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Afternoon Market Highlights

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Highlights

- Reports indicated that trade talks will resume between the U.S. and China sometime at the end of January. Discussions may be postponed depending on when the U.S. partial government shutdown gets resolved.
- The partial government shutdown enters its 21st day, tying with the longest U.S. shutdown back in 1995-96. USDA reports continue to be postponed until Agricultural service offices re-open.
- As of 2:15pm, the U.S. \$ index is up 13 pts. at 95.67, the Argentine Peso is up 0.05% at 36.87 and the Brazil Real rose 0.02% at 3.71.
- The weekly Export Inspections will be released Monday, January 14th at 10:00am CST.

Corn

- The corn market pushed higher on fresh news of export business.
- Reports showed Chinese corn production at 257.33 mmt compared to the previous estimates of 215.04 mmt. Chinese corn inventories were down at 26.5 mmt, down 6.81 mmt from the prior estimate. Chinese 2018/19 imports fell 1 mmt to 1.5 mmt from the prior forecast.
- Turkey tenders for 342,000 mt of corn.
- South Korea purchased 135,000 mt of optional origin of corn this week (\$209.70-\$209.90/ton c&f).
- March corn sits between the 100 and 50-day moving averages of \$3.77½ and \$3.79¼. Nearby corn lost 4¼c since last Friday.
- March corn closed up 2c at \$3.78¼, July closed up 2c at \$3.94¼ and December 2019 closed up 2½c at \$4.01½.
- Spreads: H/K 8¼c carry, H/N 16c carry, H/Z 23¼c carry.

Oilseeds

- Soybean prices bounced higher on continued dryness concerns for the bean crop in Brazil. The forecast for Brazil calls for favorable precipitation in the coming weeks.
- Reports showed Chinese 2018/19 soybean production at 16 mmt, down 170,000 mt from the prior estimate. Chinese soybean stocks for 18/19 dropped to 3.4 mmt, down from the previous forecast of 3.57 mmt.
- March soybeans hit a low of \$9.06¼ and a high of \$9.12¼. The next level of support is the 50-day moving average of \$9.05. Nearby beans lost 11¼c on the week due to the large drop-off yesterday.
- March soybeans closed up 3¼c at \$9.10¼, July closed up 4c at \$9.36¼ and November 2019 closed up 4c at \$9.52.
- Spreads: H/K 13¼c carry, H/N 26c carry, H/X 41¼c carry.

Wheat

- The wheat market continued sideways trading on technical buying.
- Morocco tender closed with no U.S. offers of durum wheat for LH May shipment.
- March Chicago wheat settled slightly above the 50-day moving average of \$5.17¾. Nearby Minneapolis wheat was rangebound from \$5.63¼ to \$5.73¼, with the 50-day moving average at \$5.73¼. March KC wheat hit a high of \$5.08¾ but fell short of finishing above the 50-day moving average of \$5.05¾. March Chicago gained 2¼c while Minneapolis and KC wheat lost ¼c and 1¼c respectively on the week.
- March Chicago wheat rose 5¾c at \$5.19½, Minneapolis March wheat increased 6c at \$5.70, and Kansas March wheat settled 5¾c higher at \$5.04½.
- Spreads: MWE H/K 4¼c carry, KW H/K 11c carry, W H/K 5¼c carry.

Livestock

- Hog prices dropped on the day. February hogs were rangebound from \$62.42½ to \$63.70. The next level of support is at the 200-day moving average of \$62.45.
- Pork bellies increased \$10.90 to \$149.55/cwt. Carcass prices and picnic ham's rose in the morning report to \$73.05 and \$42.68/cwt, respectively, on 170 loads. Pork margins rose \$2.85 to \$31.95.
- February lean hogs fell \$1.42½ to \$62.65 and April decreased 50c to \$67.35.
- Live and feeder cattle were mixed at the close. February live cattle continued to trend higher to a new contract high of \$125.65. Nearby feeders backed off on the day, hitting a low of \$146.07½. The 50 and 200 day moving averages are pegged at \$146.92 and \$146.98 respectively. The last trading day for January feeders is January 31st.
- The USDA morning boxed beef highlights showed choice cutouts fell \$1.14 to \$212.82/cwt, while selects decreased 63c to \$207.14/cwt. Beef margins increased \$2.25 to \$48.75.
- February live cattle closed up 10c at \$124.97½, while January feeder cattle closed down 62¼c at \$146.12½.

- Today's estimated hog and cattle slaughter is 475,000 and 117,000 respectively. This week's estimated total hog and cattle slaughter is 2.381 million and 594,000 respectively.
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