



## WEEK IN REVIEW MARKET UPDATE 10/20/17

### Grain

Corn – Dec 17 **down \$0.08<sup>1/4</sup>** closing \$3.44<sup>1/4</sup>  
Soybeans – Nov 17 **down \$0.21<sup>1/2</sup>** closing \$9.78<sup>3/4</sup>  
Wheat – Dec 17 **down \$0.13<sup>1/2</sup>** closing \$4.26  
Soybean Meal – Dec 17 **down \$11.50** closing \$317.10

### Livestock

Cattle – Dec 17 **down \$0.53** closing \$116.60  
Feeders – Nov 17 **down \$1.92** closing \$153.08  
Hogs – Dec 17 **up \$2.65** closing \$64.85  
Class III Milk – Nov 17 **down \$0.46** closing \$15.69

### Outsides

Dow – **up 454.71** closing 23325.91  
S&P – **up 22.05** closing 2574.78  
NASDAQ – **up 23.18** closing 6627.42  
US Dollar – Dec 17 **up 0.644** closing 93.579  
Crude Oil – Dec 17 **up 0.11** closing \$51.84

### News/Reports:

- Export report released Thursday 10/19. Corn came in at 49.4 million bushels, expected range 31 – 43. Beans came in at 46.9 million bushels, expected range 48 – 62. Wheat came in at 22.6 million bushels, expected range 9 – 17. Beanmeal came in at 296,000 metric tons, expected range 100 – 250K.
- Ethanol output weekly data reports were out Wednesday 10/18 at 1,019,000 barrels per day versus 967,000 last week. Ethanol stocks were at 21.480 million barrels versus 21.523 million last week.
- Corn Conditions came out 10/23 at 66% good to excellent versus 65% last week, and 74% last year.
- Corn Harvested came out 10/23 at 38% this week versus 28% last week, 59% last year, and 59% 5-year average.
- Soybean Harvested came out 10/23 at 70% this week versus 49% last week, 74% last year and 73% 5-year average.

### Notes:

- Informa was out this week with its 2018 acreage estimate. Soybean acreage came out at 90.3 million, a 1.3 million increase from September and 140,000 above 2017's 90.2 million total. Corn Acreage came out at 90.46 million, down 1.4 million from its September forecast and virtually unchanged from 2017's 90.429 million total.
- China is attempting to increase bean acres and trim corn. A recent announcement came out that they were cutting a 13% subsidy on corn production. Even without the subsidy, corn production is still profitable there today.
- The EPA officially announced that they would not lower the biofuel mandates. They also confirmed that ethanol that is exported would not qualify for the US biofuel program. They stated that the EPA would be open to examining the possibility of allowing the sale of E15 year-round, it is currently prohibited in the summer due to smog.
- In a joint press conference after the 4<sup>th</sup> round of NAFTA talks, US Trade Rep. Lighthizer voiced his frustration with his Mexican & Canadian counterparts and said he's seen "no indication they are willing to make changes". Canada's Chrystia Freeland was more upbeat saying it's "absolutely achievable", but "that cannot be achieved with a winner-take-all mindset." Mexico remains concerned the US is attempting to push unacceptable propositions which could drive them away from talks and allow the US to blame Mexico for NAFTA's demise. One of those proposals requires 50% of US parts for any automobile made in North America. The Mexican trade official noted finalizing a TPP deal without the US and boosting ties with Argentina & Brazil are critical if NAFTA ends. The 5<sup>th</sup> round of NAFTA talks are set for Nov 17<sup>th</sup>.
- Friday's USDA Cattle on Feed report revealed a seventh consecutive month of strong placements. September's 13% year-on-year increase in placements followed an average 9% increase during the preceding six months (March – August). Placements were also the largest for September since 2011. Marketings also remained strong during September particularly given this year had one fewer marketing days than a year ago. When measured on a per workday basis, marketings this year were up 8% from a year earlier and were the largest September marketings since 2007. While aggressive marketings are helping to offset strong placements, the number of cattle on feed are still rising above year ago levels. Cattle on feed on October 1 were up 5% from last year and were the largest for this time of year since 2012.
- The next USDA report will be the November WASDE report out on Thursday November 9<sup>th</sup> at 12:00 est.