

MID-DAY COMMENTS

April 13, 2018

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HIGHLIGHTS: MACRO: Bank stocks pull the **DOW** lower despite quarterly earnings from Citigroup, Wells Fargo and JP MorganChase which all surpassed expectations. **WALL STREET—Weaker: DOW, -60; NAS, -17.54; S&P, -2.28. EUROPE: Higher: DAX, +0.22%; FTSE, +0.09%; CAC, +0.11%. EXTERNALS: April Gold, +\$7.40 @ \$1,346; \$ Index, +0.079 @ 88.665; May crude, +\$0.45 @ \$65.72; Brazil Real, 3.4118, -0.22%. T-Storm Weather:** Planting will likely struggle through the end of April as 2-3 major systems move across the central U.S., keeping temperatures slightly to moderately below normal. 8" to 18" of snow falls through Sunday within northern areas of the Corn Belt and Plains; strong t-storms will impact the Delta and eastern Corn Belt. Widespread rain and snow can be expected a few days later and include the central and southern Plains, somewhat reducing drought impact. Another system likely follows a few days later within much of the central U.S. **Highlights:** (1) April is very likely to rank among the 20 coldest of the last 124 years in the Corn Belt and the northern Plains; (2) 7 of the 20 occurred since 1960 in the Corn Belt; **corn yields were below trend 6 of 7 times**, soy yields varied; (3) 10 of the 20 occurred since 1960 in the northern Plains; spring wheat only yielded above-trend 2 of 10 times; (4) Rain and / or very heavy snow affect the central U.S. through Sunday, except Kansas and points south; (5) Widespread rain and snow affect much of the central U.S. next Fri.-Sun., including the HRW wheat belt; (6) Drying continues for the southern half of Brazil corn until possibly 10 to 14 days; wetter in Arg. In 5 to 7 days. **EUROPE:** UK May Feed Wheat, -1/2 @ \$5.66 ¼; French Aug Maize, -3 ¼ @ \$5.32; French May Milling Wheat, -2 ½ @ \$5.53 ¼

Corn

- **Wheat down; Southern corn planting should accelerate: CK: -\$0.0325; CN: -\$0.0375; CZ, -\$0.04**
- **Spreads:**

Spread	CK/CN	CN/CU	CU/CZ	CZ/CH	CZ/CK	CZ/CN
Current	-8.50	-6.75	-9.00	-7.75	-11.75	-15.50
Change	0	+0.25	+0.25	0	0	+0.50

- **CIF: APR:** 68/--, bid down 3; **MAY:** 64/68, bid down 1; **SEP:** 50/--, unch. **Brazil: AUG:** 60/75, steady; **SEP:** 60/75, steady. **Ethanol:** Cedar Rapids, -16 CK, unch; Blair, -12 CK; **up 7;** Decatur, -3 CK, unch; Fort Dodge, -24 CK, unch; IN, +1 CK to +7 CK, - 2 on the low end/+2 on the high end. **HEREFORD: APR:** 90 CK, unch; **MAY:** 84, unch
- **Week of 4/15 Barge Freight:** IL River, 650/700, up 50; Upper Miss: 600/700, 50 higher; Mid Miss: 675/700; 50-75 higher; STL, 550/600, 50 higher; OH River, 600/650, unch; Mem-Cairo: 500/525, up 25. Nearby grain said NOT to be moving but empties remain scarce
- **Brazil's domestic corn demand** for ethanol production is expected to rise by ½ MMT to a new record of 10.5 million in the coming year while a 1 MMT expansion in feed consumption will also limit export potential
- **BA Grain Exchange** steady on crop estimate at 32 MMT; harvest edges up 3 points to 24.7% complete, and is about 7 points ahead of LY and 4 above the average. Rosario Exchange remains at 32 MMT
- **Argentina export line-up:** 52 mbu of corn, down 7 from last week; 18 less than a year ago. March corn exports were said to be up 40% year to year at 2.66 MMT
- **Bloomberg Trader Bias:** Bullish, 65% TW (41% LW); Bearish, 6% (29%); Neutral, 29% (29%)
- **September Dalian corn** futures were ¼ cent higher overnight at \$7.05 (1 Yuan = .15906 US \$)

Soybeans

- **Wheat pressuring row crops; Brazilian Real weakens with good harvest progress expected: SK: -\$0.07; SN: -\$0.07; SMK: -\$1.10; SMN: -\$1.1; BOK: -\$0.0006; BON: -\$0.0007**

Spread	SK/SN	SK/SQ	SN/SQ	SN/SX	SX/SF	SX/SH	SX/SK	SX/SN
Current	-11.00	-11.00	0	+16.0	-3.25	+12.00	+18.25	+15.75
Change	-0.25	-1.25	-1.25	-2.25	0	-0.50	-0.75	-1.75

