



# Daily Market Comments for Wednesday, Apr. 17, 2019

## by International Food Products Corporation

### Macroeconomic News & Weather

- China is anticipating ongoing issues from the deadly African swine fever. This will have an impact on trade for meat with the U.S. (a topic that has come up in trade negotiations a lot recently) as well as feed demand prospects. For additional details, click [HERE](#).
- Weather forecasts show a warming of most of the U.S. growing regions, but wet weather is expected to persist. This will make any planting difficult across the Corn Belt, Delta, and Northern Plains.

### Vegetable Oil – Soybean oil futures are up 9 points.

- The soybean oil market is looking for direction, with prices just off recent lows. Large soybean stockpiles and no trade deal with China are keeping a lid on any rally for the complex. For additional details, click [HERE](#).
- Palm oil prices in Malaysia ticked higher with support from a weaker ringgit.

**Price Outlook:** Fats markets to see some support as palm stockpiles are drawn down and (potentially) sales to China of U.S. soybeans pick up on top of good oil demand domestically.

### Wheat – Chicago and Kansas City futures are up 3 cents.

- Wheat markets are up modestly as bargain buyers step in to capture values. The market has been pressured by expectations of large crops in the Northern Hemisphere for 2019.
- Despite some dryness in Southern Europe impacting grain production, Germany is expecting a big increase in wheat output in 2019. Harvest totals are expected to climb to 24.44 mmt (a 21% increase from 2018) as normal weather returns. For additional details, click [HERE](#).
- SovEcon (Russia's state agriculture consultant group) increased their forecast for the 2019 wheat crop to 83.4 mmt from a previous estimate of 80 mmt. The increase is due to good conditions in the early part of the growing season.

**Price Outlook:** Wheat markets tend to see pressure in the months ahead.

### Cocoa – Nearby futures are up \$46.

- Cocoa prices are rebounding in the overnights following declines on Tuesday to a 2-week low.
- Ivory Coast saw some favorable rains last week, boosting farmers' expectations for the mid-crop. For additional details, click [HERE](#).
- Cocoa grind in Germany rose 1.9% in the first quarter from the previous year.

**Price Outlook:** Cocoa values to see pressure as good rains hit the Ivory Coast mid-crop.

### Second Month Cocoa Futures

