



**CURRENT TREND:** Shade Higher      **REASON:** Weather concerns remain, U.S. corn exports favored, harvest/stocks down YoY

**EXPORT SALES @ 7:30 AM, CATTLE ON FEED @ 2 PM, CFTC REPORTS @ 2:30 PM, USDA AG OUTLOOK ENDS TODAY**

**MORNING TRIVIA:** What do Benjamin Franklin, Samuel Osgood, Patrick R. Donahoe, and Megan Brennan all have in common?

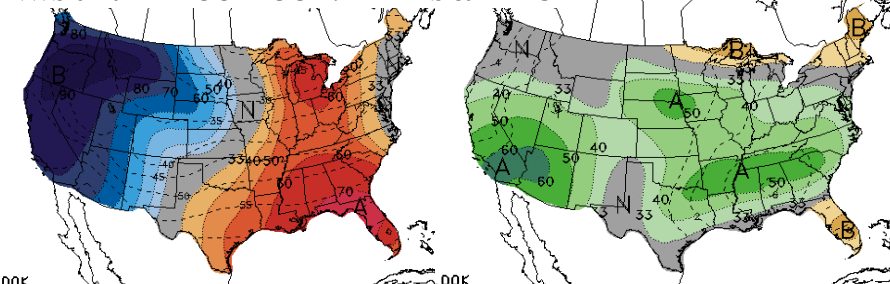
### MARKET HEADLINES

- Quick editorial:** the government does at least see declining output and carryout for the upcoming 2018/19 marketing year, though with conservative yields and aggressive (at least for soybeans) export estimates; a major weather issue will still be needed in 2018 to put a serious dent in domestic stockpiles.
- South Korea's FLC bought 65k tonnes of U.S. corn at \$204/tonne C&F, for shipment from the PNW around May 30, while the country's MFG bought 68k tonnes of U.S. corn at \$203/tonne C&F for May shipment as well; Korean firms have bought over 250k tonnes of U.S. corn in recent days.
- Chinese customs reported January sorghum imports at 560k tonnes, more than three times the December number, as well as 390k tonnes of corn, up nearly 150% year-over-year but down from 450k tonnes in December.
- The USDA Ag Outlook Forum pegged 2018 U.S. corn acreage at 90.0 million, with yields at 174.0 bushels per acre and production at 14.390 bln bu; corn carryout for '18/19 is seen falling 80 mbu YoY to 2.272 bln bu. Soybean acreage came in at 90.0 mln as well with yields at 48.5 bpa, production at 4.320 bln bu, and ending stocks there down 70 mbu YoY to 460 mbu. All wheat area was 46.5 mln ac with yields at 47.4 bpa and a crop of 1.839 bln bu, taking carryout for the upcoming season down 78 mbu to 931 mbu.
- The B.A. Exchange pegged Argentina's '17/18 soy crop at 47.0 MMT, down from 50.0 MMT previously, with corn at 37.0 MMT, down from 39.0 MMT.
- The International Grains Council this month cut their 2017/18 world corn production estimate by six million tonnes, to 1.048 billion tonnes, due to lower output in South America; world wheat output was left steady at 757 MMT. They do see year-over-year decline in global stocks in both feed grains in 2018/19. World soybean production fell 2 MMT this month to 347 MMT.
- Parana soybean harvest was reported at just 9% complete as of yesterday, down from 31% at this point last year for Brazil's #2 producer, with second-crop corn planting at 16% done, down from 48% on the same week last year.
- This afternoon's USDA Cattle on Feed Report is expected to show all U.S. Cattle on Feed as of February 1 at 11.575 million head, or 107.4% of last year; Jan placements are seen at 100.4% of LY with marketings at 106.0%.
- '17/18 Export Sales Estimates (000 tonnes): **Estimate Range / Last Week**  
Corn: **1000-1500 / 1974.5** Beans: **600-900 / 640.4** Wheat: **250-500 / 311.1**  
Meal: **200-450 / 210.0** Oil: **10-35 / 24.4**
- '18/19 Export Sales Estimates (000 tonnes): **Estimate Range / Last Week**  
Corn: **0-100 / 97.5** Beans: **0-200 / 197.1** Wheat: **0-100 / 110.8**

### WEATHER UPDATE

- Argentina will be dry over the next week with a limited rain chance next Thursday/Friday; Parana will dry out over the next 7-8 days to aid harvest there but northern Brazil will continue to see an active rainfall pattern.

