

AgResource Company

Telephone: (312) 408-0045 Fax: (312) 408-0050 Email: sales@agresource.com

**** AgResource Weekly Commodity Wrap Up ****

**Apr 29, 2017
12:00 PM CST**

4/29/2017	High	Low	Close	Change	52-Week		Moving Average			14-Day RSI	ARC View
					High	Low	50-Day	100-Day	200-Day		
Corn (CBOT)	368.25	355.50	357.75	0.75	439.25	301.00	363.59	361.66	349.23	47.21	Neutral
Soybean (CBOT)	962.25	941.50	944.25	-6.75	1208.50	929.75	981.78	1006.51	1000.81	39.61	Neutral
Soybean Meal (CBOT)	317.40	308.90	311.40	1.80	432.50	293.00	320.64	323.37	321.72	45.48	Neutral
Soybean Oil (CBOT)	32.35	31.26	31.44	-0.50	38.11	29.28	32.33	33.82	33.54	47.24	Neutral
Wheat (CBOT)	418.50	398.50	418.50	13.50	524.00	359.50	434.95	431.35	419.95	52.79	Neutral
Wheat (KCBT)	425.00	400.00	424.50	20.00	495.50	367.25	434.95	431.35	419.95	52.79	Neutral
Wheat (MGE)	545.00	520.00	540.00	13.50	590.00	482.00	535.27	543.93	526.91	60.02	Neutral
Feeder Cattle (CME)	149.85	137.85	149.55	11.00	151.85	118.90	131.52	129.83	131.60	87.04	Neutral
Live Cattle (CME)	138.90	128.30	138.00	8.20	138.90	94.30	121.93	118.77	113.06	88.34	Neutral
Lean Hogs (CME)	67.63	62.80	66.93	3.90	88.83	40.70	66.74	66.00	61.18	52.45	Neutral
Ethanol (CBOT)	1.63	1.55	1.56	-0.07	1.76	1.36	1.56	1.56	1.54	39.71	Neutral
Continuous Commodity Index	412.07	406.00	411.90	2.32	438.22	400.14	419.64	423.13	421.41	39.45	Neutral

**** Weekly ARC Commodity Analysis ****

**Apr 29, 2017
12 Noon CST**

The CRB/CCI Index tried to recover last week and formed a modest reversal up on the weekly chart. A continuation of the rally is needed for confirmation in the week ahead, but the downside price potential in the CRB appears limited with crude oil to form a seasonal low against \$35-37.00, and the US dollar to weaken further as the US Central Bank slows its increase on US lending rates.



The US economy has lost its postelection upside momentum, and the markets are awaiting legislative developments on US health care & tax reform. ARC's view since the start of the year has been that commodities trade in a broad range. We remain bullish of the US dollar, but understand the market's reluctance to rally without a bump in US economic activity. This no time to be looking for a lasting trend trade and traders should be keen to buy sharp breaks and sell sharp rallies.

Unauthorized reproduction or distribution of this document, or any portion of it, may result in severe penalties.

Any question regarding this document or its contents, call (312) 408-0045.

AgResource Company has no brokerage agents or affiliations.

