



WEEK IN REVIEW MARKET UPDATE 4/5/19

Grain

Corn – May 19 up \$.06 closing \$3.62^{1/2}
Soybeans – May 19 up \$.14^{3/4} closing \$8.99
Wheat – May 19 up \$.10 closing \$4.67^{3/4}
Soybean Meal – May 19 up \$1.50 closing \$308.00

Livestock

Cattle – June 19 up \$1.35 closing \$120.35
Feeders – May 19 up \$1.45 closing \$150.23
Hogs – June 19 up \$10.43 closing \$98.98
Class III Milk – May 19 up \$0.29 closing \$15.77

Outsides

Dow – up 490.11 closing 26425.97
S&P – up 59.64 closing 2892.89
NASDAQ – up 213.60 closing 7938.81
US Dollar – June 19 up 0.175 closing 97.005
Crude Oil – May 19 up 2.98 closing \$63.25

News/Reports:

- “ Export sales report released Thursday 4/4/19. Corn came in at 21.2 million bushels, expected range 28 – 43. Beans came in at 72.4 million bushels, expected range 29 – 55. Wheat came in at 25.9 million bushels, expected range 11 – 22. Soybean Meal came in at 190.3 million metric tons, expected range 100 – 350K.
- “ Ethanol output weekly data reports were out Wednesday 4/3/19 at 999,000 barrels per day versus 975,000 last week. Ethanol stocks were at 23.992 million barrels versus 24.448 million last week.
- “ Winter Wheat Conditions came out 4/8 at 60% good to excellent versus 56% last week, and 30% last year.
- “ Corn Progress came out 4/8 at 2% planted versus NA% last week, 2% last year, 2% 5-year average.

April WASDE Report:

Corn: A little negative at release but the 200 million bushels increase (now 2.035 billion bushel) in the USDA's carry-out forecast was only 20 or so above the average trade estimate. The 200-million-bushel increase was due to cuts in exports (-75), feed/residual use (-75), and ethanol grind (-50). Foreign corn competition keeps getting larger and planting progress or the lack of will be the focus on the market, not to mention China. Market results due to the report were: Pre-report down 3; at release down 3; and at the close unchanged.

Soybeans: Mostly a neutral report with stocks at 895 million bushels only 18 million below the trade average guess. No change in either exports or crush. The Brazil crop went up 0.5 million metric tons rather than down as expected by the trade but not that great of an impact. China imports continues to be forecasted at 88.0 million metric tons. Market results due to the report were: Pre-report down 2; at release down 2; and at the close unchanged.

Wheat: Slightly negative with higher than expected US and world ending stocks. US carry-out was increased 32 million bushels to 1.087 billion bushels due do seed (-1), feed/residual (-10), and exports (-20). World ending stocks were 5.1 million metric tons higher at 275.6, which were well above the average guess of 271.1. Key now will be northern hemisphere weather, including US winter wheat prospects and spring wheat planting conditions. Condition ratings remain quite high for Plains HRW wheat, while most HRS areas in the northern plains are projected to stay cold and wet near term. Market results due to the report were: Pre-report down 4; at release down 6; and at the close down 6.

Notes:

- “ Trade talks between China and US resumed in DC this week. No deal was reached and the Trump admitted an agreement is still at least 4 to 6 weeks away. Two issues still need to be resolved. One is the fate of existing US tariffs on Chinese goods and the second is an enforcement mechanism that is demanded by the US to ensure China follows thru with the deal.
- “ Chinese 19/20 Corn Balance Sheet Stocks to use is at 44% versus 62% last year, down nearly 29%.
- “ One year ago, this last Friday, China announced they would place retaliatory tariffs on US soybeans, which were effective July 6th.
- “ Field work around the country is not making a lot of progress, but the south caught up corn planting in a hurry and is mainly ahead of schedule as of right now, according to USDA.
- “ If the Corn Belt is wetter than normal in April, it will be the 9th straight wet month for the first time in 125 years. Beyond August 2018 through March 2019, the only other time 8 straight months were wet was June 1951 through January 1952.
- “ Since March, lean hog futures have climbed sharply \$20 to \$25/cwt or better depending on the contract month. July and August contract months closed over \$100/cwt this week.
- “ The next USDA report will be the May WASDE report out on Friday May 10th at 12:00 est.