# Daily Market Report for Tuesday, Mar 22, 2017
by International Food Products

Weather & Macroeconomic Factors

- Oil prices slipped to almost four-month lows on Wednesday after data showed U.S. crude inventories rising faster than expected, piling pressure on OPEC to extend output cuts beyond June.
- Hot, dry weather in the Southern Plains is having more of an impact on winter wheat crop ratings with all of the major wheat producing states showing a decline during the past week.
- See 6-10 day temperature map to the right. Well above normal temperatures are expected to persist.
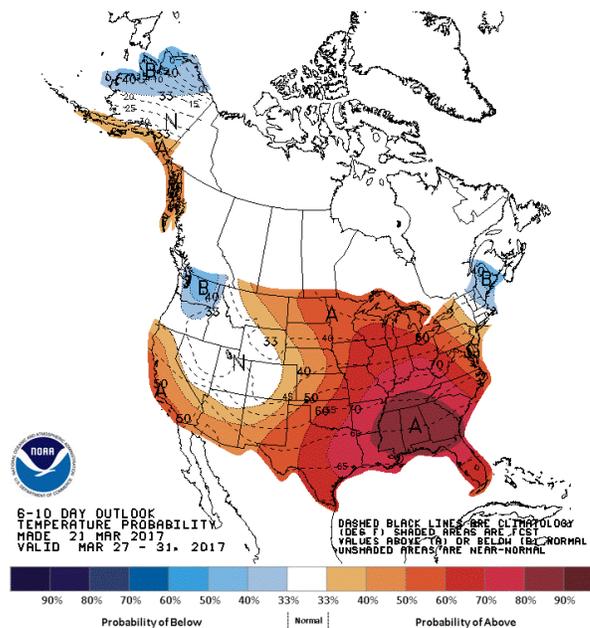
Vegetable Oil – Soybean oil futures are down 23 points in overnight trade.

- The soyoil market was able to extend the gains recorded on Monday.
- The market opened firm and held in positive territory throughout the day. Soyoil futures finished the day 35-40 points higher, with the May closing at 33.14 cents. The May oilshare was pulled 0.32% higher to 33.71%.
- The assumption that no action by the EPA ahead of the regulatory freeze deadline meant that the 2017 RVOs will be implemented as proposed in the November rule was the source of support for the market.
- The strength in soyoil helped lift palm oil futures higher overnight. The June contract finished 29 ringgits higher at 2811 r/t.

Price Outlook: Modest potential downside for oils…but very limited.

Wheat – Futures are down 2 cents in Chicago and Kansas City.

- Wheat was lower most of the day with KC again losing ground vs Chi.
- HRW proteins were 2 to 12, mostly 12 cents, lower suggesting the forecast for rain and an expected shift to a wetter pattern triggered some producer selling.
- Weekly deliverable stock reports as of Mar 17th showed deliverable wheat stocks declining at all three exchanges.

Price Outlook: Wheat prices to move with the weather for the next 30 days.

Sugar – #11 futures are down 11 cents, this morning.

- Light sugar news this morning.

Price Outlook: US prices will be supported if a deal with Mexico is not reached.

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