



CURRENT TREND: Higher **REASON:** Grains clawing back from China tariff move; unfavorable U.S. weather overhangs

APRIL USDA S&D REPORT TUESDAY (4/10) @ 11 AM

MORNING TRIVIA: Which U.S. state capital has the smallest population, at just 7,855 people as of the 2010 census...

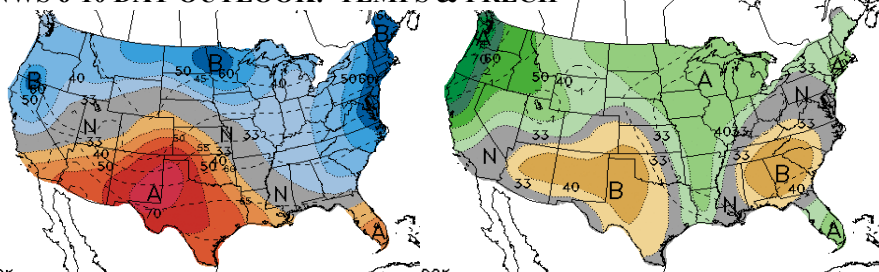
MARKET HEADLINES

- *Quick editorial:* corn led overnight volume, picking up a couple more cents after being forced southward by soybeans yesterday morning, now around a dime off those China-induced lows; Midwest forecasts will keep a firm floor under the corn market until that first real planting window is on the horizon...
- Japan bought 125k tonnes of milling wheat in their regular weekly tender as scheduled, including 35k from the U.S., 55k from Canada, and 35k from AUS
- South Korea's NOFI rejected all offers and made no purchase in an international tender for up to 69k tonnes of corn, for September 5 arrival.
- Algeria bought 390k tonnes of milling wheat in a tender earlier this week, up from a previously reported 330k lot; they paid \$229/tonne C&F for June.
- A group of Philippine importers yesterday tendered for up to 224k tonnes of international feed wheat, for July-August shipment.
- The United Nations FAO reported a rise in their world food price index in March, up 1.1% from February to 172.8 points; that was up 0.7% year-over-year. The FAO said global cereals output rose 33 MMT YoY to 2.646 billion tonnes in 2017, but they expect world corn and wheat production to decline in 2018 (with the latter down 1% from record levels to 750 MMT in 2018).
- The U.S. EPA yesterday granted waivers to 25 small oil refineries, exempting them from Renewable Fuel Standards for 2017.
- '17/18 Export Sales Estimates (000 tonnes): **Estimate Range / Last Week**
Corn: **1000-1300 / 1353.1** Beans: **600-900 / 317.5** Wheat: **200-500 / 353.8**
Meal: **150-300 / 184.1** Oil: **10-35 / 34.6**
- '18/19 Export Sales Estimates (000 tonnes): **Estimate Range / Last Week**
Corn: **100-300 / 287.0** Beans: **0-150 / 69.7** Wheat: **50-200 / 121.8**

WEATHER UPDATE

- The northern Plains will see snow up into the weekend with rains affecting southeastern HRWW areas; our lead forecaster still sees as much as the southwestern two-thirds of that region missing out altogether, with dry conditions reigning past that. The Delta will see heavy rains through the weekend but forecasts could be drier past that to aid planting progress, while the bulk of the Midwest will continue to see above-normal precipitation through at least the 6-10 day time frame. Temperature-wise, those cold conditions are still lingering in the northern belt in particular all across the next two weeks, with better planting weather still very slow to move in; the Plains will see freezing temps tomorrow night but any winterkill threat is expected to be minor.
- Argentine forecasts are wetter across the bulk of the next two weeks this morning, mostly slowing crop dry down and harvest progress; moreover, the GFS model is running drier for the heart of Brazilian safrinha corn areas into the 6-10 day time frame, which would increase any moisture deficits there. Mato Grosso and surroundings did see some decent rain amounts yesterday.

NWS 6-10 DAY OUTLOOK: TEMPS & PRECIP



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

	Corn	Beans	Meal	Oil	Chi Wheat	KC Wheat
Daily	-20,000	-14,000	9,000	-7,000	-2,000	0
Est Net	116,839	168,011	114,677	-31,274	-76,107	25,512
Rec +	409,444	260,433	115,291	125,722	73,662	72,845
Rec -	-242,884	-101,752	-54,855	-63,489	-171,269	-30,005

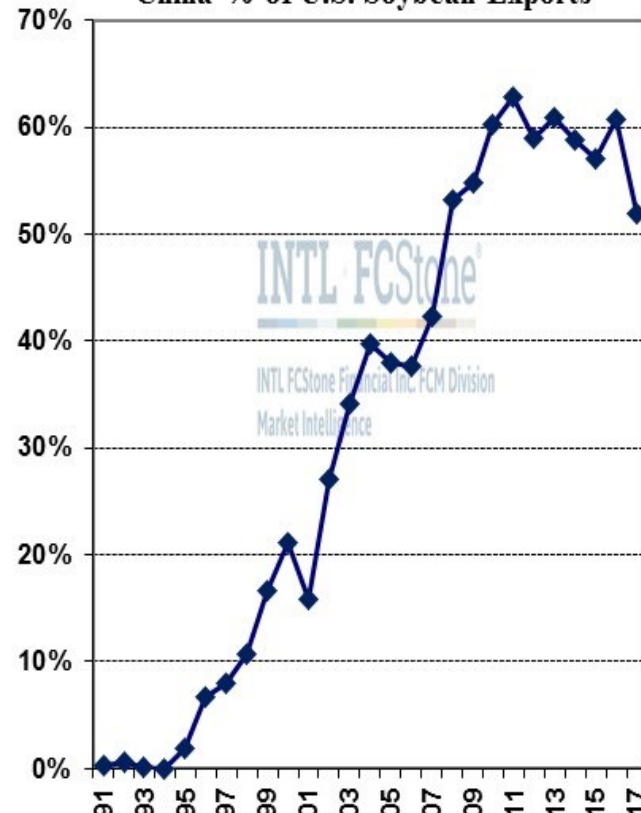
NIGHT SESSION (to 7:00 AM): Grain Volume: **165,847**

Symbol	High	Low	Last	Chg	Vol
CK8	383.00	380.75	382.00	+1.00	35,814
CN8	391.75	389.75	391.25	+1.50	24,741
CZ8	407.50	405.00	406.50	+1.50	6,172
WK8	461.00	456.50	460.00	+4.25	13,774
KWK8	492.75	487.50	489.50	+3.50	2,514
SK8	1020.75	1011.75	1018.50	+3.25	22,347
SN8	1031.75	1023.00	1029.75	+3.25	10,509
SX8	1025.25	1016.00	1023.00	+4.00	6,138
SMK8	384.00	379.00	383.20	+1.40	10,557
BOK8	31.82	31.68	31.77	+0.09	5,013
CLK8	63.79	63.07	63.28	-0.09	131,735
DXY	90.01	89.74	89.97	+0.18	6,834

FUNDAMENTAL UPDATE

Today's chart shows the percentage of U.S. soybean exports that China accounts for, yearly since 1991/92—that number was basically zero until about '96/97, rapidly increasing until China took more than half of U.S. exports for the first time in '08/09. However, that percentage is set to make up the lowest in this last decade this year—the estimate below for '17/18 assumes we ship the same amount to China from April thru August (3.33 MMT) as we did last year, following the trade sanctions announced this week...

China % of U.S. Soybean Exports



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