field notes — vol. 020 — the retest that never came

arcanum analytica · a weekly dissection of the corn and soybean markets

saturday 22 august 2026 — rowan calder-ash

the week in corn + soy

let me open where the accountability is. last week i named a level: a resting bid on the **470–472** breakout-retest in dec corn, contingent on the **18 aug** cot showing funds still underweight. corn never came back to it. it settled **483.25** last friday, opened this week at **489.5** monday, and ground higher every session to a fresh contract high of **508.5** — **+25.25¢**, **+5.2%** on the week, and now **+18.3%** off the **430.00** settle low of **30 june**. the cot did print constructive. the entry never triggered. this is the fifth chapter of the same entry-mechanics miss, and the honest read is that the tight-corn thesis this desk argued for eleven issues is no longer a mispriced level to buy — it is simply the price. **1.70 bn** of carryout is what **508.5** means.

so the alpha has migrated. the **12 aug** survey booked the sheet: corn yield **180.7 bpa**, ending stocks cut **137 mb** to **1.70 bn**, stocks/use down to **~10.4%** — the tightest new-crop carryout in three seasons. the fund book that ran underweight into that print has now re-engaged, adding **+55,817** contracts to **+181,692** net (z **+0.69**) on the **18 aug** cot. that is the tell that matters: the breakout ran *without* a crowded long at risk, and the funds that chased it are still only two-thirds of the way to a stretched book. the fuel is not gone — but the cheap entry is, and a market at a fresh high **+32¢** over its 20-day is not a place this desk buys with a defined-risk stop.

soybeans broke out too, and it is worth being precise about why, because the driver is not the balance sheet. zsx6 settled **1239.5**, **+47.0¢** and **+3.9%** on the week, and cleared the 20-day (**1197.7**) decisively on monday's **+23.5¢** jump — the first close back above it in a month. but the **12 aug** survey *raised* soy ending stocks **+10 mb** to **320** on a **+30 mb** crush bump and a yield trim of only **-0.3**. this is a looser sheet than the market is now pricing. the beans are running on three things that are not the s&d line: fund momentum (mm net **+151,782**, z **+1.05**, now *extended*), a crude tailwind, and a corn complex dragging the whole board up. that is a breakout to respect on the tape and to distrust on the fundamentals.

macro leaned in behind the grains. crude (**CL**) settled **86.64**, **+5.15%** on the week and comfortably over **80** for a second week — that restores the soybean-oil crush bid and firms the ethanol blend margin. the 10-year sits **4.738%**, **+4.2 bp**, a nudge higher but no fresh pressure on the export book. wheat popped and faded — zwu6 ran on black-sea corridor headlines midweek and gave most of it back to settle **681.5**, **+6.75¢** / **+1.0%** net.

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 (what dropped this week), the state of the board (what's already priced — spreads, levels, positioning), the forward risks (what gets repriced next, with probability), and the trade that captures the gap. this week the gap is small, and the discipline is in saying so.

zcz6 dec corn — the tight sheet is now the price, fresh high at 508.5

the week's settlements

contract	friday close	week chg	1m chg
zcu6 (sep corn)	**483.75**	**+24.75** (+5.4%)	**+31.00**
zcz6 (dec corn)	**508.50**	**+25.25** (+5.2%)	**+33.25**
zsu6 (sep soy)	**1225.00**	**+47.25** (+4.0%)	**+14.50**
zsx6 (nov soy)	**1239.50**	**+47.00** (+3.9%)	**+16.75**
zwu6 (sep wheat)	**681.50**	**+6.75** (+1.0%)	**+3.50**

settlements verified through friday 21 august via cme session data. the new-crop contracts — zcz6 and zsx6 — are the frame; the old-crop marketing year closed when the july contracts expired ***14 july****.*

what the tape said

release	when	print	read
crop conditions	mon 18 aug (wk ending 16 aug)	corn **60%** g/e (−1 w/w) · soy **61%** g/e (−1 w/w)	slow, orderly slide — not a collapse; the western-belt deficit keeps bleeding a point a week

export inspections	mon 18 aug (wk ending 13 aug)	corn **1,911k mt** · soy **270k mt**	corn physical pace firm, above year-ago; soy soft, brazil taking the marginal china ton
doe ethanol grind	wed 20 aug (wk ending 14 aug)	**114.3 mn bu/wk** (−2.5 w/w, **+3.4** vs 5y avg)	holding the upper channel with crude back over **86** — corn-for-ethanol tracking in line with the wasde annual
cot (disaggregated)	fri 21 aug (as of 18 aug)	corn mm **+181,692** (z **+0.69**) · soy mm **+151,782** (z **+1.05**)	first post-survey fund read: corn re-engaging from underweight, soy extending toward crowded

balance sheet translation — each print, mapped to the sheet:

