



WEEK IN REVIEW MARKET UPDATE 1/25/19

Grain

Corn – March 19 **down \$0.01^{1/2}** closing \$3.80^{1/4}
Soybeans – March 19 **up \$0.08^{1/2}** closing \$9.25^{1/4}
Wheat – March 19 **up \$0.08^{1/2}** closing \$5.20
Soybean Meal – March 19 **down \$1.20** closing \$313.90

Outsides

Dow – **up 10.24** closing 24724.89
S&P – **down 8.13** closing 2663.26
NASDAQ – **up 1.84** closing 7159.75
US Dollar – March 19 **down 0.570** closing 95.465
Crude Oil – March 19 **down 0.35** closing \$53.69

Livestock

Cattle – April 19 **down \$0.53** closing \$126.85
Feeders – March 19 **up \$0.80** closing \$143.63
Hogs – April 19 **down \$4.15** closing \$62.13
Class III Milk – Feb 19 **down \$0.22** closing \$14.00

News/Reports:

- Export report **not** released this week due to the partial government shut down.
- Ethanol output weekly data reports were out Thursday 1/24 at 1,031,000 barrels per day versus 1,051,000 last week. Ethanol stocks were at 23.501 million barrels versus 23.351 million last week.

Notes:

- On Friday Trump postponed the government shut down by approving a stopgap bill through February 15th with no border funding. If there is no deal by the 15th then National Emergency Declaration is expected to be declared to fund the wall.
- With government back up and going, the February 8th USDA report is expected to occur on time and will include the quarterly stocks report, acreage, and final yield. The weekly export sales report and the commitment of trader's report should be out by the end of the week.
- On Wednesday, Secretary Perdue announced that the deadline to apply for the Market Facilitation Program, which aids farmers harmed by unjustified retaliatory tariffs, has been extended to February 14th. The original deadline had been January 15th.
- China talks resume this week in Washington DC on the 30th and 31st. Cyber protection continues to be main focal issue. The New York Times reported the white house has been campaigning allies such as Britain, Poland, and Germany to ban Chinese companies, especially Huawei, from participating in 5G. The president is likely to issue an executive order prohibiting US companies from incorporating and originating equipment from China for critical telecommunications networks, this rule already applies for government agencies.
- Insurance price averaging starts February 1st.
- AgRural says Brazil's safrinha corn crop is 15% planted, up from 3% last week and well ahead of the 5-year average of 4%. Some Brazilian producers are holding back planting the crop in some areas due too hot and too dry. Currently they have this luxury because of the early soybean harvest.
- Several independent groups came out this week with their acreage projections.
 - Corn: USDA's – 92.0 million acres
 - Informa – 91.5 million acres
 - ATI – 91.0 million acres
 - Farm Futures – 90.3 million acres
 - Beans: USDA's – 82.5 million acres
 - Informa – 86.2 million acres
 - ATI – 87.0 million acres
 - Farm Futures – 84.6 million acres
- Currently there is a lot of debate as to what mix of acres producers will plant this spring. Fertilizer prices are significantly stronger than last year, rough math suggests the increase of around \$15 an acre of corn. Bean/Corn ratio has been running around 2.37, lack of fall tillage, and lower farmer working capital may keep some acres from switching to corn.