



\*Below is a sample of our Daily Market Report for the latest news and prices on the commodity markets. Sign up [here](#) to receive these in your inbox every morning.

## Daily Market Report for Tuesday, June 28, 2016 by International Food Products

### Weather & Macroeconomic News

- Last week was all about Brexit, and while the financial markets are still processing that information, the agriculture commodities have largely shifted focus to Thursday's key USDA reports. The update to planted acres as well as quarterly grain stock levels will provide market direction. Look for deviation from "expected" (look at what industry polls are saying) as the primary factor after the report is released at noon EST, Thursday.
- Despite some heat and dryness, the US corn crop remains in excellent condition. The USDA reported 75% of the crop as good/excellent (unchanged from a week ago) which is above last year's 68% rating.

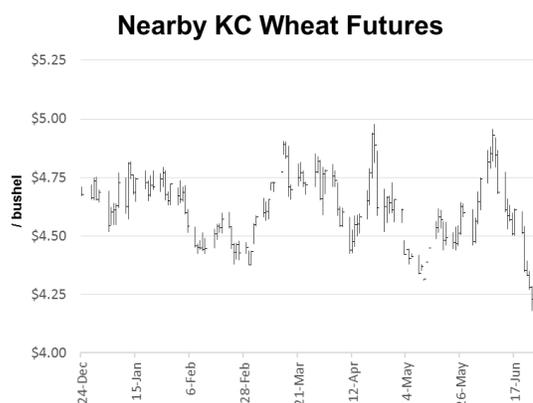
### Vegetable Oil – Soybean oil futures are up 39 points this morning.

- Soybean conditions in the US dropped slightly to 72% good/excellent compared to 73% last week.
- A recent Reuters poll of commodity analysts showed an expected increase in soybean planted area of 1.598 million acres from the March Prospective Plantings report. The updated acreage will be released on Thursday during trading hours.
- Indonesia is lowering its export tax for crude palm oil to zero next month, which should boost sales.
- Palm oil futures were firmer on Tuesday taking direction from the soybean oil market, but major upside was limited by weaker fundamentals.

**Price Outlook:** Soybean oil prices should see some downside in the coming months, but volatility of growing season remains.

### Wheat – Futures are up 6 and 7 cents in Chicago and Kansas City, respectively.

- Winter wheat harvest in the US was reported at 45% complete compared to an average pace of 41% and up from 25% last week. After a slow start, farmers have made a lot of progress during the recent dry weather.
- Dryness in the Plains has resulted in a drop in spring wheat conditions: 72% of the crop is rated good/excellent compared to 76% last week. While this drop is noticeable, 72% good/excellent is still a very good rating for this time of year.
- Get hit with a big wheat loss in 2011? A federal judge in Chicago has refused to dismiss a lawsuit against Kraft Heinz and Mondelez International for manipulating the wheat market price by making unnecessarily large and late purchases. If true, this is in violation of the Sherman antitrust law and the Commodity Exchange Act.



**Price Outlook:** Wheat markets should consolidate around current prices.

### Sugar – #11 sugar is up 41 cents in overnight trade.

- Brazil's main growing area in the center-south is expecting to see a record output in 2017/18 at 640 mmt compared to 628 in the 2016/17 crop year. Mills are becoming more profitable than in recent years, which will push farmers to grow more.

**Price Outlook:** Domestic sugar markets to remain near current levels with a premium for cane sugar vs. beet sugar to stay in place.



For questions or comments, please email us at [info@ifpc.com](mailto:info@ifpc.com)