- **crop conditions → september yield drift.** corn g/e at **60%** is down from **61%** and has slid from **67%** in wk29 — a point a week, concentrated in the western belt. it does not move the **180.7** baseline by itself, but it is the observable that pre-loads the **september** objective-yield survey. every week the ratings erode without the sheet catching up widens the gap the survey has to close.
- **export inspections → the demand line holds.** corn shipped **1,911k mt**, a firm summer pace running ahead of year-ago. the physical leg has stayed constructive straight through the breakout — it corroborates the **3.30 bn** wasde export line rather than threatening it, and keeps the tight-carryout story from being a paper-only construct.
- **ethanol → no drag.** grind at **114.3 mn bu/wk** is **+3.4** over the 5-year average with crude firm; corn-for-ethanol demand is stable-to-firm, not a source of downside revision.
- **cot → the positioning pillar finally moved.** funds added **+55,817** corn and **+42,673** soy on the first read that post-dates the survey. corn is the constructive one (re-engaging from underweight, still z **+0.69**); soy is the cautionary one (z **+1.05**, extended, adding into a looser sheet).

not on the tape this week but on deck: weekly export sales (thu), the next crop-conditions print (mon), and — the one that matters — the **september** objective-yield survey in ~three weeks.

the state of the board

balance sheet — the sheet that's now priced

the **august** wasde and its first objective-yield survey (**12 aug**) govern. the 2025/26 old-crop marketing year is closed; the only frame is new-crop 2026/27.

corn 2026/27: yield **180.7 bpa** (−2.3 vs july), harvested area **85.8 mn ac** (+1.4), production **16.0 bn bu** (still the second-largest crop ever, **+13 mb** vs july), ending stocks **1.70 bn** (−137 mb), stocks/use **~10.4%** (from ~11%). this is the tightest new-crop carryout in three seasons — and it is a *stocks* story, not a *small-crop* story. that distinction is the whole cap on the runway: a **16.0 bn** crop with tight carryout can be repriced tighter by demand or by a september yield cut, but the supply side is not a shortage. the bull owns the s/u, not the bushels.

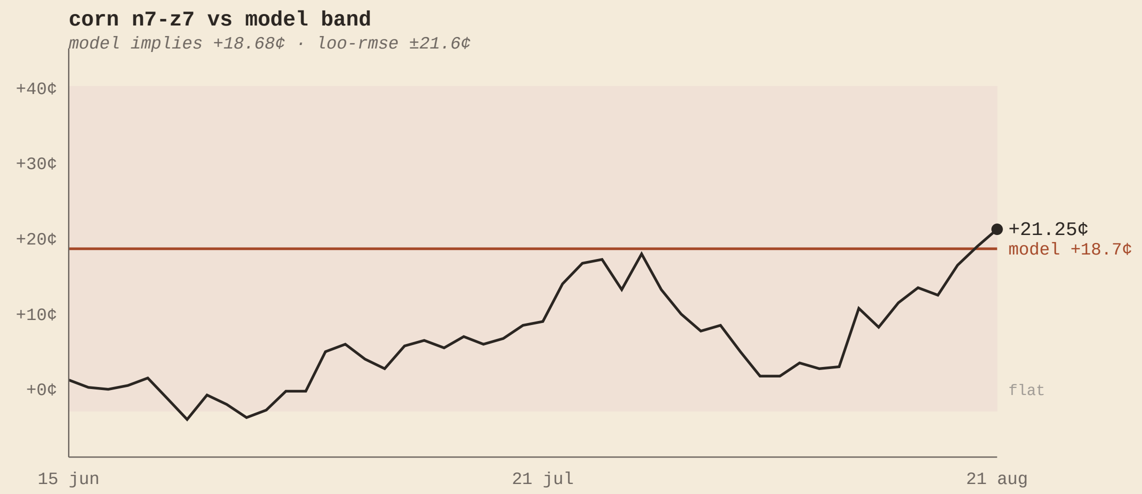
soy 2026/27: yield **52.7 bpa** (−0.3), crush **2.78 bn** (+30 mb), ending stocks **320 mb** (+10 mb). a marginally *looser* sheet than july. the crush bump is real and renewable-diesel-supported, but the exports line still waits on china, and at **320 mb** of carryout the sheet does not underwrite a **1239.5** print. the tape is ahead of the fundamentals here.

