



"The single most fun act intellectually is contradicting yourself. It means you are in a learning mode, which today is a survival mode." - Tom Peters

FRIDAY, APRIL 07, 2017

Morning Summary: Stock continue to trade in a fairly narrow range. Bulls say the market has had several opportunities to break on more uncertain headlines, but has yet to show many cracks in the armor, proving to some its overall resilience. Many other large money-mangers are taking a bit more hesitant approach and don't seem to be in any hurry to push the market to new record highs, especially with some significant "big ticket items" coming up on the agenda. Today's major event is the March Employment Report, which is expected to show U.S. employers added +175,000 new jobs and the unemployment rate remained at around 4.7%. Insiders are also very anxious to see more first-quarter results from America's bellwether companies. Earnings season will start picking up next week with the big banks beginning their latest round of reports. JPMorgan Chase, Wells Fargo and Citigroup all release earnings next Thursday. There is also some anxiety over how President Trump intends to respond to the chemical attacks in Syria and North Korea's latest missile test. Trump will continue his visit with China leader Xi Jinping today, though it is still not clear if they will hold the joint press conference that is common when most world leaders visit the President. As the meeting is being carried out in Florida, the press hasn't been given many details regarding what Trump and Jinping have been talking about or how the meetings are shaping up. In Washington, Senate Republicans exercised the so called "nuclear option" yesterday, a procedural move that changed Senate rules to require just a simple majority vote rather than a full 60 to advance a Supreme Court nomination. Senators voted 55-45 to end debate on Neil Gorsuch's nomination, which means the final confirmation vote should happen today. Meanwhile, the Senate Finance Committee delayed a scheduled vote on Trump's Trade Representative nominee, Robert Lighthizer. Committee Chair, Senator Orrin Hatch, says he hopes the vote can be taken up when Congress returns from a two week break on April 24. The long Easter recess begins Monday, so news out of Washington should theoretically die down a bit during the next couple weeks. Keep in mind, however, that Congress only has till April 28 to get a funding bill passed, which is probably going to result in a pretty nasty fight on their return. There are two particularly contentious issues Congress will have to somehow compromise on - funding Planned parenthood and money for President Trump's border wall. If Congress fails to pass a full budget, they could try to shove through a "continuing resolution", but that risks leading to some serious funding cuts to government branches, including possible military cuts. As for next week, keep in mind that markets will be closed on Friday for the Good Friday holiday. Banks however will be open. Data next week includes JOLTS on Tuesday; Import/Export Prices and Atlanta Fed Business Inflation on Wednesday; PPI and Consumer Sentiment on Thursday; and the Consumer Price Index, Retail Sales and Business Inventories on Friday.

One More Tribute To The King: *With all the talk of Arnold Palmer not being at this years Masters, I thought I would run a terrific video that was put together by the PGA Tour last year after his passing. He will be forever missed! Click [HERE](#)*



President Trump Takes Military Action Against Syria: *A U.S. military official said overnight that two navy ships in the Mediterranean had fired more than 50 Tomahawk missiles against a target inside Syria. Senior Defense Department officials said they were developing additional options for a military strike in response to the Syrian government's chemical weapons attack that killed dozens of civilians on Tuesday. The top-level consultations about military options involve Defense Secretary Jim Mattis and Gen. Joseph F. Dunford Jr., the chairman of the Joint Chiefs of Staff, as well as military officers at the United States Central Command. American intelligence has established with high confidence that a Syrian government aircraft carried out the attack. At the same time, the nation's top diplomat, Secretary of State Rex W. Tillerson, said the devastating chemical weapons attack in Syria made it clear that there was "no role" for President Bashar al-Assad to continue governing his country, and he promised a "serious response" from the United States. President Trump has called the chemical weapons attacks "truly one of the egregious crimes." U.S.-Russian relations will now be tested and moving into the spotlight, pay close attention...*

Are Former Treasury Officials Sounding Alarm Over U.S. Debt? *Unprecedented U.S. borrowing from other countries compared with what they borrow from the U.S. is fast approaching danger levels, former U.S. Treasury officials are warning. "Never in history has one country owed so much to the rest of the world," says Joseph Gagnon, a senior fellow at the Peterson Institute of International Economics. The U.S. is borrowing to finance America's trade deficit, pushing the country deeper into the red. Mr. Gagnon*

and Peterson colleague Fred Bergsten say the Trump administration may have to push down the value of the dollar to cut an expanding U.S. trade gap. Foreign ownership of U.S. debt such as Treasury and corporate bonds outpaced American claims on foreigners by \$8.4 trillion in the last quarter of the year. That's a deficit worth 45% of America's gross domestic product. It is projected to hit 53% by 2021, but could accelerate if the Trump administration cuts taxes and Congress expands the budget deficit. It is also nearing a zone that few countries have survived unscathed. No economies of even a modest size have had a borrowing deficit above 60% of GDP without a major reversal in their trade balance, "often accompanied by severe financial stress," Gagnon says. He adds though that because the U.S. borrows entirely in its own currency—averting an exchange-rate mismatch that hurts many countries—it will likely avoid a worst-case scenario, Mr. Gagnon says. (Source: The Wall Street Journal)

