



"We are constantly invited to be who we are." -- **Henry David Thoreau**

FRIDAY, JANUARY 27, 2017

Morning Summary: Stock markets remain near all-time highs despite the negative media surrounding policy moves in Washington. The latest headline twist seem to be brewing around confrontations with Mexico over trade negotiations and the planned border wall. Mexican President Enrique Nieto canceled a scheduled meeting with President Trump who followed by saying, "Unless Mexico is going to treat the United States fairly, with respect, such a meeting would be fruitless." Today Trump meets with British Prime Minister Theresa May, who will be the first world leader to meet in the White House with the new President since his inauguration. The two leaders are expected to discuss terrorism, ending Syria's civil war, relations with Russia, NATO cooperation and a bilateral trade deal once the U.K. leaves the European Union. Trade between the two countries is worth about \$187 billion, and the U.S. is the largest single investor in the U.K. Turning to today's economic data, the most anticipated release will be the first estimate of fourth-quarter GDP, which is expected to show the U.S. economy grew +2.2% in the quarter, compared to +3.5% in the third-quarter. Negatives look to be a wider trade gap and perhaps a slowdown in consumer spending. Other reports include Durable Goods and Consumer Sentiment. Earnings releases of note include American Airlines, Chevron, Colgate Palmolive, Honeywell, and UBS. Looking to next week, the main economic event is the Federal Reserves two day meeting on Tuesday and Wednesday, with their latest policy announcement released on Wednesday afternoon at 1:00pm CST. Most insiders do not expect an interest rate hike at this meeting, nor do they expect any major changes to the post-meeting statement. I personally think they are going to take on a more aggressive approach and may surprise the market with a more hawkish rhetoric and tone. The other big ticket item is the January Employment Report due out next Friday which is expected to show a gain of around +156,000 jobs with the unemployment rate remaining unchanged at 4.7%. Economic data overall is fairly heavy next week with Personal Income and Outlays and the Pending Home Sales Index on Monday; Employment Cost Index, the S&P Case-Shiller Home Price Index, Chicago PMI and Consumer Confidence on Tuesday; Motor Vehicle Sales, PMI & ISM Manufacturing and Construction Spending on Wednesday; Productivity and Costs on Thursday; and Factory Orders and ISM Non-Manufacturing on Friday. Earnings are equally busy with over four-hundred companies reporting, including the likes of Amazon, Amgen, Apple, Chipotle, Conoco Phillips, Eli Lilly, Exxon-Mobil, Facebook, Harley Davidson, Merck, Pfizer, Philip Morris, Phillips 66, Royal Dutch Shell, UPS, Valero and Visa. Washington will also remain in focus as the Trump administration continues implementing their new agenda. The biggest anticipation is the announcement of a new Supreme Court Justice nomi-

nee, which Trump says will be announced next Thursday. Legal insiders seem to think the top three contenders are federal appeals court judges Neil Gorsuch of Colorado, William Pryor of Alabama and Thomas Hardiman of Pennsylvania. Congress will also get to work on sweeping changes with some of their top priorities expected to be overturning Obama-era rules on the environment, labor and guns. They will also likely begin working more diligently on repealing and replacing the Affordable Care Act. I remain bullish on America!

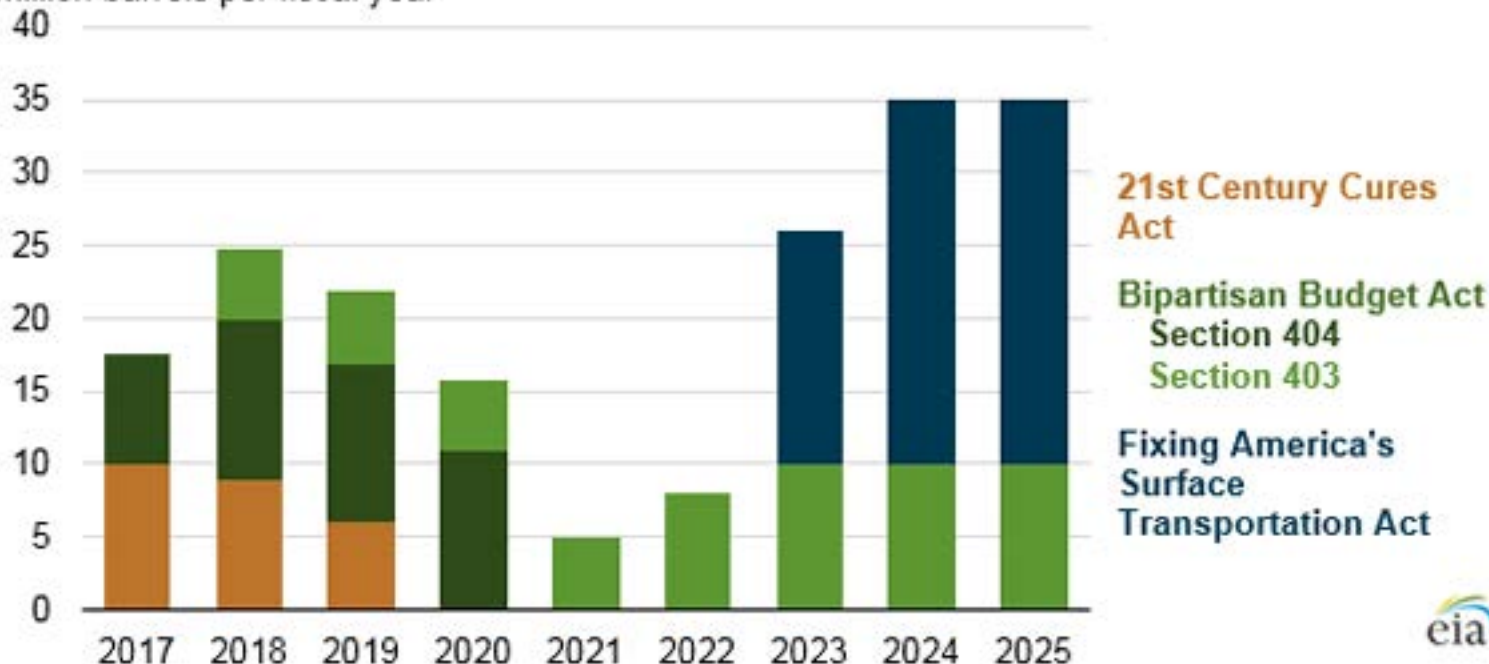
Syria's Civil War Just Got Even More Complicated: *Initial peace talks aimed at setting the stage to an end to Syria's civil war wrapped up earlier this week. Meetings between Syrian government officials and rebels that want to see President Bashar al-Assad removed from power were undoubtedly heated, but mediators said the fact that they even talked was a positive step. Guarantor countries, Russia, Iran and Turkey issued a joint statement at the end of the talks announcing the establishment of a tri-lateral mechanism to support the ceasefire in Syria and plan further talks in Geneva on February 8. The sides also agreed to jointly fight terrorists from Islamic State. Excluded from the negotiations however was the al-Qaeda linked group Jabhat Fateh al-Sham (JFS), which has now begun launching attacks against rebel groups that participated in the talks. Six separate rebel factions have now merged with Ahrar al-Sham, a powerful Islamist group, to battle the JFS, which is one of the best-armed and most effective rebel forces in the country. Ahrar al-Sham did not attend this week's talks between the rebels and the government in Kazakhstan, but has suggested that it would support the peace process and help the rebels secure their goals. JFS has accused the rebels that attended the Astana talks of conspiring against it and violent clashes are spreading across northwestern Syria, including the Aleppo province.*