the arcanum overlay still carries corn exports **+80 mb** over usda (the physical pace supports it) and holds soy ending stocks **+40 mb** looser than the board is trading. full line-item table on the **balance sheets** resource page.

time spreads — the deferred premium kept climbing

the new-crop-year corn spread — zcn7 over zcz7 — is the cleanest read on how the market prices the *next* crop year's tightness. it steepened again this week, to **+21.25¢** from **+11.5¢**, a **+9.75¢** move that carried it *through* the **+18.0¢** late-july peak and slightly past the model-implied **+18.68¢**. a week ago this spread was ~**7¢** cheap to model; now it is ~**2.6¢** rich — caught up, mean-reverted, and sitting inside the **±21.6¢** loo-rmse band where it carries no edge.

so the spread has done its job: it confirmed the tight-carry read on the way up and is now fairly valued. it is a single-pillar corroboration, not a trade. the front carry (u–z corn) sits at −**24.75¢**, an ordinary new-crop carry that says nothing is stressed at the front.



corn n7-z7 spread — re-steepened to +21.25c, now through the model

positioning — the funds came back

the cot dated **18 aug**, released friday, is the first fund read that post-dates the survey — and it is the number this issue turns on.

product	mm net	w/w	3y z-score	signal
corn	**+181,692**	**+55,817**	**+0.69σ**	neutral
soybeans	**+151,782**	**+42,673**	**+1.05σ**	extended

corn is the constructive book. funds added **+55,817** in a single week yet the z-score only ran to **+0.69σ** — they came into the breakout *underweight* and are still not crowded. that is the healthiest thing on the board: the rally has fuel (funds adding) without a stretched long at liquidation risk. the historical pattern here is the mirror of the may–june liquidation: a book rebuilding from underweight into a tightening sheet tends to keep adding until it reaches z ≥ **+1.5σ**, which is another **~50–60k** contracts away. that is a supportive backdrop for *staying* long — it is not, by itself, a reason to *initiate* long at a fresh high.

soy is the cautionary book. z **+1.05σ** and climbing, funds piling **+42,673** into a sheet the survey just *loosened*. this is the setup that precedes a liquidation — extended positioning with no fundamental underwrite — but it is not yet actionable: the trigger is a rollover (the first cot that makes a *lower high* in net after a ≥ **+1.4σ** peak), and soy is still making higher highs. it is a book to watch for the turn, not to short into strength.

technicals — blue sky and a soft-volume tell

dec corn (zcz6). the read is a confirmed breakout into open air. the settle **508.5** sits **+32¢** above the 20-day (**476.3**) and **+45¢** above the 50-day (**463.1**); the golden cross is intact and there is no prior-chart resistance overhead — the last defined level, the **491** july swing high, was cleared and is now support. the seven-domain confluence reads a lagging **+0.21** (neutral) because the model confirms trends after they establish, not at fresh highs — that is by design. the one honest caution is the volume domain, which scores slightly negative: friday's fresh high came on solid but not expanding participation. the level whose break flips the near-term bias is **470–472** — the breakout base and the rising 20-day; a close back below it fills the gap and turns the structure from "extended-but-intact" to "failed breakout." until then the trend is up and overbought.

nov soy (zsx6). the laggard chart became a breakout chart this week. the settle **1239.5** cleared the 20-day (**1197.7**) that capped it for a month and reclaimed the 50-day (**1184.6**) beneath — trend structure now scores bullish. resistance is the **1243** july swing high, directly overhead; a close through it opens the **1253** late-july high, then air. support is the **1216** breakout shelf, then the 20-day. the divergence from corn is the tell to respect: soy's chart is bullish while its sheet is loose, so this is a momentum-and-positioning move that lives or dies on china stepping in. lose **1197.7** and the breakout is a fakeout.

zsx6 nov soy — the laggard cleared the 20-day, a breakout to distrust on the sheet

seasonality — the base rate leans the other way

the honest seasonal frame for late august into september in new-crop corn is *soft*: the harvest-pressure window historically carries a sub-50 hit rate for the dec contract as the crop sizes and yield uncertainty resolves. that is a bearish base-rate prior, and it is the reason a chase-long at a fresh high is fighting the calendar as well as the entry math. the override, when there is one, is a genuine supply deficit that the september survey confirms — which is exactly the tail the western-belt −**8 bpa** states represent. so the seasonal prior says "don't chase the extension," and the deficit tail says "respect a pullback." both point to the same posture: wait for price, don't pay up.

