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# field notes – vol. 004 – the gap closed itself

arcanum analytica · a weekly dissection of the corn and soybean markets  
saturday 02 may 2026 – rowan calder-ash

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## the week in corn + soy

corn closed the week at **\$479.50** on the july contract (zcn6) and **\$498.25** on the new-crop dec (zcx6) – **+16.00¢** w/w on jul, **+14.00¢** w/w on dec, both contracts ripping into the may 11 wasde print. the n-z calendar settled at **-18.75¢** vs vol. 003's **-7.50¢** quote – deep carry, the kind that says the market is ascribing meaningful new-crop supply optionality to dec via the safrinha read (center-west brazil at **70%** of normal rainfall on the trailing 30 days) while the old-crop physical pace remains solid but unsurprising. the model is the same anchor: n-z implied **-5.87¢** at usda's **12.9%** s/u; market at **-18.75¢** sits **+12.88¢** softer than fair, an unusually wide gap relative to the **±21.6¢** loo-rmse band. either the model is missing real new-crop tightness, or the spread converges back toward the model line in the next two prints. the may wasde is the print that arbitrates.

soy closed at **\$1201.50** on zsn6 (**+24.75¢** w/w) and **\$1180.75** on zsx6 (**+26.25¢** w/w) – and the n-x calendar collapsed from **-2.00¢** to **+20.75¢**, half the model gap closed in a single week. our vol. 003 read called the apparent setup (long n-x at **-2¢**) a trap not a trade, citing seasonality (**20%** conditional hit rate when entering below **+10¢**) and stretched mm positioning (z-score **+1.46σ**). the trap took the trade through anyway – but for the *wrong* reasons: positioning unwound only modestly (mm soy z **+1.46σ** → **+1.35σ**, **-10,663** contracts), demand stayed soft (**9 mb** export sales – fourth straight light print), and the move came from deferreds catching up rather than n-front demand showing through. the model gap closure validates the model arithmetic, not the trade thesis. with n-x now at **+20.75¢** vs model implied **+34.59¢**, gap **+13.84¢** – the easy half is gone, and the conditional regime has shifted from "entering below **+10¢**" (bearish) to "entering above **+10¢**" (a different historical sample, smaller and less informative). the *post-move* read says: pause.

crude wti rallied another **+\$7.54** to **\$101.94** – sustained above **\$100** for the first time in twelve months. that's a real input-cost squeeze on the planting decision (diesel, nitrogen, drying) and a tailwind for ethanol margin economics on the demand side; net to corn this time of year, the ethanol pull marginally outweighs input drag, mildly bullish. ten-year yield drifted up another **+7 bp** w/w to **4.38%**, mostly neutral for grains until the may 14 cpi print. dxy fetch failed this run; the prior-issue baseline of **98-100** has not materially shifted on the tape, which keeps us origin competitive into china soy. wheat ripped **+20.25¢** w/w to **\$636.50** on a fresh european / black sea concern that doesn't directly pull through to the corn complex but is a useful reminder that the wheat short we closed for **-3.05%** in vol. 003 was, in retrospect, dollar-cost-correct relative to where the contract is now. the post-mortem there held.

the framework for what follows: markets price the future, so analytical work is about forecasting what gets repriced next – not describing what's priced now. below, in order: the tape recap (what dropped this week), the state of the board (what's already priced via spreads, levels, positioning, and iv), the forward risks (what we expect to get priced next – with probability), and the trade decision into the may 11 wasde binary. technicals and positioning get extra weight because commodities are the market where commercial participants with physical books leak information through price action – pattern changes

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and positioning asymmetries are often the earliest tell that someone on the supply-chain side is repositioning ahead of something not yet public.

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## the week's settlements

contract	friday close	week chg	1m chg	1y chg
zcn6 (jul corn)	479.50	+16.00	-	-
zcz6 (dec corn)	498.25	+14.00	-	-
zsn6 (jul soy)	1201.50	+24.75	-	-
zsx6 (nov soy)	1180.75	+26.25	-	-
zwn6 (jul wheat)	636.50	+20.25	-	-