### NWS 6-10 DAY OUTLOOK: TEMPS & PRECIP



### CFTC MANAGED MONEY & RECORD (Since June 2006) POSITIONS:

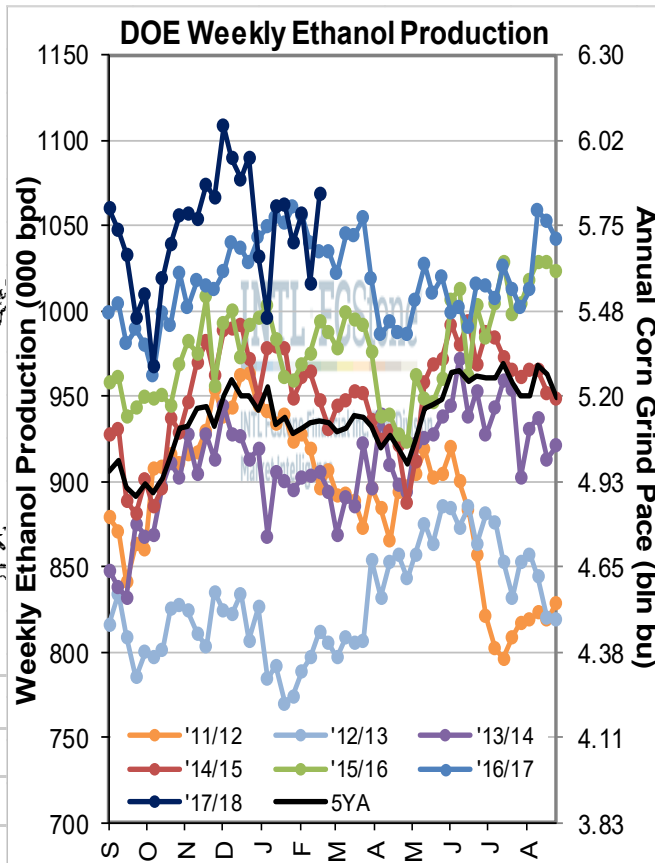
	Corn	Beans	Meal	Oil	Chi Wheat	KC Wheat
<b>Daily</b>	12,000	-6,000	-3,000	2,000	4,000	0
<b>Est Net</b>	3,784	70,866	83,987	-8,816	-60,973	13,488
<b>Rec +</b>	409,444	260,433	98,846	125,722	73,662	72,845
<b>Rec -</b>	-242,884	-101,752	-54,855	-63,489	-171,269	-30,005

### NIGHT SESSION (to 7:00 AM): Grain Volume: **176,361**

Symbol	High	Low	Last	Chg	Vol
<b>CH8</b>	367.75	366.25	<b>367.50</b>	<b>+0.75</b>	17,356
<b>CK8</b>	376.25	374.50	<b>376.25</b>	<b>+1.50</b>	16,440
<b>CZ8</b>	398.25	396.75	<b>398.00</b>	<b>+0.75</b>	3,155
<b>WH8</b>	456.00	451.50	<b>455.75</b>	<b>+4.50</b>	8,884
<b>KWH8</b>	475.00	470.50	<b>475.00</b>	<b>+4.25</b>	1,689
<b>SH8</b>	1036.75	1031.00	<b>1036.00</b>	<b>+4.00</b>	26,200
<b>SK8</b>	1048.00	1042.00	<b>1047.00</b>	<b>+3.75</b>	32,990
<b>SX8</b>	1030.50	1026.00	<b>1029.25</b>	<b>+1.50</b>	2,157
<b>SMH8</b>	379.50	375.70	<b>378.90</b>	<b>+2.00</b>	5,400
<b>BOH8</b>	32.29	32.05	<b>32.19</b>	<b>+0.15</b>	5,408
<b>CLJ8</b>	62.92	62.33	<b>62.64</b>	<b>-0.13</b>	105,998
<b>DXY</b>	89.99	89.69	<b>89.74</b>	<b>+0.08</b>	6,295

### FUNDAMENTAL UPDATE

DOE total fuel ethanol production rebounded sharply (and counter-seasonally) this week to 1.068 million barrels per day, up from 1.016 mln bpd the week prior and 1.034 mln bpd on the comparable week last year; it was the sixth-highest production week on record, all coming in the last three months. Cumulative output since Sept 1 stands at 1.047 mln bpd, up 28-29k bpd from last year's pace and final figure, easily supporting another 50 mln bu corn use for ethanol increase from the USDA for the '17/18 season.



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