

Kevin Riesberg Monday July 16, 2018

CORN: The corn market closed steady to slightly firmer after 2 sided trade with overnight weakness giving way to firmer trade during the day session but failed to hold the gains. Weather maps remain generally

favorable with no extreme heat seen for the next 2 weeks while most areas have adequate moisture or are forecast to see rain in the next 10 days. Crop ratings slipped 3% on the G/E this afternoon to 72%, slightly more than the 1% traders expected. Silking is 63% vs 5 yr avg of 37%. The map at left shows most of the Midwest is running ahead of normal on Growing Degree Days (map reflects difference between current and the avg of 1981-2010 years). With MO and southern IL/IN running 300-400 units ahead of normal, would look for corn harvest to run a little earlier than normal.

Weekly export inspections were in the range of estimates at 47.9 mln bu

but slightly less than the 51.5 mln bu needed to hit the USDA number. S. Korea booked another 66k tons of option origin corn for Dec arrival at \$203.99 a ton landed. S. Korea continues to extended their feed coverage through Dec.

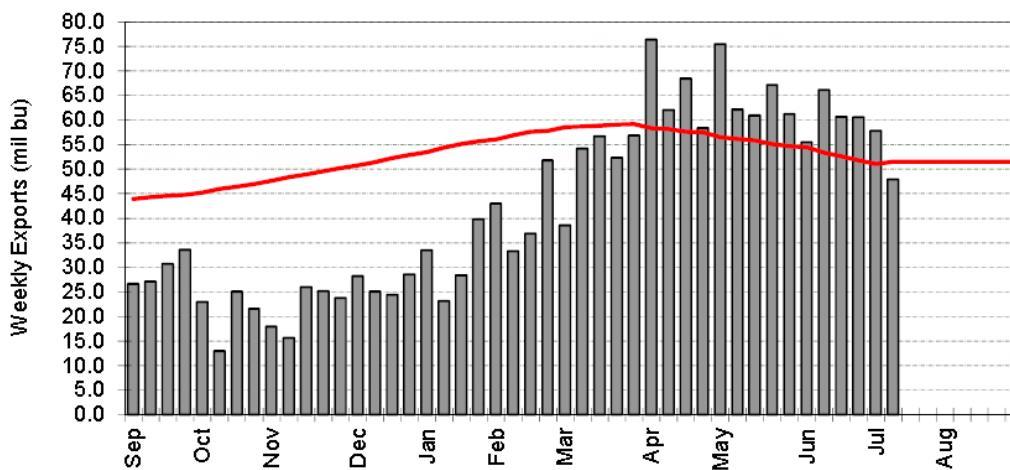
US farmer selling remains at a standstill even with the small bounce earlier today failing to find much sell interest from the country. Most producers are willing now to wait and see how field tour/yield checks go in August before making giving up sales on the balance of their old crop corn.

Back to the futures trade, we look for choppy sideways trade the next few weeks until we get the August crop report. Funds are short over 100k contracts and have the ability of adding another 100k contracts of shorts if the weather conditions remain favorable through August. Sept/Dec corn spread pushed out to -13.75 cents carry today. Barge freight is flat with both IL and Mid-Miss River trading at 405% of tariff. Look for firmer trade tonight on the slip in G/E.

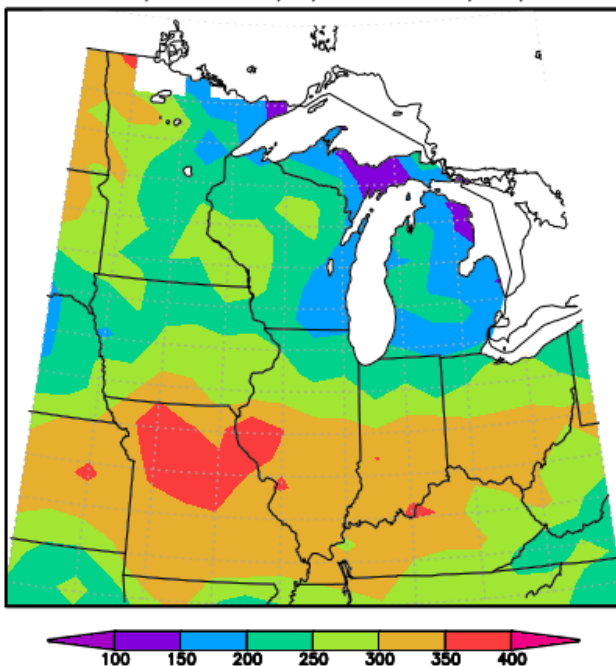
SOY-COMPLEX: Soybeans and soymeal closed higher with support coming from a strong NOPA crush report

