



# Market View

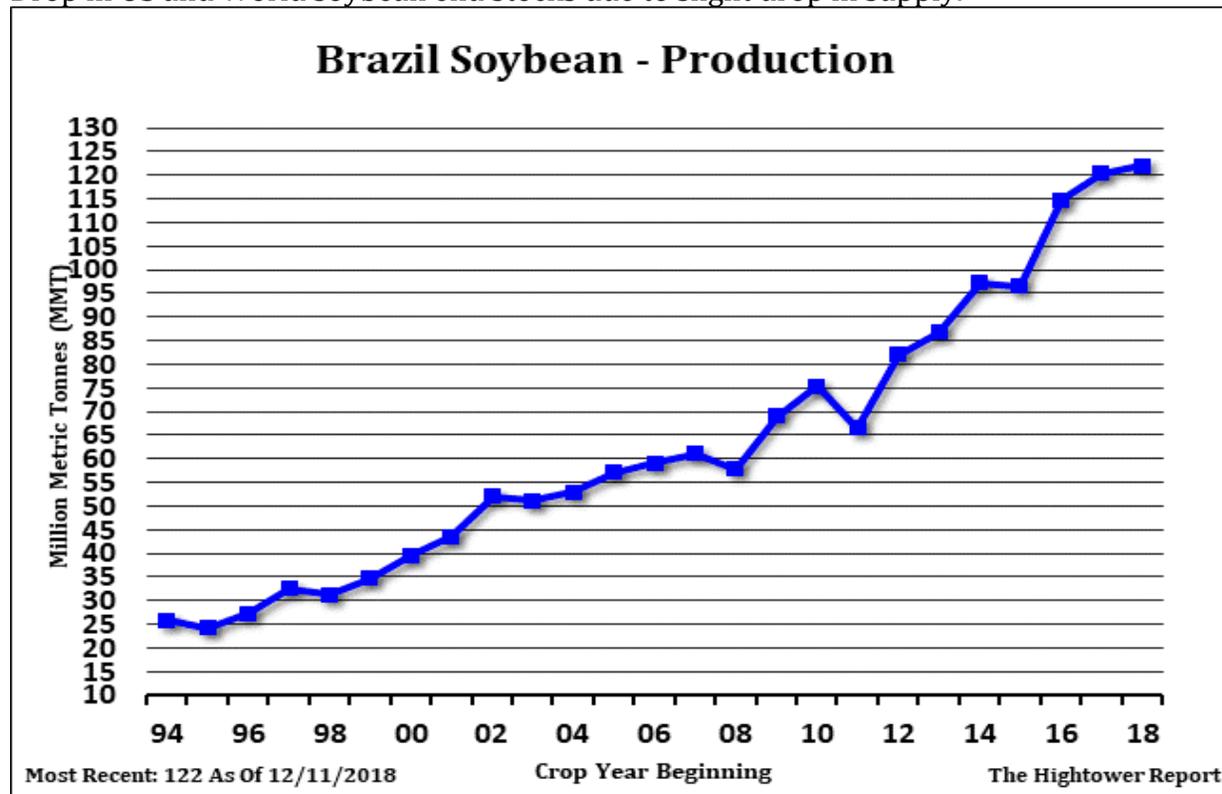
January 10, 2019

by Steve Freed, VP of Grain Research

Soybeans, soymeal, soyoil, corn and wheat closed lower. US stocks, Crude, gold and copper also traded lower.

## SOYBEANS

Soybeans traded sharply lower. Some link the selling to a private estimate of the Brazil 2019 soybean crop near 119 mmt. This was above previous estimates closer to 116. Talk that China reserve buying group was looking for Argentina Jun-July soybean prices also may have weighed on prices. Some selling may have also been triggered by the fact US has not yet announced a US and China trade deal despite good talks this week. Finally, soybean May also be trading South America weather and there may have been some profit taking before key weekend weather. No USDA report tomorrow. If they did, most look for a slight Drop in US and World soybean end stocks due to slight drop in supply.



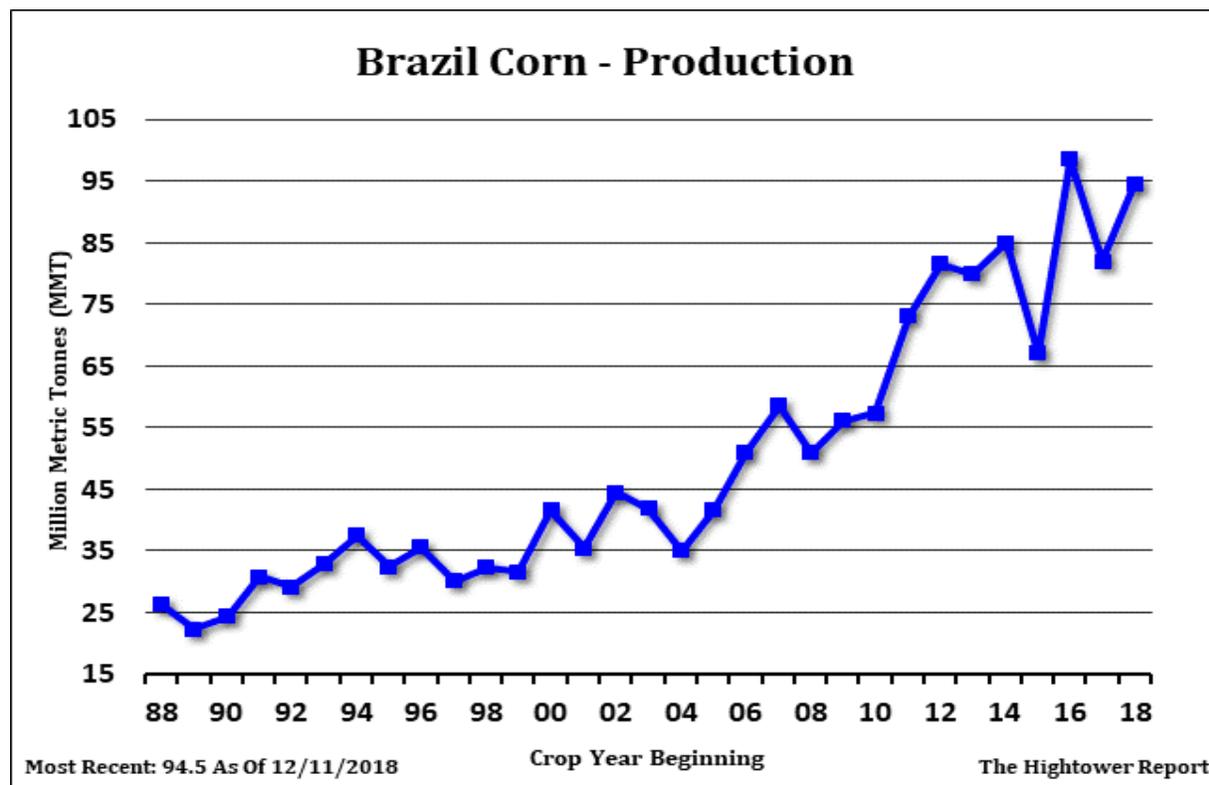
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## CORN