Bearish Sentiment Continues To Dominate Wall Street: The most negative group of investors turned even more bearish again this week. According to the weekly sentiment survey from AAI, only 28.3% of individual investors considered themselves bullish in the last week. That's down from an already low reading of 30.2% last week, and it's the lowest weekly reading seen since before the election. This week's decline also extends the record streak of consecutive weekly readings where bullish sentiment was below 50% to 118. Bearish sentiment, meanwhile, rose to just under 40% this week (39.6%), marking the fourth week in the last five where bears have outnumbered bulls. Considering where the S&P 500 currently sits relative to all-time highs, that is pretty amazing. Certainly makes you believe the pain trade is still to the upside. Most bull markets don't end until there is complete euphoria on the bullish side. (Source: BeSpoke)

AAI Bullish Sentiment: 2009 - 2017



AAll Bearish Sentiment: 2009 - 2017

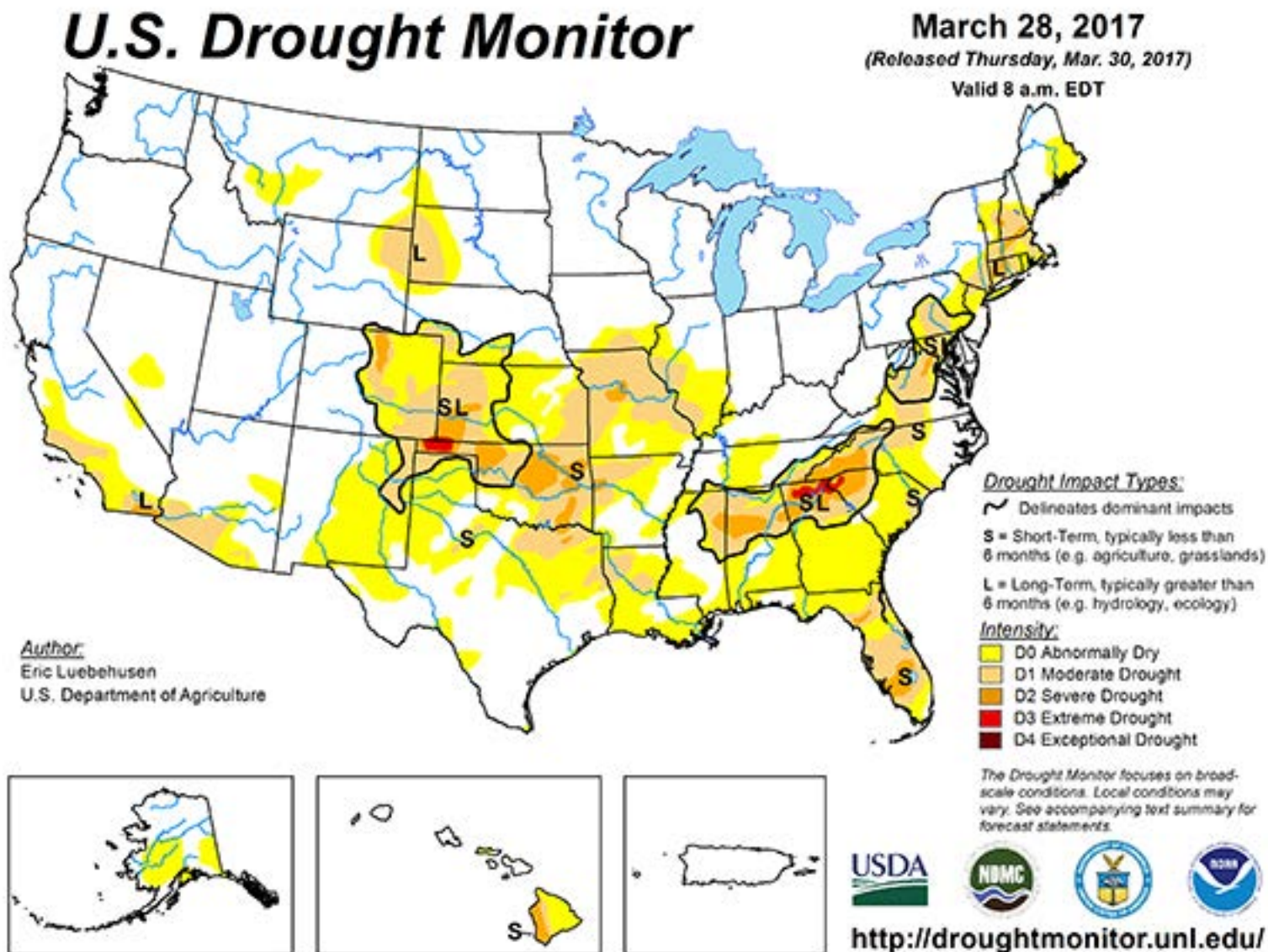


Weather has finally turned dry and stable across much of the nation's mid-section. Forecasts are calling for mostly dry conditions today in the western Midwest. Dry or only a little light rain will develop through northwest areas beginning Saturday. In the eastern Midwest yesterday, a snow-rain mix changed to straight snow with windy conditions in the northeastern Midwest. Soil moisture supplies are favorable in most areas, though short-term dryness lingers in the upper Midwest. The 6 to 10 day outlook has temperatures expected to average near to below normal early in the period, above normal late in the period. Precipitation should average near to below normal. In the southern Midwest, corn planting will likely be delayed due to the increase in rainfall this week, along with the brief cool snap. Longer-range prospects for planting corn are more favorable as it turns drier and warmer during the 6 to 10 day period. In South America, favorable conditions have settled in for developing second crop corn in central Brazil. Favorable conditions are in place for maturing and harvesting soybeans in southern Brazil, however, it may turn wet in the next few days and very wet in Rio Grande do Sul. Moderate to heavy rains are in the forecast this weekend in Argentina. Wet weather is unfavorable for maturing crops and will delay and disrupt harvests. Very heavy rains in La Pampa has caused severe flooding in growing areas.

