



Daily Market Comments for Thursday, December 13, 2018

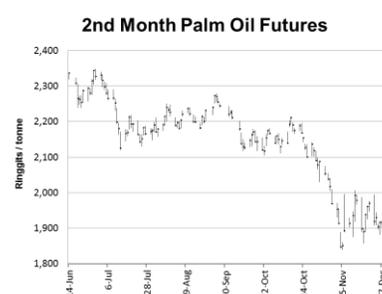
by International Food Products Corporation

Macroeconomic News & Weather

- The final draft of the Farm Bill was released and will be voted on very soon. The changes for Ag Commodity buyers is limited as most pricing supports were little changed. The congressional fight was in regards to SNAP (food stamps) and the work requirements associated with them. For additional details, click [HERE](#).
- China made its first significant purchase of soybeans yesterday. The market impact was minimal. Reuters' reports détente will be confirmed once crude oil, LNG, and coal begins to flow to China. For additional details, click [HERE](#).
- The number of Americans filing applications for jobless benefits tumbled to near a 49-year low last week, which could ease concerns about a slowdown in the labor market and economy. For additional details, click [HERE](#).

Vegetable Oil – Soybean oil futures are up 19 points this morning.

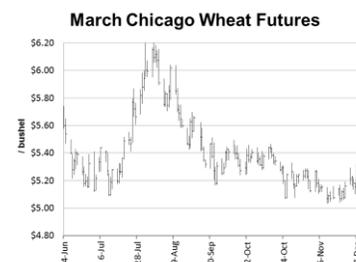
- China bought 1.5 million to 2 million metric tons of American supply over the past 24 hours, with shipments expected to occur sometime during the first quarter. A good analysis of its buying patterns and history is [HERE](#).
- South American weather continues favorable with general rain in Argentina this week that moves up into southern Brazil on the weekend / early next week.
- Palm oil prices have stabilized as the peak production season is coming to an end.



Price Outlook: The soyoil market has now rallied nearly 8% off the November lows and the technical outlook is pointing higher.

Wheat – Chicago and Kansas City futures are up 5 cents.

- Wheat tried to rally on the China soybean news. Frankly, the price rise was pretty modest.
- Planting delays in the SE U.S. are a concern for buyers in that area. NC planting progress is 20% behind normal and now that area is dealing with significant moisture (snow) that will further delay planting. Time is running out.
- In Paris, Euronext wheat hit an eight-week high on Wednesday as rising prices in Russia fueled hopes that west European wheat will pick up more export sales in the second half of the season.



Price Outlook: Wheat prices will maintain its current trading pattern with little major upside risk.

Sugar – #16 futures are holding just above 25 cents.

- Adjustments made to the U.S. sugar balance sheet from the USDA this week reinforce the fact that it is easy to adjust imports to manage prices.
- The supply and demand remain under control so there is little impetus for price change.

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