



WEEK IN REVIEW MARKET UPDATE 9/25/20

Grain

Corn – Dec 20 **down \$0.13^{1/4}** closing \$3.65^{1/4}
Soybeans – Nov 20 **down \$0.41** closing \$10.02^{1/2}
Wheat – Dec 20 **down \$0.30^{3/4}** closing \$5.44^{1/4}
Soybean Meal – Dec 20 **down \$3.50** closing \$338.60

Outsides

Dow – **down 478.10** closing 27174.89
S&P – **down 19.58** closing 3298.98
NASDAQ – **up 126.71** closing 10916.07
US Dollar – Dec 20 **up 1.740** closing 94.665
Crude Oil – Nov 20 **down 1.09** closing \$40.18

Livestock

Cattle – Dec 20 **down \$0.45** closing \$111.40
Feeders – Nov 20 **down \$2.38** closing \$140.15
Hogs – Dec 20 **up \$0.90** closing \$64.43
Class III Milk – Oct 20 **down \$0.73** closing \$18.85

News/Reports:

- Export sales report released Thursday 9/24. Corn came in at 84.2 million bushels, expected range 41 – 71. Beans came in at 117.4 million bushels, expected range 73 – 110. Wheat came in at 12.9 million bushels, expected range 9 – 22. Soybean Meal came in at 28.6 million metric tons, expected range 0 – 100K.
- Ethanol output weekly data reports were out Wednesday 9/23 at 906,000 barrels per day versus 926,000 last week. Ethanol stocks were at 19.997 million barrels versus 19.798 million last week.
- Corn Conditions came out 9/28 at 61% good to excellent versus 61% last week, & 57% last year.
- Soybean Conditions came out 9/28 at 64% good to excellent versus 63% last week, & 55% last year.
- Corn Harvested came out 9/28 at 15% this week versus 8% last week, 10% last year, & 16% 5-year average.
- Soybean Harvested came out 9/28 at 20% this week versus 6% last week, 6% last year, & 15% 5-year average.

Notes:

- The market was on the defensive much of this week with an open weather outlook, good yields, aggressive farmer sales, large fund ownership, and an on-going debate as to how much the Chinese will source soybeans out of the US.
- The commitment of traders' report on Friday showed corn long 96,000 contracts up 37,000 and soybeans long 211,000 contracts up 19,000. Commitments data suggested an all-time long record in the soy complex (soybean, soybean meal, and soybean oil combined) of 378,000 contracts.
- Thursday last week was the first day since September 2nd that the USDA did not announce a daily export sale.
- An additional \$14 billion in a second round of financial aid has been made available to farmers, in the Coronavirus Food Assistance Program (CFAP2). As of last week, the USDA had paid \$9.9 billion of the \$16 billion in the first CFAP that covered losses up to April 15th. The CFAP2 is designed to cover losses after April 15th. Sign up will run from September 21st to December 11th.
- China reported corn imports at a 4-year high for the month of August at 1.02 million metric tons. China's Minister for Agriculture & Rural Affairs also reported that the country's corn production wouldn't be as badly impacted by recent weather as previously expected.
- China buying for Phase 1 now tallying near \$27B and probably close enough for both sides to call it a success.
- The House passed as short-term spending bill last week, which would fund the government through December 11th. The bill included \$30 billion in agriculture spending for farmers and \$8 billion for nutrition assistance for low income households. Powell and Mnuchin both urged more spending.
- Several countries have raised concern at the World Trade Organization over US government payments to farmers to offset losses due to trade disputes and COVID-19, calling it market distortion. These countries have asked for the US to explain the payments in excess of the WTO cap of \$19.1 billion.
- China is on holiday for Golden Week Thursday October 1st through Thursday October 8th. The China DCE futures market reopens on Friday October 9th.
- The next USDA report will be the September Quarterly Report out on Wednesday September 30th at 12:00 est.