Big Improvements to Drought Outlook Across Midwest: *This week's U.S. Drought Monitor shows widespread improvement in drought this week for the Lower 48. Overall, drought fell from 14% to 10% in one week due to heavy rains (greater than 2 inches) that criss-crossed the nation's mid-section, especially the Corn Belt. Weekly precipitation amounts ranging from about 2 - 4 inches resulted in a one-class improvement across most of Missouri. Abnormal dryness in west central Illinois was removed, due to comparable rainfall totals. In south central Iowa, where more subsoil moisture was noted, a one category improvement was made. Widespread category improvements were also made to Texas, Oklahoma, and Kansas where heavy precipitation (mostly 2 - 5 inches) was reported this past week. Maps below shows the*

comparison between last week's Drought Monitor and this week's.

Last Week's Drought Monitor

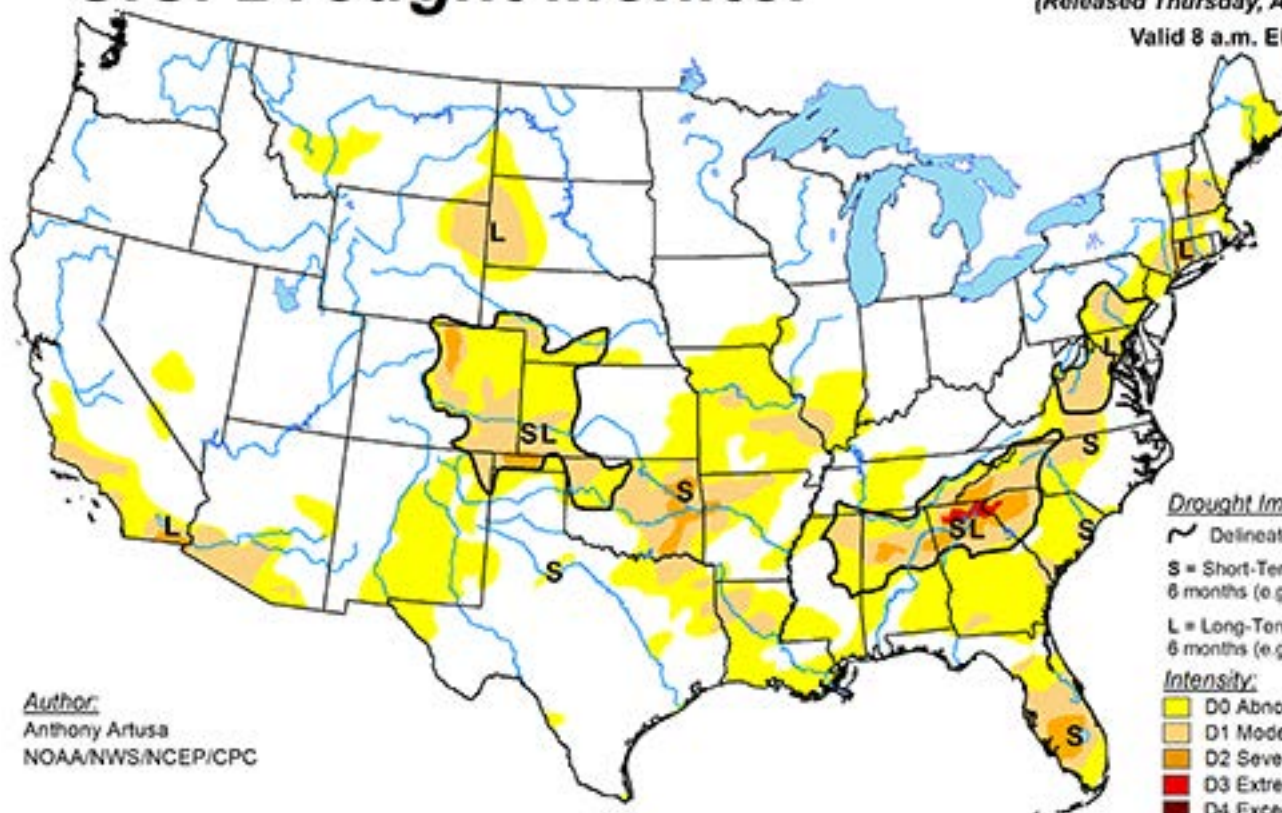


This Week's Drought Monitor

U.S. Drought Monitor

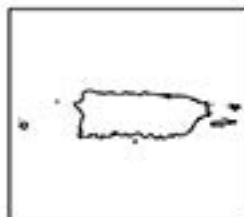
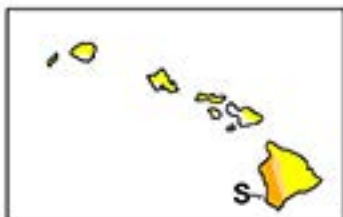
April 4, 2017
(Released Thursday, Apr. 6, 2017)

Valid 8 a.m. EDT



Author:
Anthony Artusa
NOAA/NWS/NCEP/CPC

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.

