



WEEK IN REVIEW MARKET UPDATE 1/19/18

Grain

Corn – March 18 up $\$.06^{1/4}$ closing $\$3.52^{1/2}$
Soybeans – March 18 up $\$.16^{3/4}$ closing $\$9.77^{1/4}$
Wheat – March 18 up $\$.02^{1/4}$ closing $\$4.22^{3/4}$
Soybean Meal – March 18 up $\$14.60$ closing $\$331.60$

Livestock

Cattle – April 18 up $\$3.28$ closing $\$122.73$
Feeders – March 18 up $\$2.95$ closing $\$145.60$
Hogs – April 18 up $\$1.17$ closing $\$75.50$
Class III Milk – Feb 18 up $\$0.48$ closing $\$13.55$

Outsides

Dow – up 262.67 closing 26065.90
S&P – up 24.02 closing 2809.85
NASDAQ – up 74.28 closing 7333.38
US Dollar – March 18 down 0.355 closing 90.370
Crude Oil – March 18 down 0.92 closing $\$63.31$

News/Reports:

- Export report released Friday 1/19. Corn came in at 74.3 million bushels, expected range 20 – 31. Beans came in at 45.6 million bushels, expected range 22 – 37. Wheat came in at 5.6 million bushels, expected range 7 – 18. Beanmeal came in at 281,800 metric tons, expected range 100 – 300K.
- Ethanol output weekly data reports were out Thursday 1/18 at 1,061,000 barrels per day versus 996,000 last week. Ethanol stocks were at 22.743 million barrels versus 22.719 million last week.

Notes:

- The USDA January Report was released last Friday and there were a couple things worth pointing out.
 - While many were looking for the possibility of a larger corn yield, not sure everyone was looking for 1.2 bushel per acre increase! We saw record yields in 15 different states (AL, FL, IL, KY, LA, MN, MS, NJ, NY, NC, SC, OH, PA, TN, WV)! These states represent roughly 35% of the production.
 - The stocks data indicated that there is a large amount of stocks in the western corn belt, specifically the Northern Plains. Much more than expected. The eastern corn belt was around unchanged. However, if we just looked at OH, IN and MI they are down (almost 60 million bushels) versus a year ago.
- The bean:corn ratio settled at 2.58 on Friday. Meal has been the largest benefactor of the bean complex trading just above $\$310$ for March futures last Friday and today trading as high as $\$334.40$ and settling at $\$331.60$. Argentina exports 3 times the amount of meal that the US ships and twice the amount that Brazil does.
- March soybean futures traded five-month lows on Friday January 12th prior to the post-USDA report rally.
- NOPA came out with the December Crush Report Tuesday January 16th, which was supportive to basically everything but soybean oil, due surprisingly high soybean oil stocks. Monthly crush was pegged at a record 166.4 million bushels, which was 1 million bushels over the average trade guess & more than 6 million bushels above Dec 2016. Soybean Meal data was largely supportive as well, with noted increases in exports & usage.
- February outlook is the next big piece of information the market receives, which will take a stab at 18/19 production. This report comes out February 22nd and 23rd.
- Vietnam re-entered the US DDGS market in September 2017 after being suspended for 8 months due to detection of quarantine pests. From September through November 2017, Vietnam purchased 213,000 tons of US DDGS, versus 495,000 tons in 2016/2017 (including time under suspension) and 986,000 tons in 2015/2016. Other Southeast Asia DDGS markets have started this marketing year very strong. From September through November 2017, Thailand purchased more than 25% of their total 791,000 tons purchased in 2016/2017 and Indonesia purchased more than 50% of their total 512,000 tons purchased in 2016/2017.
- Iowa's DNR approved 451 permits for new construction or expansion of swine buildings (housing at least 1250 pigs) in 2017. This is a five-year high and a 12% increase from 2016. Since the beginning of December, hog slaughter has been up 4.5%. That is almost double what the December Hog and Pigs Report indicated. Hogs are also 3 pounds heavier than one year ago. Still, the cutout value remains strong and has been above average the last several weeks.
- DOW tops 26,000 this week for the first time ever.
- The next USDA report will be the February WASDE report out on Thursday February 8th at 12:00 est.