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forward risks

everything above is where the board *sits*. this is what it starts pricing next.

weather — the western belt is still banking a deficit

the agronomic spine is unchanged and it is the most important number on the forward board: the production-weighted national corn yield deviation holds at −**4.46 bpa**. the distribution is what matters — the western belt is carrying the damage, with nebraska, minnesota, south dakota and north dakota all at −**8.0 bpa**, while the central belt (iowa, illinois) sits at −**3.0** and wisconsin at −**1.0**. soy is essentially neutral at −**0.18 bpa** nationally.

the crop is at dent in the west and dough-to-dent through the central belt — kernel weight is nearly set, so the window for weather to *add* damage is closing, but the damage already banked is not yet fully in the **180.7** number. usda's −**2.3** survey cut landed *inside* the spine because rising harvested acres (**+1.4 mn**) offset roughly half the yield hit. the **september** objective-yield survey is the venue where the western −**8s** get counted directly; the spine implies a further **~1.5–2 bpa** downside to the national yield if those states verify. that is the single cleanest bullish catalyst left in the complex, and it is dated.

demand — the physical leg is still pulling

corn's physical demand stayed firm through the breakout: inspections **1,911k mt** for the week ending **13 aug**, running ahead of year-ago, and ethanol grind **114.3 mn bu/wk**, **+3.4** over the 5-year average with crude supportive. the corn export book is doing what a tight-sheet year needs it to do — bleeding through on the physical side rather than just the paper.

soy demand is the opposite tension: inspections soft at **270k mt** with brazil taking the marginal chinese ton, against a fund book that is now extended and long. the beans need china to convert the momentum into fundamentals; without it, the **320 mb** sheet and the **z +1.05** positioning are a liquidation waiting for a catalyst.

policy + trade watch

- **china / soy demand** — the swing variable for the entire soy thesis. no fresh new-crop bookings of scale; brazil's fob is still winning the marginal ton. a china step-in is the only thing that makes the soy breakout fundamentally real.
- **biofuel / renewable diesel** — crude back over **86** and a firm rd pull keep the soybean-oil bid and the ethanol margin supportive. a crude slide back under **80** pulls that leg out.
- **black-sea corridor** — the wheat pop-and-fade this week was corridor-headline driven; a sustained wheat run adds marginal corn feed-substitution support, but it is outside the franchise.

- **september survey mechanics** — usda counts ears and pods on **~11 sep**; the western-belt deficit is the live tail. this is the one scheduled event that can extend the corn move fundamentally.

macro overlay

- **crude (CL) 86.64, +5.15% wk** — the mechanism into grains is the biofuel margin: firmer crude lifts ethanol blend economics (corn demand) and the renewable-diesel pull on soybean oil (soy-complex support). the tailwind is on while crude holds **80**.
- **10-year 4.738%, +4.2 bp** — a modest back-up in yields firms the dollar at the margin, which is a mild headwind to export competitiveness, but there is no fresh pressure — neutral into the board this week.
- **dollar** — sits in its recent **97–100** band with no fresh catalyst; a neutral tilt into the grain export book.

what i'd worry about

1. **the september survey verifies the western −8s.** ~**45%** likely. impact: **+15–30¢** on dec corn — the deficit gets counted, the sheet tightens toward **1.55 bn**, and the move that looks extended today looks early. this is the bull tail and it is the reason not to short strength. 2. **the corn breakout fails on a demand hiccup or a benign survey.** ~**35%** likely. impact: −**25–40¢**, a gap-fill to **470–472** and possibly the 50-day at **463**. a **16.0 bn** crop with a fully-priced tight carryout is vulnerable to any print that loosens the demand side. 3. **soy liquidation.** ~**30%** likely over the next month. mm net **+151,782** and extended into a looser sheet; the first rollover print plus a china no-show is −**40–60¢** on zsx6 and a **1197.7** break. 4. **crude reverses back under 80.** ~**30%** likely. impact: pulls the soybean-oil bid and the ethanol margin; −**15–25¢** on the soy complex, marginal on corn. 5. **china steps in on new-crop soy.** ~**20%** likely. impact: **+40–70¢** on zsx6 — the one thing that converts the soy breakout from momentum to fundamentals and validates the fund length.

