



Daily Market Comments for Friday, October 19, 2018

by International Food Products

Macroeconomic News & Weather

- Weather has been cooperative in the Corn Belt this week. Harvest is progressing well after being slowed by rains. Forecasts show that cooler/wetter conditions are expected at the end of the month. This will hamper corn and soybean harvest efforts as farmers wrap up the season. For additional information, click [HERE](#).
- Argentina's transportation union has announced plans to go on strike next week due to increasing hauling rates. This will likely impact export activity as supplies will struggle to get to ports. For additional information, click [HERE](#).

Vegetable Oil – Soybean oil prices are up 12 points.

- The soybean complex was pressured on Thursday with weak export sales and improved harvest weather.
- China's agriculture ministry is claiming that soybean supplies are ample and any major price changes are not likely. Planted acreage in China has increased and a bumper harvest is expected. This suggests that the need for U.S. soybeans is not as strong as some thought it would be heading into the fall. For additional information, click [HERE](#).
- Palm oil prices in Malaysia were pressured by the fall in Chicago soybean oil prices.

Price Outlook: Look for prices to steady heading into the back half of harvest.

Wheat – Futures are down a penny in Chicago and Kansas City.

- Wheat markets have not had a lot to be excited about this week.
- Prices were lower on Thursday with pressure from corn and soybeans on improved harvest weather.
- The U.S. winter wheat crop is developing well and planting is on schedule. Improved weather this week will help farmers get more of the crop planted.

Price Outlook: Wheat to continue trading sideways.

Cocoa – Futures are up 18 dollars.

- Increased fund buying has led to some support for cocoa markets.
- Prices have continued the bounce off the low hit in early October. Prices had fallen to their lowest point since January before rebounding on technical buying.
- From a technical perspective, the cocoa market remains in the established downward trading range.
- Mostly favorable weather in Ivory Coast will benefit the main crop. Some areas in the east got too much rain which has resulted in some disease issues, but overall production is expected to remain large.

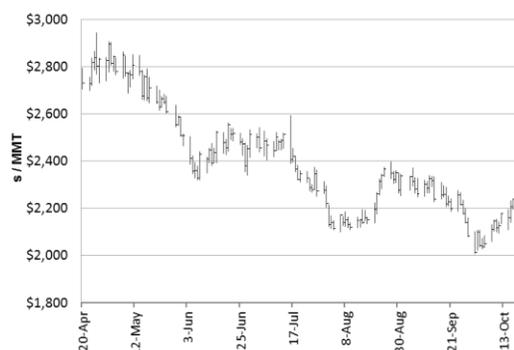
Price Outlook: Cocoa prices to stay near these lower levels.

Sugar – #11 futures are down 6 cents this morning.

- Sugar prices continue to rally on the world market. Prices have now climbed to an 8-month high.

Price Outlook: U.S. markets to hold near current values.

Second Month Cocoa Futures



Nearby #16 Sugar Futures

