



# Daily Market Comments for Tuesday, November 20, 2018 by International Food Products Corporation

## Macroeconomic News & Weather

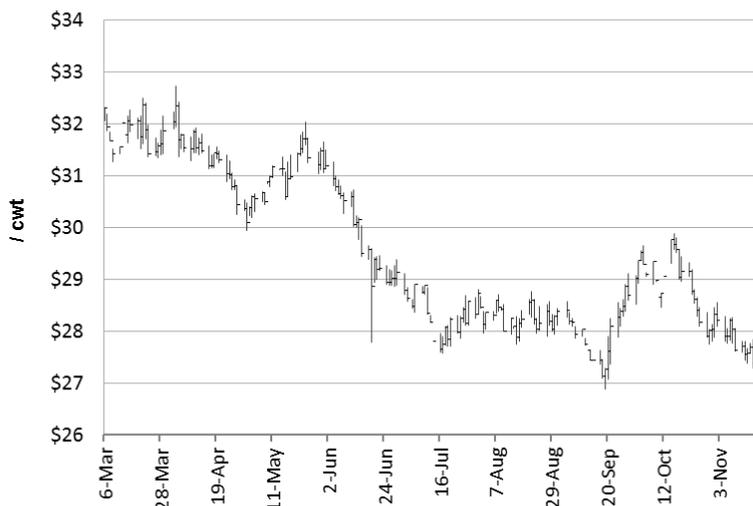
- Weather forecasts hold cold and wet conditions for the Corn Belt into late November. This will slow the end of corn and soybean harvest.
- The stock market opened lower, with the Dow Jones Industrial Average falling over 500 points. Selling of technology and internet related companies are pulling the market lower ahead of the Thanksgiving Holiday. For additional information, click [HERE](#).

## Vegetable Oil – Soybean oil futures are up 6 points.

- The soybean complex was bearish on Monday as a result of renewed pessimism regarding a U.S./China trade resolution following the Asia-Pacific Economic Cooperation Summit that wrapped up without a joint agreement. Despite the pressure on soybeans, oil was able to resist major downside (unlike meal).
- Soybean harvest is now at 91% completion from 88% last week. This is lagging the 5-year pace of 96%.

**Price Outlook:** Fats markets to stay pressured, with little upside risk into the winter (as long as the trade war with China remains unresolved).

## Nearby Soybean Oil Futures



## Wheat – Chicago and Kansas City wheat future are unchanged, this morning.

- Wheat markets are off the lows hit on Monday, but only modestly.
- U.S. winter wheat planting is 93% complete and 81% of the crop has emerged. These are both behind the normal pace due to wet conditions in October.
- The winter wheat crop rating improved from a week ago to 56% good/excellent. This is a bump from last week's 54% as conditions continue to trend upward into winter dormancy.
- Ukraine's shipment of grains is slowing in November, with sea port shipments falling to 665 tmt last week (according to analyst APK-Inform). This suggests that the exportable supplies from Ukraine's poor crop could be shrinking as winter approaches. For additional information, click [HERE](#).
- Export prices from Russia are rising, as well. Exports from Russia have reached over 22 mmt so far this season, with another 16-17 mmt expected by the Russian agriculture ministry. For additional information, click [HERE](#).

**Price Outlook:** Wheat prices have limited further downside.

## Sugar – #11 futures are down 28 cents.

- Sugar prices are testing technical support at \$12.50. This has been a key price threshold on the recent rally as well as a decline during the summer.

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