Corn futures closed lower and back below key moving average levels. Corn may have followed soybeans. There may have been some long liquidation after the fact US has yet to announce the next step in trade negotiations with China concerning trade. Some had hoped that once a deal is done China might come in and buy US corn and ethanol. Weak ethanol margins and continued US farmer selling above the market on rallies could limit the upside in prices. Managed funds are net long corn and may be overbought and due to a correction. Parts of Brazil early corn crop could be stressed due to dryness. Still time for the crop to improve if current weather pattern changes. Same could be said about too wet in Argentina. US government is still in partial shutdown. Lack of weekly export sales data could limit the upside in prices. No USDA report tomorrow. Most were looking for a slight drop in US and World 2018/19 supply and demand due mainly to lower supply.

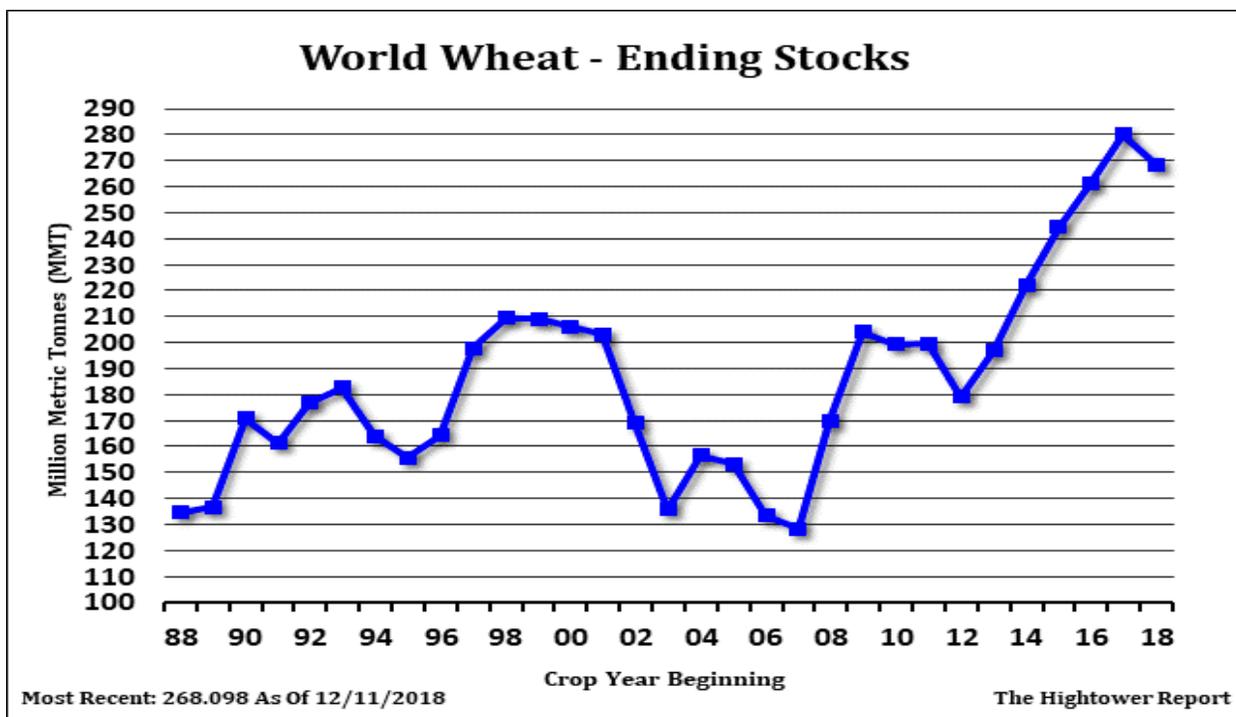




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## WHEAT

Wheat closed lower. In general, it looked like most of the markets that have been trading higher on hope that US and China would soon have a trade deal took profits today. For wheat, fact Egypt bought only Russia wheat in their tender versus US prices that were competitive may have also weighed on prices. No weekly US wheat export sales data today but most would have expected US wheat sales to be below pace needed to reach USDA goal. No USDA report tomorrow. Most could see US 2018/19 wheat carryout mixed. Higher export est could lower carryout while lower exports could increase the carryout. World stocks could have seen a slight drop from record high levels. US 2019 winter wheat acres Could be lower than last year and a new record low. Can't trade that though until USDA is back to work.



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