



CURRENT TREND: Steady/Higher **REASON:** Optimistic Trump tweet drives soybeans to top of December trading range

EXPORT SALES @ 7:30 AM THURSDAY; NOPA CRUSH @ 11 AM MONDAY

MORNING TRIVIA: This famous recipe includes chopped pork shoulder, ham, salt, water, potato starch, sugar, and sodium nitrite...

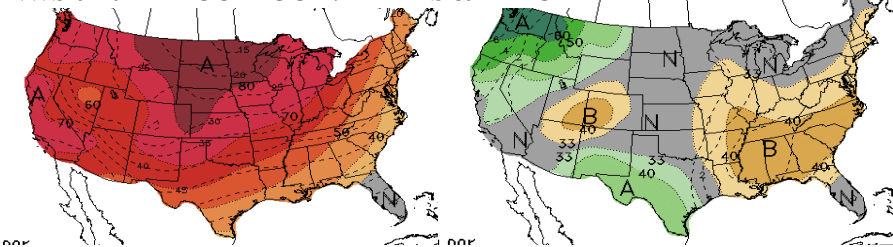
MARKET HEADLINES

- *Quick editorial:* when overnight action is solidly higher and driven by soybeans, it's a pretty good bet that an optimistic tweet or new tidbit surfaced on the U.S./China trade spat; this time it was President Trump hyping "important announcements" coming soon on that front. The trade likely still needs to see evidence of actual soybean sales to China to break out significantly higher...
- Egypt's GASC is seeking wheat for February 1-10 shipment this morning; their lowest offer stands at \$241/tonne C&F from Romania, with Russian wheat offered slightly above that from \$242-249/tonne C&F, and U.S. HRWW coming in at \$254.50/tonne cost plus freight.
- Iraq bought 50k tonnes of U.S. wheat in an international tender closing last week, priced at \$320/tonne C&F
- Japan received no offers in their regular weekly tender for feed wheat or barley, seeking their usual 120k and 200k tonnes, respectively.
- FranceAgriMer raised their 2018/19 French soft wheat ending stocks estimate this month, from 2.5 to 2.7 MMT, due cuts in livestock feed usage and exports within the European Union (down 100k tonnes to 7.7 MMT). Exports outside the Union were basically steady at 8.8 MMT this month, with corn ending stocks cut from 2.0 to 1.9 MMT.
- Kazakhstan reported the country's 2018 final grain harvest at 22.8 MMT, up from 22.7 MMT previously announced, and 21.9 MMT last season.
- China sold 158k tonnes of wheat from reserves, or 5% of the total offered.
- *CBOT December deliveries:* corn 24 contracts, with next trade date 12/13/18; bean oil 40 and 12/13; Chi wheat 9 & 12/13; KC wheat 19 and 12/13/18.
- *'18/19 U.S. Carryout (bln bu):* **USDA Dec / Avg Est / USDA Nov**
 Corn: **1.781** / 1.738 / 1.736 Beans: **0.955** / 0.945 / 0.955
 Wheat: **0.974** / 0.956 / 0.949
- *'18/19 World Carryout (MMT):* **USDA Dec / Avg Est / USDA Nov**
 Corn: **308.8** / 307.6 / 307.5 Beans: **115.33** / 112.8 / 112.1
 Wheat: **268.1** / 266.8 / 266.7
- *'18/19 S.A. Production (MMT):* **USDA Dec / Avg Est / USDA Nov**
 ARG Corn: **42.5** / 42.4 / 42.5 ARG Soy: **55.5** / 55.7 / 55.5
 BRZ Corn: **94.5** / 94.4 / 94.5 BRZ Soy: **122.0** / 120.9 / 120.5

WEATHER UPDATE

- Rains will move in later this week, bringing precip chances to OK and TX before mostly affecting the Southeast and ECB into the weekend; some extended maps are running a bit wetter this morning, but the heaviest action remains south (mostly east, not the southern Plains). Warm temps continue.
- Rains fell in eastern Argentina over the past 24 hours while temperatures increased to the upper 90's and over 100 in northern ARG and southern BRZ; conditions look drier for the next five days save for central/NE ARG, with rains returning throughout for the 6-10 day, then southern ARG for the 11-15.