Schiff Warns On U.S. "Debt Bomb": *Peter Schiff, CEO of Euro Pacific Capital, warns that an impending fiscal disaster will figuratively explode in President Donald Trump's hands. Low interest rates have helped defuse the United States' debt problems so far, but that won't last for long as rates begin to creep higher. Schiff told CNBC on Thursday that the debt bomb is going to explode. "I think the [Federal Reserve] is going to try to inflate its way out of this problem, but it's going to inflate its way into a bigger one," Schiff said. He explained that low interest rates have allowed the U.S. to service its debt to this point, but repaying it is almost off the table. Schiff said as interest rates rise and inflation grows, creditors are going to demand a higher premium. When Obama took office on Jan. 20, 2009, the outstanding public debt totaled \$10.626 trillion. When Obama left office Friday, outstanding public debt totaled \$19.944 trillion, an increase of roughly \$9.318 trillion, according to numbers from the Treasury Department. And American voters are looking to Trump to get such "unsustainable" spending quickly under control. Congressman Mick Mulvaney, a Republican from South Carolina, also recently pointed out that the Congressional Budget Office (CBO) estimates there is \$10 trillion more debt built in over the next decade thanks to the coming wave of Baby Boomer retirees. (Sources" CNBC, Fox Business)*

U.S. Begins Oil Sales From Strategic Reserves: *This week the U.S. Department of Energy's (DOE) Office of Fossil Energy awarded contracts for the first of several sales of crude oil from the Strategic Petroleum Reserve (SPR). A Continuing Resolution enacted in December 2016 included a provision for DOE to sell up to \$375.4 million in crude oil from the SPR. This sale will be the first of several planned sales totaling nearly*

190 million barrels during fiscal years 2017 through 2025. As the largest stockpile of government-owned emergency crude oil in the world, the SPR was established to help alleviate significant oil supply reductions from occurrences such as major geopolitical events, severe weather, unplanned production curtailments, transport disruptions, and delivery outages. Located in four storage sites along the Gulf of Mexico, the SPR held more than 695 million barrels of crude oil as of January 13, or about 97% of its design capacity (713.5 million barrels). Several recent acts of Congress have authorized sales from the SPR which are broken down in the chart below. This first auction sold 6.4 million barrels of oil which will be delivered over a two month period to the buyers - Shell and Phillips 66. Total 2017 sales are expected to be around 17 million barrels and 25 million barrels for 2018. These numbers are minuscule compared to the daily consumption of crude, which is around 96 million barrels per day, so analysts are not really anticipating much of an impact on oil markets. Of course that could turn out to be a very different story if the global glut doesn't begin to see some marked draw-downs in the months ahead.

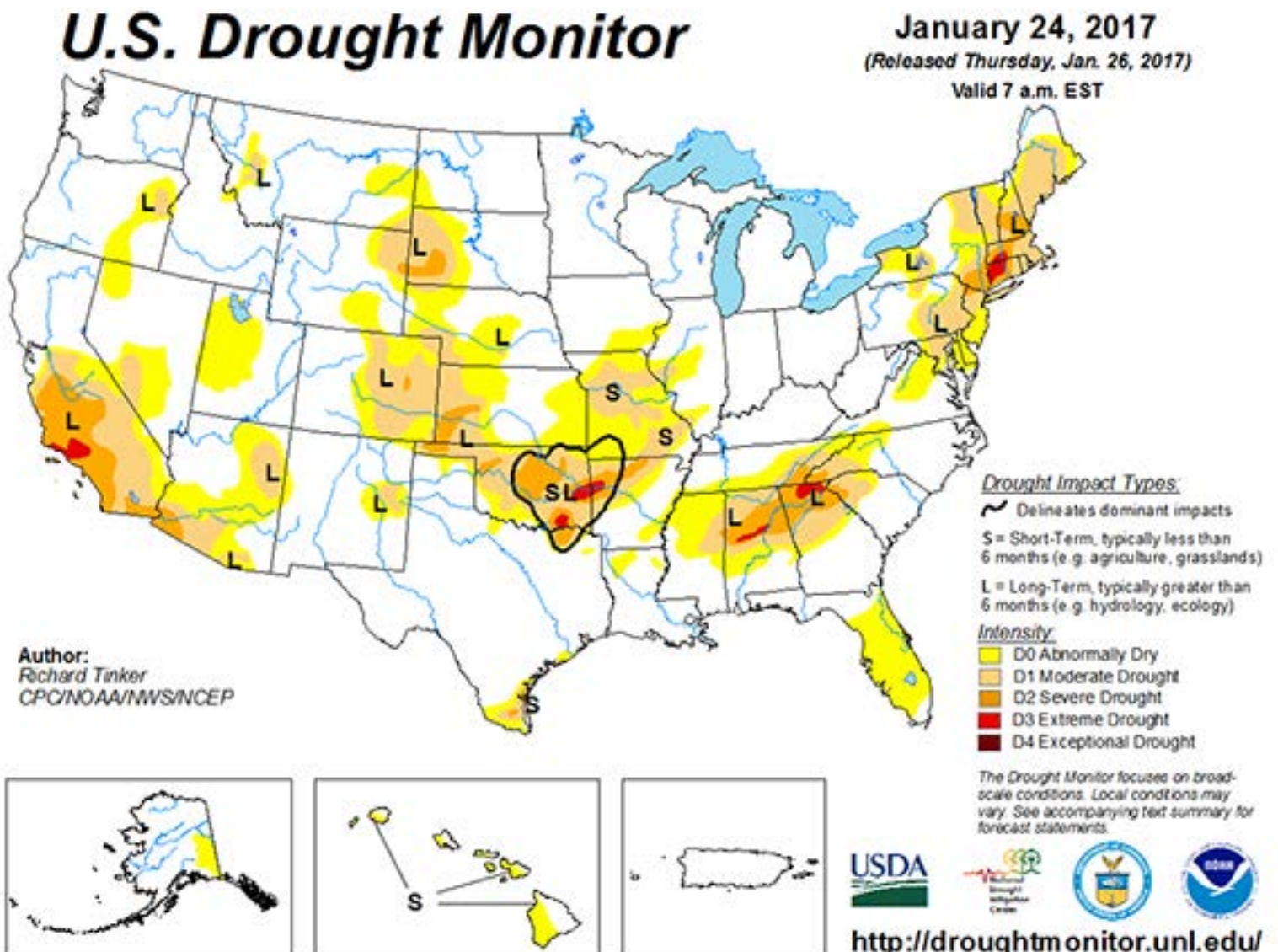
Planned Strategic Petroleum Reserve crude oil sales
million barrels per fiscal year



Weather in the Corn Belt provided snow cover for roughly half of the northwestern region, helping to provide winter wheat with moisture and insulation. However, livestock in parts of the Dakotas continue to experience a difficult winter, with deep snow and low temps maintaining stress on animals. On the Plains, snow covers most areas from Nebraska northward, following recent snowfall. Current snow depths include 4 inches in Madison, Wisconsin, and 2 inches in Des Moines, Iowa. Cool, cloudy, breezy weather prevails in the Corn Belt, while snow showers are developing downwind of the Great Lakes. In the South, cool, dry, breezy weather overspreads much of the region. Looking forward for the next week or so, forecasts are calling for no significant concerns for the northern Plains and western Midwest. Beyond that it may turn colder. Looking ahead, a cold front will pass across the northern section of the nation, leaving in its wake snow squalls that will develop downwind of the Great Lakes and persist for several days. Mostly dry weather will

cover the remainder of the U.S. into early next week, except for a few weekend showers in southern Texas and the Pacific Northwest. A cool weather pattern will begin to break down during the weekend, when above normal temperatures will return to the nation's mid-section. Looking to Brazil, scattered thunderstorms in the central crop areas may improve the outlook for second crop corn, but the rain will also delay the harvest of early soybeans and early corn. Mostly favorable conditions are in effect for crops in southern Brazil at this time. In Argentina, an upper level ridge in and near the region looks to promote below normal rainfall and above normal temperatures in the primary corn and soybean areas for another six days. This will increase stress to crops, especially corn. Seasonal temperatures are expected to return in the next week. In the meantime, if this heat event is realized, there could be some reductions in yield potential. And we can't forget that production may still also decline due to prior flooding rains reducing acreage. Definitely a fluid situation that we will continue to keep an eye on.

