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For more information on the contents of this newsletter or the U.S. Grains Council, its mission and programs, please contact Alvaro Cordero at (202) 789-0789.

The U.S. Grains Council is a private, non-profit partnership of producers and agribusinesses committed to building and expanding international markets for U.S. barley, corn, grain sorghum and their products. The Council is headquartered in Washington, D.C. and has ten international offices that oversee programs in more than 50 countries. Financial support from our private industry members, including state checkoffs, agribusinesses, state entities and others, triggers federal matching funds from the USDA resulting in a combined program value of more than \$26 million.

CHICAGO BOARD OF TRADE MARKET NEWS

Week in Review: CME Corn March Contract					
\$/Bu	Friday January 19	Monday January 22	Tuesday January 23	Wednesday January 24	Thursday January 25
Change	1.000	-0.500	-0.750	5.250	-1.250
Closing Price	352.50	352.00	351.25	356.50	355.25
Factors Affecting the Market	March corn finished the week 6 1/4 cents higher, rebounding from last Friday's contract low. There is no denying the large stocks out there but improving export prospects offer some hope. The dollar rose 18 points while crude oil fell, and U.S. stocks moved higher.	The government shutdown did not phase the corn market, which traded quietly and closed a half-cent lower. Snow fell over much of the Corn Belt, offering good off-season moisture. Friday's CFTC data shows funds with an increasingly bearish position. The dollar fell 28 points.	Another quiet trading day left corn to drift 3/4 cents lower. The dollar continues to move lower, which could help improve export opportunities. Cash corn prices are 32 under March futures and near their highest point in five months. U.S. stocks were mixed and crude oil higher.	A sharply weaker U.S. dollar (down 86 points) and lower production-export prospects for Argentina and South Africa helped give corn a bid. None of these factors are particularly substantial by themselves, but the corn market lacks anything else to trade on. Ethanol production equaled last week while stocks hit record highs.	March corn tried to extend yesterday's rally but found resistance at the 100-day moving average. Subsequently, it traded both sides of unchanged in lackluster volume. New-crop December futures tested key resistance but failed to break above, possibly setting the stage for a deeper sell-off tomorrow.

Outlook: Activity in March corn this week featured the same slow, rangebound trading up until Wednesday. Wednesday's trading featured a 5-cent leap higher which equaled an upside breakout from March corn's months-long trading range. Buying in wheat and the soy complex motivated corn's move higher, along with deteriorating prospects for the South African and Argentine corn crops.

The USDA agricultural attaché to Argentina said Wednesday the country's corn crop could fall to 40 MMT, a full 2 MMT below the WASDE's official forecast. That news, combined with some from South Africa indicating the country may reduce export volumes this year, was enough to spark some mild short-covering in CBOT corn. Neither adjustment to the world corn balance sheet will end the over-supply situation, but with funds heavily short corn it was just enough to spark some buying interest.

The 2018 government shutdown only lasted one business day, but it was enough to delay the USDA's Export Sales report until Friday. Traders' expectations are for 0.9-1.25 MMT of old-crop corn to be counted as sold in this week's reports. This week's export inspections report featured 668,000 MT of corn exported along with 220 MT of sorghum. Exports for both crops are below last year's volume but 36 percent and 25 percent, respectively. Exporters are hopeful the dollar's recent fall will further enhance U.S. export potential.

From a technical perspective, March corn has been turned back by its 100-day moving average and, without much fundamental news out there, will likely trade lower. Additional selling pressure may come from the fact

the new-crop December contract briefly broke above its 100-day moving average but could not sustain a close above this point. This will likely set the stage for lower price action in the near-term.