AgResource Company

Telephone: (312) 408-0045 Fax: (312) 408-0050 Email: sales@agresource.com

**** AgResource Long Term Soybean Analysis ****

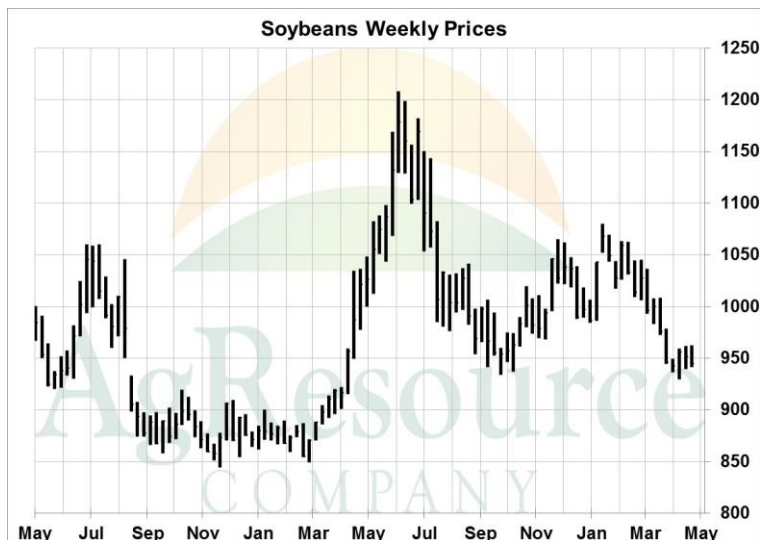
**Apr 29, 2017
12 Noon CDT**

It was another quiet week of trading in the soybean market that left futures moderately lower at Friday's close. Market news through the week was limited with US planting progress near historical averages, while harvest progress in Argentina remains slow. Brazil continues to export soybeans at a record pace, and China is crushing record tonnages. So global supply and demand in the near term is balanced. The week ahead looks to be focused on US weather, and the market will begin preparing for the May WASDE report that will contain the

USDA's initial new crop balance sheet estimates.

US soybean planting progress through Sunday could be limited to just 10-12% as storms began moving across the Cornbelt at midweek, and have continued through the weekend. There are many parts of the N Midwest that have yet to turn a wheel. It's still too early in the growing season to worry about soy planting delays.

The longer term soy outlook is bearish, and we looking to use strong rallies for sales. For now July soybeans trade in a range.



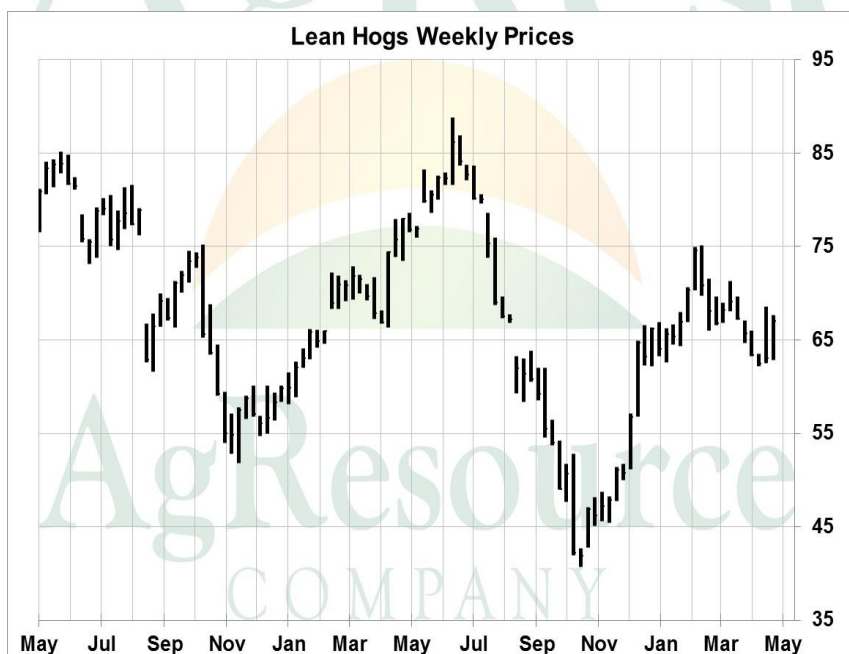
**** AgResource Long Term Pork Analysis ****

**Apr 29, 2017
12 Noon CDT**

Hog futures opened the week higher and found support from short covering and ideas that the cash market is finally nearing a spring low. June hogs traded in nearly a \$6 range through the week, and marked the best weekly close since late March. Slaughter rates remain record large, but supplies finally look to

be narrowing up and packers were bidding for loads at the end of the week.

Monthly pork stocks were reported well under a year ago, with belly supplies still holding at a record low total. The seasonal outlook is more supportive into the summer, while export rates remain strong, all of which is expected to support a recovery in cash prices back to at least the mid/upper \$70's. Longer term, it's still the last quarter of the year where we see the greatest downside price risk. For now a bounce is underway.



Copyright © 2017 AgResource Company

Unauthorized reproduction or distribution of this document, or any portion of it, may result in severe penalties.