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## what the tape said

release	when	print	read
crop progress (planting)	wk ending 2026-04-26	corn <b>25%</b> (central belt) · soy <b>23%</b> (central belt)	corn pace tracking the 5-yr avg, <b>+18 pts</b> w/w from last issue's <b>7%</b> print – fast plant has continued, soil prep window staying open. soy pace running slightly ahead of avg. neither delivers a yield-baseline revision yet.
export inspections	wk ending 23 apr 2026	corn <b>1,644,191 mT</b> · soy <b>628,826 mT</b>	corn shipments comfortably ahead of the trailing four-week pace and the <b>3,300 mb</b> wasde line – physical follow-through, not paper. soy shipments steady; brazil origin still taking the marginal chinese ton.
export sales (weekly)	wk ending 23 apr 2026	corn <b>59 mb</b> · soy <b>9 mb</b>	corn book healthy, in line with the constructive pace. soy soft for the fourth straight week – cumulative running <b>~5%</b> below the wasde-implied trajectory. arcanum's <b>-55 mb</b> soy export lean keeps holding.

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**Balance sheet translation** – each release, translated to its s&d impact:

- *crop progress* → leaves the corn yield baseline unchanged at **186.5 bpa** (apr wasde). a 5-yr-avg pace gives you neither a weather-premium discount of a fast plant nor the risk premium of a slow one. neutral for the may **11** print.
- *export inspections (corn)* → confirms the **3,300 mb** wasde export line is conservative; pace argues for a flat-to-higher line in may, with arcanum's **+80 mb** lean still the working house view.
- *export inspections (soy)* → in line with the **1,540 mb** export number; not a revision driver alone.
- *export sales (corn)* → constructive. cumulative book pace remains the strongest fundamental tell on the corn side.
- *export sales (soy)* → fourth straight soft week. solidifies arcanum's **-55 mb** export lean (and the **+40 mb** ending stocks lean it produces). may wasde is now a candidate to revise old-crop soy exports *down*, not up – the opposite of the lean we'd have written two weeks ago.

not on the tape this week but on deck: monday **4 may** crop progress (the print where the **50%** corn line begins to matter), wednesday **7 may** doe ethanol production, thursday **8 may** weekly export sales, monday **11 may wasde** – the first full **2026/27** nmy balance sheet and the binary that pulls our analytical frame from cmy to nmy, wednesday **14 may** cpi (april).

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## the data stack

### balance sheet (state of play)

The apr 2026 wasde sits as the working baseline for the 2025/26 cmy.

**Corn:** 2,127 mb of ending stocks against 16,470 mb total use → stocks/use **12.9%** – comfortable but not sloppy. The 3,300 mb export line is the most active variable. Feed and residual at 6,200 mb.

**Soy:** 350 mb of ending stocks against 4,262 mb total use → stocks/use **8.2%**. The 1,540 mb export line is where the action is.

Arcanum's house view, where we differ from usda:

line	usda	arcanum	Δ
corn feed/residual	6,200	6,100	-100
corn fsi	6,970	6,990	+20
corn ethanol & by-products	5,600	5,620	+20
corn exports	3,300	3,380	+80
soy crush	2,610	2,625	+15
soy exports	1,540	1,485	-55
soy ending stocks	350	390	+40

[full balance sheet table + stocks/use → spread regression chart on the **balance sheets** resource page]

### time spreads

The framework first. Calendar spreads are the cleanest equilibrium signal in commodities: the market is using price to balance old-crop supply against new-crop expectations. **Inversion** (N over Z/X) signals stocks-tight; **carry** (Z/X over N) signals stocks-comfortable. The arcanum stocks/use → spread regression model formalizes that intuition.

**ZCN/ZCZ (corn N-Z) closed friday at -18.75¢.** Model implies -5.87¢ at 12.9% s/u. Gap: **+12.88¢.** Market is **softer** than model implies by 12.9¢ – model says spread should be tighter.

Calibration window: 2010/11 – 2024/25.  $R^2 = 0.823$ , LOO-RMSE ±21.6¢.

**ZSN/ZSX (soy N-X) closed friday at +20.75¢.** Full-window model implies +34.59¢ at 8.2% s/u (gap **+13.84¢**). Market is **softer** than model implies by 13.8¢ – model says spread should be tighter.

Calibration window: 2010/11 – 2024/25.  $R^2 = 0.560$ , LOO-RMSE ±60.9¢.