CBOT MARCH CORN FUTURES



Source: Prophet X

Current Market Values:

Futures Price Performance: Week Ending January 25, 2018			
Commodity	25-Jan	19-Jan	Net Change
Corn			
Mar 18	355.25	352.50	2.75
May 18	363.75	360.75	3.00
Jul 18	371.75	369.00	2.75
Sep 18	379.25	376.50	2.75
Soybeans			
Mar 18	992.25	977.25	15.00
May 18	1003.75	988.50	15.25
Jul 18	1013.25	998.25	15.00
Aug 18	1015.25	1000.25	15.00
Soymeal			
Mar 18	340.40	331.60	8.80
May 18	343.50	335.10	8.40
Jul 18	345.50	337.60	7.90
Aug 18	344.70	337.50	7.20
Soyoil			
Mar 18	32.50	32.28	0.22
May 18	32.69	32.48	0.21
Jul 18	32.89	32.69	0.20
Aug 18	32.95	32.75	0.20
SRW			
Mar 18	434.50	422.75	11.75
May 18	447.25	435.50	11.75
Jul 18	459.75	448.75	11.00
Sep 18	474.00	463.75	10.25
HRW			
Mar 18	435.00	427.50	7.50
May 18	449.50	441.25	8.25
Jul 18	466.50	458.00	8.50
Sep 18	483.50	474.25	9.25
MGEX (HRS)			
Mar 18	610.25	608.50	1.75
May 18	620.50	617.50	3.00
Jul 18	627.50	624.25	3.25
Sep 18	625.25	621.75	3.50

*Price unit: Cents and quarter-cents/bu (5,000 bu)

U.S. WEATHER/CROP PROGRESS

U.S. Drought Monitor Weather Forecast: In the 2 days since the Tuesday morning cutoff time of this week's USDM, one storm system moved across the Northeast and exited the CONUS while another Pacific low and frontal system was moving into the Northwest. The Pacific system will dry out as it crosses the Rockies, then pick up Gulf of Mexico moisture when it moves across the eastern half of the country. For January 23-30, 5-plus inches of precipitation is forecast for the coastal regions from northern California to Washington and up to 5 inches for northern Idaho, with lesser amounts from central California to Montana. When the system crosses the Plains, another region of precipitation will develop with amounts ranging from half an inch to locally over an inch along a line from eastern Texas to the eastern Great Lakes, then eastward from that line to the East

Coast. Little to no precipitation is forecast for southern California and the Southwest, much of the Plains, and most of the Upper Midwest. Temperatures are predicted to be above normal across most of the CONUS.

For January 30-February 7, precipitation is expected to be below normal for much of the West to southern Plains, but above normal from Montana to the Great Lakes and from the Mississippi Valley to the East Coast. Odds favor above-normal temperatures across the Southwest and along the East Coast, and below-normal temperatures from Washington State to the northern Plains. Projections suggest that the central Plains will begin the period warmer than normal, but that colder-than-normal air masses will plunge south and east into the southern Plains and Great Lakes by the end of the period.

Follow this link to view current U.S. and international weather patterns and future outlook: [Weather and Crop Bulletin](#).

U.S. EXPORT STATISTICS

Note: Due to the Monday, January 22 government shutdown, weekly U.S. export sales will be published on Friday, January 26. Updated U.S. export sales will be next published in the February 1, 2018 edition of *Market Perspectives*.

U.S. Export Inspections: Week Ending January 18, 2018					
Commodity (MT)	Export Inspections		Current Market YTD	Previous YTD	YTD as Percent of Previous
	Current Week	Previous Week			
Barley	245	245	63,835	29,920	213%
Corn	588,781	588,781	12,581,340	19,826,337	63%
Sorghum	120,149	120,149	7,785,252	2,300,140	338%
Soybeans	1,244,294	1,244,294	32,063,117	37,190,456	86%
Wheat	369,749	369,749	15,453,288	16,475,616	94%

Source: USDA/AMS. *Marketing Year is June 1-May 31 for wheat and barley and September 1-August 31 for corn, sorghum and soybeans. Week-to-week reports will vary due to exporter reported conditions and cancellations to previous week's reports.

USDA Grain Inspections for Export Report: Week Ending January 18, 2018						
Region	YC	% of Total	WC	% of Total	Sorghum	% of Total
Lakes	0	0%	0	0%	0	0%
Atlantic	0	0%	0	0%	0	0%
Gulf	320,638	72%	0	0%	0	0%
PNW	171	0%	171	2%	0	0%
Interior Export Rail	124,012	28%	7,784	98%	220	100%
Total (Metric Tons)	444,821	100%	7,955	100%	220	100%
White Corn Shipments by Country (MT)			171	to Korea		
			7,784	to Mexico		
Total White Corn (MT)			7,955			
Sorghum Shipments by Country (MT)					220	to China
Total Sorghum (MT)					220	

Source: USDA, World Perspectives, Inc.

