



WEEK IN REVIEW MARKET UPDATE 6/5/20

Grain

Corn – July 20 **up** \$.05^{1/2} closing \$3.31^{1/4}
Soybeans – July 20 **up** \$.27 closing \$8.67^{3/4}
Wheat – July 20 **down** \$.05^{1/2} closing \$5.15^{1/4}
Soybean Meal – July 20 **up** \$5.90 closing \$289.10

Outsides

Dow – **up** 1688.16 closing 27109.50
S&P – **up** 146.31 closing 3194.15
NASDAQ – **up** 317.09 closing 9818.71
US Dollar – June 20 **down** 1.495 closing 96.920
Crude Oil – July 20 **up** 4.57 closing \$39.42

Livestock

Cattle – August 20 **down** \$3.42 closing \$96.18
Feeders – August 20 **down** \$1.17 closing \$134.18
Hogs – July 20 **down** \$3.10 closing \$53.93
Class III Milk – June 20 **up** \$1.35 closing \$19.80

News/Reports:

- Export sales report released Thursday 6/4. Corn came in at 25.1 million bushels, expected range 16 – 35. Beans came in at 18.2 million bushels, expected range 18 – 37. Wheat came in at 6.6 million bushels, expected range 2 – 9. Soybean Meal came in at 558.9 million metric tons, expected range 200 – 600K.
- Ethanol output weekly data reports were out Wednesday 6/3 at 765,000 barrels per day versus 724,000 last week. Ethanol stocks were at 22.476 million barrels versus 23.176 million last week.
- Winter Wheat Conditions came out 6/8 at 51% good to excellent versus 51% last week, & 64% last year.
- Corn Conditions came out 6/8 at 75% good to excellent versus 74% last week, & 59% last year.
- Soybean Conditions came out 6/8 at 72% good to excellent versus 70% last week, & NA last year.
- Corn Progress came out 6/8 at 97% planted versus 93% last week, 78% last year, 94% 5-year average.
- Soybean Progress came out 6/8 at 86% planted versus 75% last week, 54% last year, 79% 5-year average.

Notes:

- A little clarity on eligible bushels for the CFAP payment that you can start signing up for on May 26th. Eligible contracts in existence on January 15th are: Basis Contracts, Basis Fixed Contracts, Delayed Price, No Price Established, and Deferred Price Contract. Contracts that are Ineligible are: Cash Contracts, Fixed Price Contracts, Forward Price Contracts, Cash Forward Contracts, Minimum Price Contracts, Option Contracts, Window Contracts, Hedge to Arrive, Futures Fixed Contracts, and Futures Contracts.
- The selloff in the US Dollar that started back in May is hovering at the lowest level in nearly 3 months. During this same time frame the Brazil Real has strengthened to a level of 5 to 1 of the US Dollar, the 1st time since March. The lower the US Dollar goes and the higher the Brazil Real goes, the more competitive US agriculture becomes in the global marketplace.
- Prior to the May Jobs Report, economists were expecting unemployment to rise from 14.7% in April to 19.5% in May. Instead, May unemployment fell to 13.3% with 2.5 million jobs added. Leisure and hospitality made up almost half of the increase with 1.2M going back to work. The number of unemployed people who were on temporary layoff decreased by 2.74M to 15.3M while the total of permanent job losses rose 295k to 2.3M. Goldman noted to keep an eye on the temporary layoff totals. If this continues to be a large portion of those unemployed (73% in May) then a quicker recovery is more likely.
- A three-judge panel ruled the EPA understated the risks associated with dicamba and ruled to block the sale of dicamba products: XtendiMax, Engenia, FeXapan. Bayer said the ruling relates to the EPA's 2018 registration decision that expires in December and that its working to obtain a new registration for 2021 & beyond. Bayer said they will challenge the ruling.
- Saudi Arabia and Russia have reached an agreement with Iraq to extend oil production cuts through July. A look at OPEC oil production levels for May suggests that countries were about 77% compliant with the agreement in that month.
- The next USDA report will be the June WASDE Report out on Thursday June 11th at 12:00 est.