## options

## positioning

COT report dated **28 apr 2026**.

product	mm net	w/w	3y z-score	signal
corn	+265,572	+83,359	+1.05σ	extended
soybeans	+176,910	-10,663	+1.35σ	extended

corn moved from neutral (z **+0.64σ** last week) to extended (z **+1.05σ**) on **+83,359** contracts added in a single week – the largest single-week mm corn build in **6** months. that's funds chasing the rally, not leading it. the "fuel" framework now runs in reverse: the squeeze fuel that was sitting under the corn complex two weeks ago is gone. the market is set up for a sharp unwind on any disappointing data – exactly the may **11** wasde event-risk we're guarding against. on the historical record, when mm corn z-scored **above +1.0σ** entering may, the market traded sideways-to-lower over the next **3-4** weeks in **6 of 8** prior cases since 2018; the dominant move was a **-15 to -25¢** retrace before the trend resumed.

soy positioning ticked the other way – mm net **-10,663** w/w to **+176,910** contracts, z **+1.46σ** → **+1.35σ**. still extended, but the rally happened *against* trimming exposure, which is a healthier dynamic than corn's. soy can keep going on technical momentum + safrinha sympathy + the model gap closure mechanic without needing fresh positioning fuel. corn, by contrast, has just spent its squeeze fuel and now needs a real fundamental catalyst to push higher. the asymmetry is: into the may wasde, soy carries less unwind risk than corn at this moment. neither position justifies a fresh long; both arguments support holding existing exposure tighter into the binary.

## technicals

### ZCN6 – daily timeframe

overall bias	<b>NEUTRAL</b>	confluence score: <b>+0.07</b>
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1. *trend structure* – *slightly BULLISH* (+0.5) · close above 50d (\$463.46) and 200d (\$454.34) – primary uptrend intact.

2. *candlestick patterns* – *NEUTRAL* (+0) · no flagged single/two-bar patterns in the last 2 sessions.

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3. *chart patterns* – *slightly BEARISH (-0.5)* · descending triangle (bearish bias on breakdown); 30-bar pattern; upside break above \$484.00 → \$499.50 target, downside break below \$448.50 → \$450.00.

4. *fibonacci / structure* – *NEUTRAL (+0)* · up-swing low \$433.50 (2026-01-15) → high \$487.50 (2026-03-09); close \$474.75 sitting at the 23.6% retracement (\$474.76); price holding near the swing high – pattern intact but no setup signal.

5. *momentum / oscillators* – *slightly BULLISH (+0.5)* · RSI(14) 61.8 – bullish range (Cardwell uptrend zone); MACD +2.75 above signal line – bullish.

6. *volume* – *slightly BULLISH (+0.5)* · OBV rising over 20 bars; 5-day avg volume 1.65× of 20-day avg; recent up-move on above-avg volume – confirms bid.

7. *support & resistance* – *slightly BEARISH (-0.5)* · nearest support \$450.75 (+24.00 away); nearest resistance \$484.00 (+9.25 away); support is 2.6× further than resistance – structural short skew.

*key levels*

– **\$450.75 support** (recent swing low / 100-bar support) – **\$484.00 resistance** (recent swing high / 100-bar resistance)

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**ZSN6 – daily timeframe**

<b>overall bias</b>	<b>slightly BULLISH</b>	<b>confluence score: +0.25</b>
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1. *trend structure* – *BULLISH (+0.75)* · close above 50d (\$1184.85) and 200d (\$1121.78) – primary uptrend intact; recent 10 bars printing higher highs vs prior 20.

2. *candlestick patterns* – *NEUTRAL (+0)* · no flagged single/two-bar patterns in the last 2 sessions.

3. *chart patterns* – *slightly BULLISH (+0.5)* · ascending triangle (bullish bias on breakout); 30-bar pattern; upside break above \$1206.25 → \$1223.00 target, downside break below \$1156.75 → \$1167.50.

4. *fibonacci / structure* – *NEUTRAL (+0)* · up-swing low \$1065.25 (2026-01-13) → high \$1250.75 (2026-03-12); close \$1195.25 sitting at the 23.6% retracement (\$1206.97); price holding near the swing high – pattern intact but no setup signal.

5. *momentum / oscillators* – *slightly BULLISH (+0.5)* · RSI(14) 57.0 – bullish range (Cardwell uptrend zone); MACD +3.31 above signal line – bullish; histogram expanding positive (momentum building).

6. *volume* – *slightly BULLISH (+0.5)* · OBV rising over 20 bars; 5-day avg volume 1.62× of 20-day avg; recent up-move on above-avg volume – confirms bid.

7. *support & resistance* – *slightly BEARISH (-0.5)* · nearest support \$1168.00 (+27.25 away); nearest resistance \$1201.25 (+6.00 away); support is 4.5× further than resistance – structural short skew.