FOB

Yellow Corn (USD/MT FOB Vessel)				
YC FOB Vessel Max. 15.0% Moisture	GULF		PNW	
	Basis (#2 YC)	Flat Price (#2 YC)	Basis (#2 YC)	Flat Price (#2 YC)
LH February	0.62+H	\$164.26	0.95+H	\$177.25
FH March	0.57+H	\$162.29	0.91+H	\$175.68
LH March	0.55+H	\$161.51	0.91+H	\$175.68

#2 White Corn (U.S. \$/MT FOB Vessel)			
Max. 15.0% Moisture	February	March	April
Gulf	\$167	\$167	\$167

Sorghum (USD/MT FOB Vessel)				
#2 YGS FOB Vessel Max 14.0% Moisture	NOLA		TEXAS	
	Basis	Flat Price	Basis	Flat Price
February	1.70+H	\$206.78	1.65+H	\$204.81
March	1.70+H	\$206.78	1.65+H	\$204.81

Corn Gluten Feed Pellets (CGFP) (FOB Vessel U.S. \$/MT)			
	February	March	April
New Orleans	\$170	\$165	\$160
Quantity 5,000 MT			
Corn Gluten Meal (CGM) (FOB Vessel U.S. \$/MT)			
Bulk 60% Pro.	February	March	April
New Orleans	\$605	\$595	\$590
*5-10,000 MT Minimum			
Corn Gluten Meal (CGM) (Offers, Rail and Truck Delivered U.S. \$/ST)			
	February	March	
Rail Delvd. Chicago	\$495	\$495	
Rail Delvd. Savannah	\$505	-	
Truck Delvd. Chicago	-	-	

DDGS Price Table: January 25, 2018 (USD/MT) (Quantity, availability, payment and delivery terms vary)			
Delivery Point Quality Min. 35% Pro-fat combined	February	March	April
Barge CIF New Orleans	204	202	197
FOB Vessel GULF	211	211	206
Rail delivered PNW	236	230	228
Rail delivered California	238	233	230
Mid-Bridge Laredo, TX	234	230	228
FOB Lethbridge, Alberta	208	207	206
40 ft. Containers to South Korea (Busan)	229	229	229
40 ft. Containers to Taiwan (Kaohsiung)	233	233	233
40 ft. Containers to Philippines (Manila)	236	236	236
40 ft. Containers to Indonesia (Jakarta)	231	231	231
40 ft. Containers to Malaysia (Port Kelang)	231	231	231
40 ft. Containers to Vietnam (HCMC)	243	243	243
40 ft. Containers to Japan (Yokohama)	230	230	231
40 ft. containers to Thailand (LCMB)	232	232	232
40 ft. Containers to China (Shanghai)	233	233	233
40 ft. Containers to Bangladesh (Chittagong)	264	264	264
40 ft. Containers to Myanmar (Yangon)	259	259	259
KC & Elwood, IL Rail Yard (delivered Ramp)	199	198	197

Source: WPI, *Prices are based on offer indications only; terms of delivery, payment and quality may vary from one supplier to another, impacting the actual value of the price.

DISTILLER'S DRIED GRAINS WITH SOLUBLES (DDGS)

DDGS Comments: DDGS prices are predominantly higher this week with Chicago prices steady, CIF NOLA Barge values up \$2.25/MT and FOB Gulf prices up as well. Ethanol production was steady this week, leaving near-term supply levels essentially unchanged. FOB ethanol plant DDGS prices are 125 percent of cash corn and 45 percent of Kansas City soybean meal, with the later ratio falling 3 percent from last week as soybean meal values rallied. DDGS, on a per-protein unit basis, are \$0.98 less expensive than soybean meal this week, and the 43-cent improvement in that metric (to favor DDGS) should pull more of the ethanol co-product into domestic feed rations.