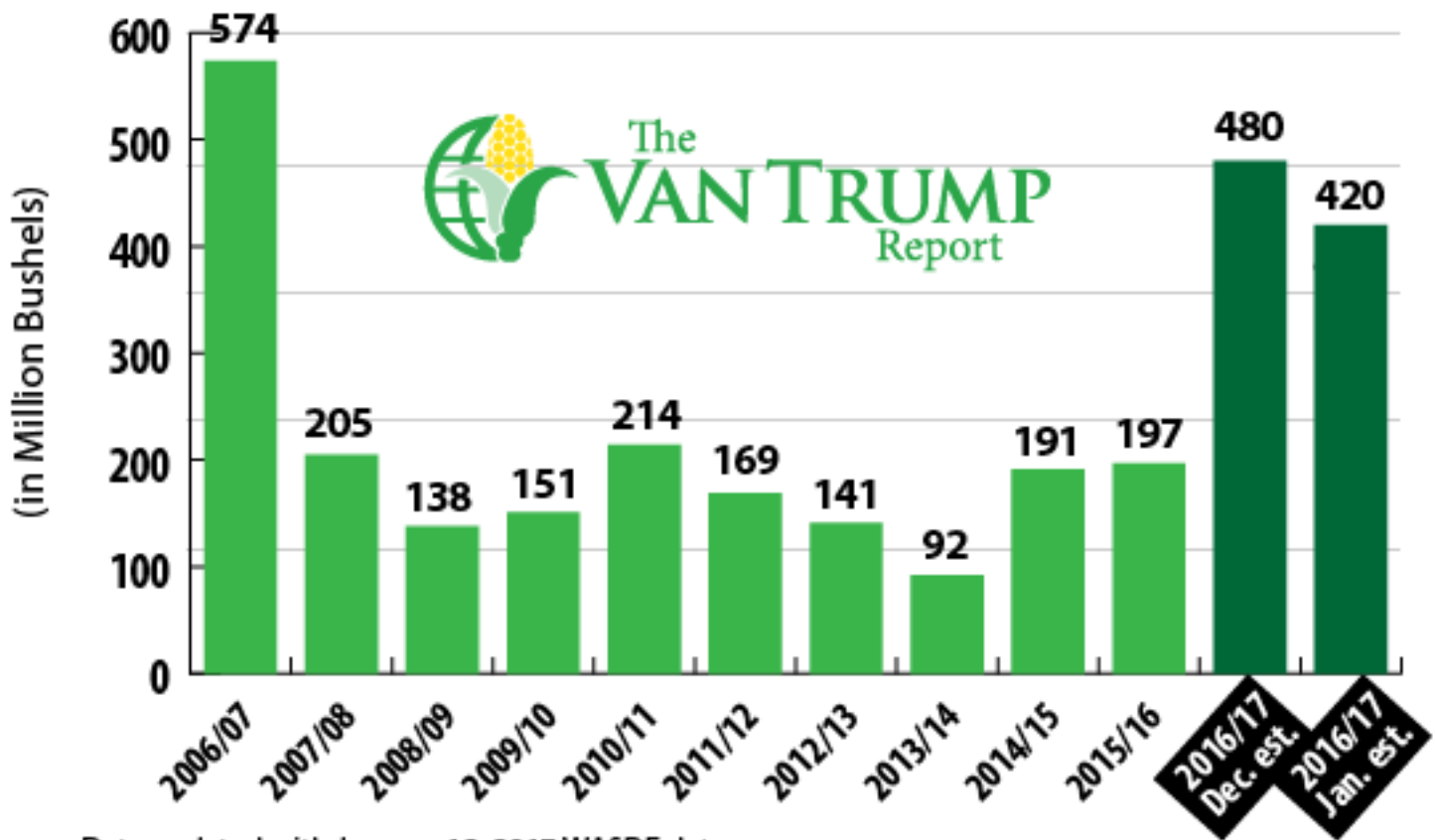
Drought Conditions Improve Across the Country: *Like the previous week, January 17 - 24 featured moderate to widespread heavy rain across many of the Nation's areas of dryness and drought, prompting another round of broad-scale improvements. There are a few areas that missed recent precipitation, leading to intensification of dryness and drought, but they were few and far between, showing up in parts of deep Texas and patch of the Mississippi Valley.*



Corn bears point to the recent war of words between U.S. and Mexican leaders as a reason for concern. The big question is if the words will eventually start to lead to more harsh action in regard to trade across the neighboring borders to the south. For what it's worth, the U.S. has been exporting about 450 to 550 million bushels of corn to Mexico the past few years or somewhere between 25% to 30% of our total export bushiness. The other questions being asked still revolve around weather in South America. First and of more nearby importance seems to be the concerns surrounding weather forecasts for Argentina the next couple of weeks as corn pollination becomes more critical? The other concern, which is bit further out on the horizon, is Brazil's longer-term weather forecast and how it could impact their second-crop corn production? As both a producer and a spec I'm holding to the belief this market is stuck in range until more clear direction can be seen. Technically the MAR17 contract continues to see nearby support in the \$3.50 to \$3.60 range. Support in the DEC17 contract seems to be somewhere between \$3.75 and \$3.85 per bushel.

Soybean bulls have backpedaled a bit on improving weather forecasts for South America and some increasing uncertainties revolving around policies coming out of Washington. Will tough talks start spreading over into the biofuel space and could the Trump Team start to ruffle the Chinese feathers? The bears also continue to point further out on the horizon at the very real possibility of U.S. producers planting a fresh new record number of soybean acres in 2017. From my perspective we've clearly entered a period where the trade has fully digested most all of the recent headlines regarding weather and traditional fundamental supply and demand, now we start to play the "wait-and-see" game. What will happen during the final few weeks with South American weather? Will Argentine logistics and quality concerns have a more dire impact on the availability of meal for the global buyers? Keep in mind the Buenos Aires grain exchange has dropped their soybean crop estimate for Argentina from 56 to 53.5 million metric tons while the USDA is still at 57 MMTs. The trade also wants to know if relations between Trump and the Chinese will improve or first become more strained in the coming weeks? Keep in mind the Chinese will be on an extended holiday next week as they celebrate their Lunar New Year. It's also worth noting that the recent war of words between the U.S. and Mexico is also of some concern as the U.S. sends about 5% to 6% of our exportable soybeans to Mexico. Meaning any major hiccup with the Mexican leaders could prompt a negative knee-jerk headline in regard to export demand. The trade also wants to know what happens in regard to the strength or weakness of the U.S. dollar? Will the funds continue to have a more positive opinion to commodities as an asset class and continue looking for cross-hedging exposure? I personally believe from a much larger and longer-term macro perspective the funds will continue to view this market as an opportunity to gain bullish exposure. On the flip-side the more traditional and short-term oriented fundamental ag traders will view the market as over supplied with a bearish undertone. Hence significant short-term breaks in price will more than likely be viewed as buying opportunities for some of the longer-term macro players. As a producer who has reached his current marketing objective, I remain extremely patient in my approach, believing there's still upside potential further down the road. Because of the current environment and length of time still remaining on the clock I see no compelling reason to be in a major hurry to get over 50% of my new-crop soybean price risk removed.

U.S. Soybean Ending Stocks



Wheat traders continue to debate lower U.S. production estimates in 2017 vs. lower demand estimates. The bears are quick to point to continued strong export competition from producers in the European Union, Russia, Ukraine, Romania, etc... Egypt once again confirmed those thoughts by recently purchasing over 400,000 metric tons of wheat from Russian and Romanian sources. While the bulls continue to point to the fact U.S. winter wheat acres are perhaps smaller than the modern day record low number the USDA is already forecasting. The bulls are also quick to point to this weeks export sales data for HRW and white wheat which were the strongest we've seen in a very long time. Prices are down by around -10 cents from last weeks highs and hovering above nearby levels of technical support. As a producer I've been kicking myself for months for not pricing more bushels back in the summer of 2016 when prices jumped higher. Unfortunately life doesn't give out any points for sympathy and simply putting my head in the sand has never made the situation much better. With that thought in mind, I bit the bullet yesterday and reduced some longer-term price risk. As a producer I now have 20% of my estimated new-crop wheat production priced at an average just north of \$5.00 per bushel vs. the JUL17 contract. I've become a bit more worried about how much time is starting to tick off the clock. Up to this point I haven't really felt behind in my marketing efforts, but as we move into late-January and early-February I'm starting to consider how much risk I still need to reduce and how the opportunities could become more limiting as each week passes. From a spec perspective I'm still holding onto my conservatively bullish approach, but I feel comfortable about "time" being aligned on my side. I've learned through the years that to be

good at reducing “production risk,” it’s not just about forecasting marketing direction, but perhaps more importantly is “time”. As producers we have to make certain we are taking into account all of the moving parts currently in the market and setting realistic goals that fit your specific time horizons. This sounds much easier than it really is. When we don’t pay attention to the clock, we eventually get ourselves backed into a corner, ultimately reducing our options and placing much more psychological pressure on each and every decision. Remember, our own psychology plays a huge role in this game. How we position and move our pieces along the way plays an enormous role. Be smart and continue to focus on reducing risk not predicting price! Keep your eye on Russian weather over the weekend, there’s several eye’s on some areas that seem to be lacking optimal snow cover.

