



# Daily Market Comments for Thursday, November 8, 2018 by International Food Products Corporation

USDA World Agriculture Supply & Demand Estimates Report Release at 11:00 AM CT

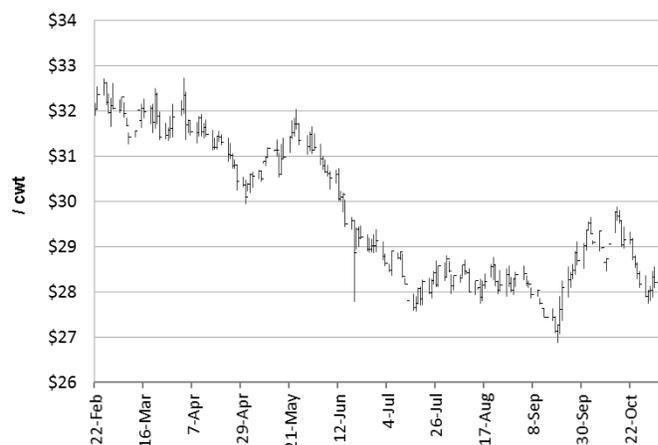
## Macroeconomic News & Weather

- The USDA will release its November WASDE report today. Look for key updates on corn and soybean yield estimates, as well as a lower soybean export estimate (given the ongoing trade war and slow sales).
- With power shifted back to democrats in the House of Representatives, the Farm Bill could see a quick resolution. The sticking point has been about increased work requirements for food assistance, but a more left-leaning House could push the legislation through as early as next week.

## Vegetable Oil – Soybean oil prices are down 11 points, this morning.

- Fats markets are lower on expected increases to soybean supplies and growing palm oil output.
- China increased its soybean meal imports in October by 18% (from the previous year) as fears of ongoing trade war with the U.S. prompted increased feed purchases. For additional information, click [HERE](#).
- The trade war is pushing China to become less reliant on U.S. soybeans. To do so, soybean production subsidies have doubled in the Heilongjiang province (the top grain producing province) from a year ago to persuade farmers to grow more soybeans.
- The Commerce Department is starting its review of antidumping duties on Argentine biodiesel. Late last year, U.S. trade officials stopped sales of biodiesel from Argentina for being sold well below market value, harming domestic producers.

### Nearby Soybean Oil Futures



**Price Outlook:** Some pressure is likely for soybean oil markets.

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

- Wheat markets remain quiet ahead of today's WASDE report.
- Russia's agriculture ministry held its forecast for grain exports in the 2018/19 crop year at 38 to 39 mmt, walking back a previous, lower estimate by an official. First Deputy Minister Khatuov had stated that exports would drop to 35 mmt. For additional information, click [HERE](#).

**Price Outlook:** Mostly flat pricing expected for wheat, with some minor potential downside.

## Sugar – #11 futures are down a nickel.

- According to FCStone, sugar output in Brazil is expected to rise in the 2019/20 crop year of 3.3 mmt. Output of refined cane sugar dropped to an incredibly low 26.3 mmt due to poor returns for millers with the global supply glut and an emphasis on ethanol. Some recovery is expected in the next crop year (that begins in April). For additional information, click [HERE](#).

**Price Outlook:** U.S. markets to hold near these low levels.



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