Merchandisers are reporting prices in Savannah, GA are firm. Other export points are reporting international buyers are reluctant to chase prices higher, resulting in slow trade so far this week. Prices for 40-foot containers for Southeast Asia were \$3/MT higher this week at \$234.

COUNTRY NEWS

Algeria: The value-added tax has been removed from DDGS and CGF imports during 2018. Algeria is the second largest corn market in North Africa and its poultry and dairy production is expanding. (Ethanol Magazine)

Brazil: With sugarcane crush at a ten year low in January, corn use has exceeded sugarcane as the feedstock for ethanol production. Brazil is expanding the number of ethanol plants that can use either feedstock, as well as building corn-only ethanol plants. (Agrimoney)

China: Pig feed demand will keep corn prices high in 2018. In addition to more feed use, industrial use of corn will increase as 20 MMT of wet milling capacity comes on line in 2018. The market impact from additional ethanol production capacity will hit in 2019. (Rabobank)

Nepal: The Ministry of Agricultural Development reports that corn production will rise nearly 10 percent this year to an all-time high of 2.55 MMT due to growers adopting commercial farming practices. (World-Grain)

Zimbabwe: The Grain Millers' Association of Zimbabwe reports that despite recent dry conditions there are sufficient grain reserves on hand to get the country through the next farming season. Association Chairman Tafadzwa Musarara credits the supply abundance to the Targeted Command Agriculture scheme, which requires farmers with a minimum of 200 hectares located near water to produce at least 1 KMT of maize per year. (World-Grain)

OCEAN FREIGHT MARKETS AND SPREAD

Bulk Freight Indices for HSS — Heavy Grain, Sorghum and Soybeans*			
Route and Vessel Size	Current Week (USD/MT)	Change from Previous Report	Remarks
55,000 U.S. Gulf-Japan	\$44.75	Up \$0.25	Handymax at \$45.00/MT
55,000 U.S. PNW-Japan	\$25.00	Up \$0.50	Handymax at \$25.50/MT
65,000 U.S. Gulf-China	\$43.75	Up \$0.25	North or South China
PNW to China	\$24.00	Up \$0.75	
25,000 U.S. Gulf-Veracruz, Mexico	\$16.00	Unchanged	3,000 MT daily discharge rate
35-40,000 U.S. Gulf-Veracruz, Mexico	\$14.00	Unchanged	Deep draft and 6,000 MT/day discharge rate.
25/35,000 U.S. Gulf-East Coast Colombia	\$20.25	Up \$0.25	West Coast Colombia at \$28.50
From Argentina	\$34.00	Up \$2.00	
40-45,000 U.S. Gulf-Guatemala	\$28.50	Up \$0.25	Acajutla/Quetzal-8,000 out
26-30,000 U.S. Gulf-Algeria	\$31.50	Up \$0.25	8,000 MT daily discharge
	\$33.50	Up \$0.50	3,000 MT daily discharge
25-30,000 US Gulf-Morocco	\$30.75	Up \$0.25	Discharge rate: 5,000
55,000 U.S. Gulf-Egypt	\$28.75	Up \$0.50	55,000-60,000 MT
	\$27.50	Up \$0.25	Russia Black Sea-Egypt \$14.50
60-70,000 U.S. Gulf-Europe-Rotterdam	\$16.25	Down \$0.25	Handymax at +\$2.00 more
Brazil, Santos-China	\$34.75	Up \$1.25	54-59,000 Supramax-Panamax 60-66,000 Post Panamax
Itacoatiara Port up River	\$33.50	Up \$1.25	
Amazonia North Brazil-China	\$38.00	Up \$2.25	
56-60,000 Argentina-China	\$40.00	Up \$1.00	Upriver with top-off \$42.00

Source: O'Neil Commodity Consulting

*Numbers for this table based on previous night's closing values.