Cattle-On-Feed report is scheduled for release this afternoon with most looking for “placements” to be much larger than last year, marketing should also be significantly stronger. Rember, “placements” a year ago in December were record low. Most seem to be looking for “on-feed” numbers to be slightly less than last year at around 10.470 million head.



> Global Feed Production Topped 1 Billion MTs in 2016: *Global feed tonnage in 2016 exceeded 1 billion metric for the first time, according to the annual Alltech Global Feed Survey. It is a +3.7% increase over 2015 and represents +19% growth since Alltech’s inaugural survey in 2012, despite a -7% decrease in the number of feed mills. The sixth annual survey covered 141 countries and more than 30,000 feed mills. The results show that the U.S. and China are the top two countries, producing one-third of all animal feed, and that predominant growth came from the beef, pig and aquaculture feed sectors. “This year clearly demonstrates the growing efficiency and consolidation of the feed industry,” said Aidan Connolly.*

> WTO Agrees To Investigate Chinese Tariffs: *The World Trade Organization has agreed to establish a panel to investigate a case brought by the U.S. accusing China of providing over \$100 billion in illegal subsidies to its wheat, rice and corn producers after bilateral consultations failed to yield a mutual resolution to the dispute. When it requested the consultations with China in September, the U.S. claimed that Beijing’s “market price support” programs handed out to the nation’s farmers have put U.S. producers at a significant disadvantage on the global market. Under the market price support programs targeted in the complaint, China makes an annual announcement about the minimum price at which it will purchase rice, wheat and corn during the harvest season, and through that system, it has nudged domestic prices above market levels for each of the past four years, according to the Office of the U.S. Trade Representative. (Source: Law360)*

> South Africa Approved 1.3 MMTs of U.S. GMO Corn Imports: *South Africa is-*

sued permits to allow total imports of 1.3 million metric tons of genetically modified corn from the U.S. since allowing entry of the grain for the first time in December after the worst drought since records began in 1904. There have been 15 permits issued for GM corn according to Makenosi Maroo, a spokeswoman for the South African Department of Agriculture, Forestry and Fisheries. South Africa has imported 641,235 tons of the country's staple, white corn, in the season that began May 1, mostly from Mexico. Yellow corn imports in the period have totaled 1.2 million tons, much of it from Argentina. (Source: Bloomberg)

> Syria-Russian Wheat Deal May Never Happen: A deal struck in October for Syria to buy one million metric tons of wheat from its ally Russia to prevent bread shortages in government-held areas has not been fulfilled and may never be, Syrian and Russian government sources said. A Syrian government official with knowledge of the deal said a final contract had still not been agreed and blamed bureaucratic delays. However, Russia's agriculture ministry said the core problem was that the little-known firm that won the tender lacked experience and set the price too low. Syrian state buyer Hoboob set three separate tenders to buy an unprecedented 1.35 million metric tons of wheat last year, after continued fighting from the country's nearly six-year war and poor rainfall halved the nation's harvest to 1.3 million metric tons, the lowest in 27 years. The biggest tender of the three, for one million metric tons, was supposed to arrive in batches of 75,000 every month starting 60 days after the letters of credit were opened. So far, letters of credit have not been opened and Syria has received nothing from the Russian company. A source at Russia's agriculture ministry told Reuters on Tuesday he did not think the contract would ever be fulfilled because the company that won it, Zernomir, could not source the wheat at the agreed price. (Source: Reuters)

> Germany Culling More Turkeys Amid New Bird Flu Outbreak: More than 15,000 turkeys were being culled on Thursday after the new bird flu subtype H5N5 was confirmed on a north German farm, authorities said, adding to concerns about the spread of different strains of the disease. The H5N5 strain was found for the first time on a farm in Germany this week in Steinburg in the northern state of Schleswig-Holstein which borders Denmark. The H5N5 strain has in addition been confirmed on two other units of the same farm located in different villages where the turkeys will also be culled. The H5N5 strain has been previously found in wild birds in Germany, the Netherlands, Italy, Montenegro and Italy and Croatia. The contagious H5N8 strain has been found in hundreds of wild birds in Germany in recent weeks and isolated outbreaks on farms have been occurring despite tougher hygiene rules and orders to keep poultry indoors in high risk areas. (Source: Reuters)

> U.S. Food Prices Seen Rising Slightly In 2017: The USDA's Economic Research Service (ERS) expects food prices in 2017 to rise +0.0 to +1.0%. Despite declining prices in 2016, poultry, fish and seafood, and dairy prices are expected to rise in 2017. Food-at-home prices declined overall in 2016, falling -1.3% below 2015 levels. This marks the first annual decline in supermarket prices since 1967. Looking at specific retail food categories, prices declined -21.1% for eggs, -6.3% for beef and veal, -4.1% for pork, and -2.3% for dairy and related products. However, not all foods declined in price – fresh fruit prices rose +2.2% and other foods rose +0.3% compared with 2015 prices. The overall decline in retail food prices was due to several factors: increased production for many commodi-

ties, lower transportation costs as a result of deflated oil prices, and a strong U.S. dollar. A strong dollar affects domestic prices as it makes U.S. goods less desirable to foreign markets, leaving more potential exports on the domestic market. While food-at-home prices declined in 2016, prices for food away from home increased 2.6 percent. Restaurant prices have been rising consistently month-over-month due, in part, to differences in the cost structure of restaurants versus supermarkets or grocery stores. Restaurant prices primarily comprise labor and rental costs with only a small portion going toward food. For this reason, decreasing farm-level and wholesale food prices have had less of an impact on restaurant menu prices.

> Dow Chemical Reports Loss Due To Charges: Dow Chemical swung to a loss in the most recent quarter, though adjusted earnings grew more than expected. During the quarter the company opted to book a more than \$1 billion pretax charge to account for future asbestos-related expenses covering the next 40 years. Excluding this charge and other items, the company's earnings grew 6%. Sales in plastics, Dow's largest segment, grew 4% to \$4.8 billion while the infrastructure solutions segment surged 41% to \$2.4 billion and performance material and chemical sales edged up 1% to \$2.41 billion. Over all, Dow reported a loss of -\$33 million, or -3 cents a share, compared with a profit of +\$3.53 billion, or +\$2.94 a share, a year earlier.

