



WEEK IN REVIEW MARKET UPDATE 3/9/18

Grain

Corn – May 18 **up** \$.05^{1/4} closing \$3.90^{1/2}
Soybeans – May 18 **down** \$.31^{3/4} closing \$10.39^{1/4}
Wheat – May 18 **down** \$.10^{3/4} closing \$4.89^{1/4}
Soybean Meal – May 18 **down** \$19.30 closing \$373.60

Livestock

Cattle – April 18 **up** \$0.95 closing \$123.13
Feeders – April 18 **down** \$2.13 closing \$143.15
Hogs – April 18 **up** \$0.27 closing \$67.85
Class III Milk – April 18 **up** \$0.00 closing \$14.03

Outsides

Dow – **up** 783.29 closing 25322.01
S&P – **up** 94.74 closing 2786.15
NASDAQ – **up** 299.69 closing 7557.50
US Dollar – March 18 **up** 0.100 closing 90.060
Crude Oil – April 18 **up** 0.79 closing \$62.04

News/Reports:

- Export report released Thursday 3/8. Corn came in at 73.1 million bushels, expected range 39 – 59. Beans came in at 92.2 million bushels, expected range 33 – 51. Wheat came in at 14.4 million bushels, expected range 7 – 18. Beanmeal came in at 200,600 metric tons, expected range 100 – 350K.
- Ethanol output weekly data reports were out Wednesday 3/7 at 1,057,000 barrels per day versus 1,044,000 last week. Ethanol stocks were at 23.144 million barrels versus 22.979 million last week.

Notes:

- In the latest WASDE report, it was highly anticipated how the USDA would predict the South American crop due to its current weather challenges.
 - In Argentina the USDA lowered their estimate of the 2017/18 soybean crop by 7.0 million tons from 54.0 million to 47.0 million. Even with that significant reduction, the USDA is still one of the highest estimates for Argentine soybean production. The USDA also lowered the 2017/18 Argentine corn estimate by 3.0 million tons from 39.0 million to 36.0 million. As with the soybeans, they are still one of the highest estimates for Argentine corn production.
 - In Brazil the USDA increased the Brazilian soybean estimate by 1.0 million tons to 113.0 million. They are lower than most private estimates by 1-4 million tons. The USDA only lowered their Brazilian corn estimate by 0.5 million tons to 94.5 million. This modest reduction puts the USDA on the high side of production numbers with many to believe that this is due to not knowing what the final safrinha corn acreage will be. Domestic corn prices in Brazil have surged higher in recent weeks and maybe they are anticipating that the improved prices will encourage farmers to plant their safrinha corn in spite of the very late date.
- Brazil's soybeans are 48% harvested versus 56% last year and 46% 5-year average.
- Brazil's Safrinha corn is 81% planted versus 88% last year and 81% 5-year average.
- Drought intensifies through at least Friday for most corn and beans in Argentina. February 1st through March 15th will rank as #1 driest for soybeans in Argentina over 1980-2018 by a wide margin.
- Overseas China Investment expects China's corn stocks to fall from around 200 million metric tons this year to around 2 months' worth of consumption in the next 3 to 5 years. Or, from 200 million down to 50 million. Ethanol consumption is forecast to rise from 2.3 million metric tons currently, to 10 million by 2020, a 300+ million bushel increase in corn use.
- Tariffs on steel and aluminum were signed Thursday for every country except Canada and Mexico and will go into effect on February 23rd.
- Quick update on NAFTA, there's roughly 30 chapters that need to be addressed. After 7 months, they've addressed just 6.
- NASDAQ reaches an all-time high as the economy adds 313K jobs in February's jobs report, well above the consensus 200K number.
- The next USDA report will be the March Planting intentions and Quarterly stocks report out on Thursday March 29th at 12:00 est.