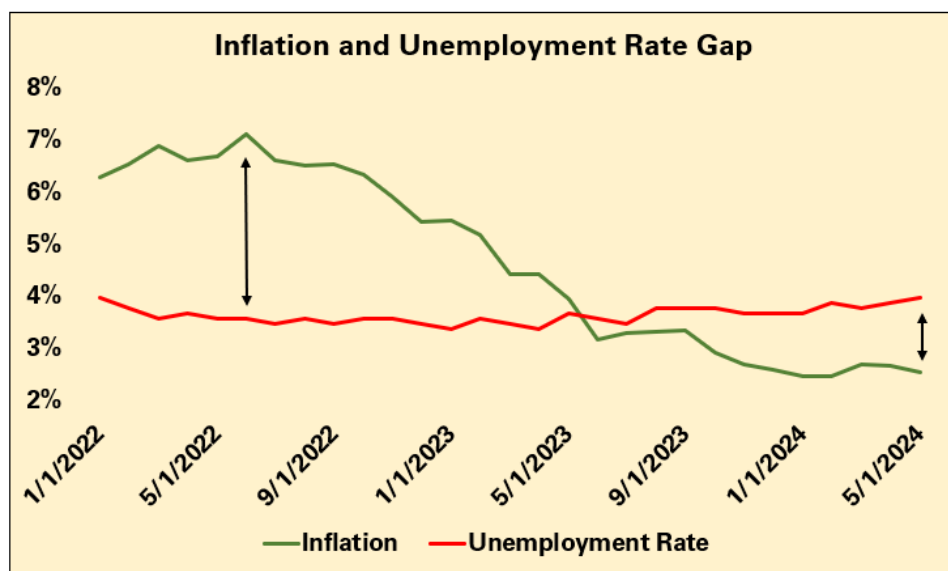


## KFB Commodity Division Weekly Market Report

July 8, 2024

### Macroeconomic

If current inflation and unemployment rate trends continue, then we could be seeing one or more rates cuts before the 2024 calendar year is over. For a visual reference of the inflation and unemployment rate gap, see the graph below. If the Federal Reserve sees the gap widen – red line trend higher, and the green line trend lower, look for a rate cut at the September meeting.



### Grains and Oilseeds

The grains and oilseed complex traded sharply lower today. If you are reading this report, then you have likely already seen or heard market commentators grabbing charts from past December corn contract years to compare to the December 2024 contract. Overarchingly, the goal of the charts worth paying attention to signal that significant downside risk is currently in the market. Simply, markets traded sharply lower today and there is still “room to run” lower. Remember, in a broad sense, there are two key factors to think about when evaluating a crop. What is the supply/demand outlook? What is inflation doing? From the corn perspective, we planted more acres than originally thought with many thinking 2024 will be another year of solid yields. Additionally, we are seeing slowing inflation. From an investment standpoint, commodities provide a “hedge” against inflation, as inflation slows, and interest rate cuts become more likely, other investments become more appealing.

**DISCLAIMER** – the information discussed is for educational purposes only. The report is not to be used as financial or investment advice. Kentucky Farm Bureau is not a registered commodity broker or dealer. Errors or misprints may occur though material is intended to be accurate and useful to readers.