



**CURRENT TREND:** Modestly Higher

**REASON:** Broad-based, cautious optimism on trade talks with China

**EXPORT SALES/CFTC/JANUARY USDA REPORTS DELAYED DUE TO GOVERNMENT SHUTDOWN...**

**MORNING TRIVIA:** Which country has the biggest debt to GDP ratio?

**MARKET HEADLINES**

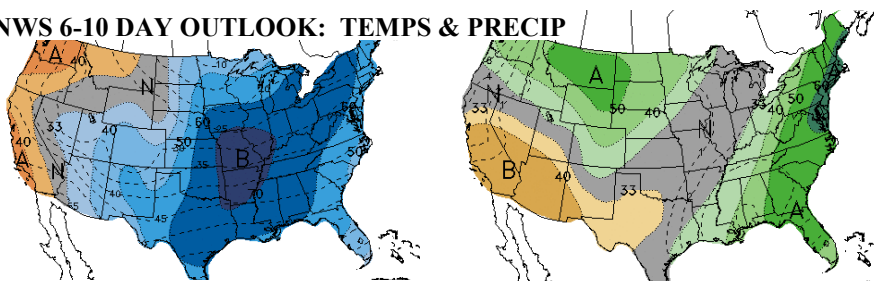
*Quick editorial:* Grains are modestly higher across the board on cautious optimism of trade talks with China.

- The release of Chinese trade data dominated the headlines on Monday. Lower exports from China fueled fears of weakened economic growth due to the U.S.-China trade war.
- U.S. weekly export inspections for corn were 1013.7 TMT compared to 501.6 TMT last week and 623.6 last year. Weekly soybean inspections landed at 1085.3 TMT vs. 682.0 last week and 1245.0 last year. Wheat inspections were 545.8 TMT this week vs. 263.9 last week and 422.3 last year.
- Marketing year to date, 18.39 MMT of soybeans have been inspected for export. In December, the USDA estimated 2018/19 U.S. soybean exports to total 51.71 MMT. Typically 59% of the USDA's export estimate has been inspected by this point. Currently only 36% of the USDA's estimate has been inspected. As a result, the U.S. is 23% (or 12.1 MMT) behind typical seasonal pace needed to meet the USDA's export estimate.
- US export inspections showed 68 TMT of soybeans headed to China off the Mississippi River this past week.
- USDA's cattle slaughter estimate for the past week is 119,000 head vs. 118,000 head a week ago. Hog slaughter is estimated at 463,000 head vs. 480,000 a week ago.
- Russia's July-December wheat shipments were 13% greater than the same period last year. Last week, Egypt purchased only Russian wheat supplies for its tender.
- The EU has shipped 8.57 million tons of wheat since July 1, 2018 with 4.36 million tons coming from France. The EU shipped 11.6 million tons during the same period last year.
- Soybean harvest in Parana Brazil is pegged at 10% complete vs. 0% at this point last year according to the state's rural economy agency, Deral. The percent of crop in "good" condition improved 2% week on week to 60%. 12% of the crop is said to be in "bad" condition. Parana is the second ranking corn and soybean producing state in Brazil with Mato Grosso being the first.
- IMEA in Mato Grosso Brazil estimates that 5.6% of the soybean harvest is complete compared to 1.3% at this time last year.

**WEATHER UPDATE**

- Brazil's forecast is favorable to harvest this week while it may stress some crops that are still developing in the field.
- Another winter storm is expected this weekend. Snow covered much of the Midwest this past weekend and provided protection for the winter wheat crop.

**NWS 6-10 DAY OUTLOOK: TEMPS & PRECIP**



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

	Corn	Beans	Meal	Oil	Chi Wheat	KC Wheat
<b>Daily</b>	3,000	-4,000	-4,000	2,000	-4,000	0
<b>Est Net</b>	120,427	-3,834	-14,177	-65,611	-5,612	3,908
<b>Rec +</b>	409,444	260,433	132,126	125,722	73,662	72,845
<b>Rec -</b>	-242,884	-125,912	-54,855	-63,489	-171,269	-30,005

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<b>NIGHT SESSION (to 7:00 AM):</b>				Grain Volume:	<b>47,189</b>
Symbol	High	Low	Last	Chg	Vol
CH9	381.00	379.25	<b>380.25</b>	<b>+1.75</b>	7,203
CK9	389.25	387.50	<b>388.50</b>	<b>+1.50</b>	2,101
CZ9	404.25	402.50	<b>403.75</b>	<b>+1.50</b>	2,027
WH9	518.25	514.50	<b>515.25</b>	<b>+1.00</b>	3,236
KWH9	502.75	499.00	<b>500.50</b>	<b>+1.50</b>	2,151
SH9	908.00	903.50	<b>904.50</b>	<b>+1.00</b>	6,263
SK9	921.50	917.50	<b>918.50</b>	<b>+1.25</b>	1,074
SN9	934.00	930.25	<b>931.50</b>	<b>+1.50</b>	521
SMH9	313.00	312.00	<b>312.40</b>	<b>+0.60</b>	2,313
BOH9	28.52	28.36	<b>28.42</b>	<b>+0.02</b>	6,601
CLG9	51.38	50.64	<b>51.16</b>	<b>+0.65</b>	187,557
DXY	95.56	95.07	<b>95.49</b>	<b>+0.28</b>	7,970

**FUNDAMENTAL UPDATE**

According to the latest data from Chinese Customs, China imported 88.1 MMT of soybeans during the calendar year 2018. This compares to 95.6 MMT in 2017. The second chart shows a monthly comparison for the past three years. China imported 5.7 MMT of soybeans during the month of December. In December 2017, 9.6 MMT were imported. The demand decline is due in combination to the trade war