Any question regarding this document or its contents, call (312) 408-0045.

AgResource Company has no brokerage agents or affiliations.

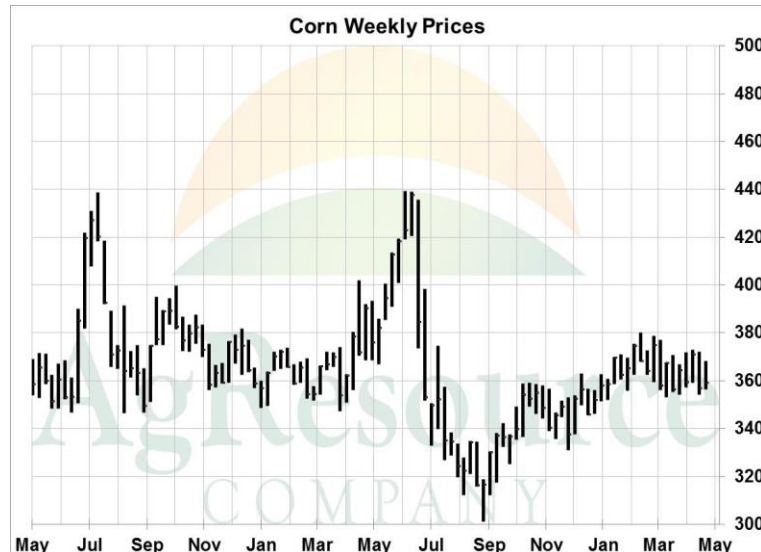
AgResource Company

Telephone: (312) 408-0045 Fax: (312) 408-0050 Email: sales@agresource.com

**** AgResource Long Term Corn Analysis ****

**Apr 29, 2017
12 Noon CDT**

CBOT corn futures ended near unchanged on the week with day-to-day trading trying to assess weather. The market is battling ongoing weak cash basis at the US Gulf and South America, which suggests the market is still looking for demand amid record world supplies, and a rather adverse North American weather pattern. ARC's work indicates that planting dates are not overly important in determining final yield, but if ongoing cool, wet weather doesn't fade soon, there is a very real risk of further US/Canadian corn acreage declines. And,



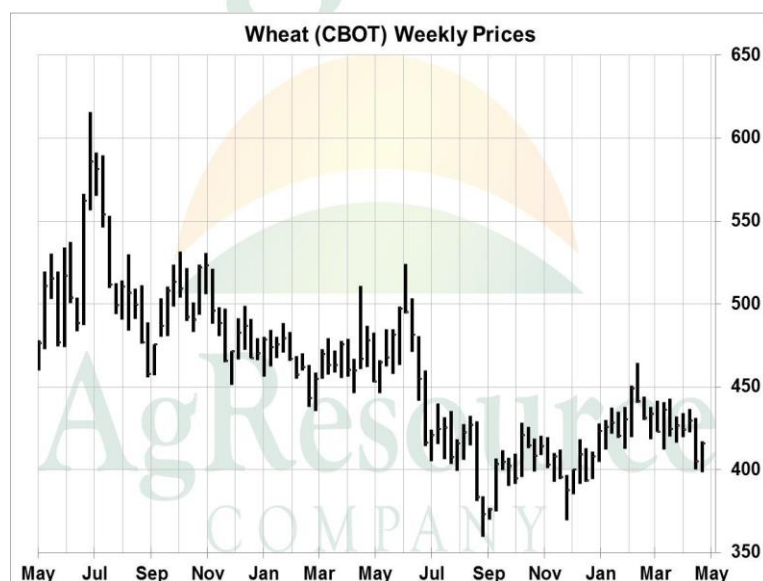
cool temps will push pollination to occur during what is usually the hottest part of summer. Ethanol margins are solid, export demand will remain intact in the short run, and a big supply/big demand will remain the feature.

We maintain a strategy not of selling current prices, but selling rallies and \$4.05-4.15, Dec '17, is targeted. A more pronounced rally is unlikely amid rising competition for global grain demand beginning in July (South American corn harvest, N Hemisphere wheat harvest).