CORN

Date	Weekly Exports (mil bu)		Cumulative Exports (mil bu)			Wkly Exp. Needed *
	17/18	16/17	17/18	16/17	% Change	
28-Jun-18	60.6	44.4	1,801.5	1,917.7	-6.1%	51.8
5-Jul-18	57.8	39.8	1,859.3	1,957.5	-5.0%	51.0
12-Jul-18	47.9	44.2	1,907.2	2,001.7	-4.7%	51.5
19-Jul-18		38.7		2,041.9		51.5
26-Jul-18		39.1		2,079.5		51.5
2-Aug-18		38.5		2,118.1		51.5



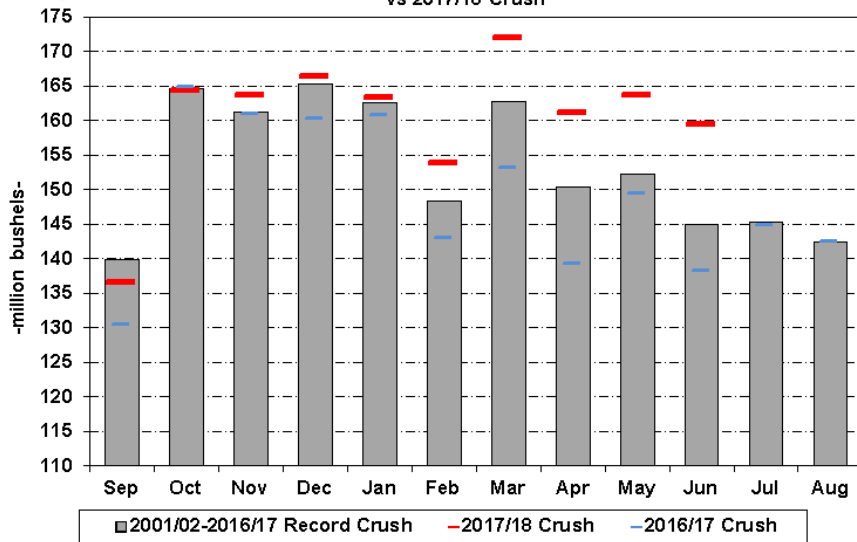
MGDD Departure, 5/1/2018 to 7/15/2018



and hope the US/China will start trade talks again soon. Soymeal remains supported on strong CIF values and world values while soyoil prices continue to struggle vs soymeal. The NOPA crush for June at 159.2 mln bu was a record, see chart below from Randy Mittelstaedt. Cash crush margins of over \$1.50-1.70 a bu is proving strong incentive for the US processors to keep running at max capacity. August board crush margin did pull back today below \$2.00 after hitting \$2.08 last Friday.



2001/02-2016/17 NOPA Monthly Crush Records vs 2017/18 Crush



Export news remains generally quiet with Chinese crushers continuing to book Brazilian cargoes for August and forward months. US weekly export inspections at 23.3 mln bu was in line with estimates and near the 23.1 mln bu needed to hit the USDA projected number.

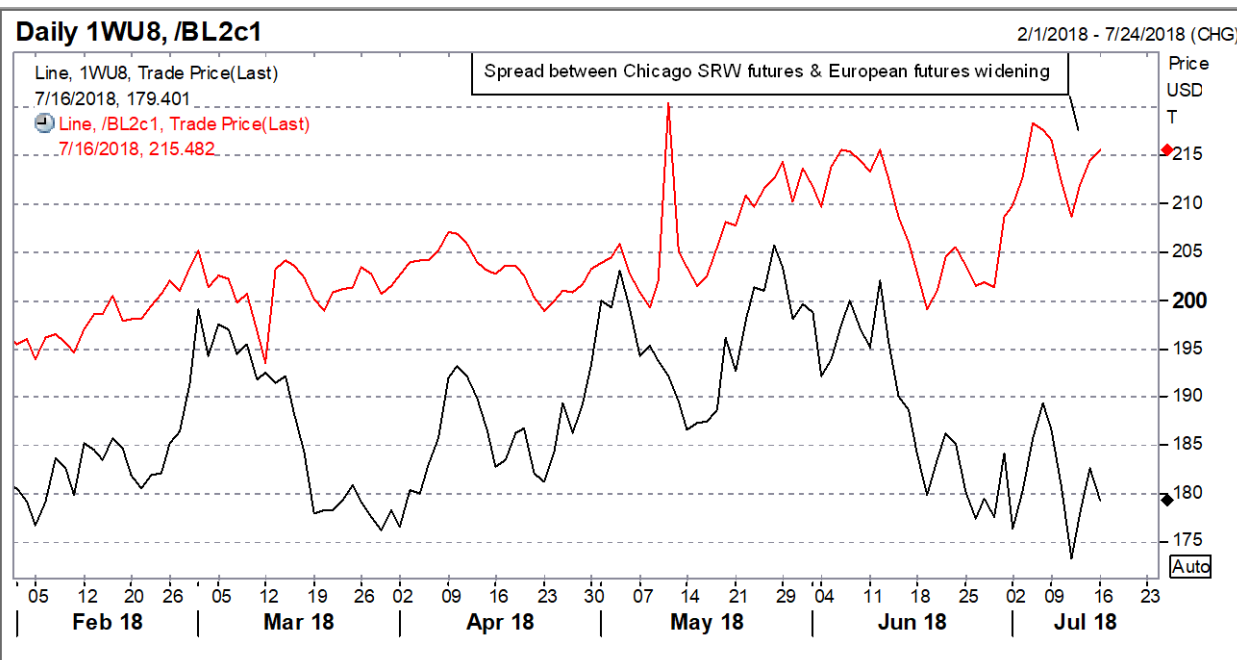
Weather forecast remains generally favorable though traders expect this afternoon's crop ratings slip 1% on the G/E and instead they slipped 2% to 69%. This should give some support for the night session.

