



WEEK IN REVIEW MARKET UPDATE 9/14/18

Grain

Corn – Dec 18 **down \$0.15^{1/4}** closing \$3.51^{3/4}
Soybeans – Nov 18 **down \$0.13^{1/2}** closing \$8.30^{1/2}
Wheat – Dec 18 **up \$0.00^{1/4}** closing \$5.11^{1/2}
Soybean Meal – Dec 18 **down \$8.30** closing \$308.70

Outsides

Dow – **up 231.35** closing 26147.99
S&P – **up 32.98** closing 2904.88
NASDAQ – **up 104.92** closing 8007.30
US Dollar – September 18 **down 0.400** closing 94.930
Crude Oil – October 18 **up 1.24** closing \$68.99

Livestock

Cattle – Oct 18 **up \$3.85** closing \$113.80
Feeders – Oct 18 **up \$5.93** closing \$158.88
Hogs – Oct 18 **up \$0.58** closing \$56.23
Class III Milk – Oct 18 **down \$0.28** closing \$16.24

News/Reports:

- Export report released Thursday 9/13. Corn came in at 30.5 million bushels, expected range 31 – 47. Beans came in at 25.5 million bushels, expected range 18 – 37. Wheat came in at 14.2 million bushels, expected range 11– 18. Beanmeal came in at 34,900 metric tons, expected range 0 – 100K.
- Ethanol output weekly data reports were out Wednesday 9/12 at 1,020,000 barrels per day versus 1,087,000 last week. Ethanol stocks were at 22.894 million barrels versus 22.703 million last week.
- Corn Conditions came out 9/17 at 68% good to excellent versus 68% last week, and 61% last year.
- Soybean Conditions came out 9/17 at 67% good to excellent versus 68% last week, and 59% last year.

Notes:

- The September WASDE report surprisingly estimated a new all-time record for corn yield of 181.3 bushels based on the number of ears per acre and ear weight. Even with reduced acreage, the record yield would bring total corn production to 14.827 billion bushels, 1.5% ahead of last year. Soybean production is expected to be 4.963 billion bushels, 6.9% higher than last year. With trade challenges, the impact on soybeans could result in ending soybean stocks 114% higher than last year.
- The Trump administration will slap a 10 percent tariff on about \$200 billion in Chinese goods on September 24th, and more than double the rate in 2019, setting up what could be a prolonged trade war between the world's two biggest economies. The administration is giving US businesses a chance to adjust and look for alternative supply chains by delaying an increase of the tariff to 25 percent until next year. Beijing has already said it will retaliate against the \$200 billion round of tariffs by imposing duties on \$60 billion of US goods ranging from liquefied natural gas to aircraft. With the latest tariff escalation, American consumers could start feeling the cost in everyday goods. It brings all Chinese imports subject to added tariffs to \$250 billion, roughly half of China's shipments to the US last year. Trump said earlier this month he has tariffs ready to impose on a further \$267 billion of imports from China, which would push the cumulative total beyond the amount of goods the US bought from the Asian nation last year.
- USDA has announced a possible second round of tariff-related aid that would consider higher tariff levels and regional basis effects. A decision will be made in December.
- Reuters reported that Canada is ready to offer the US limited access to their dairy market as a concession in NAFTA talks. In return, Canada is likely to request the Chapter 19 dispute resolution mechanism stays in the treaty.
- Friday, two pharmaceutical scientists plead guilty to stealing intellectual property/trade secrets to benefit a Chinese company bankrolled by the Chinese government. U.S. Attorney McSwain said, "We cannot allow U.S. citizens or foreign nationals to steal sensitive business information and hand it over to competitors in other countries. This sort of economic warfare presents a danger to our economic security, jeopardizes America's position as a global leader in innovation, and will not be tolerated."
- China reports 16th outbreak of African swine fever.
- The US is back to the world' largest oil producer, first time since 1973. Texas to pump more oil than Iraq and Iran in 2019.
- The next USDA report will be the September Quarterly report out on Friday September 28th at 12:00 est.