**** AgResource Long Term Wheat Analysis ****

**Apr 29, 2017
12 Noon CDT**

Wheat futures at all US exchanges scored a technical reversal this week, having posted new contract lows in KC/CME then ending 10-20 cents higher. Funds hold a record net short position in Chicago, a near record short in KC, and North American weather is concerning. Disease pressure will be elevated amid rainfall of 4-6" across AR, MO and S IL; and freezing temps and snow will be common across W Plains this weekend. And a shift to warmer weather is not



indicated. The KS wheat tour starts Monday which should help assess some of the damage.

World cash wheat markets are stable, US Gulf wheat is competitive through June, and intermediate lows were scored this week. Barring drought this summer, ARC pegs fair value at \$4.20-4.70 basis July CME, and we await further rally efforts to extend cash sales. Spring wheat's premium to other classes is expected to rise on tightening N American stocks. Black Sea weather should be closely monitored with heat/dryness likely this summer.

Copyright © 2017 AgResource Company

Unauthorized reproduction or distribution of this document, or any portion of it, may result in severe penalties.

Any question regarding this document or its contents, call (312) 408-0045.

AgResource Company has no brokerage agents or affiliations.

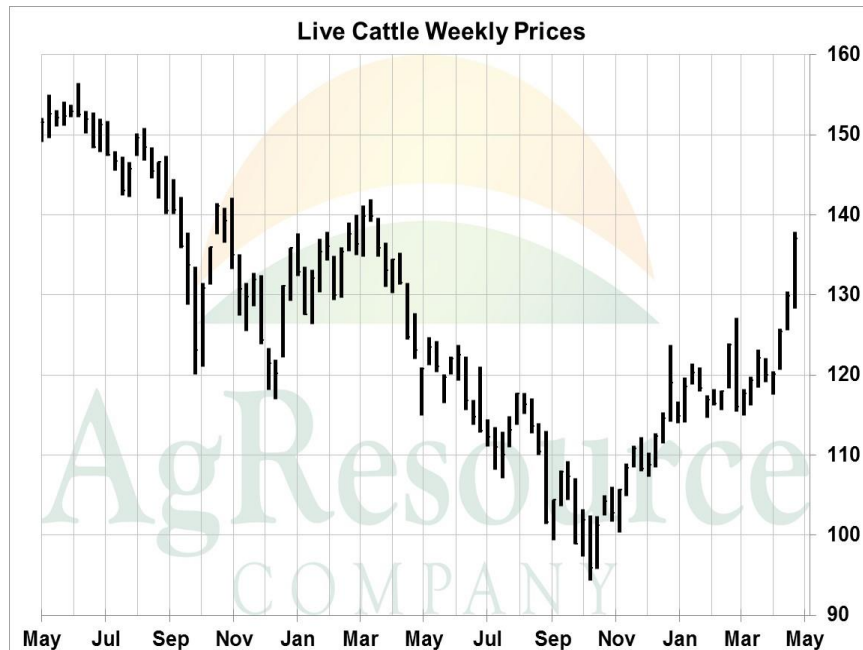
AgResource Company

Telephone: (312) 408-0045 Fax: (312) 408-0050 Email: sales@agresource.com

**** AgResource Long Term Cattle Analysis ****

**Apr 29, 2017
12 Noon CDT**

Cattle futures started the week lower on selling related to the April Cattle on Feed report that showed larger than expected feeder cattle placements in March. However, the bearish reaction was played out by the close on Monday and the market started moving higher by the middle of the week on ideas that this



week's cash trade would be higher. Cash markets turned active on Thursday with sales ranging from \$4-7 higher for the week at \$135-138, with top prices in the Northern Plains developing at \$140. April cattle expired just under \$140 and on a spot basis the cattle market was at the highest level since last March. The seasonal outlook is more bearish from here forward, however, much of that bearishness is already priced in, with June cattle closing more than \$15 under this week's cash trade.

AgResource
COMPANY

Copyright © 2017 AgResource Company

Unauthorized reproduction or distribution of this document, or any portion of it, may result in severe penalties.

Any question regarding this document or its contents, call (312) 408-0045.

AgResource Company has no brokerage agents or affiliations.