



WEEK IN REVIEW MARKET UPDATE 10/13/17

Grain

Corn – Dec 17 **up** \$.02^{3/4} closing \$3.52^{3/4}
Soybeans – Nov 17 **up** \$.28 closing \$10.00^{1/4}
Wheat – Dec 17 **down** \$.04 closing \$4.39^{1/2}
Soybean Meal – Dec 17 **up** \$9.40 closing \$328.60

Livestock

Cattle – Dec 17 **up** \$0.20 closing \$117.13
Feeders – Nov 17 **down** \$0.75 closing \$155.00
Hogs – Dec 17 **up** \$1.27 closing \$62.20
Class III Milk – Nov 17 **down** \$0.38 closing \$16.15

Outsides

Dow – **up** 103.39 closing 22871.20
S&P – **up** 3.94 closing 2552.73
NASDAQ – **up** 15.15 closing 6604.24
US Dollar – Dec 17 **down** 0.706 closing 92.935
Crude Oil – Nov 17 **up** 2.16 closing \$51.45

News/Reports:

- Export report released Friday 10/13. Corn came in at 62.7 million bushels, expected range 20 – 28. Beans came in at 64.2 million bushels, expected range 37 – 48. Wheat came in at 6.4 million bushels, expected range 11 – 18. Beanmeal came in at 106,000 metric tons, expected range (150) – 50K.
- Ethanol output weekly data reports were out Thursday 10/12 at 967,000 barrels per day versus 1,010,000 last week. Ethanol stocks were at 21.523 million barrels versus 21.545 million last week.
- Corn Conditions came out 10/16 at 65% good to excellent versus 64% last week, and 74% last year.
- Soybean Conditions came out 10/16 at 61% good to excellent versus 61% last week, and 74% last year.
- Corn Harvested came out 10/16 at 28% this week versus 22% last week, 44% last year, and 47% 5-year average.
- Soybean Harvested came out 10/16 at 49% this week versus 36% last week, 59% last year and 60% 5-year average.

Notes:

- **USDA October WASDE**
 - **Corn** - Raised corn yield 1.9 bushel per acre to 171.8. The report kept plant population the same but are using the 3rd highest ear weight to get to the 171.8. This is only 2.8 less than last year's record with a condition report that at 65% Good to excellent is 9% below last year. The big question of the year is how the condition report could be so much lower than last year while yields are nearing last year's level.
 - **Soybeans** - Lots of adjustments, but the one adjustment that makes the real difference in the end is the carry-in number of 301 million bushels from the September 1st Stocks report. Increased harvested acres 800,000 but reduced the national yield 0.4 bushels per acre to 49.5 when the trade was prepared for a modest yield increase. All of these changes mean in the end, that the crop size of 4.431 billion bushels is unchanged from the September estimate, which is a record soybean crop and the carry out number dropped to 430 million bushels from the 475. Trade now contemplating what might happen in the November WASDE report. In the last 20 years the October report has dropped yields 8 times, 7 out of those 8 years, yield was dropped again in the November WASDE report.
- U.S. corn exports for the year were 21% higher than last year and the highest since 2007/2008. Ethanol exports were 34% over last year. DDGS exports have remained steady for the year, but, for January – August 2017 are 3% below the same time period of 2016. DDGS exports to China and Vietnam are down substantially, but exports to Turkey doubled, exports to Spain increased 157%, and exports to New Zealand increased 292%.
- The USDA forecast for red meat and poultry production was increased slightly. Increased turkey and broiler production offset slightly lower beef production due to lower carcass weights, and lower pork production from a lower 3rd quarter kill. They also increased 2018 red meat and poultry production estimates, with increased beef and pork production more than offsetting lower turkey production.
- China's environmental push to close down hog farms to reduce pollution is pushing down prices and reducing import demand. Summer closures have resulted in more pigs being slaughtered, increasing domestic meat supplies. But falling sow numbers indicate supplies might tighten in 6 months.
- NASDAQ and DOW make new highs as investors bet on a strong earnings season. So far 87% of those reporting has exceeded expectations.
- The next USDA report will be the November WASDE report out on Thursday November 9th at 12:00 est.