



# Daily Market Comments for Friday, November 9, 2018

## by International Food Products Corporation

### Macroeconomic News & Weather

- The USDA released new supply and demand data yesterday. In general, the data showed smaller supplies than expected. That data did not have a bullish impact. In fact, prices fell shortly after the report. See a video discussion from the CME [HERE](#). World data incorporated increased grain availability in China which is difficult to assure is accurate.

### Vegetable Oil – SBO is down 15 pts.

- Exports for the week ending Nov 1 were 22.4 TMT. Weekly sales of soybean oil are consistently outpacing the 16 TMT needed to reach the USDA's estimate and total commitments are 64 TMT larger than last year.

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

### Wheat – Futures are down 5 cents today, only 15 cents above recent lows.

- The WASDE report for wheat was not significant.
- Weekly export sales were 661 tmt, the second largest week of the '18/19 crop year, above expectations and larger than the weekly sales pace needed to reach crop year export projections.

**Price Outlook:** Look for prices to challenge the previous lows.

### Cocoa – Prices stalled at the resistance of \$2,400.

- Dry conditions in the Ivory Coast are reducing the concern from black pod disease. The Ivory Coast crop continues to get good news and will be very large.

**Price Outlook:** The market is range bound.

### Sugar – #16 futures maintain their narrow range.

- The USDA reduced the size of the beet crop from 5.2 mil tons to 5.0 mil tons.
- Without any other changes, the sugar situation results in a stocks to use of 11.3%. That is a historically tight number and suggests some adjustments will have to be made to imports.
- It appears that cane refiners will have some advantages this season due to the smaller beet supplies.

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

### USDA November 2018 Report Highlights

	CORN (bpa & billion bushels)					
	November	Trade Est.	Low	High	October	Last Year
Yield	178.9	180.0	178.2	181.0	180.7	176.6
Production	14.63	14.72	14.58	14.81	14.78	14.60
Ending Stocks	1.74	1.77	1.69	1.84	1.81	2.14
	SOYBEANS (bpa & billion bushels)					
	November	Trade Est.	Low	High	October	Last Year
Yield	52.1	52.9	52.5	53.5	53.1	49.3
Production	4.60	4.68	4.64	4.70	4.69	4.41
Ending Stocks	0.96	0.90	0.83	1.01	0.89	0.44
	WHEAT (billion bushels)					
	November	Trade Est.	Low	High	October	Last Year
Ending Stocks	0.95	0.96	0.93	0.98	0.96	1.10

Second Month Cocoa Futures