WHEAT: Wheat markets gave back some of their 20 cent/bu gain from the last 2 days while European futures were able to stay near steady to slightly higher. Chart below the spread between Chicago SRW futures and EU to over \$35 a ton. Russian wheat prices continue to inch higher on the smaller yield reports. Russia's wheat harvest is moving faster than normal due the dryness and smaller yields. The Russian Ag Ministry reports over 15.5 mln acres have been harvested vs 4.7 mln acres last year. Wheat yields are running 57.7 bpa vs 69.8 bpa a year ago.

Export news saw Saudi Arabia book 625,000 tons of 12.5% protein wheat over the weekend. Traders indicate at least 110k tons will come from the Baltics with some cargoes also possible from Canada and the US. US weekly export inspections were better than expected at 17.3 mln bu but still less than the 18.8 mln bu needed to hit the USDA number.

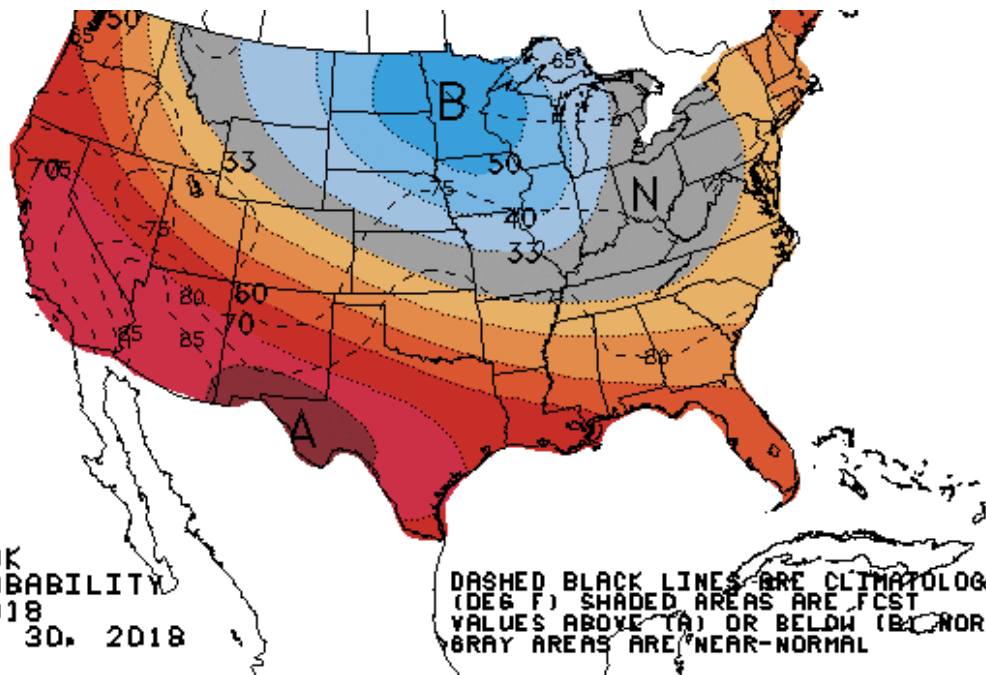
US spring wheat ratings were unchanged at 80% G/E. US winter wheat harvest is 74% complete vs 5 year avg of 71%. Look for steady to mixed trade overnight. NWS Maps below:

