



## WEEK IN REVIEW MARKET UPDATE 6/15/18

### Grain

Corn – July 18 **down \$0.16**<sup>1/2</sup> closing \$3.61<sup>1/4</sup>  
Soybeans – July 18 **down \$0.63**<sup>3/4</sup> closing \$9.05<sup>1/2</sup>  
Wheat – July 18 **down \$0.20**<sup>1/2</sup> closing \$4.99<sup>1/2</sup>  
Soybean Meal – July 18 **down \$18.90** closing \$338.90

### Livestock

Cattle – August 18 **down \$1.00** closing \$104.78  
Feeders – August 18 **up \$0.70** closing \$147.98  
Hogs – August 18 **up \$1.12** closing \$78.25  
Class III Milk – July 18 **down \$0.62** closing \$15.41

### Outsides

Dow – **down 230.29** closing 25086.24  
S&P – **up 0.17** closing 2779.20  
NASDAQ – **up 100.81** closing 7746.32  
US Dollar – September 18 **up 1.317** closing 94.447  
Crude Oil – July 18 **down 0.68** closing \$65.06

### News/Reports:

- Export report released Thursday 6/14. Corn came in at 36.9 million bushels, expected range 24 – 35. Beans came in at 19.1 million bushels, expected range 4 – 15. Wheat came in at 11.1 million bushels, expected range 6 – 17. Beanmeal came in at 74,600 metric tons, expected range 50 – 250K.
- Ethanol output weekly data reports were out Wednesday 6/13 at 1,053,000 barrels per day versus 1,041,000 last week. Ethanol stocks were at 22.174 million barrels versus 21.897 million last week.
- Winter Wheat Conditions came out 6/18 at 39% good to excellent versus 38% last week, and 49% last year.
- Corn Conditions came out 6/18 at 78% good to excellent versus 77% last week, and 67% last year.
- Soybean Conditions came out 6/18 at 73% good to excellent versus 74% last week, and 67% last year.

### Notes:

- President Trump did officially apply \$50B in trade tariffs on China and they have responded by roughly the same amount with Beans and Beef being a few of the agriculture products involved. Any country not named China should look to the US to buy any beans and lower futures should encourage foreign buying. President Trump followed up China's tariff retaliation by ordering officials to draw up a list of \$200B worth of Chinese goods that would be hit with a 10% tariff. The tariffs will go into effect if "China refuses to change its practices". If China responds with tariffs, another \$200B worth of goods will be hit. For context, if the latter were imposed then roughly 90% of last year's exports by China to the US would be encompassed. China responded to the statement by calling it "extreme pressure and blackmail", "The trade skirmish is not just about the trade deficit and exchange rates, but about the rules of the game, market openness and intellectual property. It is also about values, governance and geopolitical disagreements."
- WASDE forecast for 2018 held acreage and yield of corn and soybeans the same from the May report, though fewer acres and lower yields than 2017. Ending stocks of corn were lowered 6.2% due to higher corn use for "Ethanol and byproduct". Ending soybean stocks were also lowered from the May projection. World wheat supplies were lower due to lower production in major wheat producing countries including Russia, the EU, and Mexico. Production in India and the US was not enough to offset the lower production. Total meat production for 2018 was lowered from May projections, but red meat production for 2019 was unchanged.
- The private group Informa came out this week with their updated planting report. They expect the USDA to up corn planted area 680 K to 88.7 million and soybeans to increase 950 K to 89.9 million acres.
- It's been just over 2 years since the last time nearby soybean futures have traded below \$9.00.
- President Trump and Kim Jong Un signed a document that endorsed complete denuclearization of North Korea and a commitment to security from the US. While a timetable was not provided, President Trump said it would happen as soon as possible and the "war games" would stop.
- The Senate voted 85 - 10 to re-impose the US ban on ZTE. The House already passed a bill that did not include a ban so the matter will be taken up during conference. The white house said it will ask the Senate to reconsider its decision.
- The Fed raised interest rates for the second time this year by 25 basis points to 2% and implied two more increases this year.
- The next USDA report will be the June Quarterly report out on Friday June 29<sup>th</sup> at 12:00 est.