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the scorecard

open positions

no open positions. the field-notes book is flat for the eighteenth consecutive gated issue.

recent history (most recent closed trades)

no closed trades. the framework track record has not yet opened its first gated entry — lifetime n = ***0****.*

equity curve — flat; no risk carried.

the accountability line this week is not a closed trade, it is a missed move continued. dec corn ran from the **430.00** low of **30 june** to **508.5** friday — **+18.3%** on settlements over roughly seven and a half weeks — and the book carried none of it. this is the same continuous up-leg logged in the journal since july, not a new move; the character is unchanged and it is mechanical, not analytical. the direction was called correctly and published in advance for eleven issues. the entries all came on event-gaps — the **30 june** acreage/stocks open, the **6 july** breakout, the **12 aug** survey, and this week's grind — that each jumped the risk-defined level, and the one gate-legal way in (the **470–472** retest) never filled because a validated bull with a banked deficit does not retrace to its gap. the fix is a standing resting bid placed *before* the trigger, and this issue places one. whether it fills is the open question the journal has carried for five chapters.

what i'm watching

- **mon 25 aug** — weekly crop conditions (wk ending 23 aug). another point of corn g/e erosion pre-loads the september cut; a stabilization eases the tail.
- **mon 25 aug** — export inspections. corn physical pace is the tell that the tight sheet is real; watch for the summer pace to hold above year-ago.
- **thu 28 aug** — weekly export sales, first clean post-survey read on new-crop bookings; china on soy is the line that matters.
- **fri 29 aug** — cot (as of 26 aug). does corn keep adding toward **+1.5σ** (fuel intact) and does soy roll over (the liquidation trigger)?
- **~11 sep** — september objective-yield survey. the scheduled catalyst; the western-belt **−8s** are the live bullish tail on corn.
- **crude around 80** — the biofuel tailwind's on/off switch for the soy complex.

the trade — no ticket, one resting bid

no new trade this week. the eighteenth consecutive issue through the publication gate without a market entry. the reason is not indecision — it is that the thesis worked and there is no gate-legal way to buy it here.

walk the candidates:

- **long corn at 508.5 (chase).** fundamental, technical, and positioning all point up — but the r:r fails. buying a fresh high **+18.3%** off the low with a structural stop at the **470–472** breakout base is **~37¢** of risk into open air with no defined resistance to target; even a generous **528** objective is **~0.5:1**. a tighter stop is not structural. this is a chase, and the rules prohibit paying up for an extension. **fails r:r and the chase prohibition.**
- **long soy at 1239.5 (breakout).** technical yes, positioning-momentum yes, but the fundamental pillar contradicts — the survey *raised* stocks to **320 mb**. two pillars against a looser sheet, and positioning at **z +1.05** is not the statistical extreme that would license a two-pillar exception. **fails the three-pillar gate.**
- **short soy (fade the extension).** positioning is extended but not at the **±1.5σ** trigger, and there is no rollover yet — funds are still adding. shorting a fresh breakout without a reversal tell is exactly what the rules forbid. **fails.**
- **corn n7-z7 spread.** at **+21.25¢** it has mean-reverted through the **+18.68¢** model and sits inside the noise band. single-pillar, no edge. **not a trade.**

so the gate holds, and it holds correctly: the corn alpha migrated from a mispriced level to the price itself, and chasing the price is negative-ev.

what i am doing instead — one standing order. this is the mechanical fix the journal has earned over five chapters: place the resting bid *before* the trigger, not a chase after it.

resting bid: long zcz6 (dec corn) at 487.00 — the **485–487** old swing high, now first support, on a pullback into the breakout retest.

stop: 471.00 (below the 20-day and the wasde gap; a close under **470** invalidates the breakout).

partial target: 515.00 (scale half; the first extension objective above the fresh high).

final target: 528.00 (the measured move if the september survey verifies the western deficit).

hold: work the bid for **3 weeks**; if unfilled by the **september** survey, the setup is stale and the order comes off. if filled, hold through the survey — the western-belt tail *is* the thesis, and the position sizes to absorb a bearish print.

size: 10% of book on a fill. default conviction — three pillars align on a pullback entry, but the entry is contingent, so no size-up until it's on.

r:r math. risk **487 – 471 = 16¢**. partial **515 – 487 = 28¢ = 1.75:1**. final **528 – 487 = 41¢ = 2.56:1**. clears the **1.5:1** floor at the partial.

the honest caveat: four prior iterations of this retest bid did not fill, because a bull market banking a –**4.46 bpa** deficit does not hand you the gap back. the probability this fills before the survey is real but not high. that is acceptable — a contingent, defined-risk, positive-ev order that may not trigger is categorically better than a chase that fails the gate. if corn pulls back, we are finally long the tight-sheet thesis at a level that makes sense. if it doesn't, we carry no risk into a market that is priced for good news and vulnerable to any that isn't. **invalidation is explicit: no fill by the september survey, or a close below 470, and the idea is dead.**

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published saturday 22 august 2026 at 07:00 central. next issue: saturday 29 august 2026.

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