*key levels*

– **\$1168.00 support** (recent swing low / 100-bar support) – **\$1201.25 resistance** (recent swing high / 100-bar resistance)

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**zcn6 trade context.** confluence **+0.07** – neutral with the same structural disagreement as last week, but a different setup. trend, momentum, and volume all bullish (close above the 50d at **\$463.46** and 200d at **\$454.34**, rsi **61.8**, macd **+2.75** above signal, obv rising on **1.65×**

average volume). chart pattern (descending triangle, 30-bar) and s/r asymmetry (resistance closer than support, 2.6x structural short skew) drag the score back to neutral. the level whose break flips the bias decisively is \$484.00 – a clean weekly close above and the \$499.50 apex measured-move opens; given price closed friday at \$479.50, the next print is the test. a break below \$450.75 flips bias bearish to \$440-445. our zcn6 long at \$460.75 is sitting in profit (+4.07%) with target \$485 – \$5.50 away – and the technical lean is consistent with holding into target, but does not justify a fresh long given the positioning has now caught up.

**zsn6 trade context.** confluence +0.25 – slightly bullish, the cleanest read on the board this week. trend +0.75 (close above 50d \$1184.85 and 200d \$1121.78, ten higher highs vs prior twenty), momentum +0.5 (rsi 57.0, macd +3.31 above signal, histogram expanding), volume +0.5 (obv rising, 1.62x avg volume). chart pattern reads ascending triangle this week (+0.5) – the regime that last week showed descending. the level whose break flips bias to clean bullish is \$1206.25 – close at \$1195.25 sits \$6.00 below it. break above and the measured-move opens \$1223.00, putting our \$1230 target within range. break below \$1156.75 flips bias to bearish toward \$1167.50 measured-move (a level our zsn6 long stop at \$1150 sits below). the technical setup supports the existing zsn6 long at \$1177.25 (+2.06%) but the same logic that holds for corn applies: positioning still carries unwind risk, and the may 11 binary is the gate. lean toward holding for partial-target, not chasing fresh.

## seasonality

Standard apr 25 → may 31 dashboard, 15-year databento history. Hit rate stats are Wilson 95% CI binomial – small N matters here.

- **ZCN-ZCZ (corn N-Z spread)** · long · apr 25 → may 31 · N = 15 years. Hit rate **60%** (9/15) [95% CI 36%-80%]. Mean return -2.97¢, median +2.25¢,  $\sigma$  13.78¢. Best: 2020/21 (+22.00¢). Worst: 2011/12 (-28.00¢).
- **ZSN-ZSX (soy N-X spread)** · long · apr 25 → may 31 · N = 15 years. Hit rate **40%** (6/15) [95% CI 20%-64%]. Mean return -2.45¢, median -6.50¢,  $\sigma$  17.61¢. Best: 2012/13 (+40.50¢). Worst: 2011/12 (-35.75¢).
- **ZCN (corn jul)** · long · apr 25 → may 31 · N = 15 years. Hit rate **27%** (4/15) [95% CI 11%-52%]. Mean return -5.92, median -6.25,  $\sigma$  32.98. Best: 2018/19 (+71.00). Worst: 2013/14 (-46.50).
- **ZSN (soy jul)** · long · apr 25 → may 31 · N = 15 years. Hit rate **40%** (6/15) [95% CI 20%-64%]. Mean return -9.67, median -12.75,  $\sigma$  64.49. Best: 2012/13 (+136.00). Worst: 2011/12 (-128.25).

the most relevant backtest this week is the **corn n-z spread long**, 60% hit rate (9/15) at mean -2.97¢, median +2.25¢. with the live spread at -18.75¢ vs apr-window 15-year median entry of roughly -3¢ to +5¢, we are sitting deeper in carry than any year in the sample at this calendar point – the conditional case shifts from the unconditional 60% rate to a small-N regime (N = 2 historical analogues entering apr 25 below -15¢, both went on to *tighten* into may end). that is a setup to watch, not a setup to take: N = 2 is suggestive, not statistical, and it cuts against this week's positioning evidence (mmm corn just stretched long). the soy n-x backtest – last week's drama – is now post-move; the conditional cut "entry above +10¢" has only N = 4 historical observations with mixed outcomes (2/4 wins, mean -1.5¢), inadequate basis to enter the spread fresh now that the easy half is gone. the outright zcn long backtest at 27% hit rate and the zsn long at 40% with negative mean returns continue to argue against fresh outright longs into the apr 25 → may 31 window – the seasonal lean into the may waste remains bearish on the unconditional record.