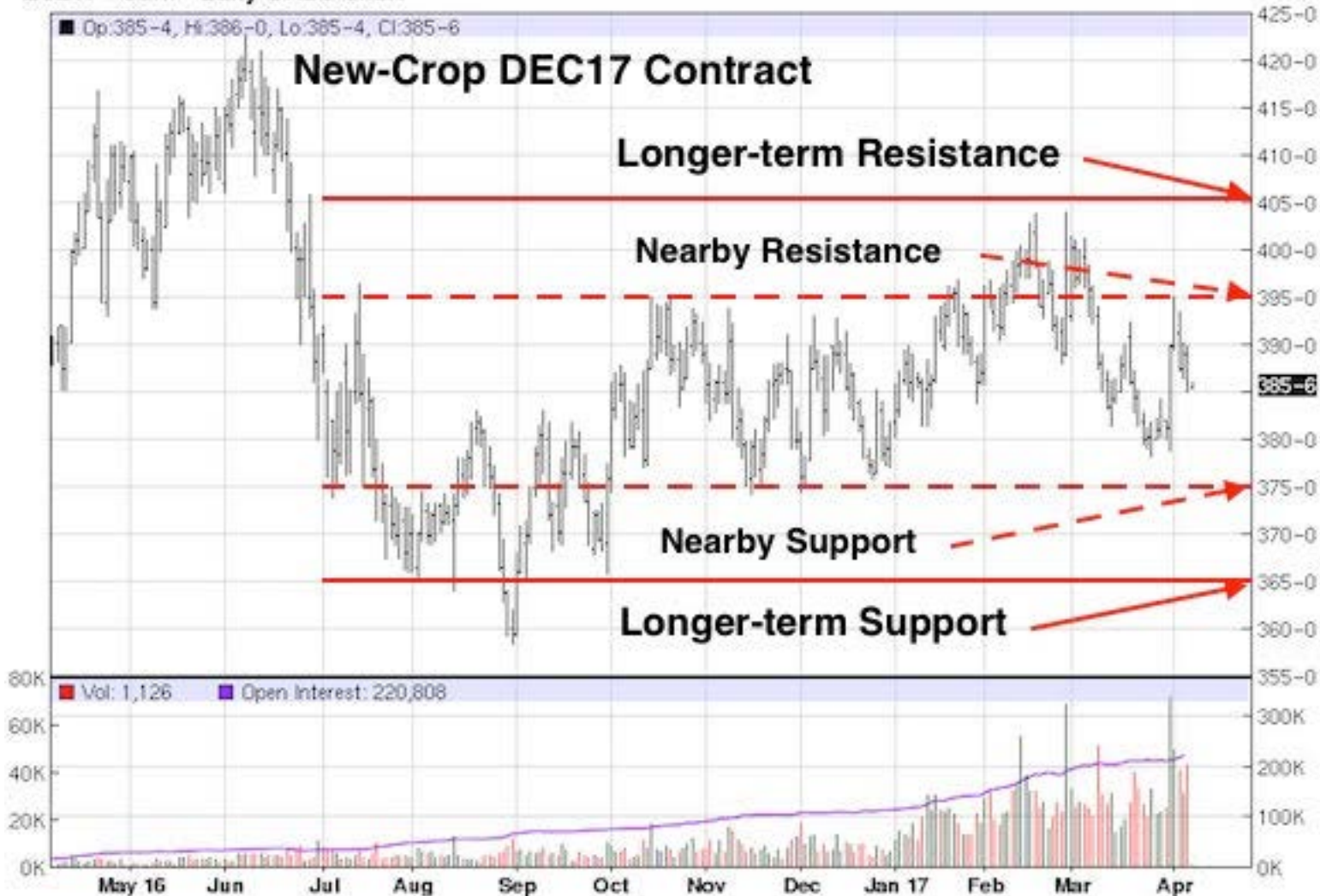


<http://droughtmonitor.unl.edu/>

Corn traders continue to debate U.S. planted acres and the longer-term weather forecast. From my perspective it's starting to feel like the early "over-under" bet will come down to the average U.S. yield being over-or-under 165 bushels per acre. If you believe we will harvest somewhere between 82 and 83 million corn acres, then you can argue a 165 average yield will equal a total-crop of between 13.5 to 13.7 billion bushels. In my opinion that's still a number that keeps the bears in the ball-game and up to bat. Meaning to fully sway the trade we need weather complications and headlines significant enough to bring about talk of the average yield falling to sub-165 levels. Without those headlines it's hard to justify this market retesting our most recent highs. As I mentioned several sessions back I feel like the trade has become somewhat tired or calloused with the "demand" story. I think we saw evidence again yesterday when exports were much better than expected but the market couldn't hold higher prices. I remember being told years ago, when a market swallows bullish medicine but doesn't respond with higher prices it might be a bit more sick than you recognize. I'm not sure that's the case right now with the corn market, but it certainly seems the trade is over the "demand" headlines. We've clearly turned the page and are fully focused on "weather" and how it will impact U.S. acres and the overall yield. As I wrote yesterday, it feels to me like we are range bound in the new-crop DEC17 contract between \$3.65 and \$4.05 based on the weather forecasts and outside macro movement. As of right now the U.S. weather forecast still looks wet, but with it being this

