



WEEK IN REVIEW MARKET UPDATE 5/18/18

Grain

Corn – July 18 **up \$0.06** closing \$4.02^{1/2}
Soybeans – July 18 **down \$0.04^{3/4}** closing \$9.98^{1/2}
Wheat – July 18 **up \$0.19^{1/2}** closing \$5.18^{1/4}
Soybean Meal – July 18 **down \$2.30** closing \$376.30

Livestock

Cattle – August 18 **down \$6.20** closing \$98.23
Feeders – August 18 **down \$6.27** closing \$137.63
Hogs – July 18 **up \$0.30** closing \$77.25
Class III Milk – June 18 **down \$0.23** closing \$15.65

Outsides

Dow – **down 114.64** closing 24714.33
S&P – **down 14.40** closing 2712.95
NASDAQ – **down 46.53** closing 7354.30
US Dollar – June 18 **up 1.134** closing 93.545
Crude Oil – June 18 **up 0.58** closing \$71.28

News/Reports:

- Export report released Thursday 5/17. Corn came in at 38.8 million bushels, expected range 28 – 39. Beans came in at 10.4 million bushels, expected range 11 – 22. Wheat came in at 2.3 million bushels, expected range 0 – 7. Beanmeal came in at 376,000 metric tons, expected range 100 – 300K.
- Ethanol output weekly data reports were out Wednesday 5/16 at 1,058,000 barrels per day versus 1,040,000 last week. Ethanol stocks were at 21.505 million barrels versus 21.964 million last week.
- Winter Wheat Conditions came out 5/21 at 36% good to excellent versus 36% last week, and 52% last year.
- Corn Progress came out 5/21 at 81% planted versus 62% last week, 82% last year, 81% 5-year average.
- Soybean Progress came out 5/21 at 56% planted versus 35% last week, 50% last year, 44% 5-year average.

Notes:

- As of Sunday, the US trade war with China is “on hold” and President Trump tweeted Monday “under our potential deal with China, they will purchase from our Great American Farmers practically as much as our Farmers can produce.” US President Donald Trump had threatened to impose tariffs on as much as \$150 billion in Chinese imports, including some steel and aluminum products, to punish Beijing for allegedly violating American intellectual property and unfair trade practices. The Asian nation vowed to retaliate with tariffs on everything from soybeans to fruit and wine. But after two days of talks in Washington, the two countries on Saturday declared an economic truce, putting their tariffs plan on hold. In a joint statement released by the White House, China said it agreed to “meaningful increases in US agriculture and energy exports” with details to be worked out later. Focus now swings to which US commodities could benefit as China buys more, and which countries stand to lose business in the world’s biggest market for most raw materials.
- China ended its anti-dumping claims on US sorghum in a sign of good-will to the US during China’s Vice Premier visit to the US to improve trade tensions. In a statement, the Commerce Minister said that the penalties imposed would hurt China’s consumers, causing meat prices to rise.
- Safrinha corn may test corn genetics this year, March was the 6th wettest in recent history and April 1st through May 15th was by far the driest in last 19 years.
- Chinese officials will be inspecting 84 packing plants in Brazil in hopes of clearing these plants for exports. China submitted a complaint to the World Trade Organization where they list 102 grievances against Brazil. Brazil is a major export competitor of the US for many agriculture products. A China-US trade war and associated tariffs make it prime pickings for Brazil and China to reach agreement and open markets.
- The collision of a grain vessel with a pier at the Port of General San Martin near Rosario, Argentina caused more damage than originally estimated. Local port officials now estimate that the berth could be out of service for at least one and a half years or more. On April 24th, the grain vessel 'Ocean Treasure' registered in Hong Kong, collided with the pier at Terminal 6. There are two berths at Terminal 6. There was extensive damage to the northern berth, while the southern berth remained unaffected. The cause of the collision remains under investigation and no official cause has been released. Port officials have indicated that the cargo that would normally be shipped out of the northern berth will be redistributed to other terminals. Terminal 6 was responsible for 22% of the soybean meal exports from Argentina in 2017.
- The average price for gas is now \$3.00 a gallon. While this is the highest price since 2014, AAA projects Memorial Day travel to be the highest since 2005.
- The next USDA report will be the June WASDE report out on Tuesday June 12th at 12:00 est.