KFB Commodity Division Weekly Market Report
January 20, 2026

No market report yesterday given markets were closed for Martin Luther King Jr. Day. Several topics to address in the macroeconomy; For the sake of today's report, we will look at three which impact broader markets and then close with a few agriculture policy insights of primary focus as we begin 2026.

To begin, it was a down day in stocks given international uncertainty. Perhaps at one point the U.S. taking ownership of Greenland was nothing more than something to be brushed off. That is no longer the case, given the Trump administration's focus on national security and Greenland's geographic location. With tariffs on the table for countries who do not align with President Trump's goals, markets are pricing accordingly.

A related matter that is being closely monitored by market participants is the Supreme Court ruling on tariffs. While nothing has been announced yet, expectations are for something to be issued soon. This is significant given the speed and scale of tariffs since President Trump has been in office. There appears to be other avenues the administration can pursue to accomplish their goals in the case the court does not rule in favor of the legality of the tariffs.

Lastly, the term "fed independence" has been discussed often in recent months. The day is quickly approaching when the new Federal Reserve Chair will be announced. For many, the question is certainly, *Who will it be*? Underlying that question is the another – *How will the new chair approach "Fed independence"?* Simply put, will the new Fed Chair lead by the wills of the sitting President? Will they look to adhere to the procedures and processes of the Federal Reserve to make decisions that are independent of political sway? This matter is of high importance given the embedded role of the Federal Reserve in the U.S. and International economy.

Let's close today's report with some things to be mindful of as we move through the first part of 2026. Deputy Secretary of Agriculture Stephen Vaden was the keynote speaker at the Kentucky Commodity Conference in Bowling Green, Ky last Thursday. You can take a listen to his thoughts on pressing issues including, trade agreements, farmer bridge payments, and biofuels policy here.