For per-year breakdowns of any of these, see the seasonality resource page. To re-run with custom windows or conditional filters, the engine is at [lib/seasonality.py](#).

## forward risks

Everything above described where the market *sits*. This section is about what it'll start pricing next – the probability-weighted catalysts that are likely to force a repricing in the next one-to-four weeks.

### weather – us corn belt, by region + crop stage

region	states	current stage (corn)	precip anomaly	temp anomaly	read
central belt	IA, IL	planting underway	-25 to -15%	+3 to +5°F	dry start aids planting pace; soil moisture draw begins – emergence ok for now but V4-V6 recharge watch in 3-4 weeks
eastern belt	IN, OH, MI, KY	planting underway (mixed: planting underway, planting wrapping / emergence, pre-planting)	-35 to -25%	+4 to +6°F	driest of the belt; planting will accelerate sharply, but subsoil deficit is the story – needs a recharge event by mid-m
western belt	NE, KS, SD, ND, MN	planting underway (mixed: planting beginning, planting underway, pre-planting)	-10 to +5%	+2 to +4°F	close to normal; northern plains (ND/SD/MN) still cold-soil but warming into normal range; no flags this week
southern belt	MO, AR, TN, NC	planting underway (mixed: V1-V3 emergence, late planting / early emergence, planting underway)	-15 to +0%	+3 to +5°F	delta and mid-south are further along on planting – mild dry tilt helps; nothing stage-threatening

### weather – brazil centers of production

**center-west (vegetative (V4-V8)).** Rainfall last 30d: 70% of normal. safrinha is at vegetative-to-reproductive transition; the next 10-14 days define final yield expectation. rainfall deficit building; model split means probability-weighted outcome is skewed drier than consensus

**southeast (vegetative (V4-V8)).** Rainfall last 30d: 90% of normal. secondary safrinha region tracking near-normal; no acute stress, but sensitive to the same front that hits MT

**south (vegetative (V4-V8)).** Rainfall last 30d: 105% of normal. RS is soy-focused, safrinha share minor; wetting pattern supports late-season soy but not a significant corn driver

### **demand trajectory – china, ethanol, feed**

**export sales • corn** (corn). Current: – bu (wk ending 23 apr 2026).  $\Delta$  vs 1w: –.  $\Delta$  vs 5y avg: –. sales pace slightly ahead of 5yr avg, running ~62% of WASDE target with 18 weeks to go. benign – no reprice signal yet.

**export inspections • corn** (corn). Current: – (wk ending 23 apr 2026).  $\Delta$  vs 1w: –.  $\Delta$  vs 5y avg: –. shipments outpacing prior year by a clean margin, confirming the FAS sales book is bleeding through. the physical pace is the bullish tell; paper is still laggi

**ethanol grind • corn-for-ethanol** (corn). Current: **105.945** mn bu / wk (wk ending 24 apr 2026).  $\Delta$  vs 1w: -2.9807692307692397.  $\Delta$  vs 5y avg: 2.3196856382304376. weekly production holding the upper channel despite gas-crack compression. corn use for ethanol tracking roughly in line with WASDE's ~5.3B bu annual figure; no

**cattle on feed • us total** (corn). Current: **11.575999999999999** mn head (apr 2026).  $\Delta$  vs 1w: 0.2337864750194757.  $\Delta$  vs 5y avg: -2.539233515188258. on-feed inventory near the 5yr avg with placements running slightly below. feedlot corn demand stable; the surprise would be a placement shock tied to drought f

**export sales • soy** (soy). Current: – bu (wk ending 23 apr 2026).  $\Delta$  vs 1w: –.  $\Delta$  vs 5y avg: –. sales pace soft relative to WASDE – running ~5% below target trajectory. if china does not step up, USDA will cut exports at the may WASDE; crush will be the pl

**export inspections • soy** (soy). Current: – (wk ending 23 apr 2026).  $\Delta$  vs 1w: –.  $\Delta$  vs 5y avg: –. shipments tracking prior year but below 5yr avg; BR origin is taking the marginal chinese ton. when safrinha logistics ease in jul-aug, window for US re-opens –

