



Daily Market Comments for Tuesday, October 16, 2018

by International Food Products

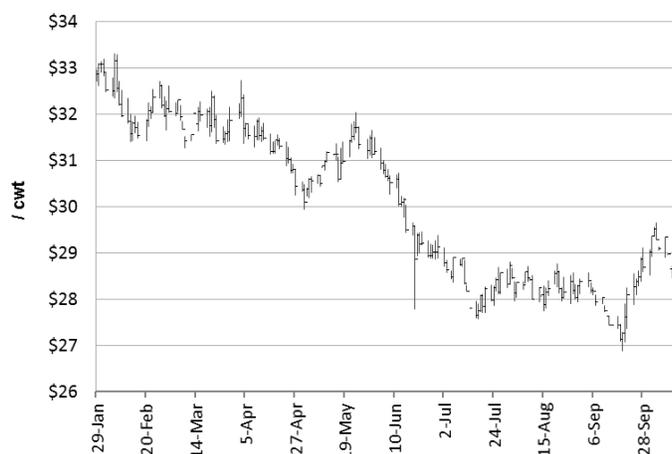
Macroeconomic News & Weather

- Weather forecasts are holding with dry conditions into the end of October. There is still some significant drying that has to happen in the Corn Belt for corn and soybean harvest to get rolling again, but pace should be picking up in the weeks ahead.
- Stock prices are hovering near the lows hit last week on the major price decline. U.S. dollar values are off the highs, as well.

Vegetable Oil – Soybean oil prices are down 16 points.

- The soybean complex was supported on Monday as tough weather conditions continue for the Corn Belt, interfering with harvest efforts.
- While corn harvest is still slightly ahead of the normal pace, soybeans are falling behind due to the excess rains of the last month. The USDA reported 38% of the crop harvested from 32% a week ago and 53% for the 5-year average pace. For more information, click [HERE](#).
- Soybean crush in September exceeded expectations. The NOPA monthly report showed 160.8 million bushels of soybeans crushed compared to 158.9 in August.
- Brazilian soybean planting is 20% complete, a record pace, according to AgRural consultant group. For more information, click [HERE](#).
- Palm oil prices were supported in Malaysia due to strength in the soybean oil futures market in Chicago.

Nearby Soybean Oil Futures



Price Outlook: Prices to be flat/higher in the weeks ahead.

Wheat – Futures are down 2 and 3 cents in Chicago and Kansas City, respectively.

- Wheat markets remain quiet with little news to support or pressure prices.
- Winter wheat planting is progressing in line with the 5-year average pace. 65% of the crop has been planted and 44% of the crop has emerged.
- Egypt is the world's top wheat buyer, and despite their buying activity, they have stayed relatively basic in their strategy by only buying spot. The country's Supply Minister Ali Moselhy said on Monday that they are studying the impact of hedging needs to combat global wheat price volatility. No decision has been made yet.

Price Outlook: Sideways trade expected in the coming weeks.

Sugar – #11 futures are down 2 cents this morning.

- Raw sugar prices rose to their highest level in 7 months during Monday's trade.
- U.S. sugar beet harvest is 10% complete compared to 15% for the 5-year average pace. For more information, click [HERE](#).

Price Outlook: U.S. prices to hold steady.



For questions or comments, please email us at info@ifpc.com