

KFB Commodity Division Weekly Market Report

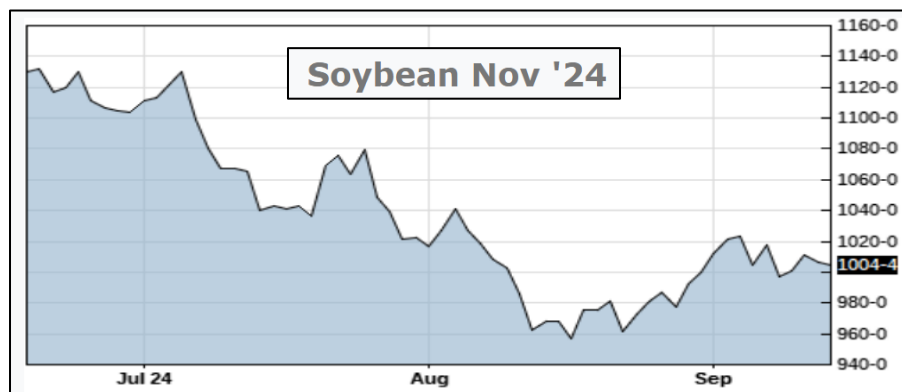
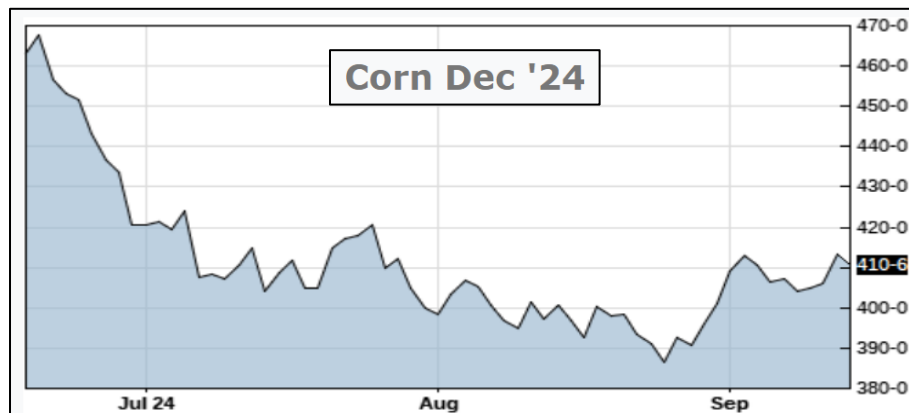
September 16, 2024

Macroeconomic

Market participants eagerly await the Fed interest rate decision this coming Wednesday. There has been much speculation on whether the rate cut will be 25 or 50 basis points. As we've discussed in previous reports, economy trajectory is important to keep in mind here. We can get off into the weeds with how much rates should be cut by. Arguably, it is more important to step back and look at longer term trajectory. For example, we've seen prices at the pump soften significantly in recent weeks. Fuel prices have played a key role in the inflationary pressure we have had to deal with. In addition to fuel prices, we've seen the price of raw materials inputs for the food we consume decline as well. Given the aforementioned information, as we enter the final months of 2024 and begin 2025, look for interest rate cuts to become a part of the regular news cycle. Assuming no inflationary spikes, the ideal situation is that we move back into a moderate to low interest rate environment with no recession.

Grains and Oilseeds

Kentucky corn and soybean harvest has officially begun. As of September 15, Kentucky has harvested 33% of the state's corn, and 11% of the state's soybeans, according to the [USDA crop progress report](#). Dec 2024 Corn and Nov 2024 Soybean are above \$4 and \$10 (see charts below). A question many are asking, even with some grain in the bins still needing to come to market, have markets priced in a harvest low?



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