

Markets set to open the new year at 0830 with a firm bias. Implications of Phase One trade deal with China debated. Trade focus on Jan 10th crop report and final production estimates intensifying. Fund net short in corn and soybeans provide some additional short covering fuel?

Dow futures starting the new year showing solid gains of 166 points and near last weeks all time high of 28,721. Crude oil near unchanged at \$61.01. US \$ Index showing strong gains to start the year.

Soybean futures near the mid-October highs offering technical resistance. Spot soybeans on a 77¢ rally off the December 2nd low.

Soybean deliveries totaled 597 contracts compared to 795 on Tuesday. WF customer stopped 391. Last trades date assigned through Tuesday. Meal deliveries continue heavy at 1,485, 100 more than Tuesday.

Dry conditions in southern Brazil getting some attention but extended forecast calling for good rains there. Better rains also for drier areas of Argentina to take away some trade concern.

Phase one trade deal to be signed in DC on Jan 15th. Just what that ultimately means for US Ag purchases debated. President Trump heading to China for Phase two talks? No date given.

Crude oil showed the best % price gain for 2019 at up 31%. Corn and soybeans 3 and 4% higher. Meal the worst performer decking 5%.

Basis remains firm with soybean basis expected to cover recent SFSH spread quickly. Forward spreads offering incentive to continue the storage hedge.

January typically the 2nd largest month of commercial soybean purchases.



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