

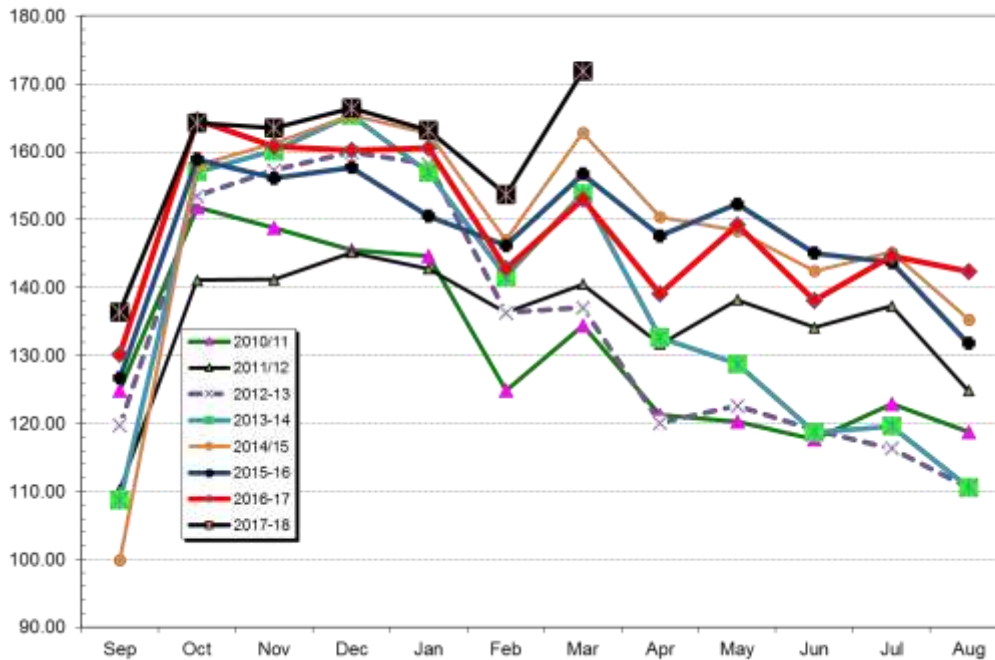
## CORN:

Values on the retreat with the wheat dragging corn lower and funds trying to get square with expectations. The CFTC reported funds were 50% longer than expected on Friday leading to some of today's liquidation. US planting very much delayed with snows and ample rains across the main corn belt this weekend. More of the same is expected the next 7 days. Temperatures are expected to moderate some but will remain on the cool side. The market has yet to get excited about delays. Early planting delays rarely hold the market up and the effects of the delay are almost indiscernible. The trade expects nation progress this afternoon at 5% up 3 from a week ago. Export inspections backed off to a more normal volume with 1.5 mmt last week vs 1.34 mmt a year ago. Loadings to date are running 7.8 mmt behind a year ago and seasonal patterns indicate the US is set to miss the USDA's 2225 mbu by 100 mbu. River logistics still a mess with all the rains and gulf is down 2 cents. China expects to offer 7 mmt of corn from its reserve later this week for approximately the same price it did the prior week. Almost all the supplies offered last week were snatch up at levels well above the base price. Sorghum tariffs are likely inevitable, tariff tiff or not, as the central government wants to prevent competing feedgrain imports. Funds credited with selling 7000 contracts today.

## SOYBEANS:

Futures breaking double digits today with soybean loadings unable to support the USDA's export forecast and fund reports showed they were over long expectations. Export inspections showed the US loaded 445 tmt of soybean last week vs 454 tmt a year ago. Volumes moved to date are running 6 mmt behind a year ago and fall further behind the pace needed to make the USDA's forecast. At this rate the US is set miss the USDA's annual estimate by 7 mmt. On average the US ships about 12 mbu per week in the last 20 weeks while the USDA's forecast demands 26 mbu per week to achieve. Crush demand in the US far exceeding expectations. NOPA reports its membership crushed 171.9 mbu in March, exceeding the ATG by 3.6 mbu. Adding in the March number, the YTD implies the US is on course to make a 1980 annual crush. The USDA's current forecast is 1970. In addition to exceeding expectations, the NOPA March number is a record crush for any month in history. Exceptional crush margins driven by high meal domestic and export usage pushing plant owners to run at high rates. The question is whether there will be a robbing of Peter to pay Paul later in the year as downtimes and maintenance is put off while the pay was high. Meal is down \$5/st for April vs March. Western Hemisphere disposals down slightly in March. 24.5 mmt vs 24.7 though Sep-Mar disposals up 4.2 mmt YOY. Most of the increased usage comes from Brazil increasing crush rates and exports at a greater rate than the US and offsetting the losses in Argentina. Safra raises its Brazil soy crop estimate to 119.2 mmt. The USDA is at 115 mmt. The CME announced the new limits for the soy complex. The higher volatility has led to increases in limits. Soybean futures are moving from \$.65/bu to \$.75/bu on May 1<sup>st</sup>. Meal is moving from \$20/st to \$25/st and Soybean Oil is holding steady at \$.025/lb. Funds credited with selling 10,000 contracts of soybeans, 3000 meal, and 6000 oil today.

## Monthly NOPA Crush



### WHEAT:

Wheat futures down hard on a wetter outlook for the Southern Plains region. The 15 day outlook shifted wetter over the weekend and the market dismissed the cold temperatures that occurred in Kansas in favor of the benefit moisture will bring. La Nina updates show the pattern shifting to a neutral condition which removes some of the headwinds to a normal crop yield. Condition ratings updated this afternoon. ATG for WW conditions is 30% G/E unch from LW. HRS planting rate expected to reach 5% vs 2% LW. All planting progress in the far NW of the belt. The majority of the region remains under snow. Exports remain below the needs to make the USDA's forecast. Loadings in the report were better than a week ago but only at 483 tmt vs 685 LY. MYTD movement running 2.3 mmt behind last year and normal seasonal shipments imply the US will fall short the USDA's number by .5 to 1 mmt. Russian FOB offers weakening \$1 this week. US FOB premium remains \$26/mt over Russian keeping the US out of contention for business. Iraq cancelled its tender for 50 tmt today. Funds credited with selling 8000 contracts of CME wheat in today's session.

ECBOT	HIGH	LOW	CLOSE	CHANGE
May Corn	3.8625	3.82	3.825	- 3 3/4
Dec Corn	4.1075	4.065	4.0725	- 3 1/2
May Beans	10.5875	10.415	10.42	- 12 1/4
Nov Beans	10.525	10.3925	10.4025	- 9 1/4
May Wheat	4.7025	4.615	4.6225	- 10 1/4

# FCStone Grain Recap

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FCM Division

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Regards

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