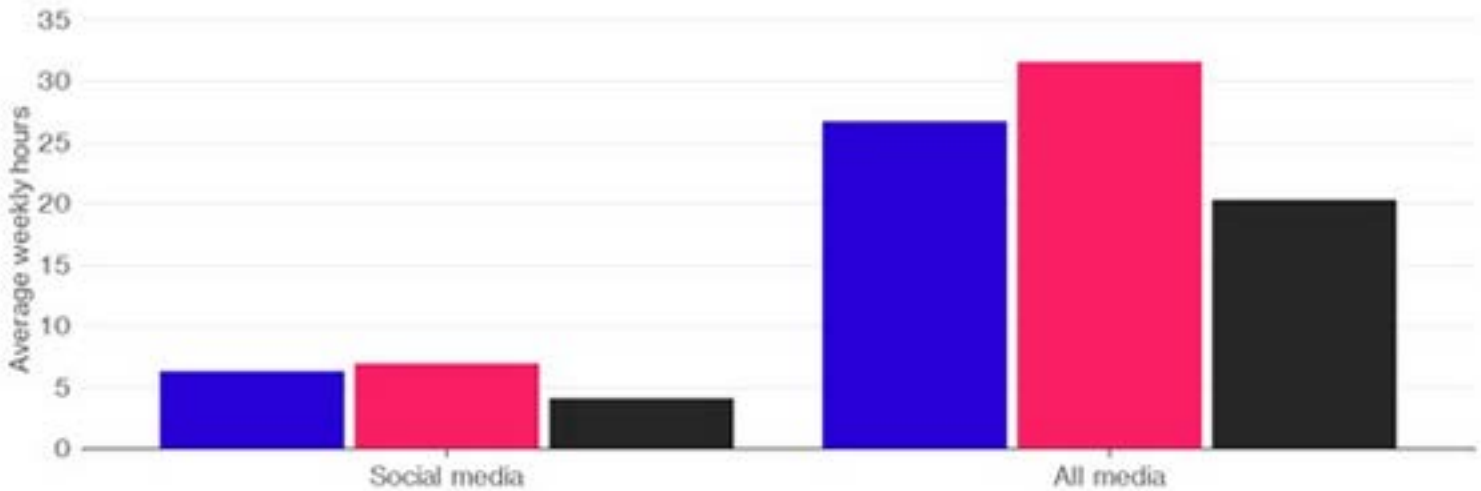
> Caterpillar Remains Cautious Even As Earnings Beat: Caterpillar reported adjusted earnings of +83 cents a share, matching results in the year-earlier period. Revenue fell to \$9.57 billion from \$11.03 billion. Analysts expected Caterpillar to report fourth-quarter earnings of 66 cents per share on revenue of \$9.84 billion. "Our results for the fourth quarter, while slightly better than expected, continued to reflect pressure in many of our end markets from weak economic conditions around much of the world," said Caterpillar CEO Jim Umpleby in a release. The equipment manufacturer lowered its guidance for 2017 sales and revenue from about \$38 billion to a range of \$36 billion to \$39 billion. It expects adjusted profit of \$2.90 a share. Looking ahead, Caterpillar sees early indications of a modest recovery in several of its businesses, including signs that mining-related sales may have bottomed and rebounding sales in China. (Source: CNBC)

> Biggest Social Media Users Might Not Be Who You Think: Despite the popular belief that millennials are the generation most addicted to their phones, a recent report from Nielsen, the media information and analysis company, found that it is, in fact, Generation X that lavishes the most time on social media pages. Asked how many hours a week they spend on these networks, 35- to 49-year-olds averaged six hours and 58 minutes. Millennials, defined by the study as those aged 18 to 34, spent 39 fewer minutes per week. (People 50 and over, boomers and above, spent just four hours a week or so e-socializing.) The trend extended to overall media consumption by Generation X, whose members spend almost 32 hours a week, on average, on all media, compared to about 27 hours for millennials and closer to 20 hours for respondents 50 and older. It's not as if technology is foreign to Gen X. But given these somewhat surprising numbers, should they really be telling their kids to get off their phones? (Source: Bloomberg)

Middle-Aged Media Addicts

A report found that average social media and general media consumption are highest among 35- to 49-year-olds.

■ Millennials ■ Generation X ■ 50 and over



Source: Nielsen

Bloomberg



Western Illinois - We have seen crops over the last two years be very good. The 2016 corn crop was probably the best that we ever had across all the farms. There were guys in our area talking about yields at 250bpa but never really said if that was dry or wet corn. I wish that these high yields were directly related to my management practices but I think it was just good old Mother Nature. I don't think that we went a week without a rain. We are dry land and typically see some variation across fields on hills and low spots, but this year was as consistent as I have ever seen. The corn yield was right at 220bpa last year. We need to move some grain but the weather has been wet and foggy, which won't allow us to get trucks in until things freeze up. I like to see a pretty deep freeze in the ground to help make it easier to work it in the spring. We apply all nitrogen in the spring with 28% and 32%, but there are a some guys still putting on anhydrous in the fall. This year guys were putting it down while temps were in the high 40's and low 50's. Our ground will make decent bean yields but somewhat variable from field to field, seeing 55bpa to 70bpa. This was not as high as some monitors reported but a mid 60bpa bean yield pencils well.

North central Kansas - Nothing against any other breeds, but we have tremendous luck with Angus. We focus on good cows, buy low birth-weight/calving ease bulls and let them go. The only time we have trouble is if the calf is backwards. We buy high-quality replacement bred heifers from neighbor with a top-notch development program. Then we buy our

bulls from a different neighbor who is a fair sized registered angus bull breeder. He sells about 150-200 bulls annually and we can usually pick out what we want for \$1800-\$2200 by the time the sale is winding down. Those mommas will wean 650-675lb calves pretty consistently.

Southern Wisconsin - A few years ago I got a yield monitor for my combine. At first I didn't feel it was real accurate because going across the field with a 6 row head, one way it would average over 200 bushels then the next 6 rows would be lower. Never very consistent. I apply liquid starter 28% with the planter, then come back with 100 units of N with agratain about knee high. I have found during harvest, on the ends especially where headland rows are at an angle my yield monitor will increase. Due to double spreading I use a 50 ft spreader and spread 20 rows at a time (30 inch rows). I have checked my coverage and it always seems good. Now I'm wondering if I'm shorting a couple rows of corn.



Proliferation Of Bird Flu Outbreaks Raises Risk Of Human Pandemic: The global spread of bird flu and the number of viral strains currently circulating and causing infections have reached unprecedented levels, raising the risk of a potential human outbreak, according to disease experts. Multiple outbreaks have been reported in poultry farms and wild flocks across Europe, Africa and Asia in the past three months. While most involve strains that are currently low risk for human health, the sheer number of different types, and their presence in so many parts of the world at the same time, increases the risk of viruses mixing and mutating - and possibly jumping to people. "This is a fundamental change in the natural history of influenza viruses," Michael Osterholm, an infectious disease specialist at University of Minnesota, said of the proliferation of bird flu in terms of geography and strains - a situation he described as "unprecedented". The greatest fear is that a deadly strain of avian flu could mutate into a pandemic form that can be passed easily between people - something that has not yet been seen. Read more from [Reuters](#).

Scientists Create Part-Human, Part-Pig Embryo: For the first time, scientists have grown an embryo that is part-pig, part-human. The experiment, described Thursday in the journal *Cell*, involves injecting human stem cells into the embryo of a pig, then implanting the embryo in the uterus of a sow and allowing it to grow. After four weeks, the stem cells had developed into the precursors of various tissue types, including heart, liver and neurons, and a small fraction of the developing pig was made up of human cells. The human-pig hybrid — dubbed a "chimera" for the mythical creature with a lion's head, a goat's body and a serpent's tail - is said to be a significant step in raising the possibility of interspecies organ transplants. The Washington Post has more details [HERE](#).

How to Get a Better Night's Sleep: Most people know they need to eat right and exercise to be healthy. But what about sleep? We spend about one-third of our lives asleep,

