



Daily Market Comments for Tuesday, October 23, 2018

by International Food Products

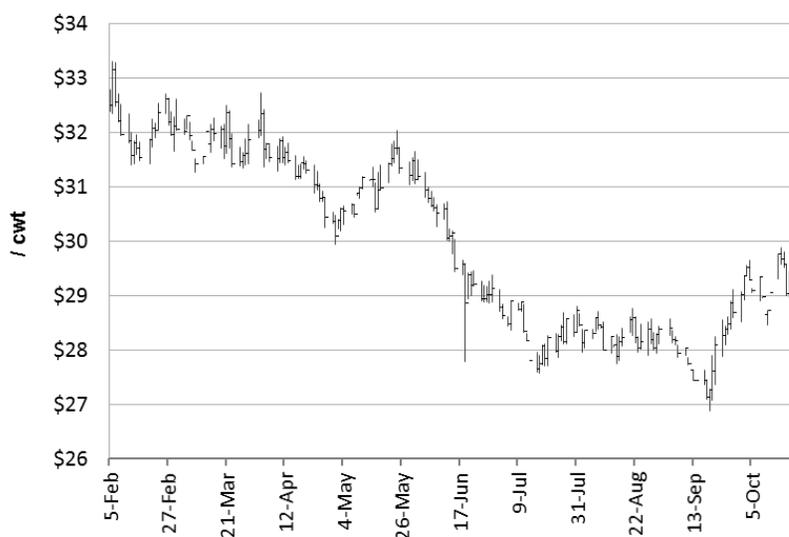
Macroeconomic News & Weather

- Weather forecasts are little changed, with cool/wet conditions expected for the Central U.S. into early November. This will slow harvesting and planting in the end of the season.
- Improved weather in the last week allowed for ongoing harvest activity in the Corn Belt. The USDA reported 49% of the corn crop done compared to 47% for the 5-year average pace.
- U.S. hog farmers are working to limit potential exposure to the devastating African swine fever that has killed huge numbers of hogs in China and the EU. No cases are known in the U.S., but potential feed demand reduction could occur if a large number of U.S. hogs were to die.

Vegetable Oil – Soybean oil prices are down 28 points.

- Oil markets are ticking lower on better than expected soybean harvest progress.
- Soybean harvest is still lagging the normal pace, but farmers made up some ground in the last week. The USDA's weekly report showed 53% of the crop done from 38% in the previous report and 69% for the 5-year average pace.
- Dry conditions in the EU are limiting rapeseed production potential in 2019. For additional information, click [HERE](#).

Nearby Soybean Oil Futures



Price Outlook: Look for vegetable oil markets to see some pressure into the winter.

Wheat – Futures are down 1 and 3 cents in Chicago and Kansas City, respectively.

- Wheat markets remain quiet as the focus is on corn and soybean harvest.
- Winter wheat planting in the U.S. is 72% done. This is just behind the 5-year average pace of 77%. Rains have been favorable for production potential, but a little bit of a hindrance for farmers' planting efforts. 53% of the crop has emerged, but conditions are not yet being reported by the USDA.

Price Outlook: Ongoing sideways trade expected.

Sugar – #11 futures are unchanged, this morning.

- According to Brazil-based consultant group Datagro, the global sugar balance is expected to shift to a deficit in the 2018/19 crop year. This is earlier than many expected, but poor returns and some weather issues in India are resulting in reduced output. For additional information, click [HERE](#).
- Brazil is moving forward with a complaint with the World Trade Organization (WTO) against China for restricting sugar imports.
- Sugarbeet harvest in the U.S. is 65% completed compared to 75% for the 5-year average pace.

Price Outlook: Little change expected for domestic sugar markets.



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