early in the game that can be digested as both bad and good by the trade. Don't forget we will get the USDA's first weekly report on planting on Monday, followed by the USDA's monthly "Supply & Demand" report on Tuesday. In other words the beginning of next week could bring about more volatility.

ZCZ17 - Corn - Daily OHLC Chart



Soybeans prices pullback a bit despite continued talk of heavy rains in Argentina and good U.S. export sales. The market appears to be consolidating ahead of next weeks USDA updates. The record crop being harvested in Brazil, record acreage being planted here in the U.S. and talks of ending stocks pushing higher should be enough to keep a lid on most nearby rallies. In fact until U.S. weather starts to become more of a concern to the trade, I suspect traditional fundamentals will continue to play the lead-role. Unfortunately most source deem current domestic and global supply as adequate. Many sources are also starting to push their new-crop supplies higher and in turn building a more burdensome outlook for the balance sheet. Hence no real nearby reason to add any additional risk premium. The trade seems to feel extremely comfortable in the fact Brazil is almost finished pulling a record crop out of the fields and U.S. producer are following it up by planting all-time record acres. Until the bears become uncomfortable about the production outlook or macro money-flow starts to make a major reversal, price more than likely trend sideways to lower. Remember, when the market deems itself to be in an "over-supplied" environment its primary job becomes finding ways to reduce supply, hence lowering prices

in hopes of reducing acres. Right now it feels like the most pressing thought in the soybean market is that it's "over-supplied". That thought can quickly change, but as I sit here today it feels "over-supplied". As a producer I continue to keep all hedges in place. As a spec I remain patient, looking to throw a line in on the long side, but not until I see the psychology of the trade start to shift or change back away the traditional fundamentals.

ZSX17 - Soybeans - Daily OHLC Chart



Wheat bears gain another vote of confidence as the UN's Food & Agriculture Organization forecast stockpiles rising again for the fifth consecutive year. China and India have good looking crops and look as if they will import less volume. There's also talk of less wheat being used as feed with cheap alternatives floating around in the global marketplace. There also seems to be less risk in the U.S. weather forecast as good moisture continues to build and worries about extremely low-temps has again passed. Bears are arguing that the USDA could actually make a case for slightly lowering their current export estimate. They also believe the USDA could again lower their wheat used for feed estimate. In other words despite the record low wheat acres, ending stocks could actually inch a bit higher in the upcoming reports, especially if U.S. weather appears more cooperative and allows for talk of improved yields. Bottom-line, it still remains tough being anything bearish in regard to traditional fundamentals. But when I look at the underlying macro landscape and the geopolitical shifts taking place, along with the massive short position currently held by

the funds, I continue to like the longer-term bullish play. I'm staying a conservative bull despite the obvious bearish fundamentals.



> Senate Sets Date For Perdue Vote: *Senate majority leader Mitch McConnell announced yesterday that he has cut a deal with his Democratic counterpart to hold a confirmation vote for Ag Secretary nominee Sonny Perdue. The chamber will vote on April 24, the day the Senate returns from its two-week recess. In a sign of how relatively noncontroversial Perdue's agriculture nomination is, the Senate won't be taking any procedural votes on the former governor. The one up-or-down vote the chamber is set to take will require 51 votes — not 60.*

> Global Food Prices Fall In March As Sugar, Vegetable Oils Slide: *The United Nations Food and Agriculture Organization (FAO) reports that global food prices fell in March amid large available supplies and expectations of strong harvests, and also projected "robust cereal harvests" in 2017. The FAO Food Price Index, which measures the monthly change in international prices for cereals, vegetable oils, dairy, meat and sugar, averaged nearly 171 points in March, marking a -2.8 per cent drop from the previous month while remaining +13.4 per cent above its level a year earlier, according to the agency. Cereal prices declined -1.8 per cent from February, led down by wheat and corn. It is now roughly par with its March 2016 level. Vegetable oil prices fell -6.2 per cent on the month; sugar prices fell -10.9 per cent; and dairy prices dropped -2.3 per cent. Meat prices rose +0.7 per cent.*

> Grain Inventories Seen Remaining Near Record Levels: *FAO also released its first world cereal supply and demand outlook for the year ahead, expecting it to be "another season of relative market tranquility" with grain inventories remaining at near record levels. Worldwide cereal production in 2017 is projected at 2.597 million metric tons, just nine million metric tons short of the record set in 2016, according to the latest Cereal Supply and Demand report. Global wheat production is expected to fall -2.7 per cent in 2017 to 740 million metric tons mostly on price-induced planting cuts in Australia, Canada and the United States. By contrast, total production of coarse grains in 2017 is provisionally expected to rise to a new record level of 1.353 million metric tons, substantially thanks to a surge in production in Brazil and Argentina along with a rebound in South Africa after last year's drought.*