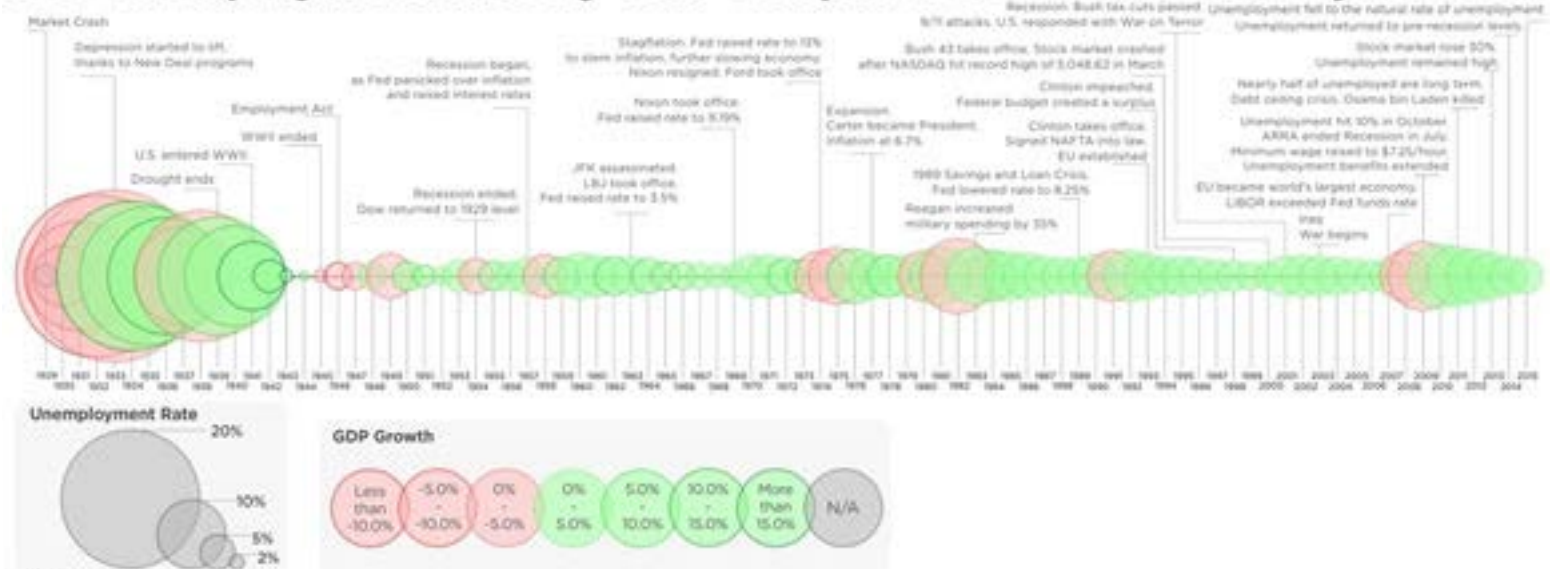
and sleep is essential to better health. But many of us are struggling with sleep. Four out of five people say that they suffer from sleep problems at least once a week and wake up feeling exhausted. So how do you become a more successful sleeper? Check out the tips from [The New York Times](#).

Doomsday Clock Is Moved Closest To Midnight Since The 1950s: *The minute hand on the Doomsday Clock ticked closer to midnight Thursday, as the Bulletin of the Atomic Scientists said it's seeing an increase in dangers to humanity, from climate change to nuclear warfare. The group took the "unprecedented" step of moving the clock 30 seconds closer to midnight, to leave it at 2 1/2 minutes away. The setting is the closest the clock has come to midnight since 1953, when scientists moved it to two minutes from midnight after seeing both the U.S. and the Soviet Union test hydrogen bombs. It remained at that mark until 1960. "Make no mistake, this has been a difficult year," Rachel Bronson, executive director and publisher of the Bulletin of the Atomic Scientists, said as the new setting was announced Thursday. Created in 1947, the Doomsday Clock was conceived by scientists who had participated in the Manhattan Project. Initially seen as an indicator of the likelihood of disastrous nuclear conflict, it now also includes other threats, such as climate change, biological weapons and cyberthreats. You can read more and watch the press conference [HERE](#).*

Top Economics & Finance Blogs Of 2017: *FocusEconomics has compiled an extensive list of 101 economics and finance blogs that you might want to add to your regular morning reading lists, if you haven't already. They included blogs on microeconomics, macroeconomics, health economics, sports economics and even water economics. Politics and public policy are common themes in many of these blogs as the impact of politics and policy plays an important role in economics of all kinds. Let's also not forget the intersection between economics and finance. There are some purely finance and investment related blogs in this list as well as blogs that do a bit of it all. One thing you will notice for sure is that most of the blogs are from individuals and institutions that you may have never heard of rather than the big established media publications. Additionally, FE wanted to provide a wealth of choices, presenting perspectives from different ends of the economics and finance blogosphere. As they state - "It is important not to get stuck in an echo chamber, listening and reading the same things over and over again without understanding other perspectives. Therefore, some of the blogs on this list are contrarian in nature and even in some cases highly controversial. We don't necessarily endorse all of the bloggers's viewpoints, however we do acknowledge that there are two sides to every coin." Check it out [HERE](#).*

The Fall And Rise Of The U.S. Economy, From The Wall Street Crash Until Now: *HowMuch takes a long look back at the U.S. economy, focusing particularly on the unemployment rate and GDP. Like an economic stroboscope, the graph below pulsates and changes color to indicate the state of the nation. Larger circles indicate higher levels of unemployment, and vice versa. Green means GDP growth, more so if darker green. Red indicates crisis moments, when the Gross Domestic Product contracts – by more, as the shade of red darkens. The graph starts in 1929, an ominous year for the economy of the U.S., and indeed the world. The Wall Street Crash sets off the Great Depression, which causes hardship on a scale not seen for generations – before or since. See a much larger view of the graphic and take a deeper look at their data [HERE](#).*

U.S. Unemployment Rate by Year Compared to Growth and Major Events



Sources & Article:

<https://howmuch.net/articles/unemployment-compared-to-gdp-since-1929>

BLS, Unemployment Rate by Year

BEA, National Income and Product Accounts Tables

howmuch.net



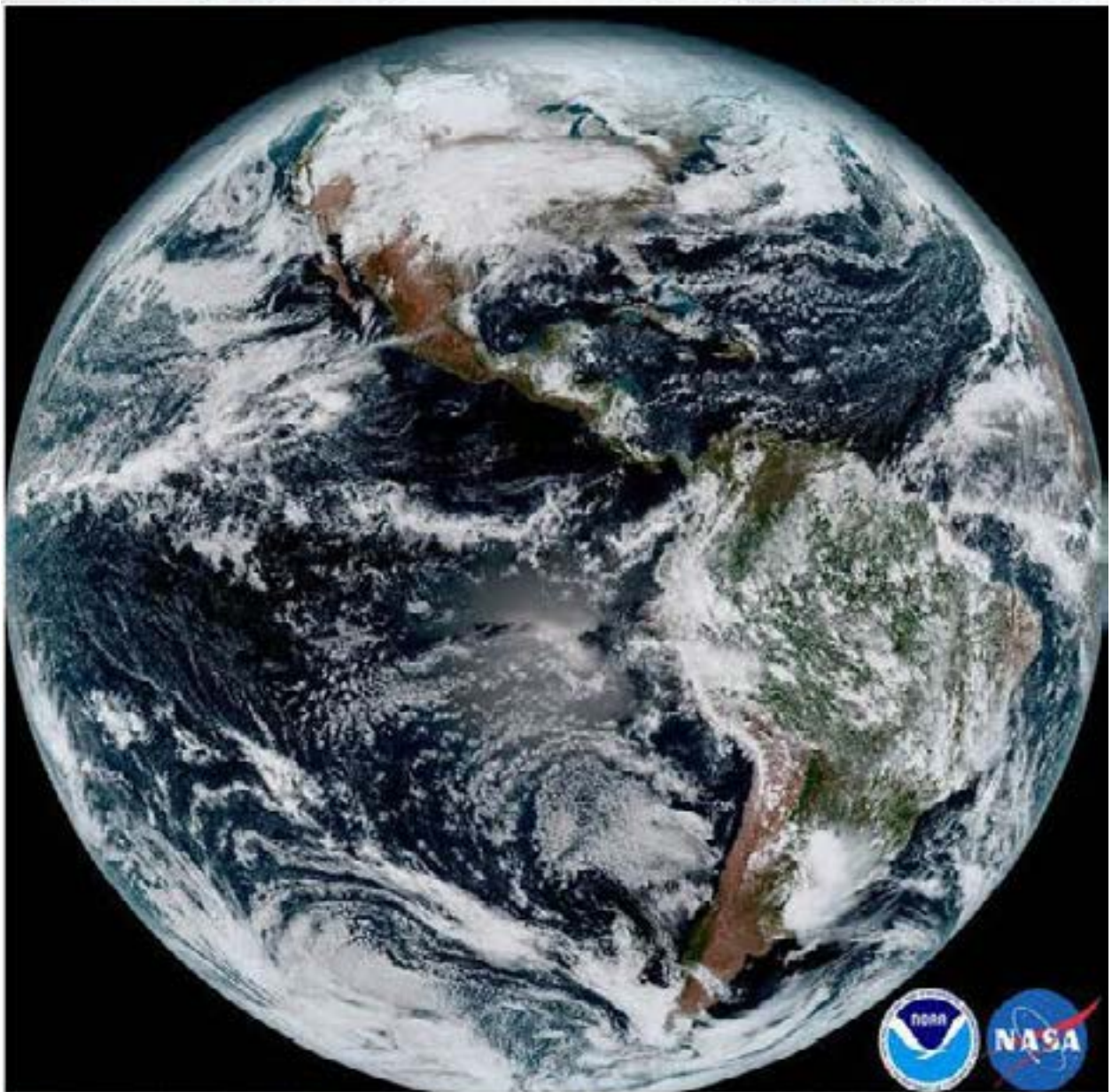
The First Photos From NASA's Revolutionary Weather Satellite Are Awesome