NWS 6-10 DAY OUTLOOK: TEMPS & PRECIP



CFTC MANAGED MONEY & RECORD (Since June 2006) POSITIONS:

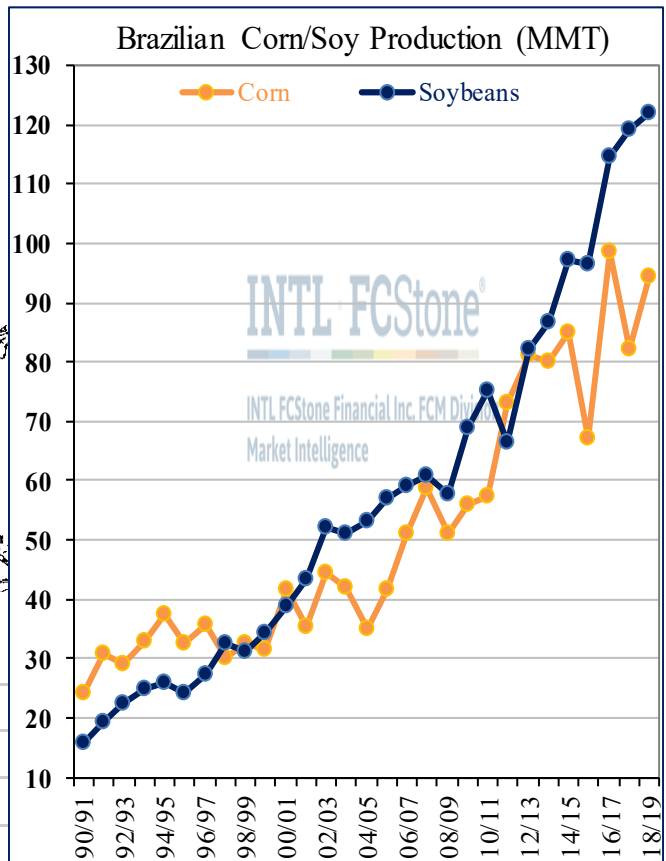
	Corn	Beans	Meal	Oil	Chi Wheat	KC Wheat
Daily	5,000	6,000	3,000	4,000	-3,000	0
Est Net	32,910	-6,576	-8,847	-54,949	-30,025	-4,183
Rec +	409,444	260,433	132,126	125,722	73,662	72,845
Rec -	-242,884	-125,912	-54,855	-63,489	-171,269	-30,005

NIGHT SESSION (to 7:00 AM): Grain Volume: 85,656

Symbol	High	Low	Last	Chg	Vol
CH9	386.50	384.75	386.25	+1.50	17,202
CK9	393.75	392.00	393.50	+1.25	7,034
CZ9	404.75	403.75	404.50	+0.50	1,959
WH9	526.00	521.75	525.50	+4.50	5,377
KWH9	509.75	505.75	509.50	+4.75	1,135
SF9	923.00	915.25	920.50	+5.50	16,057
SH9	936.00	928.50	933.75	+5.50	7,952
SK9	948.50	941.50	946.50	+5.50	2,359
SMF9	313.20	311.10	312.10	+1.20	3,328
BOF9	29.17	28.91	29.12	+0.16	4,838
CLF9	52.80	51.91	52.70	+1.05	173,021
DX	97.47	97.13	97.14	-0.22	8,364

FUNDAMENTAL UPDATE

The USDA got a little more aggressive on their 2018/19 Brazilian soybean production estimate this month, raising it by 1.5 million tonnes from last month (and from the general area where current projections from Conab and INTL FCStone Brazil reside) to 122.0 MMT; that still remains below more optimistic private ideas that the crop could eventually reach the 130 MMT mark given continued strong weather. If that number were realized, it would be essentially doubling soy production in just seven seasons...



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