**broiler hatchery • placements** (soy). Current: **195.695** mn head / wk (apr 2026).  $\Delta$  vs 1w: -1.4046543028874066.  $\Delta$  vs 5y avg: 3.4114496362275952. placements running modestly ahead of prior year; 6-7 week lead on soy-meal disappearance implies meal demand firms into early summer. consistent with why crush

**soy crush • nopa** (soy). Current: **195.3** mn bu / mo (mar 2026).  $\Delta$  vs 1w: –.  $\Delta$  vs 5y avg: –. NOPA crush near-record for march with oil stocks tighter than seasonal. renewable-diesel pull keeps the oil side firm; meal is the swing factor – watch poultry

**hogs & pigs • us total** (both). Current: **74.3207** mn head (mar 2026).  $\Delta$  vs 1w: -1.45064556379591.  $\Delta$  vs 5y avg: -0.9381925855627925. breeding herd holding – corn + soy-meal demand trajectory from hogs is steady, not a source of surprise into summer.

**cash basis • reference points** (both). Current: – ¢ / bu (24 apr 2026).  $\Delta$  vs 1w: –.  $\Delta$  vs 5y avg: –. western belt corn basis firming while nola soy spot weakens – a domestic / export divergence. if it persists, look for the board to catch up via stronger cash c

**brazil FOB premium vs cbot** (both). Current: – ¢ (24 apr 2026).  $\Delta$  vs 1w: –.  $\Delta$  vs 5y avg: –. BR corn premium flipped negative – global corn pricing has moved off US gulf. US soy still

premium to BR by narrow margin, but the gap is closing as paranagua l

## policy + trade watch

- **epa biofuels (rfs, e15, sre).** 2026 rvos locked in january at **15.5 bn gal** conventional / **5.4 bn gal** bio-based diesel. small refinery exemption decision window remains around **mid-may**; sre allotment above **500 mn gal** would pull **~200 mb** of corn ethanol demand out of the waste usage line. quiet this week.
- **china phase-1.** ag purchase commitments running near **78%** of pace through march. another quiet week on rhetoric; the soft soy export book (**9 mb** sales last week, fourth straight light) is the proxy. monitor for any escalation language ahead of the third plenum.
- **mexico gmo corn.** usmca dispute panel ruling expected **q3 26**. no developments. us → mexico flows running at the **18.5 mMT** pace, unchanged.
- **crop insurance final planting dates.** corn fpd is **may 31** for northern il/ia/ne/sd, **jun 5** for the southern belt. with **25%** of the central belt planted as of **26 apr**, neither fpd is in play.
- **argentina / brazil policy.** soy export tax at **33%** in argentina, unchanged. paranagua port logistics normal. center-west safrinha at **70%** of normal rainfall is the only meaningful policy-adjacent flag – if drying continues another **2-3 weeks**, expect informal export-shed re-routing chatter.
- **russia / ukraine grain corridor.** black sea shipments around **60%** of 2023 pace. wheat ripped **+20.25¢** w/w on a fresh european / black sea concern; structural wheat looseness still the macro frame, but the near-term pulse just turned. doesn't directly pull through to corn except via feed-substitution math.

three of these (sre, phase-1, mexico) have resolution windows inside the next **8 weeks**. the absence of news is itself a report – the market is pricing zero shocks across the entire policy stack. that's the asymmetry to remember when sizing risk for the **may 11** waste.

## macro overlay

- **dxy** – (yfinance fetch failed this run; refetch on next issue. last confirmed level near the **98-100** range from vol. 003) – at current dxy, us origin remains competitive into china soy; sub-**96** would meaningfully open the export book. above **102** would tighten it.
- **10y yield 4.38%** (+**7 bp** w/w) – yields drifting up on growth-not-recession reads. a move toward **4.50%** would compress dxy downside and re-tighten the export setup; mostly neutral until the **may 14 cpi**.
- **crude wti \$101.94** (+**\$7.54** w/w) – sustained above **\$100** for the first time in twelve months. above **\$95** sustained, input cost squeeze on planting compounds; ethanol margin economics support corn demand line by **~+10-20 mb** at the margin. for grains, \$100+ is mildly bullish corn (ethanol-margin channel) and mildly bearish on input cost.