The first photos taken by our new revolutionary weather satellite orbiting Earth show our planet in a stark new light. The high resolution photos snapped by the National Oceanic and Atmospheric Administration's GOES-16 satellite show the Earth as seen in different wavelengths of light and also include a particularly stunning shot of the moon peeking out just above the cloudy planet. Although the image of the moon and Earth shining together is beautiful, it also served a purpose. Scientists used the lunar body to calibrate the new spacecraft's camera. GOES-16 -- previously called GOES-R is currently in an orbit about 22,300 miles from Earth. According to Stephen Volz, director of NOAA's Satellite and Information Services, "these images come from the most sophisticated technology ever flown in space to help predict severe weather on Earth. The fantastically rich images provide us with our first glimpse of the impact GOES-16 will have on developing life-saving forecasts. GOES-16 is a huge leap in technology for NOAA. The satellite's high-resolution images should help scientists track lightning, volcanic ash, water vapor and other variables to better predict what weather is like around the U.S. The advanced satellites scans the planet five times faster than earlier GOES spacecraft, and it can also take a full photo of the continental U.S. every five minutes. It also has a mode that allows NOAA mission managers to take images every 30 seconds. Now, this may not sound like much, but it could be the difference between life and death when you are in the middle of something like major tornado outbreak. While GOES-16 is the first of NOAA's advanced spacecraft for weather monitoring, it won't be their last. GOES-17 is already in the testing phase, and two more are planned in the satellite series. If you want to learn more about GOES-16, America's most advanced eye in the sky, [Mashable](#) has a fantastic write-up about the entire GOES

program. (Source: [Yahoo](#))

Year

of the

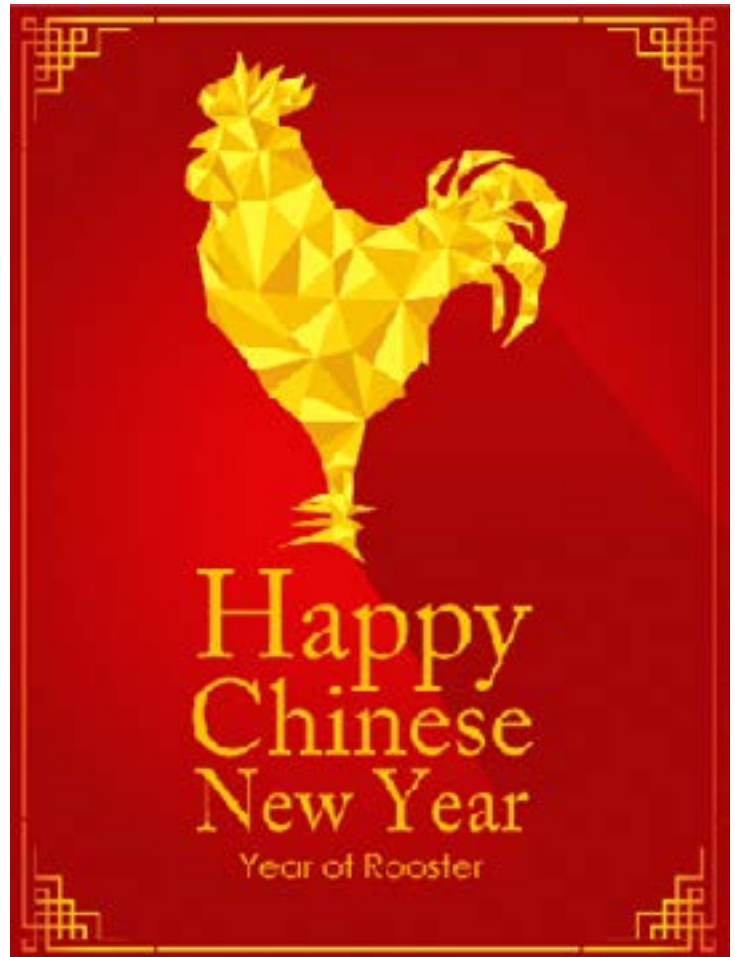


Cock... Happy Chinese New Year!

Saturday, January 28 is the start of the Chinese New Year, marking day one of the ancient Chinese lunar calendar and celebrations that will continue through the Lantern Festival on February 11. From what I understand most employers in China give their workers at least seven days of vacation during this period. Many schools and universities are closed for an entire month. With millions of people heading home to their respective villages or towns, this is the country's busiest travel period. Officials estimate that Chinese residents will make almost 3 billion trips between January 28 and February 11, resulting in the largest seasonal human migration in the world. From what I've come to understand, Chinese tradition starts the New Year on the first new moon that falls between January 21 and February 20 every year, which is why the holiday falls on different days from year to year. As you can imagine the holiday is centuries old, with most scholars placing 2017 as somewhere between the 4,654th or 4,715th year of the Chinese tradition. Every Chinese year

is associated with one of twelve zodiac animals and one of five elements. Every animal and element has its own characteristics that the superstitious believe will influence the year ahead. Anything that is started over the course of the year, such as a business or marriage, and anyone born in that year, are believed to have the characteristics of that year's animal sign. This year belongs to the "Rooster." Roosters, as far as believers in Chinese astrology are concerned, are viewed as loyal, resourceful, courageous, talented, and, similar to their zodiac animal, extremely punctual. In Chinese culture, another symbolic meaning the chicken carries is exorcizing evil spirits. The Rooster is often associated with the Sun since it crows at dawn, and the Sun is viewed as the "king" of the solar system - thus those born under the sign are associated with leadership. A "Rooster" is also expected to infuse more enthusiasm and energy into daily activities, increasing hopes for better prospects for everyone. However, it also expected to bring immense change and transformation. Of course many in America discount these

to be just be old superstitions, but keep in mind how deeply rooted they are in the Chinese culture. Ancient wisdom and some astrally sites believe if you were born in any of the following years, you are considered a "Rooster" and the winds may be at your back: 2005, 1993, 1981, 1969, 1957, 1945, 1933... The folks at [Astrology Club](#) wrote, "In a Rooster Year, all of the Chinese animals can reap great rewards by tapping into Rooster traits. Loyalty, commitment, hard work, family values, and top-notch appearances are just some of the characteristics that will be rewarded this year. Read on to see what YOU can expect over the next 12 months - "as the Rooster crows!" You can also click on the link above to see what they have to say about your specific birth year and how it interacts with the Rooster. Below are also some highlights from previous "rooster" years. Personally I've never been a believer or reader of astrology, but I've worked with many trading profes-



sionals in the past who give it some credence. I should note that I'm hearing rumors and headlines out of China that many of the locals are a bit freaked out with the recent "bird flu" virus rapidly moving across Asia considering this is the year of the "Rooster". (Source: The Peoples History).

