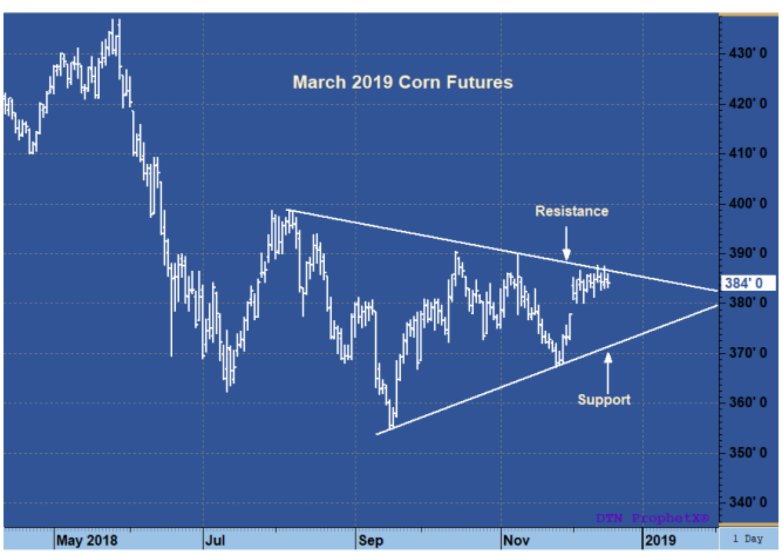
CORN COMMENTS

NO NEW RECOMMENDATIONS

Corn futures were 1/4 cent to 3/4 of a cent lower at the end of another choppy trading session under pressure from speculative profit taking spurred in part by CFTC data showing large speculators had shifted to a net long position in the market. Renewed weakness in crude oil futures and further sharp losses in U.S. stock markets put outside pressure on prices, while strength in wheat and soybean futures limited corn market losses along with a weaker dollar. Commodity funds were estimated net sellers of 3,000 contracts of corn futures, according to trade sources surveyed by Reuters News Service.

Technically, it was a dull day in the corn market with futures trading ranges of 3 3/4 cents or less and sticking inside of their Friday price ranges. As outlined in this week's Brock Report, PATIENCE is the key word right now. If you are in step with our recommendations, there's no need to be selling right now. Only catch-up sales are advised. Just remember that the central Illinois avg. cash price has made its marketing year peak in December just once since 1970. That's no guarantee we won't have a December top this year, but odds are against it.

Nearby Mar. corn futures have been stalled in a trading a range of just 7 3/4 cents over the past 11 sessions. The market should be going into holiday mode, so we doubt much will change any time soon. Mar. corn futures have nearby chart resistance now at \$3.86 1/2-\$3.90 1/2, with more important resistance at their summer high of \$3.98 3/4. Key nearby support remains at \$3.78-\$3.80, with the next support likely to be down at about \$3.71 1/2.



Dec. corn futures have traded a range of just 6 1/4 cents so far this month and failed to hold a push above their 200-day moving avg. for the 4th straight session today. A close above that avg., now at about $4.04 could spur added technical buying, but we would not be surprised to see pre-holiday position evening push the market back a bit in the near-term. Key nearby chart support is at $3.99 1/4-$4.00 1/2.

U.S. corn exports remain strong with export inspections of 629.5 mil. bu. through Dec. 13 running 73% above a year earlier. The concern on the demand side remains in the ethanol sector. That's likely to remain the case, with U.S. crude oil futures breaking out to a new 15-month low on a continuation basis today.

