



WEEK IN REVIEW MARKET UPDATE 2/8/19

Grain

Corn – March 19 **down \$0.06** closing \$3.74 ¼
Soybeans – March 19 **down \$0.10** ¼ closing \$9.14 ½
Wheat – March 19 **down \$0.02** ¾ closing \$5.17 ¼
Soybean Meal – March 19 **down \$7.80** closing \$306.1

Outsides

Dow – **up 381.44** closing 24724.89
S&P – **up 44.62** closing 2707.88
NASDAQ – **up 138.45** closing 7298.20
US Dollar – March 19 **up 0.95** closing 96.415
Crude Oil – March 19 **down 0.97** closing \$52.72

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:

- “ December 1 corn stocks were notably smaller than expected, because the crop was smaller than expected @ 176.4 bushel to the acre. That gave the USDA the latitude it needed to cut the feed usage by 125 million bushels. Bottom line, corn stocks outside China remain snug with little margin for error. Carryout was 1.735 billion.
- “ USDA cut Chinese soybean demand by 3.5 million metric tons, with more cuts likely coming. Brazil production was cut by 5 mmt, but additional cuts are expected to be partially offset by increases for Argentine production. Soybeans have a problem that isn't going away. Carryout was 910 mbu.
- “ U.S. wheat acreage is in decline again, but stocks remain high. U.S soft and hard red wheat is very competitive in the world market, while a recent sharp drop in in global ocean freight rates helped us be competitive into Egypt. Carryout was 1.010 bbu.
- “ Ohio corn yield came in at 187 bushel per acre (+10 from 2017). Beans came in at 58 bushels (+8.5 from 2017).

Notes:

- “ Egypt's state grains buyer, the General Authority for Supply Commodities (GASC,) on Friday bought 300,000 tonnes of wheat at an international purchase tender for shipment March 21-31, traders said.
- “ December 1 corn stocks were put at 11.952 billion, 140 less than the trade average and only slightly above the low end of the 11.94-12.40 bbu range.
- “ Dec 1 corn stocks were down 614 mbu from a year ago with a nearly equal split on the decline between on-farm (down 288) and off-farm (down 326). The bulk of the decline took place in the WCB where supplies were 619 million smaller this year. ECB inventories edged up 112 million to 4.150 billion.
- “ 576 mbu increase in beans stocks, up 18%. 78% or 450 million of the increase is on the farm. ECB accounts for 286 million of the increase and the WCB, 191 million.
- “ No changes to 2018 wheat production estimates with total supply also steady compared to December of last year.
- “ Safrihna corn planting in Mato Grosso, Brazil continues at a record pace of 30% vs 15% avg. There are some private estimates as high as 45 - 47 MMT circling for Argentina vs 42.5 USDA.
- “ The USDA upped the Argentine crop estimate 3½ MMT to 46.0; Brazil continues at 94.5; South Africa was reduced ½ MMT to 11.50 and the Ukraine crop got ½ MMT larger this month.
- “ Estimated ethanol midwest plant margins (ebidta) gained \$.03 this week to \$.12 —corn costs were down \$.02 to \$1.28, the DDGs contribution, the ICO credit and Nat gas were all unchanged.