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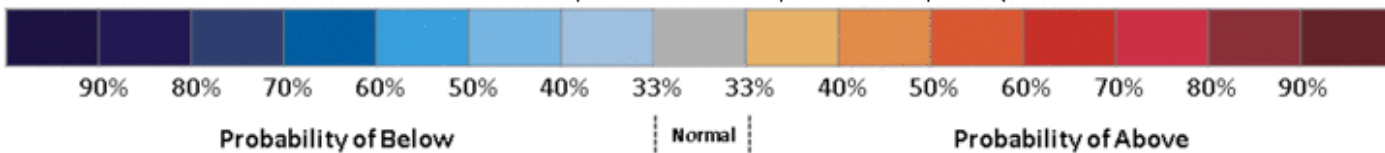




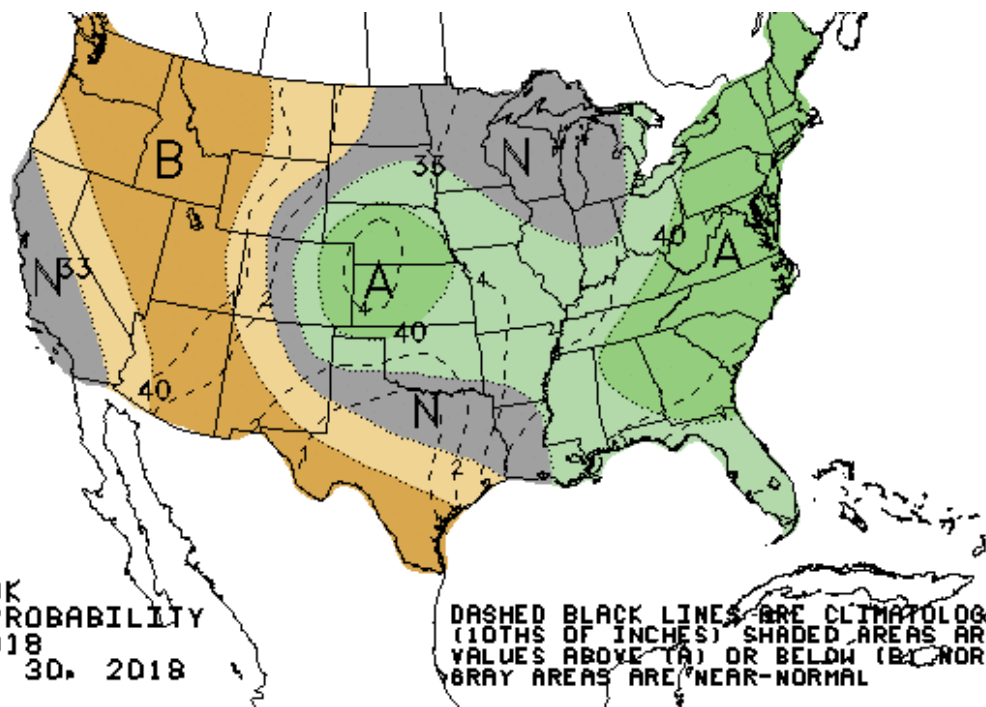
8-14 DAY OUTLOOK
 TEMPERATURE PROBABILITY
 MADE 16 JUL 2018
 VALID JUL 24 - 30, 2018



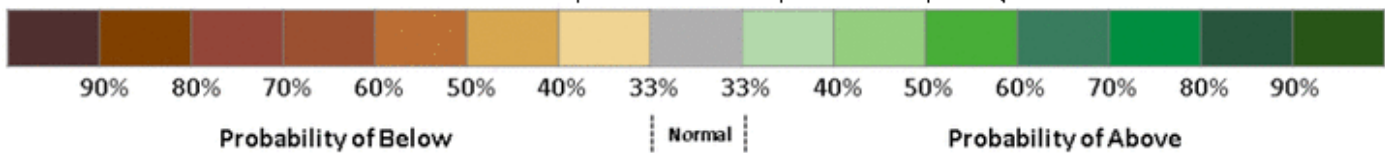
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8-14 DAY OUTLOOK
 PRECIPITATION PROBABILITY
 MADE 16 JUL 2018
 VALID JUL 24 - 30, 2018



DASHED BLACK LINES ARE CLIMATOLOGY (TENTHS OF INCHES) SHADED AREAS ARE FCST VALUES ABOVE (A) OR BELOW (B) NORMAL GRAY AREAS ARE NEAR-NORMAL



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