GERALD GRAIN CENTER INC.

WEEK IN REVIEW MARKET UPDATE 5/29/20

Grain

Corn – July 20 up $\$.07^{3/4}$ closing $\$3.25^{3/4}$
Soybeans – July 20 up $\$.07^{1/2}$ closing $\$8.40^{3/4}$
Wheat – July 20 up \$.12 closing $\$5.20^{3/4}$
Soybean Meal – July 20 down \$0.90 closing \$283.20

Livestock

Cattle – August 20 up \$2.27 closing \$99.60
Feeders – August 20 up \$6.55 closing \$135.35
Hogs – July 20 up \$1.13 closing \$57.03
Class III Milk – June 20 up \$1.30 closing \$18.45

Outsides

Dow – up 955.22 closing 25421.34
S&P – up 92.42 closing 3047.84
NASDAQ – up 176.22 closing 9501.62
US Dollar – June 20 down 1.385 closing 98.415
Crude Oil – July 20 up 1.52 closing \$34.85

News/Reports:

- Export sales report released Friday 5/29. Corn came in at 16.8 million bushels, expected range 20 – 39. Beans came in at 23.7 million bushels, expected range 15 – 33. Wheat came in at 7.7 million bushels, expected range 2 – 11. Soybean Meal came in at 127.2 million metric tons, expected range 100 – 350K.
- Ethanol output weekly data reports were out Thursday 5/28 at 724,000 barrels per day versus 663,000 last week. Ethanol stocks were at 23.176 million barrels versus 23.626 million last week.
- Winter Wheat Conditions came out 6/1 at 51% good to excellent versus 54% last week, & 64% last year.
- Corn Conditions came out 6/1 at 74% good to excellent versus 70% last week, & NA last year.
- Soybean Conditions came out 6/1 at 70% good to excellent versus NA last week, & NA last year.
- Corn Progress came out 6/1 at 93% planted versus 88% last week, 64% last year, 89% 5-year average.
- Soybean Progress came out 6/1 at 75% planted versus 65% last week, 36% last year, 68% 5-year average.

Notes:

- After the markets closed on Friday, President Trump spoke about China relations, while he did not exit phase 1 trade deal, he plans to roll back some of Hong Kong's favorable trade status, withdraw from WHO, suspend entry for some Chinese foreign nationals whom the US considers security risks. Futures started higher on Sunday night after Trump's speech did not kill the Phase 1 deal. But early Sunday morning, reports came out that China ordered major state-run firms to pause some purchases of farm goods from the US, including soybeans, as Beijing evaluates tensions with Washington over Hong Kong. Chinese buyers have also cancelled an unspecified number of US pork orders, according to the report. This report out of China sent futures in all agriculture goods down.
- Chinese bean buying has been less than expected for US beans and much of their recent September/October purchases from Brazil has been at a premium to US beans depending how you value Brazil bean's quality premiums. Pork imports by China have been running exceedingly high, 170% year-to-date. They also set a record monthly high of pork imports in April, importing 400,000 metric tons.
- Manage funds on Friday reported to be 276,000 contracts short corn. This is the largest corn short since mid-May last year. Funds were reported to be slightly long beans at 6,000 contracts and short wheat 12,000 contracts.
- Slaughter house run rates are improving with Pork slaughter capacity estimated at 85% and beef at 81%.
- The Coronavirus impact on the agriculture economy will be partially offset by the administration putting \$16 billion into farmers hands. The latest agriculture program is being called CFAP and will be funded jointly by the CCC & CARES Act. Sign up date started on May 26th and payments appear to be \$.335 on corn and \$.475 on soybeans on eligible bushels.
- The next USDA report will be the June WASDE Report out on Thursday June 11th at 12:00 est.