1933 - *This was the worst year of the Depression in the U.S., with unemployment peaking at 25.2%, or 1 in 4 people. Tens of thousands of people travelled the road and rail in America looking for work, and the U.S. banking system, which was under great strain, was propped up by the U.S. government (U.S. banking act of 1933) to try and stop the panic of people withdrawing their money. The continuing drought in the Midwest made even more of the land into dust bowls. It was also a year of major political change in America - Franklin D. Roosevelt defeated Herbert Hoover and implements his "New Deal", creating 4 million public works jobs. This was also the year the U.S. repealed Prohibition with the passage of the 21st Amendment. Meanwhile, Adolf Hitler became the chancellor of Germany and opened the first concentration camp at Dachau.*

1945 - *While serving an unprecedented fourth term as President of the United States, Franklin D. Roosevelt passes away in April. Vice President Harry Truman takes his place. Following the defeat of Germany in early 1945, WWII ended in Europe on May 7th (V-E Day). President Harry S. Truman orders the use of the new Nuclear Bombs developed by Robert Oppenheimer's team. The first, an atomic bomb nicknamed "Little Boy", was dropped on Hiroshima, Japan, on August 6th, followed by the 2nd atomic bomb, nicknamed "Fat Man", over the city of Nagasaki, Japan on August 9. Five days later on August 14, Japan surrendered. Some interesting advancements in technology begin too - Percy Spencer accidentally discovers that microwaves can heat food and assembly of the world's first general purpose electronic computer, the Electronic Numerical Integrator Analyzer and Computer (ENIAC), is completed. It covered 1,800 feet of floor space.*

1957 - *Some of the areas that would cause problems later were starting to show - South Vietnam is attacked by Viet Cong Guerrillas and Troops are sent to Arkansas to enforce anti segregation laws. Major news stories of the year included the Peak of the Baby Boomer years, USSR launches Sputnik 1 (first artificial satellite), Elvis Presley purchased Graceland and the first nuclear reactor plant opened in Pennsylvania. The year also marked the outbreak of the Asian Flu Pandemic, a highly pathogenic bird flu strain known as H2N2. First identified in February it spread to countries worldwide, claiming the lives of an estimated 1 to 2 million people. The final death toll in the U.S. is thought to be close to 70,000.*

1969 - *On July 20th one of mans crowning achievements occurred when American Astronaut Neil Armstrong became the first human to set foot on the Moon and uttered the immortal words "That's one small step for man, one giant leap for mankind." The opposition to the war continued to increase with more and more attending anti war demonstrations and demanding that the US withdrew from Vietnam. The music came from groups including the Doors, Led Zeppelin, Janis Joplin and the Beatles and the most famous music festival of modern times "WOODSTOCK" took place on a New York Farm on August 15th to August 17th. The first two computers installed with ARPANET - the predecessor to the internet - communicate with one another.*

1981 - Many notable technological advances happened in 1981 one of the most exciting was the First Flight of the Space Shuttle Columbia. This was also the first year that the Word Internet was mentioned and MS-DOS was released by Microsoft along with the first IBM PC. In politics, Ronald Reagan becomes President and Sandra Day O'Connor is nominated to become the first female justice on the U.S. Supreme Court. On the world stage the events that captured the imagination included Lady Diana Spencer marrying Charles The Prince of Wales.

1993 - Islamic fundamentalists bomb the World Trade Center, killing six people and injuring over a thousand. The Waco siege on the compound belonging to the religious group Branch Davidians by American federal and Texas state law enforcement and U.S. military started on February 28 and ended April 19, a 51 day siege that ends in a fire that kills 76 Branch Davidians. The North American Free Trade Agreement (NAFTA) is signed into law by US President Bill Clinton; Ty Warner launches the first Beanie Babies; police begin investigations of child abuse by Michael Jackson.

2005 - One of the top stories of the year is Hurricane Katrina, which strikes the Louisiana, Mississippi and Alabama coastal areas. Levees separating Lake Pontchartrain from New Orleans, Louisiana were breached by the surge, ultimately flooding roughly 80% of the city of New Orleans. The final death toll is over 1,800, mostly from Louisiana. In politics, George W. Bush begins his second term. Lance Armstrong wins a record seventh straight Tours de France before his scheduled retirement; Terri Schiavo's feeding tube is removed after 8 years of legal wrangling; Microsoft releases the Xbox 360 gaming console in North America; and YouTube is founded.

The Trend Setting Shelby GT Mustangs Are All Turning 50

The Shelby Mustang GT 350 first came to market on this day back in 1965, starting a long history of souped-up Mustangs that made fans drool. The Shelby Mustang was the result of a now iconic partnership that Ford had entered with the late automotive legend Carroll Shelby. Carroll Shelby's general strategy was to put big engines into smaller, lightweight cars. The Ford Mustang became his car of choice and a legend in the automotive world. The Shelby Mustang would begin its life like others as just a simple stock Mustang. It was shipped to Shelby American in Venice, California, where it received high-riser manifolds, had its Ford Falcon rear axles swapped with heavy-duty Ford Galaxie rear axles, and was given larger rear drum brakes, among several other modifications. The original Shelby Mustang would also boast a bigger 4.7L V8 engine, which, after modifications, produced a mean 306 hp. By 1968, Carroll Shelby had lost much of the autonomy he'd enjoyed in creating the GT 350, as Ford had gotten more involved in the decision-making process. For starters, production shifted from Shelby American in California to Michigan, where the cars would be built alongside standard production Mustangs. Ford also took over all marketing and advertising. To say the least it was the begging of the end, as the GT 350s saw their final year of production in 1969. Regular Mustangs received a thorough redesign that year and Ford released its own versions of the car, most notably the Boss 302 and the Mach 1. Today, the Shelby GT 350 remains an iconic performance machine, easily distinguished from other Mustangs by both performance and valuation. In fact, just last week, a 1965 Shelby GT 350 pulled in a whopping \$445,5000 when it sold at Barrett-Jackson's Scottsdale auction. That's probably not that bad of a price considering the folks over at [Hagerty](#) believe the "average" value for a 1965 Shelby GT 350 is at around \$350K, while finer quality examples can fetch well north of \$500k. I know back in 2012 there was a 1965 GT350 model "R" that fetched over +\$950,000. From what I understand it was all

original and had less than 5,000 miles. The movie "Gone in 60 Seconds" featured a 1967 Shelby GT500 named "Eleanore" . One of the 1967 Mustangs actually used in that movie recently brought in \$1.0 million at auction. Another 1967 Shelby GT500 "Super Snake" sold at recent Mecum Auction in Indianapolis for a whopping \$1.3 million!



CASH SALES & HEDGING TOTALS

CORN 2015 CROP

100% SOLD
0% HEDGED
0% Cash Remaining



SOYBEANS 2015 CROP

100% SOLD
0% HEDGED
0% Cash Remaining



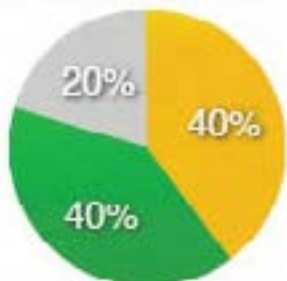
WHEAT 2015 CROP

100% SOLD
0% HEDGED
0% Cash Remaining



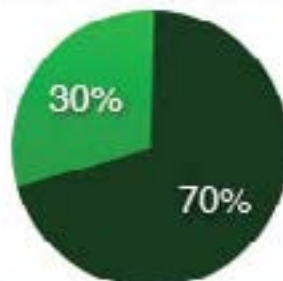
CORN 2016 CROP

40% SOLD
40% HEDGED
20% UNPROTECTED



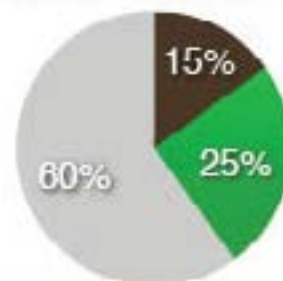
SOYBEANS 2016 CROP

70% SOLD
30% HEDGED
0% UNPROTECTED



WHEAT 2016 CROP

15% SOLD
25% HEDGED
60% UNPROTECTED



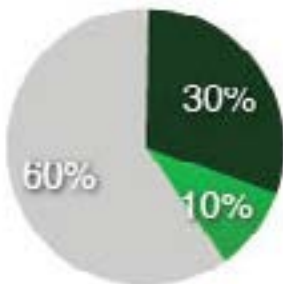
CORN 2017 CROP

10% SOLD
20% HEDGED
70% UNPROTECTED



SOYBEANS 2017 CROP

30% SOLD
10% HEDGED
60% UNPROTECTED



WHEAT 2017 CROP

10% SOLD
10% HEDGED
80% UNPROTECTED