OCEAN FREIGHT COMMENTS

Transportation and Export Report: Jay O'Neil, O'Neil Commodity Consulting: If you are following this report closely and or watching any of the Dry-Bulk freight charts, you will notice that bulk freight has been volatile over the past few months. The market is moving up and down like the tide. However, the overall long-term direction has been to the up side. So, the message here is to pick your moment to buy and not be too greedy. This week had buying support from those covering needs prior to the Lunar (Chinese) New Year. This is common during this period each year. The next issue for the freight markets is, what kind of cargo interest develops after the Lunar New Year Holiday? I would expect to see another short period of soft demand before we trend back up in Q2-Q3 of 2018. So, be careful in picking your entry point.

Baltic-Panamax Dry-Bulk Indices				
January 25, 2018	This Week	Last Week	Difference	Percent Change
Route				
P2A: Gulf/Atlantic – Japan	19,105	17,880	1,225	6.9%
P3A: PNW/Pacific– Japan	10,671	9,338	1,333	14.3%
S1C: U.S. Gulf-China-S. Japan	23,933	25,269	-1,336	-5.3%

Source: O'Neil Commodity Consulting

Below is a recent history of freight values for Capesize vessels of iron ore from Western Australia to South China:

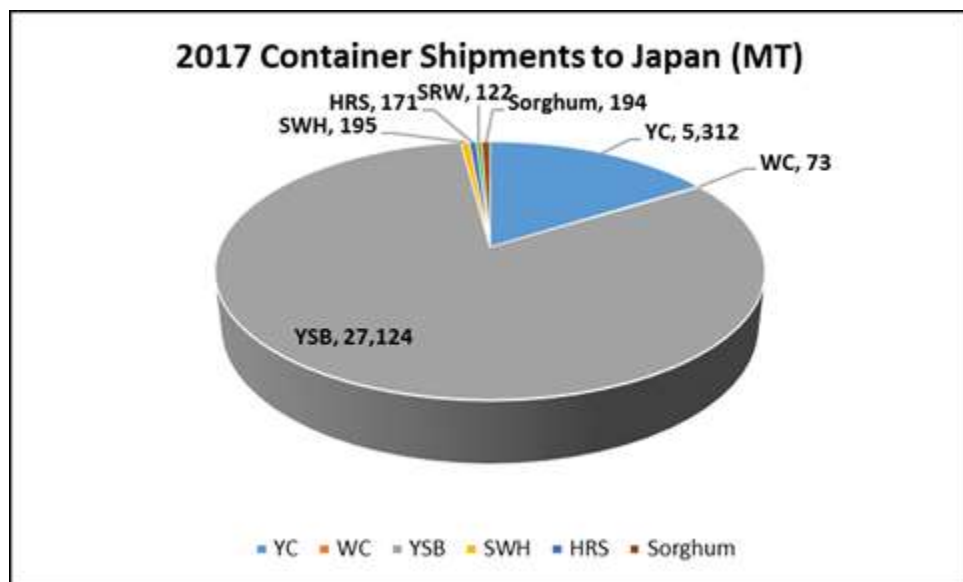
Week Ending January 25, 2018	
Four weeks ago:	-
Three weeks ago:	\$5.40-\$7.00
Two weeks ago:	\$ 6.20-\$6.75
One week ago:	\$5.80-\$6.90
This week	\$4.90-\$6.85