> Saudi Arabia To Become Major Player In World Corn Market: *The US Department of Agriculture's Riyadh bureau, in its first forecasts for Saudi Arabian grains supply and demand in 2017-18, pegged corn imports at a record 4.30 million metric tons, a rise of 400,000 metric tons. And imports appear set to continue growing thanks to a curb by the water-short country on domestic production of green forage output of which reached some 4 million metric tons in 2015, while the country is cutting too its traditional reliance on*

barley for feed. "The main reason for the decline in projected feed barley consumption," seen falling to a six-year low of 8.0m tonnes next season, "is increased demand for processed feed due to its price competitiveness and perceived nutritional value", the bureau said. Corn is particularly popular with the country's growing broiler industry, comprising some 60% of poultry feed in domestic formulations. The spillover demand for feed wheat, meanwhile, will come at a time when imports of milling wheat are already being spurred by population growth, with Saudi Arabia's own production sidelined by measures aimed at water conservation. The bureau estimated the country's overall wheat imports – of which the vast majority are for milling, from hard wheat origins such as Germany and Lithuania – rising by 200,000 metric tons to a record 3.70 million metric tons. (Source: Agrimoney)

> Flooding Causing Problems In Argentina: Soybean & Corn Advisor reports that farmers in the province of La Pampa in Argentina have received more rain during the first three months of 2017 than they normally receive in an entire year. In various regions of the province, they received 600 mm or more (24 inches) in just a six-day period ending over this past weekend, which is more than they would normally receive in an entire year. The province of La Pampa is a relatively small soybean and corn producing province, but more ominous is the forecast for heavy rains in major producing provinces of Santa Fe, Cordoba, and Entre Rios over next weekend and into next week. The recent flooding in La Pampa is a disaster for farmers and ranchers in the region. The soybeans in the region are mature and ready for harvest, but many fields are under water. Any mature soybean field that is under water will be a complete loss because the soybean seeds will sprout in the pods. Ranchers in the region are also suffering losses due to lack of pastures and supplemental feed for their cattle. The situation is eerily similar to a year ago when regions of Santa Fe and Buenos Aires experienced severe flooding during April, also when the soybeans and corn crops were ready for harvest. (Source: Soybean & Corn Advisor)

> Ethanol RINs Rebound As Prospects Fade For Quick RFS Reform: Refiners' and petroleum marketers' hopes for a quick rollback of the US ethanol mandate by the Trump administration have fizzled out, causing renewable fuel credits to rebound after four months of steep drops. Since President Donald Trump started shaping his cabinet in early December, traders have pounced on any shred of news hinting how he might handle the Renewable Fuel Standard -- with many of them interpreting each development as a sign the biofuels mandate would be gutted. But now Washington policy watchers see those chances as overblown, with the RFS nowhere near the top of the administration's priorities and given the need for Congress to take action to alter the policy in any significant way. (Source: Platts)

> Pork Industry Warns U.S. Ill-Equipped To Handle Foot And Mouth Disease: It's been a long time - nearly 90 years - since the United States had a single case of foot and mouth disease, but it's critical that as much as \$150 million in annual funding be included in the next farm bill to maintain a ready-to-go supply of vaccine offshore, about 125 members of the pork industry will attempt to convince lawmakers when they hit the Hill today. The National Pork Producers Council has identified the issue as their single highest farm bill priority, and says it has already secured support from a number of farm-state lawmakers, including Rep. David Rouzer (R-N.C.), chairman of the House Agriculture Committee's livestock panel. (Source: Politico)

> Brazil Finds Problems In Meat Samples: Brazil's Agriculture Ministry on Thursday said it has found problems such as salmonella in eight of the 302 samples of meat-based

