

Gordon Food Service Market Updates

Grocery & Bakery | Frying Oil

The main market movers this week are still the net long funds position and biofuel demand. Directionally, the bean complex has been flat. But the firm undertone continues. Export demand has been moderately strong, but a potential new wave of Covid restrictions in China presents the possibility of slowing tenders.

The Bulls:

- * Funds and biofuels continue to move the futures markets.
- * A cheaper US Dollar is supportive for commodity sales
- * The upcoming EPA biofuel mandate announcement is projected to raise production levels and open a pathway for canola oil to be used in renewable diesel plants.

The Bears:

- * The Black Sea grain deal may be back on this week, allowing safe passage of grain shipments once again.
- * Lower results for October retail figures may lead to profit-taking.
- * Chinese Covid-19 restrictions could slow US export demand if reinstated.