



WEEK IN REVIEW MARKET UPDATE 3/16/18

Grain

Corn – May 18 **down \$0.07^{3/4}** closing \$3.82^{3/4}
Soybeans – May 18 **up \$0.10^{1/4}** closing \$10.49^{1/2}
Wheat – May 18 **down \$0.21^{1/2}** closing \$4.67^{3/4}
Soybean Meal – May 18 **down \$0.70** closing \$372.90

Outsides

Dow – **down 382.14** closing 24939.87
S&P – **down 35.33** closing 2750.82
NASDAQ – **down 77.32** closing 7480.18
US Dollar – March 18 **up 0.155** closing 90.215
Crude Oil – May 18 **up 0.49** closing \$62.41

Livestock

Cattle – April 18 **down \$1.88** closing \$121.25
Feeders – April 18 **down \$2.95** closing \$140.20
Hogs – April 18 **down \$2.40** closing \$65.45
Class III Milk – April 18 **up \$0.29** closing \$14.32

News/Reports:

- Export report released Thursday 3/15. Corn came in at 98.6 million bushels, expected range 51 – 67. Beans came in at 46.6 million bushels, expected range 29 – 44. Wheat came in at 6.0 million bushels, expected range 9 – 18. Beanmeal came in at 173,300 metric tons, expected range 100 – 350K.
- Ethanol output weekly data reports were out Wednesday 3/14 at 1,025,000 barrels per day versus 1,057,000 last week. Ethanol stocks were at 24.281 million barrels versus 23.144 million last week.

Notes:

- Commitment of traders report out Friday 3/16 has a combined (corn, beans, wheat, & beanmeal) fund long across the Ag sector at its largest long position in 4 years.
- The steel & aluminum tariffs are expected to go into effect this Friday. Weekend rumors from EU claim that if US imposes a 25% steel/aluminum tariff they would retaliate with a 25% import tariff on US corn. The EU has already singled out cranberries as the first victim of a trade war. The US is the world's largest producer of cranberries and exports 95 million pounds to the EU which is about 12% of U.S. production. Cranberry production has grown in recent years and this tariff comes on top of a surplus. In 2016, exports valued at \$340 million of all types of cranberries, total US agriculture exports total \$135 billion.
- Argentina soybean harvest is slowly starting in the north this week. As yield reports start coming out, keep in mind the northern 3 provinces only comprise of around 8% of production and they've had only marginally drier than normal weather. The real issues & bulk of production is farther south.
- 90% of the Brazilian safrinha corn crop is now in the ground and is right in line with the average planting progress for this time of year.
- Corn export sales this week were reported at 98.6 million bushels which is nearly triple the implied pace of 24.2 million per week. Japan was over 1/3 of the total. This week would represent the largest weekly sales number since December of 1994 (23+ years). The concern with big sales is the increasing unshipped sales, which now stand at 922 million bushels. Unshipped soybean sales are also at a seasonal record of 353 million bushels.
- The private group Allendale came out this week and predicted that US producers will plant 88.5 million acres of corn this year, 1.5 million less than the USDA's Outlook Forum number and down 1.7 million from a year ago. They also predicted that US producers will plant 92.1 million acres of soybeans this year, 2.1 million more and a 2 million increase from 2017.
- The February NOPA crush was larger than expected and indicates an industry new crush record of 153.7 million, 4.3 million above the trade average. Oil stocks surged 128 million pounds from last month to 1.856 billion, topping the high end of the 1.653-1.840 trade range.
- OPEC for the first time forecast that new oil supplies from its rivals will exceed growth in demand this year as the US industry thrives. In its monthly market report, the Organization of petroleum exporting countries raised its expectation for supply growth from the US and other producers for a fourth consecutive month, to 1.66 million barrels a day. That would more than cover demand seen climbing by 1.6 million barrels a day and suggests that efforts by the group and Russia to clear a global glut by cutting output are backfiring.
- The next USDA report will be the March Planting intentions and Quarterly stocks report out on Thursday March 29th at 12:00 est.