



# Daily Market Report for Tuesday, October 27, 2020

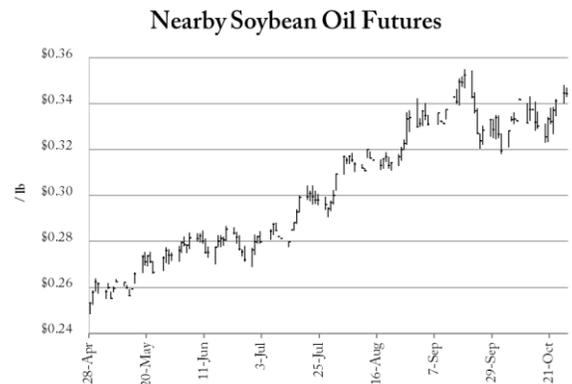
by International Food Products Corporation

## Macroeconomic News & Weather

- The cooler and wetter conditions across the country did slow harvest progress to some degree in the last week, though fieldwork continues to move towards completion well ahead of the normal time. Corn harvest is 72% done compared to 38% a year ago and 56% for the 5-year average pace. Generally speaking, yield reports have been decent as harvest hits the final stretch. For additional details, click [HERE](#).

## Vegetable Oil: Nearby soybean oil futures are down 6 points.

- U.S. soybean harvest is now 83% complete. This is ahead of the 5-year average pace of 73% and well ahead of last year's 57% progress.
- Soybean planting progress in Brazil saw a huge leap to 23% completion (from 8% last week) as improved weather saw farmers plant 5.6 million hectares since last week.
- Malaysian palm oil prices were marginally lower on Tuesday, with traders booking profits after the market traded to a 1-month high on Monday.



**Price Outlook:** Ongoing support is expected for the soybean oil market.

## Wheat: Chicago and Kansas City futures are up 4 and 1 cents, respectively.

- Winter wheat planting in the U.S. is 85% done, ahead of the 5-year average pace of 80%.
- The market was watching closely for the first condition rating for the U.S. winter wheat crop, as 62% of the crop has emerged. The USDA surprised the market with just 41% of the crop rated good/excellent compared to 56% a year ago and an expected 52% rating.
- The market did see some support from the crop rating surprise, but gains were limited by improved weather in critical growing areas in the Northern Hemisphere. Russia has seen improved precipitation as has the U.S. Even France is getting crops planted after recent rains.

**Price Outlook:** Look for pressure for wheat markets in the weeks ahead.

## Sugar: #16 futures were up a nickel.

- Sugarbeet harvest in the US is now 89% complete. This is ahead of the 5-year average pace of 75% and far ahead of last year's 53% pace. Minnesota and North Dakota are effectively done, while Michigan and Idaho (still ahead of normal) have roughly a quarter of their crops left to harvest.
- Tropical storm Zeta is moving towards the U.S. through the Gulf of Mexico. The active 2020 hurricane season has had an impact on the energy markets, with Gulf production having to shut in during storms, but the impact to the sugar industry and production has not been significant thus far.

**Price Outlook:** Refined sugar prices are expected to hold near current levels into the winter.