Source: O'Neil Commodity Consulting

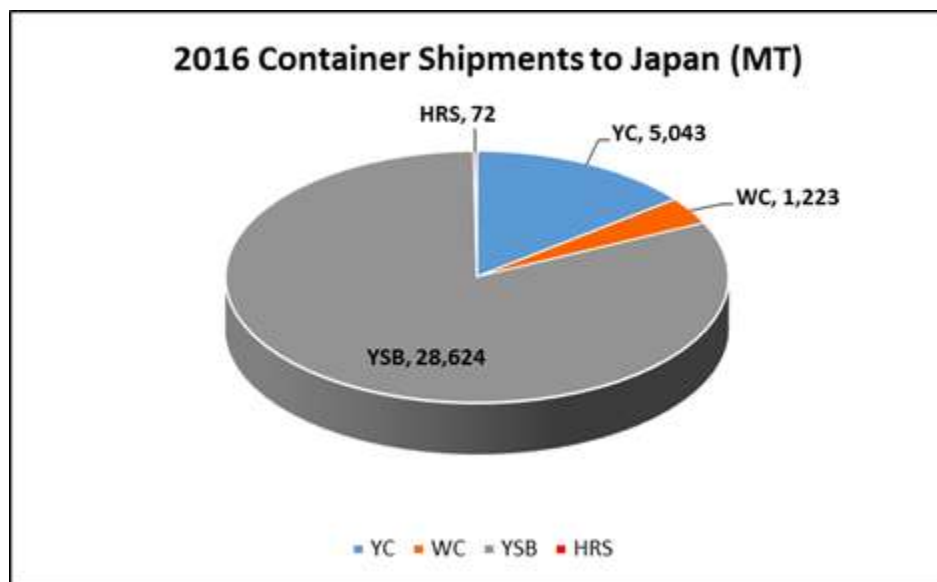
U.S.-Asia Market Spreads					
January 25, 2018	PNW	Gulf	Bushel Spread	MT Spread	Advantage
#2 Corn	0.93	0.59	0.34	\$13.39	PNW
Soybeans	0.91	0.46	0.45	\$17.72	PNW
Ocean Freight	\$24.00	\$43.75	0.50-0.54	\$19.75	Feb.

Source: O'Neil Commodity Consulting

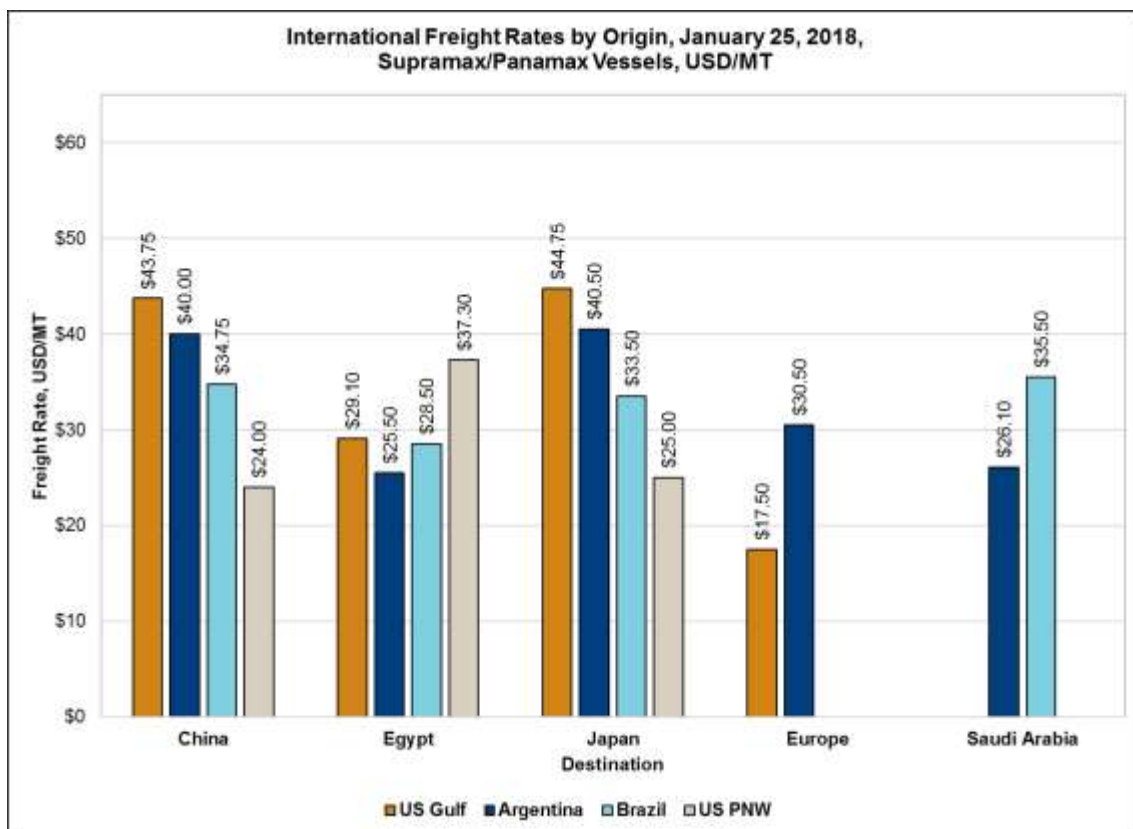
The charts below represent 2017 annual totals versus 2016 annual totals for container shipments to Japan.



