

MID-CO COMMODITIES, INC.

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Morning Market Commentary
Friday, December 14, 2018

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OVERNIGHT MARKETS (as of 7:15 AM)

Contract	Last	Change	Support	Resistance	RSI	Contract	Last	Change	Contract	Last	Change
CH19	385 3/4	1 1/2	367	378	59.39	OH19	289 1/4	-4 1/4	Dollar I.	97.568	0.475
CK19	393 1/4	1 1/2	375	386	59.76	CTH19	79.17	-0.24	Crude	52.28	-0.3
SF19	905 1/4	-1 3/4	857	874	59.41	SMF19	308.5	0	Gold	1237.5	-5.2
SH19	918 1/2	-2	871	887	55.44	BOF19	28.66	-0.17	RBOB	1.4567	-0.0215
WH19	533 1/4	-2 3/4	503	544	55.74	LCG19	122.85	-0.05	Ethanol	1.25	0
WK19	538 3/4	-3	509	552	55.34	LHG19	64.825	-0.875	Dow J.	24,392	-196.00

SPREADS

CORN	Last	Full Carry	% Full Carry	BEANS	Last	Full Carry	% Full Carry	WHEAT	Last	Full Carry	% Full Carry
CH19:CK19	-7 1/2	-12.70	59.05%	SF19:SH19	-13 1/4	-15.82	83.74%	WH19:WK19	-5 1/2	-19.64	28.00%
CH19:CN19	-13 3/4	-25.19	54.58%	SF19:SK19	-26 1/4	-31.64	82.95%	WH19:WN19	-10 3/4	-38.96	27.59%
CN19:CZ19	-4 1/2	-31.66	14.21%	SK19:SN19	-11 1/2	-16.26	70.74%	WN19:WZ19	-18 1/4	-48.79	37.40%

TODAY'S MARKET FACTORS

- The markets are mixed to lower as the bulls remain frustrated with the limited bean purchases made by the Chinese government. Ag futures on the Dalian were generally weaker with soybeans losing roughly 1%; veg oils and grains also weaker. For the week, CH is holding unchanged, SF is 12 lower and nearby Chicago wheat is 2 cents higher.
- The average trade estimate for Monday's NOPA crush report is estimated at 168.44 million bushels crushed in November versus 172.35 million in October and 163.55 million in November of a year ago.
- Well followed Informa is estimating 2019 corn acreage at 91.944 million acres versus 89.140 million a year ago. Soybean acreage is estimated at 85.069 million acres versus 89.145 million a year ago. 2019 Winter Wheat acreage is pegged at 32.253 mil acres versus 32.535 million a year ago.
- The Buenos Aires Grains Exchange has estimated Argentina's 2018-19 wheat harvest at 19.0 million tons citing frost and hail storms as the reason for cutting its previous 19.2 million ton forecast. Harvest is more than 57 complete.
- Argentina's corn crop is estimated to be 47% seeded versus 40% a year ago.
- Yesterday the US Ag Secretary said he expects the next tranche of farm aid payments will be made, despite China's recent soybean purchase.
- China has confirmed they will suspend additional tariffs on U.S.-made vehicles and auto parts for three months starting Jan. 1, 2019, the country's finance ministry said on Friday, following a truce in a trade war between the world's two largest economies. China will suspend 25 percent tariffs on 144 U.S. vehicle and auto part items and 5 percent tariffs on 67 auto items between Jan. 1 and March 31.
- The weather outlook for South America remains mostly favorable as northern Brazil should see roughly 50% coverage over the next 10 days while southern Brazil and northern Argentina looks fairly wet over the next week. Southern Argentina looks to see a drier trend through much of next week.

Managed Money Activity	Previous Day's Est Activity	Estimated Net Position	Record Long	Record Short
Corn	-3,000	49,000	429,189	-230,556
Beans	-9,000	-19,000	253,889	-118,683
Chicago Wheat	6,000	-20,000	80,827	-162,327

Opening Calls

Markets frustrated with limited Chinese soybean purchases.

US Ag Secretary expecting 2nd round of farm aid will be paid despite recent China soy purchase.

Traders hoping for additional bean sales to China to be released today or early next week.

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