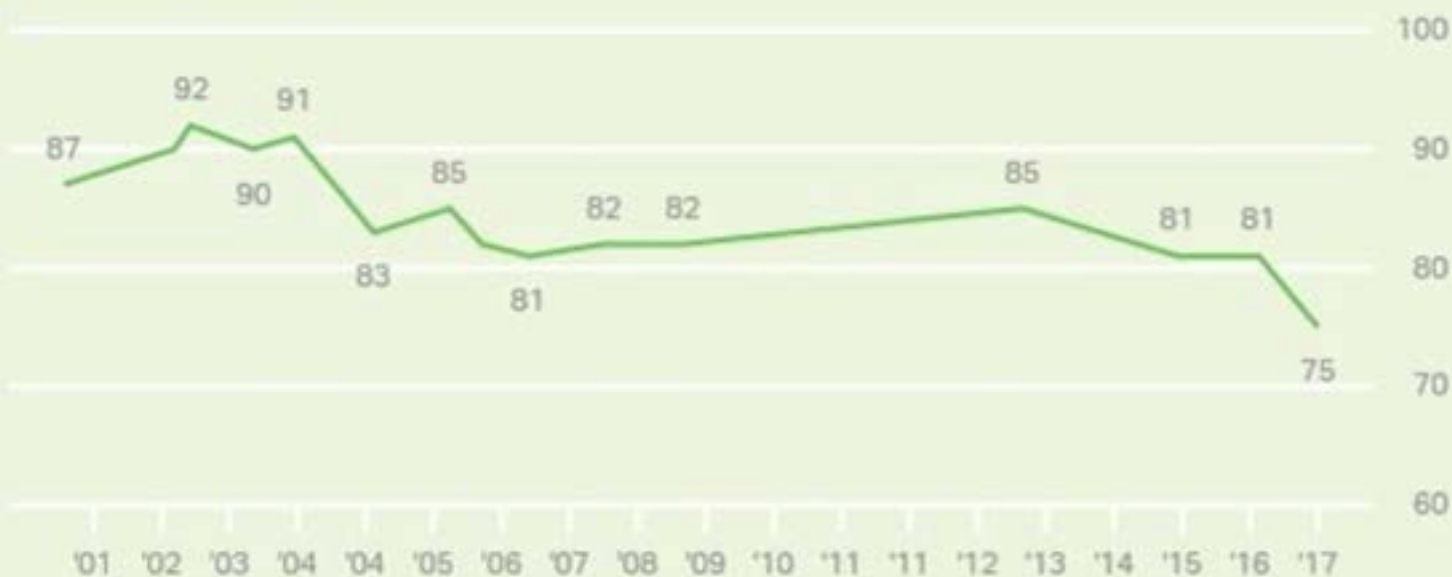
products collected from the 21 meat processing plants being investigated in a corruption probe. The ministry said it has started procedures to cancel federal operation licenses for the plants where the problems were found. The 21 plants are the target of a probe that revealed that major meatpackers bribed federal health inspectors to allow production and marketing of irregular meat-based products. (Source: Reuters)

> Record Low For American Pride: Only sixty-seven percent of Democrats say they are "extremely" or "very" proud to be Americans, down 11 percentage points from a year ago. Republicans (92%) and independents (73%) are about as likely now as in 2016 to express such patriotic sentiments. The results are based on a recent Gallup pole, and is actually the lowest percentage of Democrats saying they are proud since Gallup began this survey series. It also falls below the previous low of 74% recorded in January 2007. In addition to the 67% of Democrats who are extremely (43%) or very (24%) proud to be Americans, 18% say they are "moderately proud," 9% are "only a little proud" and 5% are "not at all proud." The combined 14% of Democrats who express little or no pride is up from 6% last year. Republicans' pride remains high at 92%, close to the average 94% Gallup has measured for the group since 2001. Republicans usually rank among the subgroups expressing the most pride. Independents' current level of pride is six points lower than their historical average of 79%. The current 25-point gap in patriotic feelings between Republicans and Democrats is the highest in Gallup's records. In January 2007, the party gap was 21 points. The drop in Democratic pride has caused the percentage of Americans overall who are extremely or very proud to fall to a new low of 75%, down from the prior low of 81% last recorded in 2016. (Source: Gallup)

New Low in Percentage of U.S. Adults Proud to Be Americans

How proud are you to be an American -- extremely proud, very proud, moderately proud, only a little proud or not at all proud?

■ % Extremely/Very proud



GALLUP



Central North Dakota - *We have been experiencing unseasonably warm temperatures lately. I called my parents in Arizona the other day and we were warmer than they were. We are still wet up here but it looks like we could be in the field in next two weeks if we want. Our farm sticks with a traditional corn, bean, wheat rotation. We did peas for a while but the transportation costs involved in getting to market was just too much. One thing for sure is we are seeing a lot more bean acres being planted up here. Everyone is falling in line with the hope the beans stay in the good graces of the big money this season. On my parent's farm, we still plant malt barley as my dad has been doing for many years. I hear of some getting out of the barley as the demand is starting to drop not to mention many jumped on board as they saw the premium prices. Fortunately, dad has a great relationship with the purchasing companies.*

Northern Illinois - *We have been abnormally dry here but it has not shown up on the drought monitor. Over the past week we have gotten pretty good rains totaling about 2.5", that have come slow and steady avoiding the heavy deluge rain events. I think that the recent moisture has actually helped guys be more optimistic on this years crop, changing their mindset to be more aggressive. This area is typically heavy corn on corn but this year I think we'll see a few more bean acres. The more bean acres are driven by two things, many lenders have pinched guys operating lines and the corn on corn guys want to give the dirt a little break. I think some growers and lenders have extended things one more time but may have a tough time next year if things don't improve. For us, we will have just one or two more fields of corn actually. We like to basically start planting corn the third week of April, weather permitting. We strip till everything here so we will need about 4 or 5 days ahead of planting to get the field work done, so we will not drag the planter out until then. I feel the strip tilling has been beneficial for better yields overall. We will put the fertilizer 2" to 4" below the seed bed, which should show a pop pretty quick. We have been using all dry fertilizers getting away from ammonia a few years ago. We will go straight from corn planting to rolling with beans. We have seen some larger guys up here see some headwinds but I will say any land that has come up for rent or sale has not gone for much of a discount at all.*