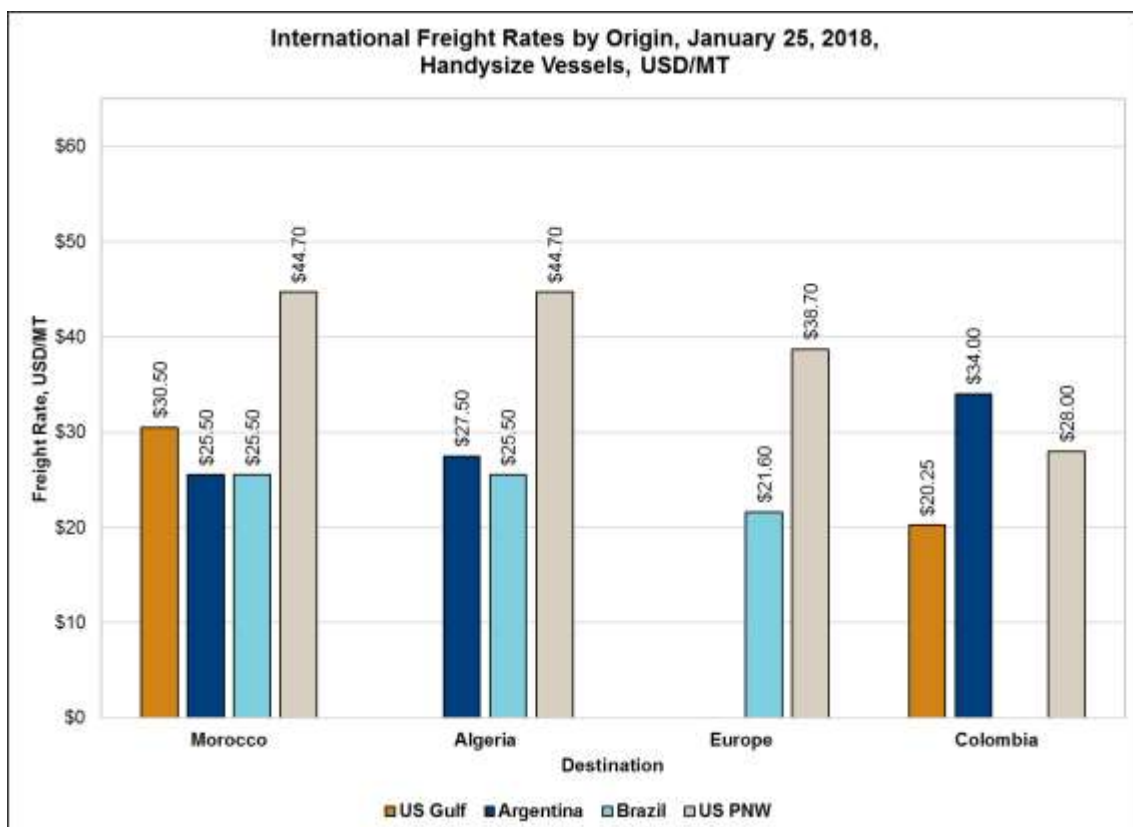
Source: O'Neil Commodity Consulting



Source: O'Neil Commodity Consulting



Source: DTN, O'Neil Commodity Consulting and World Perspectives, Inc.



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INTEREST RATES

Interest Rates (%): January 25, 2018			
	Current Week	Last Week	Last Month
U.S. Prime	4.5	4.5	4.5
LIBOR (6 month)	1.93	1.90	1.83
LIBOR (1 year)	2.22	2.20	2.10

Source: www.bankrate.com