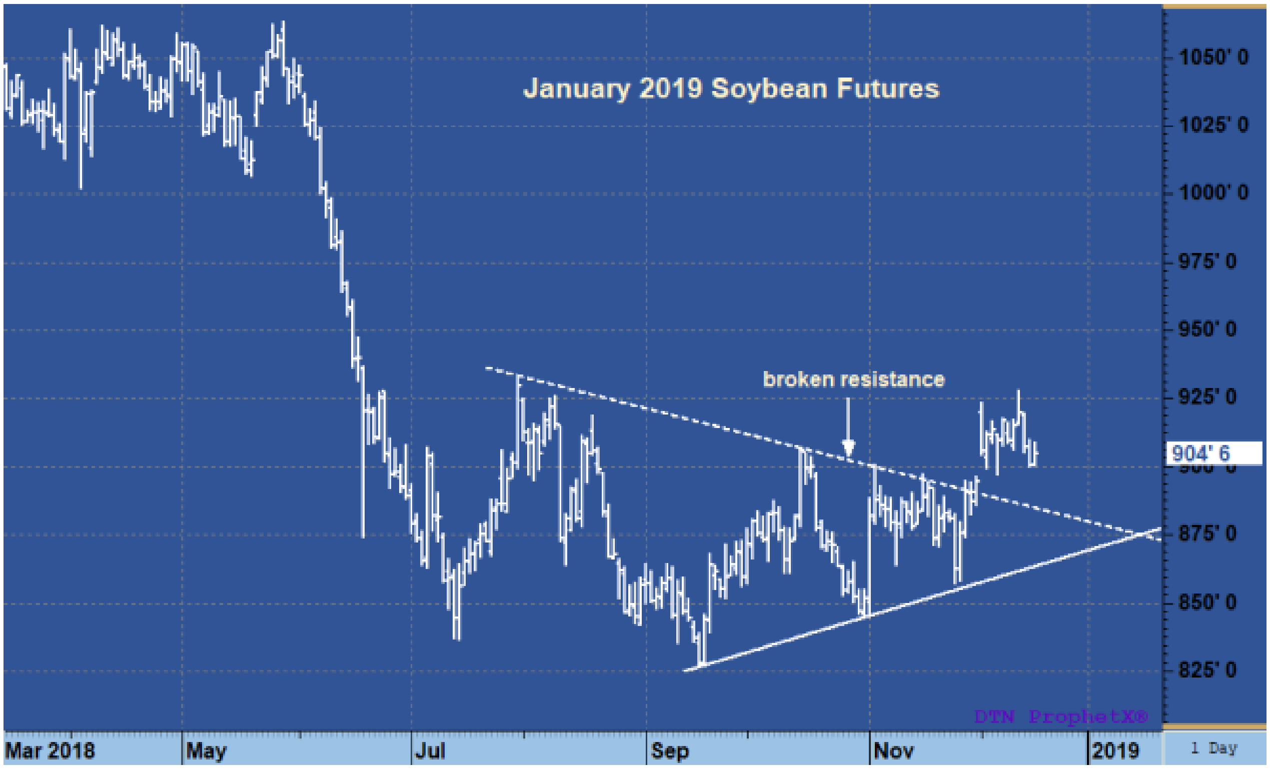
CIF basis bids for delivery of corn to the Gulf were weaker this afternoon compared with Friday afternoon. Basis bids for Dec. delivery were 3 cents weaker at 43 over Mar. futures. The bid for January delivery is 1 cent weaker at 48 cents over Mar. futures, with the bid for February delivery 1 cent weaker at 50 over. Central Illinois processor corn basis bids are steady at 24 under to 8 under Mar. futures.

SOYBEAN COMMENTS

NO NEW RECOMMENDATIONS

Soybean futures managed modest gains of 2 1/4 to 4 1/2 cents on support from expectations for more buying of U.S. soybeans by China and data showing large speculators still held a sizeable short position in the market as of last Tuesday. Stronger-than-expected weekly export sales were also supportive for prices along with a weaker dollar. A slightly negative NOPA crush report helped cap gains along with strong S. American crop prospects, soyoil price weakness and the further sharp losses in crude oil futures. Commodity funds were estimated net buyers of 4,000 contracts of soybean futures and 1,500 of soymeal futures, but sold an estimated net 3,500 contracts of soyoil futures.

Soybean futures traded relatively narrow ranges mostly inside their Friday price ranges and closed near mid-range, which doesn't tell us much technically. It is clearly positive, though, that futures continue to hold above their post Trump-Xi meeting chart gaps. Nearby Jan. beans still need to push past resistance at $9.28-$9.32 3/4 to open further significant upside potential from a technical standpoint. Jan. soybeans now have immediate support at $9.00-$9.00 1/4 with gap support at $8.96 1/2-$8.97. A drop below $8.97 would leave the next apparent support at the market's 40-day moving avg., which should be near $8.87 on Tuesday. Nov beans have nearby resistance at $9.58, with stronger resistance at last week's trading high of $9.71. Nearby support for Nov. remains at $9.49 1/4, while the market's 200-day moving avg. is at about $9.44 1/2.



Soybean producers received some good news after the market closed this afternoon as President Trump tweeted he had approved the second tranche of "trade aid" payments. USDA in a press release later said producers who have signed up for the Marketing Facilitation Program (MFP) will receive a second payment on the remaining 50% of their 2018 production. The MFP rate for soybeans remains at $1.65 per bu., USDA said, which will mean a second payment of 82.5 cents per bu., matching the first payment.

