



WEEK IN REVIEW MARKET UPDATE 6/22/18

Grain

Corn – July 18 **down \$0.04** closing \$3.57^{1/4}
Soybeans – July 18 **down \$0.11** closing \$8.94^{1/2}
Wheat – July 18 **down \$0.08^{1/4}** closing \$4.91^{1/4}
Soybean Meal – July 18 **up \$0.20** closing \$339.10

Outsides

Dow – **down 515.16** closing 24571.08
S&P – **down 25.74** closing 2753.46
NASDAQ – **down 58.82** closing 7687.50
US Dollar – September 18 **down 0.267** closing 94.180
Crude Oil – August 18 **up 3.73** closing \$68.58

Livestock

Cattle – August 18 **up \$1.12** closing \$105.90
Feeders – August 18 **up \$1.22** closing \$149.20
Hogs – August 18 **down \$2.87** closing \$75.38
Class III Milk – July 18 **down \$0.71** closing \$14.70

News/Reports:

- Export report released Thursday 6/21. Corn came in at 6.5 million bushels, expected range 28 – 39. Beans came in at 11.1 million bushels, expected range 11 – 22. Wheat came in at 17.0 million bushels, expected range 9 – 18. Beanmeal came in at 115,100 metric tons, expected range 50 – 250K.
- Ethanol output weekly data reports were out Wednesday 6/20 at 1,064,000 barrels per day versus 1,053,000 last week. Ethanol stocks were at 21.647 million barrels versus 22.174 million last week.
- Winter Wheat Conditions came out 6/25 at 37% good to excellent versus 39% last week, and 49% last year.
- Corn Conditions came out 6/25 at 77% good to excellent versus 78% last week, and 67% last year.
- Soybean Conditions came out 6/25 at 73% good to excellent versus 73% last week, and 66% last year.

Notes:

- US and Chinese trade tariffs dominate the market news. Big unknown is will trade disputes be resolved, and until that comes to pass, how will the shift of supplying China with non-US supplies affect the US exports liftings/timing? Will we see non-Chinese origins rush to the US and take stocks in a front ended pull, or will countries pull down inventories/substitutes and see if trade issues get resolved? Secretary of Agriculture, Sonny Perdue stated this week, “the president has instructed me to craft a strategy to support our farmers in the face of retaliatory tariffs. At the US Department of Agriculture, we have tools at our disposal to support farmers faced with losses that might occur due to downturns in commodities markets. To this point, we have not unveiled our strategy, as it is not good practice to open our playbook while the opposing team is watching. But farmers should know this: They have stood with President Trump and his policies, and we will make good on our promise to stand with them as well. If China does not soon mend its ways, we will quickly begin fulfilling our promise to support producers, who have become casualties of these disputes.”
- Over the weekend, China’s government announced that they would inject over a 100 Billion into its own economy, leading many to believe that they are preparing for a long trade war battle.
- The EU officially issued their \$3.2B in tariffs on Friday. The tariffs cover items such as corn, peanuts, bourbon, and denim.
- Farm Bill passed the House on Thursday by a narrow margin, 213-211. Funding for a Foot and Mouth Disease bank, research, and prevention, and the Foreign Market Development and Market Access Program are rolled together into the International Market Development Program. The Senate and House versions differ regarding SNAP, where the House version requires able-bodied adults age 18-59 to work at a job or training program for at least 20 hours per week.
- On Tuesday, nearby soybean futures traded to a 10-year low of \$8.41^{1/2}.
- The Bloomberg Grain Index (includes corn, beans, wheat) is at its lowest level since 1991.
- Friday’s USDA Cattle on Feed report held a surprise with cattle placements into feedyards slightly larger than a year earlier, breaking a two month string of reduced placements. With the small increase, these were the largest June placements since 2007. May’s year-on-year increase in placements followed an 8% decline during April. As expected, marketings were well above last year. When compared on a per workday basis, marketings this May were 5% larger than last year and were 7% larger than the five-year average for this time of year. These were also the largest per workday marketings for May since 2011. Despite the large marketings, the number of cattle on feed remain well above year ago levels. Cattle on feed on June 1 were up 4% from last year and were 7% larger than the five-year average for this time of year. This is also the largest June 1 on feed supply on USDA records back to 1996.
- The next USDA report will be the June Quarterly report out on Friday June 29th at 12:00 est.