

## **Good Morning!**

Hope y'all are hanging in there well with all that is going on in the world. A couple of points for discussion this morning.....our Friday bit on KTAB has been curtailed until this situation with COVID 19 passes. We will see you again once we get back to "normal" whatever that looks like! In the meantime, you can catch our weekly commentary on Sirius XM Rural Radio Channel 147 every Monday afternoon on the Commodity Wrap Program. Also, I interview with Matt Smith on Friday at 6:40am on Abilene's KWKC AM station. Now to markets.....we are taking a lower bias this morning after a couple of days of optimism. Traders are thinking on what may be seen in the new Jobs and Unemployment Report that will be released on Friday. Also, we have export sales data this morning and it will be interesting to see how things stack up with the current corona situation. Weather forecasts for the Southern Plains and Big Country show warmer temperatures continuing today with a cold front moving through sometime on Friday evening. The Corn Belt will experience more moisture making it a bit frustrating for farmers who already have rain soaked fields and would like to get to fieldwork preparation soon.

Equities are trading lower this morning on pressure from the growing numbers of coronavirus cases reported and reports of jobs claims reports skyrocketing. Energy prices dipped lower as well with the May Crude Oil contract losing .55 cents per barrel in the overnights.

## **CORN**

Corn futures are trading slightly lower this morning on profit taking. Wednesday's Ethanol data showed production down 1.2 million gallons per day to 42.2 million per day as of March 20th. Stocks were reported down 458,000 barrels to 24.16 million barrels. Tuesday's Prospective Planting Report is expected to show corn acres at 94.3 million. Stocks are anticipated to be down 5.7 percent from year ago levels.

## **WHEAT**

Wheat futures also saw profit taking overnight after the market rallied to multi month highs on consumer demand. COVID 19 concerns have led to higher wheat prices in the Ukraine and possible export restrictions in some countries. It will be interesting to see how this continues to develop. Producers have been able to lock in hedges at the 5.00 recently. Wheat producers might want to keep their eye on the market for hedging/sales at the 5.00 + levels. Call the office for more details.

## **SOYBEANS**

Soybeans are experiencing some profit taking as well although the losses seem to be capped by the higher soymeal values. The International Palm Oil market and demand for soymeal has kept that market sustained. Another supporting factor for the soybean complex has been the logistical problems currently experienced in South America.

## **COTTON**

Cotton futures traded higher on Wednesday supported by the second consecutive day of gains for the stock market. Global markets found support on the hopes of the US economic package, however the enthusiasm was short lived as the attention now turns toward the expected record number of jobless claims in Friday's report. We still like buying call options. Please call for updates. Resistance in the July cotton contract comes in at 5440 with support at 5266.

## **LIVE CATTLE**

Live Cattle futures experienced a volatile day of trade on Wednesday. The April contract extended gains by 2.30 but the June and August contracts closed lower. The April contract is a 12.00 discount to the cash market at this time. USDA reported light cash trade in the South and Nebraska at 119 and 120 on Wednesday. Most trades were reported at 120. The Fed Cattle Exchange Auction reported 2,451 head of the 5,886 listed for sale on Wednesday. The weighted average for the sale was 118.51 with some sales listed as high as 120 and 120.50. Boxed Beef values were lower with Choice down 1.01 and Select boxes down 2.39 on the day. Fed Cattle Slaughter continues to run higher than last week and last year at this time.

## **FEEDER CATTLE**

Feeders ended Wednesday's session mixed. The expiring March contract closed the day 1.85 higher. Deferred contracts posted lower closes. The CME Feeder Cattle Index is last reported at 123.44, up 5.21 as of March 24th.

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