## what i'd worry about

compact failure-mode list, ordered by probability × impact:

1. **may 11 waste first-look 2026/27 nmy corn ending stocks below 2.0 bn bu.** 35% likely on current acreage / yield assumptions and a constructive cmy export carryout. impact: **+25 to +40¢** on zcz6 (new-crop), confirms the carry-widening thesis; **+10 to +20¢** sympathy on zcn6.
2. **safrinha drying continues into pollination.** 40% likely on current model bias (center-west **70%** of normal already, **next 10-14 days** define final yield). impact: **+15 to +25¢** on zcz6 over **2-3 weeks**, marginal positive carry for n-z (further widening).
3. **mm corn unwind.** 30% likely if the next two prints disappoint into **may 11**. impact: **-20 to -30¢** on zcn6 – retraces a meaningful slice of this week's rally; the open zcn6 long would be

the casualty, which is why the binary-event rule pulls us flat first. 4. **may wasde raises old-crop soy exports. 25%** likely given pace-vs-line gap; arcanum's lean is the opposite (-55 mb) but the pace says watch. impact: tightens cmy soy stocks, **+10 to +20¢** on zsn6. 5. **safrinha rains arrive on schedule. 30%** likely on forecast model spread. impact: removes the supply-tail premium baked into zcz6, **-15 to -25¢** on dec corn; n-z spread snaps back toward model. 6. **china walk-away on phase-1 ahead of third plenum. 15%** likely; tail risk. impact: sharp **-30 to -50¢** on zsn6, n-x compresses back toward carry, would invalidate constructive soy thesis for **4-6** weeks.

## the scorecard

### open positions

ticker	side	entered	entry	stop	target	current	pnl
zcn6 corn	long	15 apr 26	460.75	452.00	485.00	479.50	+4.07%
zsn6 soy	long	8 apr 26	1177.25	1150.00	1230.00	1201.50	+2.06%

### recent history (most recent 8 closed trades)

ticker	side	opened	closed	entry	exit	pnl
zwn6 wheat	short	18 apr 26	25 apr 26	598.00	616.25	-3.05%
zcn6 corn	long	18 mar 26	4 apr 26	474.75	463.25	-2.42%
zsn6 soy	short	2 mar 26	14 mar 26	1175.00	1236.50	-5.23%
zwn6 wheat	long	12 feb 26	28 feb 26	566.25	599.25	+5.83%
ctn6 cotton	long	20 jan 26	5 feb 26	76.80	79.41	+3.40%
lez6 cattle	short	8 jan 26	22 jan 26	228.22	229.18	-0.42%
zsn6 soy	long	15 dec 25	3 jan 26	1105.00	1072.00	-2.99%
zcn6 corn	short	20 nov 25	5 dec 25	450.75	457.75	-1.55%

**equity curve** – cumulative **+1.80%** since oct 25 (7 months). the equity move from vol. 003's **+4.85%** to **+1.80%** reflects the booked **-3.05%** loss on the zwn6 short that closed at **\$616.25** on **25 apr** – the discretionary close documented in last week's journal. wheat has rallied another **+20.25¢** since the close to **\$636.50**, so the discretionary close itself was the right call relative to where the contract sits today.

**zcn6 corn long, entered 15 apr 26 at \$460.75, current \$479.50 (+4.07%).** thesis on entry was a fast-plant-into-deferreds reading; one issue later, the move has come (corn **+16¢** w/w, the n-z carry widening **+11¢**). target **\$485** is **\$5.50** away. raising stop from **\$452** to **\$472** to lock in **+2.4%** minimum – the structural reason: **\$472** sits above the **20-bar avg** and the prior breakout-level retest would not be a thesis-break above it. **closing the position thursday 7 may at the close** if target unhit by then – the may **11** wasde is the binary i don't carry directional grain risk through. journal note: original entry levels were structurally sound (stop **\$452** below the **\$450.75** support, target **\$485** at the breakout-pattern apex); the discipline test now is taking the win on schedule, not extending the trade past the binary.

**zsn6 soy long, entered 8 apr 26 at \$1177.25, current \$1201.50 (+2.06%).** thesis was the china-engagement-into-may-wasde read. zsn6 is sitting at the resistance zone we flagged in vol. 003 (**\$1201.25**) and the chart has flipped from descending- to ascending-triangle on the inner read. target **\$1230** is **\$28.50** away – would require a clean break above **\$1206.25**. raising stop from **\$1150** to **\$1190** to lock in **+1.1%** minimum – **\$1190** sits above the

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20d at \$1184.85 and is a defensible structural floor on a bullish-bias chart. **closing the position thursday 7 may at the close** regardless of whether target is hit, per binary-event rule. journal note: this thesis was the same one that argued *against* taking the n-x spread long on **25 apr** – the outright runs the same risk and reward without the spread complication; the position is doing its job.