While this morning's NOPA crush number was a bit disappointing for the market as it was below the avg. of trade expectations, it was still higher than last year and the U.S. crush pace still appears to be on pace to easily exceed USDA's current 2018/19 crush projection, although crush margins have tightened.

CIF basis bids for delivery of soybeans to the Gulf are steady to weaker this afternoon compared with Friday afternoon. The spot bid is steady at 20 over Jan. futures, while the bid for January delivery is 5 cents weaker at 23 over. The bid for February delivery is 3 cents weaker at 17 over Mar. futures. Central Illinois processor soybean basis bids are 3 cents stronger to steady at 45 under to 15 under Jan. futures, according to USDA.

WHEAT COMMENTS

NO NEW RECOMMENDATIONS

Wheat futures ended higher amid optimism about export demand driven by solid weekly export inspections and rising prices in the Black Sea region. Chicago wheat ended up 5 cents, with March settling at $5.35 ¼ and Dec. 2019 at $5.66. Kansas City wheat ended up 4 to 5 cents, with March settling at $5.22 an Dec. 2019 at $5.71 ½. Minneapolis wheat ended up 1 to 2 cents.

Technically, most contracts posted inside chart days, settling 2 to 5 cents below last week's multi-week highs - those highs are at $5.38 ½ in Chicago, $5.24 ½ in Kansas City and $5.89 ½ in Minneapolis, basis the March contracts. Some contracts did post new high closes for the move. March MGEX wheat bounced off support at $5.82 ¼ for the third day in a row before rebounding.

Weekly wheat inspections of 682,162 metric tons were the strongest of the marketing year to date and were well above trade guesses of 350,000 to 550,000 metric tons, and up from 449,002 metric tons the prior week. There's still some catching up to do to meet USDA's projection: For the marketing year to date, wheat inspections are down 15%, whereas USDA sees an 11% increase in exports for 2018-19. A sharp jump in Russian prices last week is helping to fuel expectations for export restrictions there, and more opportunities for the U.S. and other exporters.

The weather outlook is mostly benign for wheat, both in the U.S. and around the world. Warm temperatures into the 50s and 60s will foster "some additional wheat establishment" in the southern Plains, according to World Weather Inc. There are no notable winterkill threats, with the coldest areas of eastern Europe under snow cover. Crops across Europe and China are dormant and not facing any cold threats. The lack of snow cover across much of the northern U.S. Plains could become a concern, but at this point there is no bitter cold in the forecast for the region until late next week.

COTTON AND RICE COMMENTS

NO NEW RECOMMENDATIONS

Cotton futures ended lower on pressure from falling crude oil prices and equities, along with weak export demand and technical selling. Bear-spreading was a feature today. March cotton ended down 1.06 cents to 78.54, after trading a range of 77.90 to 79.80. Dec. 2019 cotton ended down 40 points to 77.29. On a day when the Dow plummeted 500 points and crude oil was down $2, cotton needed a bullish story, and didn't have it. Weekly export sales last week were pitiful, and so far there's no sign China is planning to buy cotton as part of its "ceasefire" with the U.S.

Technically, the cotton market has a near-term downtrend, although going further back, it maintains a sideways trajectory over the past three months. Next support is at the November low of 77.20 and below that the fall low of 76.50. The upside of the sideways range is 82.00.

As noted above, USDA has announced the second round of "trade aid" payments. It is the same as the first, which for cotton is 6 cents per pound.

Rice futures ended narrowly mixed. After posting a bullish outside day on Friday amid heavy volume, January futures took out Friday's high today but had no follow-through. It settled down 2 cents to $10.55 ½. March rice ended up ½ cent to $10.69 ½. Volume was still relatively high for rice today, but down from last week. Traders are rolling out of January positions into March. We still see some downside in rice in the near-term through the end of the year, but we are already 60% sold for the marketing year and not looking to add to that at the moment.

LIVESTOCK COMMENTS

NO NEW RECOMMENDATIONS

Live cattle futures ended mostly lower following last week's somewhat disappointing cash cattle trade and tumbling equity markets. Nearby months lost 55 to 85 cents, with Dec. settling at $119.025, February at $121.55 and April at $123.85. Wholesale beef prices were strong to start the week: the afternoon Boxed Beef report showed Choice up $1.71 and Select up 62 cents. Packer margins have shrunk below $100 per head according to HedgersEdge, to $94.55 today, down from $105.15 on Friday and $133.05 a week ago.

