



## WEEK IN REVIEW MARKET UPDATE 3/25/19

### Grain

Corn – May 19 up \$.03<sup>1/2</sup> closing \$3.78 ¼  
Soybeans – May 19 down \$.04 closing \$9.09 ¾  
Wheat – May 19 down \$.38 closing \$4.66  
Soybean Meal – May 19 up \$8.50 closing \$315.00

### Livestock

Cattle – April 19 up \$.02 closing \$129.725  
Feeders – March 19 up \$.40 closing \$143.00

### Outsides

Dow – down 311 closing 25570  
S&P – up 36.08 closing 2810.75  
NASDAQ – down 100.99 closing 7368.75  
US Dollar – March 19 down \$.63 closing \$96.151  
Crude Oil – March 19 up \$3.45 closing \$59.04

Hogs – April 19 up \$29 closing \$78.325  
Class III Milk – March 19 up \$.51 closing \$15.03

### =News/Reports:

- “ USDA announcing 300K MT of corn for old crop shipment, largest sale we’ve made to China in five years, shipment for April through June.
- “ The USDA survey pegged placements for the month at 1.857 million head, 2.2% higher than a year ago and outside the range of expectations This is the largest February placement number since 2000. Some analysts were expecting a sharp decline in placements, in part because they focused on poor feedlot conditions in places like Nebraska and Kansas.
- “ Farm Futures Acreage Survey: Expects soybean plantings to decline from 89.2 million to 85.9 which is still 900 K more than the Outlook Forum’s number. All wheat seedings of 45.9 million are expected to fall nearly 2 million from last year with the estimate 1.1 million fewer than the Outlook Forum. Producers will plant just 1.2 million more corn acres this spring, reaching 90.9 million which, is 1.1 million BELOW the USDA’s Outlook Forum prediction.
- “ Estimated corn/milo grind from the weekly ethanol report indicates use is down about 36-37 mbu/1.8% year to year, a larger reduction than the .18%/10 mbu USDA forecast in the March WASDE.

### Notes:

- “ Soy complex faded to end week, as the market buys time for more China negotiations and ahead of next Friday’s stocks/acreage report. Also saw hedge pressure from the REAL falling near 4% in the last 3 days which stimulated big Brazil farmer selling.
- “ Corn ended on a positive note Friday, closing 2 higher at \$3.78¼, as confirmation of Thursday’s rumored Chinese corn buying came in. With Black Sea corn at a discount to US today, looks like this is a goodwill purchase by China rather than a best value purchase – not seeing GMO variety restriction on this sale so appears they are more receptive to US GMO varieties.
- “ Near and above-normal rainfall remain likely across a wide swath of the central U.S. over the next two weeks as several systems of varying intensity and size pass. The exact setup uncertain, but the initial system will produce some rain across the southern two-thirds of the central U.S. Sat.-Mon., followed by better-organized rains beginning Thu.-Fri. Muddy and / or flooded conditions remain likely to persist through at least the first week of April.
- “ Argentine corn crop getting larger as with nearly 9% harvested, VERY GOOD yields reported. Up-coming dry period in Brazil may limit potential for further yield improvement with the *safrinha* crop.
- “ River logistics remain challenged by high water issues – forecasts for many areas suggest we are still 5 to 7 days from cresting on some areas, so the worst may be yet to come.
- “ After finally getting something confirmed on the books many in the trade had thought we would have seen a more bullish response in the trade – is it possible that the trade has US/China negotiation news fatigue and is needing to see some solid evidence that a deal is getting done along with the details of the deal?
- “ If ASF continues to temper pork production in China without tempering demand, this is longer term bullish meats. Lean hog futures were up the \$3.00/cwt limit across the board. June lean hogs are now up \$14.50/cwt since 3/7 or about \$38/head.