



## WEEK IN REVIEW MARKET UPDATE 7/13/18

### Grain

Corn – Sept 18 **down \$0.19** closing \$3.41<sup>1/4</sup>  
Soybeans – Aug 18 **down \$0.58<sup>3/4</sup>** closing \$8.18<sup>3/4</sup>  
Wheat – Sept 18 **down \$0.18<sup>1/4</sup>** closing \$4.97  
Soybean Meal – Aug 18 **down \$12.10** closing \$326.00

### Outsides

Dow – **up 558.52** closing 25022.80  
S&P – **up 41.91** closing 2801.71  
NASDAQ – **up 139.39** 7827.32  
US Dollar – September 18 **up 0.726** closing 94.495  
Crude Oil – August 18 **down 2.79** closing \$71.01

### Livestock

Cattle – August 18 **down \$1.83** closing \$104.55  
Feeders – August 18 **down \$1.47** closing \$150.73  
Hogs – August 18 **down \$5.28** closing \$70.15  
Class III Milk – July 18 **up \$0.05** closing \$14.27

### News/Reports:

- Export report released Thursday 7/12. Corn came in at 15.8 million bushels, expected range 16 – 31. Beans came in at 5.8 million bushels, expected range 7 – 18. Wheat came in at 5.0 million bushels, expected range 7– 18. Beanmeal came in at 37,500 metric tons, expected range 50 – 250K.
- Ethanol output weekly data reports were out Wednesday 7/11 at 1,033,000 barrels per day versus 1,067,000 last week. Ethanol stocks were at 22.393 million barrels versus 21.975 million last week.
- Corn Conditions came out 7/16 at 72% good to excellent versus 75% last week, and 64% last year.
- Soybean Conditions came out 7/16 at 69% good to excellent versus 71% last week, and 61% last year.

### Notes:

- The White House published a list of \$200B worth of Chinese goods that it proposes to hit with an additional 10% tariff. The USTR will hold a hearing on the proposed list on Aug 20-23rd. A final decision will come shortly after that. China said it was “shocked” but did not give specifics on its retaliation measures. On a lighter note, the list includes items like live trout which haven’t been imported from China since 1992.
- The Senate voted 88-11 to instruct a congressional committee to add a provision which reigns in the president’s ability to issue tariffs. Reminder, this is a non-binding move by Congress that essentially says, we’ve got a veto proof vote in Senate that says we’re concerned about tariffs. The next step is for Congress to craft binding legislation
- July 12<sup>th</sup> WASDE
  - **CORN:** For the first time in 35-years, planted bean acres of 89.6 million acres are to exceed planted corn acres of 89.1. The USDA left corn yield unchanged at 174 bushels per acre and raised corn production 190 million to 14.230 billion bushels due to increased harvested acres. Carryout fell by 25 million to 1.552 billion bushels and gave us a stock to use ratio of 10.5%, the lowest stocks to use number since 13/14.
  - **SOYBEANS:** USDA also left soybean yield unchanged at 48.5 bushels per acres, while increasing harvested acres by 700K acres, bringing US bean production to 4.31 billion bushels, up 30 million from June. Lower carry-in, versus a higher crush, and (tariff-adjusted) lower exports (-250 million bushels), creates a net increase to ending stocks of 195 million bushels to 580 million bushels. USDA placed the average farm price for beans down 75-cents to \$9.25 (range of \$8.00 to \$10.50).
- Production and Tariff Impact. Bean exports were 50% of total production in crop year 16/17, with stocks to total use at 7.2% resulting in \$9.34 November futures low in fall of 2016. In 17/18, exports were 47.5% of production with stock to use at 10.9% and November futures low of \$9.52. In Thursday’s report, exports were estimated at 47.3% of total production in the coming 17/18 crop year, with a stock to use ratio at 13.7% (the highest in 10-years), and the November futures on Friday was \$8.34.
- This week’s soybeans close is \$2.3475 below the May 29 price as Chinese crushers and US speculators continue to push prices lower.
- The USDA announced new procedures for the release of market-affecting crop and livestock reports to ensure that all members of the public have access to the information at the same time. Under the current “lockup” procedures, information is released to the public at 12:00 est, through the news media are allowed access approximately 90 minutes early, with their reports embargoed until the noon release time. Lockup was open to any media outlet that meets a set of strict standards. Currently, six news services participated in lockup and was given pre-access to reports: Associated Press, Dow Jones/Wall Street Journal, Thompson Reuters, Market News Int’l/Deutsche Boerse, Bloomberg News, and DTN/Progressive Farmer.
- The next USDA report will be the August WASDE report out on Friday August 10<sup>th</sup> at 12:00 est.