Plains cash cattle markets were quiet as usual for a Monday. Live cattle trade late on Friday in Plains markets was light to moderate at $118 to $119, mostly $119, steady with a week earlier. USDA on Friday afternoon reported sales of 12,998 head in Kansas markets. In Nebraska only light trade of 6,067 head had occurred on Friday as of midafternoon, with most of that at $188 on a dressed carcass basis, up $1 from a week earlier.

Feeder cattle futures also fell. January feeders fell $2.20 to $145.375. The CME feeder cattle index for Friday was $146.20, down 71 cents from the prior day.

Lean hog futures ended lower, falling to their lowest level in more than a month on recent cash market weakness, technical selling and the plunge in equities. February ended down 68 cents to $63.825, while April lost $1.075 to $68.975 and June fell 80 cents to $82.375. Packer margins remain robust as cash prices have sagged: The estimated margin today was $43.80 per HedgersEdge, down slightly from Friday but in line with a week ago.

Cash hogs remained weak today with the Iowa/Minnesota afternoon price down 55 cents. The CME lean hog index for Thursday was $55.17, down 19 cents from the prior day. We would expect the Feb. contract to maintain at least a moderate seasonal premium to cash, and cash prices are likely to remain soft amid holiday slaughter disruptions. Wholesale pork values were stable today, with the afternoon pork carcass cutout up 16 cents.

GRAIN MARKET POSITIONS

CORN:

Cash-only Marketers: 2018 CROP: 40% sold on regular forward contracts and on hedge-to-arrive contracts against Dec. 2018 futures (11-14-17, 5-11-18, 5-30-18, 8-15-18). 2019 CROP: No sales recommended.

Hedgers: 2018 CROP: 30% sold in the cash market on regular forward contracts and hedge-to-arrive contracts (5-11-18, 8-8-18, 8-15-18). Aside futures. 2019 CROP: No cash sales or hedges recommended.

SOYBEANS:

Cash-only Marketers: 2018 Crop: 40% sold on hedge-to-arrive and regular forward contracts against Nov. 2018 futures (11-14-17, 12-7-17, 1-26-18, 3-9-18). 2019 CROP: No sales recommended.

Hedgers: 2018 Crop: 30% forward contracted in the cash market (1-26-18, 1-31-18, 3-9-18). Aside futures. 2019 CROP: No cash sales or hedges recommended.

WHEAT:

Cash-only Marketers: 2018 CROP: 70% forward contracted (5-7-18, 6-5-18, 7-2-18, 8-7-18, 8-15-18, 11-8-18). 2019 CROP: No sales advised.

Hedgers: 2018 CROP: 70% forward contracted (5-7-18, 5-22-18, 6-5-18, 7-2-18, 8-15-18, 11-8-18). Aside futures. 2019 CROP: No cash sales or hedges recommended.

HOGS: Short Feb. 2019 lean hog futures on 25% of 1st qtr. marketings (12-4-18).

FED CATTLE: Aside futures.

FEEDER CATTLE: Buyers are long Mar. 2019 feeder cattle futures on 50% of 1st qtr. needs (12-12-18). Sellers remain aside futures.

MILK: Aside futures. No forward cash sales recommended.

FEED BUYERS: SOYMEAL 100% of 4th qtr. needs bought in the cash market (10-4-18, 10-26-18); 100% of 1st qtr. needs bought in the cash market (12-12-18); long July 2019 soymeal futures on 25% of 2nd qtr. needs. CORN: 100% of 4th qtr. needs bought in the cash market(10-26-18); long Mar. 2019 corn futures on 25% of 1st qtr. needs (10-26-18).

COTTON: Cash-only Marketers: 2018 CROP: 50% forward contracted (12-18-17, 1-31-18, 3-16-18, 5-22-18, 6-15-18). 2019 CROP: No sales recommended.

Hedgers: 2018 CROP: 40% cash forward contracted (12-18-17, 3-16-18, 5-22-18, 6-15-18). Aside futures. 2019 CROP: No cash sales or futures hedges recommended.

RICE: 2018 CROP: 60% sold in the cash market (5-7-18, 6-29-18, 7-10-18, 8-3-18, 10-24-18). 2019 CROP: No sales recommended.