

The recent $0.84 rally in CME Soybean Futures (nearby) to $11.48 per bushel over the last two weeks represents a premium driven by optimism surrounding a potential one-year extension of the U.S.-China trade truce. Markets are currently buoyed by claims of an additional 8 million metric ton purchase, yet we must remain cautious until these verbal commitments translate into confirmed export inspections. This upward momentum faces a formidable ceiling as USDA raises Brazil's soy crop forecasts to record levels, ensuring a massive influx of South American supply on the market. Furthermore, the convergence of the Chinese New Year and the start of Ramadan suggests a looming seasonal lull in global buying activity that could leave the market vulnerable once the initial headlines fade.