

**Thursday September 12th, 2019**

**Good Morning to All!**

Positive trade talk has grain futures in the green this morning. President Trump has pushed back the date for additional tariffs from October 1st to October 15th....just around the time when talks will resume. October 1st is the 70th Anniversary of the founding of the People's Republic of China. This announcement could open the door for immediate imports of soybeans from the US as China could have trouble sourcing from Brazil as supplies in that country are running thin. USDA will drop their latest data today at 11 am. We could see a repeat of last month's action if the trade doesn't get the bullish news that is expected. Weather in the Northern 1/3 of the country is wet this morning as storms move through from the Western edges to the Eastern Corn Belt region. South of I-80 looks to be dry over the next week.

Equity markets in Asia rallied after the trade announcement, but selling set in on the European open. We should see a firm open on Wall Street this morning. Concerns about sanctions on Iran and demand pressured Crude Oil futures as that market slipped below \$56 per barrel despite a steep drop in inventories last week.

**CORN**

Corn futures are trading a bit higher this morning. There is a good chance we could see yields come in below the USDA's August estimate of 169.5 bushels per acre in today's report. Today's report will feature the first data from field samples that may show whether the crop is progressing as reported in weekly condition updates. USDA is expected to cut its acreage estimate. Steeper cuts to yields could also be on tap. It is expected that we will see higher old crop inventories due to slow exports and ethanol usage and this could offset some of the production changes.

**WHEAT**

Wheat futures are trading higher this morning, following the other grains. There are thought to be no major changes for wheat in today's report. It is anticipated that USDA will keep the projected ending stocks for wheat above 1 billion bushels.

**SOYBEANS**

Soybeans are finding support this morning from the positive trade talk news. The November contract has broke through the downtrending resistance line drawn off the July and September highs. Exports and a strong crush could have September 1st stocks below 1 billion bushels with lower 2019 production cutting carryout to 725 million in today's report.

**COTTON**

Cotton futures are seeing a positive trade as well this morning. The December contract broke through the 60 cent level in the overnight trade but has since backed off a bit. Traders will be looking for any type of production cuts for the 2019 US cotton crop in today's report as well as updates to the Export sales data.

**LIVE CATTLE**

Live Cattle futures posted triple digit gains in Wednesday's session. Futures built on Tuesday's gains as the market continued to move away from contract lows. Cash cattle bids have been reported at 97-98 in the South and 100 Live in the North. Dressed bids are reported at 156-157. Boxed Beef values were sharply lower with Choice boxes down 5.49 and Select boxes down 2.58.

**FEEDER CATTLE**

Feeder Cattle also experienced triple digit gains in Wednesday's trade. Traders will be interest in today's updated data from USDA set for release at 11 am today. The CME Feeder Cattle Index was reported lower at 135.99.