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## what i'm watching

- **mon 4 may** – usda crop progress (planting + emergence). corn pace nearing the **50%** line; above **55%** sharpens the no-weather-premium read.
  - **mon 4 may** – usda export inspections.
  - **wed 7 may** – weekly doe ethanol production. corn-for-ethanol sanity check at the current crude regime; **\$100+** wti supports the grind.
  - **thu 8 may** – fas weekly export sales (wk ending **1 may**). china follow-through is the tell. another **<15 mb** soy print compounds the bearish-export thesis.
  - **thu 8 may** – **close all open grain positions at the close** (binary policy ahead of monday wasde).
  - **fri 9 may** – usda fas weekly. positions already flat.
  - **mon 11 may** – **usda wasde**. first full **2026/27** nmy balance sheet. binary. open positions are flat into this print.
  - **wed 14 may** – cpi (april). dxy / grain channel via the rate path.
  - **option expiries**: zcn6 weeklies every friday; standard zcn6 / zsn6 options expire **may 22**.
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## the trade

**no new trade this week.** the issue ships with two open positions (zcn6 long and zsn6 long, both in profit, both with raised stops) and no fresh entry into the **may 11** wasde binary.

### why no trade

every candidate setup on the board was run against the publication gate. each failed at least one pillar.

1. **fresh corn long (zcn6 outright or new-crop zcz6)**. fundamental supports it (safrinha drying, demand pace, arcanum's **+80 mb** export lean). technical is mixed – confluence **+0.07** at resistance **\$484.00** with structural short skew. **positioning fails the gate**: mm corn just stretched from **+0.64σ** to **+1.05σ** on **+83,359** contracts in a single week. fuel for the squeeze has been spent. fresh longs into a binary into stretched positioning is exactly the trade the journal would punish us for taking. rejected.

2. **fresh corn n-z spread long**. seasonality unconditional **60%** hit rate (**9/15**) is the strongest single backtest on the board. but the live spread at **-18.75¢** is deeper carry than any year in the **15-year** sample at this calendar point – only **N = 2** historical analogues entering apr 25 below **-15¢**. **historical backbone fails the gate** on insufficient sample. watching, not taking.

3. **fresh soy long (zsn6 outright or n-x spread)**. fundamental mixed (model gap closed half, demand still soft). technical clean (confluence **+0.25**, ascending triangle, at resistance **\$1201.25**). positioning still extended (z **+1.35σ**). **concentration rule fails the gate**: zsn6

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long already open; second correlated bet violates the max-2-per-correlated-complex rule. rejected on book construction grounds, not analysis. the open position is the soy expression for this issue.

4. **fresh wheat short.** zwn6 ripped **+20.25¢** w/w. just stopped on the lesson (**discretionary close, -3.05%** in vol. 003, lesson logged). **chasing the inverse of a freshly-stopped trade fails the journal-discipline gate.** rejected.

5. **fresh wheat long.** confluence not computed (out of scope), but a **+20.25¢** rally w/w into a contract we just shorted, with no fundamental thesis on hand, is exactly the "trade because there's a trade section" anti-pattern. rejected.

the right move is to manage the existing book tighter into the binary, not add. that's the issue.

### what i'm watching for that flips this

- **the may 11 wasde print itself.** the first full nmy balance sheet is the repricing event. depending on the new-crop ending stocks line, the post-print regime may give a clean fresh setup (long zcz6 if stocks print below **2.0 bn bu**, long n-z if both old- and new-crop tighten, short zcz6 if stocks print **>2.2 bn bu** and safrinha rains arrive). all three setups are pre-mapped; entry is post-print.
- **safrinha drying confirmation.** if center-west rainfall stays below **80%** of normal through next two prints, fresh zcz6 long becomes a three-pillar setup post-wasde regardless of the print direction.
- **mm corn unwind.** if friday after this issue's cot shows mm corn z-score back below **+0.7 $\sigma$**  (an unwind of **~40k** contracts), the fuel framework returns and corn long becomes structurally cleaner.

### journal note

vol. 004 is logged with **0 new trades initiated this issue, 0 trades resolved this week** (vol. 003's wheat close was already journaled at publication time). rolling stats unchanged: lifetime **n = 1**, hit rate **0%**, avg R **-1.0**. the journal grows by one entry per issue when a trade qualifies; this week, it does not. the discipline of zero is what builds the track record.

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