



WEEK IN REVIEW MARKET UPDATE 12/8/17

Grain

Corn – March 18 **down \$0.06** closing \$3.52^{3/4}
Soybeans – Jan 18 **down \$0.04^{1/2}** closing \$9.89^{3/4}
Wheat – March 18 **down \$0.19^{1/2}** closing \$4.19
Soybean Meal – Jan 18 **up \$1.50** closing \$331.70

Livestock

Cattle – Feb 18 **down \$3.68** closing \$118.30
Feeders – Jan 18 **down \$5.10** closing \$145.23
Hogs – Feb 18 **down \$1.88** closing \$68.85
Class III Milk – Jan 18 **down \$0.13** closing \$14.37

Outsides

Dow – **up 74.83** closing 24309.52
S&P – **up 8.99** closing 2651.21
NASDAQ – **down 9.09** closing 6837.99
US Dollar – Dec 17 **up 1.033** closing 93.874
Crude Oil – Jan 18 **down 1.00** closing \$57.36

News/Reports:

- Export report released Thursday 12/7. Corn came in at 34.5 million bushels, expected range 31 – 47. Beans came in at 74.1 million bushels, expected range 37 – 55. Wheat came in at 11.8 million bushels, expected range 9 – 17. Beanmeal came in at 166,400 metric tons, expected range 100 – 300K.
- Ethanol output weekly data reports were out Wednesday 12/6 at 1,108,000 barrels per day versus 1,066,000 last week. Ethanol stocks were at 22.544 million barrels versus 22.044 million last week.

Notes:

- Plenty of high-pressure ridge talks this week in Argentina causing dry weather and a potential increase in US soybean meal exports which also supports beans. Almost 50% of the world soybean meal exports originates from Argentina and this kept the funds wanting to get longer meal and offsetting oil length. Typically, in November soybean planting is in full steam, equivalent comparison to US planting in May more or less, so it's still hard at this time to get excited this early. Argentina is less than 50% planted for beans, but hearing the phrase La Nina keeps a volatility premium in place.
- China imported 8.68 million metric tons of soybeans in November, 48% more than in October, due to a backlog of US shipments arriving in port. They have now imported 85.99 million metric tons of soybeans, year to date, compared to 74.92 million metric tons in all of 2016. China is expected to import an additional 9 million metric tons of soybeans in December.
- China's National Bureau of Statistics puts 2017 corn harvest at 215.9 million metric tons (USDA: 215.0), the smallest crop in 3 years as producers were encouraged to plant alternative crops to reduce the country's corn glut. Domestic prices are up 17% this year as government plans to boost domestic corn use for ethanol production.
- US exports of both beans and soybean meal are running about 10% less than last fall, but world exports are up more than 12% year to year. It is the 2nd best September to November pace in the past decade and suggests world demand may be on track to achieve, if not exceed USDA's forecast for 4-5% growth.
- NAFTA renegotiation has Mexico seeking to diversify imports and reduce its US reliance, despite having made significant infrastructure investments based on continued US origination.
- President Donald Trump is open to reforming the country's biofuels policy if it can be done in a way that protects jobs in both the refining and agriculture industries, senators said on Thursday after a meeting with Trump on the issue. Nine lawmakers had requested the meeting to argue that the Renewable Fuel Standard was threatening to put refineries in their districts out of business. Senator Ted Cruz of Texas, who led the lawmaker delegation, said Trump was open to a "win-win" solution. "The group as a whole agreed with the president to reconvene next week and to expand the group and work together to find a (solution) that is a win for blue-collar workers, a win for jobs, but also a win for farmers at the same time," he told Fox News after the meeting.
- The jobs report added 228,000 workers in November and noted unemployment is at 4.1%, a 17-year low. Although unemployment for rural counties are close to 4%, in October rural counties had 770,000 fewer jobs than 10 years ago and the rural workforce has shrunk by 1.1 million people since 2007.
- The next USDA report will be the December WASDE report out on Tuesday December 12th at 12:00 est.