- **CIF: APR:** 71/79, asked up 1; **MAY:** 70/75, bid 1 lower; **JUNE:** 53/60, down 1. **BRAZIL: MAY:** 125/130, /asked down 2; **JUN:** 125/130, 2-3 lower. **BOARD CRUSH: (K/K),** \$1.34, +3 ½ . **CASH CRUSH:** Central: \$1.69, -5; East: \$1.65, -5; West: \$1.60, -5
- **Brazil** reportedly sold about 120 K MT of SB to **Argentina** last week--Reuters
- **NOPA Crush out Monday:** 170 likely versus 153 LY with SBO stx rising from 1.77 billion LM, to 2.02 at the end of March
- **Bloomberg Trader Bias:** Bullish, 41% TW (6% LW); Bearish, 35% (59%); Neutral, 24% (35%)

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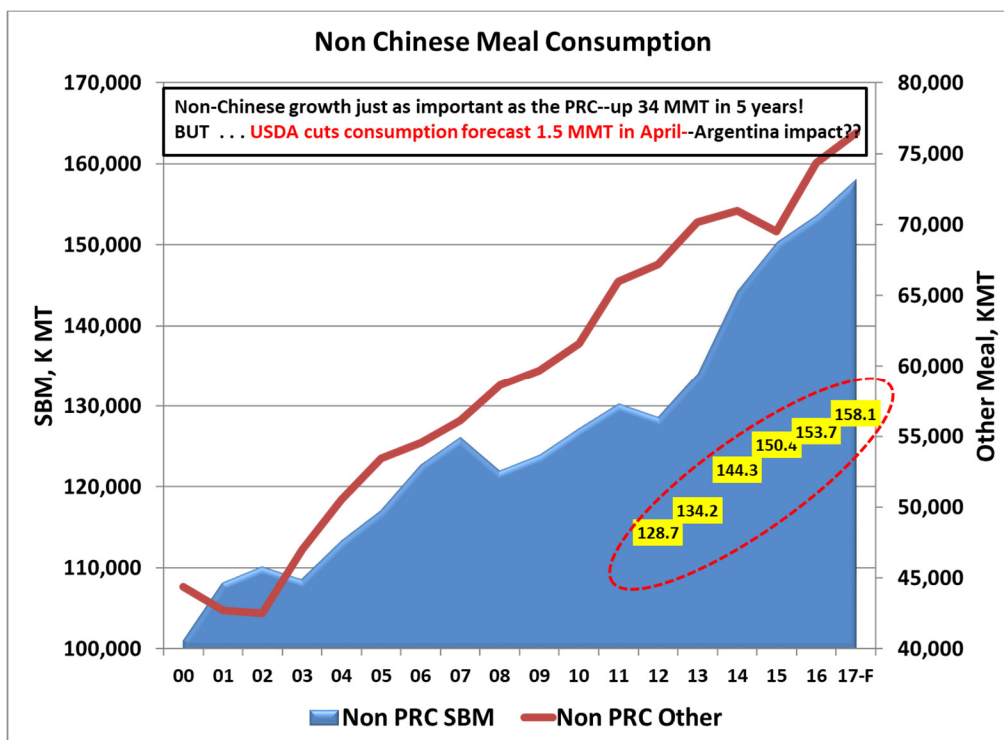
- **BA Grain Exchange maintains 38 MMT production estimate.** Harvest is 24% complete, well above last year's 8% figure and 5 ahead of average. The Rosario Exchange took its estimate down 3 TW to 37.0 MM
- **Argentina Export Line-up:** SB total doubles to 16 mbu TW, **less than 1/3rd of the year ago figure.** SBM falls 92 K to 1.64 MMT, **20% less than in 2017**
- **EU: YTD SB imports** down 6% at 9.57 MMT; YTD SBM imports up 6% at 14.3 million MT
- **The Dalian Futures:** SU, unch @ \$17.20; SMU, +\$0.05 @ \$466.08/ST & BOU, -26 points at \$.4209/lb

Wheat

- **Improving moisture ideas again weigh on futures:** WK, **-\$0.10**; KWK: **-\$0.1575**; MWK: **-\$0.09**
- **Spreads:**

Spread	WK/WN	KWK/KWN	MWK/MWN
Current	-16.50	-19.25	-10.25
Change	+.75	-.75	-.75

- **CIF: SRW: APR: 72/-- WK, +2; MAY: 70/--, +2; HRW -12% Pro: MAR: 160, unch; APR: 160, steady**
- **Bloomberg Trader Bias:** Bullish, 56% TW (41% LW); Bearish, 19% (41%); Neutral, 25% (18%)
- **Argentina Export Line-up:** 3 mbu higher at 15 and versus 12 a year ago
- **EU grants export licenses for 422 K MT of soft wheat,** which puts the YTD total at 15.25 million and down from 20.0 last year
- **French soft wheat conditions are unchanged** from the previous week for the good or very good categories at 78% as of April 8, according to FranceAgriMer. This compares with 89% rated good/very good a year earlier. Winter barley was rated 73% versus 74% a week earlier and compares with 82% a year earlier. Durum wheat was rated at 78% versus 79% a week earlier
- IKAR estimated Russia's 2017-18 wheat exports at 39.5 million tons, up a million tons from the previous month
- Russia may extend their zero percent wheat export tax for 2 years



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