Morning Market Commentary
Friday, June 14, 2019

The grain markets continue to rally with nearby corn futures leading the way as cash movement remains tight. Additional weather premium is being added into the markets as the forecast turns more active for next week. It’s been a good week for the bulls as nearby corn futures have rallied 31 cents, nearby beans have jumped 36 cents and Chicago wheat is up 34 cents since last Friday’s close.

The weather outlook for the Midwest has wet conditions returning to the Midwest this weekend, favoring the eastern belt. Another system rolls through early next week, which should produce rainfall from the eastern Plains to the Midwest and eastern corn-belt states. Rainfall totals next week should range for 1.5 to 3.0” for much of the eastern belt, continuing to delay plantings in Illinois, Indiana, Ohio and Michigan.

Vietnam says about 2.5 million pigs have been culled, or over 7% of the country’s herd, as African swine fever continues to spread. The outbreak has been found in 3,980 communes, 407 districts in 55 Vietnamese provinces and cities. About 87% out of 63 Vietnam’s provinces and cities are infected.

Interesting to note The Bureau of Animal Industry has confirmed that the canned goods seized from a returning Filipino at the Clark International Airport in the Philippines in March are contaminated with the African swine fever virus.

More than three-quarters of economists surveyed by The Wall Street Journal expect the Federal Reserve’s next move will be to lower interest rates, which most expect to happen by the fall. Nearly 40% of the economist surveyed anticipated a rate cut in July; 30% expected a reduction in September.

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