Western Minnesota - *The winter and early spring has been dry but fortunately we had a wet fall that recharged much of the sub surface moisture levels. I think unless something crazy happens we should be good on moisture for this years crop. Most guys will stay with their normal rotation but beans pencil better in this part of the country. It looks like this may be another early planting for us, just like the last two years where we started planting April 15th. We have had very open winters the last three years. My grandpa has always said that the early planted crops have the best chance to have great yields. We are all dry land but with the great weather last year our corn made 210bpa. It was a very weird year, where we had little or no rain before July 4th, getting very dry but right after that*

got 4" of rain and things just took off. Prior to those rains we didn't know how much our corn would make and actually had lowered our estimate down to 120bpa. The weather would bring rains about every week and we had very timely precipitation in August that we always seem to miss in years prior. Those late rains helped get our soybean yields to 49bpa across all of our farms. Most of our bean crop was grown on some of our toughest ground so even being below 50bpa, was great for us. The year before saw bean yields on similar ground only make around 20bpa. I feel like a couple of things have really helped our bean yields. We have been hitting all beans with fungicide, placing iron in the furrows and seed variety improvement.



Irrigated Land Values In Texas Are Near Record Levels: *Prices for irrigated cropland, and rangeland in Texas, the top U.S. cotton and beef producing state, are near record levels, the Dallas Federal Reserve said. But bankers are downbeat on price prospects in the future, suggesting a negative trend to come. And ranchers remain under pressure from rising predation, as wolves and bobcats threaten the future of the sheep and goat industry in the far-west of Texas, according to one surveyed banker. The Federal Reserve Bank of Dallas, which covers Texas as well as parts of Louisiana and New Mexico, reported that "real district rangeland and irrigated cropland values increased this quarter, while real dryland values decreased". Read more [HERE](#).*

Brexit Puts Britain In An Agriculture Quota Quandary: *Brexit has created an administrative and diplomatic minefield for Britain by triggering a reworking of its relations in the most contentious area of international trade -- agriculture. To stand on its own after it leaves the European Union, Britain needs a document setting out its own commitments at the World Trade Organization, the bedrock of global trade. Britain's membership terms are currently included in EU's, so it needs to disentangle itself, with less than two years on the clock. While Britain can simply replicate the EU's tariffs, the copy-and-paste method does not work for agriculture, where EU imports are limited by 128 "quotas", often allocated to particular suppliers. Imports of goods such as meat, cereals, fruit, milk, wine and vegetables that are not covered by a quota are subject to a much higher import tariff. Unless Britain agrees what share of each EU quota it will take, and what tariffs apply for some 2,000 agricultural products, businesses will be flying blind. Read more from [Reuters](#).*

Age Makes You Happier - And Poorer: *The Psy-Fi Blog has an interesting post about the "age-related positivity effect". By choice older people will habitually avoid stuff that they find negative. Which goes a long way to explaining a lot of things, including why older nuns tend to be happier and why we should avoid having to do anything difficult - like thinking or active investment - after we've reached 70. Older people prefer to focus on things that make them feel good rather than ... well, the opposite. Younger people tend to try to gather new information, but as you get older and the clock starts ticking ever louder the preference is to maximize feeling good rather than thinking smart. To test this*

Quinn Kennedy, Mara Mather and Laura Carstensen went and bothered a bunch of nuns, who'd already answered some questionnaires about related topics 14 years before. They discovered that the younger nuns got grumpier when pressed about autobiographical details but the older sisters' moods changed for the better. This aligns with another study that shows that older people actively avoid attending to negative information. Read more [HERE](#).

We Deceive Ourselves to Better Deceive Others: People mislead themselves all day long. We tell ourselves we're smarter and better looking than our friends, that our political party can do no wrong, that we're too busy to help a colleague. In 1976, in the foreword to Richard Dawkins's *The Selfish Gene*, the biologist Robert Trivers floated a novel explanation for such self-serving biases: We dupe ourselves in order to deceive others, creating social advantage. Now after four decades Trivers and his colleagues have published the first research supporting his idea. Read more from [Scientific American](#).

We Each Get 100 Blocks Per Day... What Do You Do With Yours? Most people sleep about seven or eight hours a night. That leaves 16 or 17 hours awake each day. Or about 1,000 minutes or about 100, 10-minute blocks. It's always good to step back and think about how we're using those 100 blocks we get each day. How many of them are put towards making your future better, and how many of them are just there to be enjoyed? How many of them are spent with other people, and how many are for time by yourself? How many are used to create something, and how many are used to consume something? How many of the blocks are focused on your body, how many on your mind, and how many on neither one in particular? Which are your favorite blocks of the day, and which are your least favorite? Read more at [Wait But Why](#)

America's Disproportionate Weight In Global Stock Market Indices: The aims of a stock market index are threefold. First, to reflect what is actually going on in the market; second, to create a benchmark against which professional fund managers can be judged; and third, to allow investors to assemble well-diversified, low-cost portfolios. On all three counts there are reasons to worry about the MSCI All-World Country Index, one of the most widely used gauges of the global stock market. That is because the American market has a weighting of 54% in the index, as high as it has ever been (it reached the same level in 2002). In other words, anyone using the index to monitor the market is seeing a picture heavily distorted by Wall Street. The relative performance of international fund managers against the index will largely depend on how much exposure to America they are willing to take on. Read more from [The Economist](#).

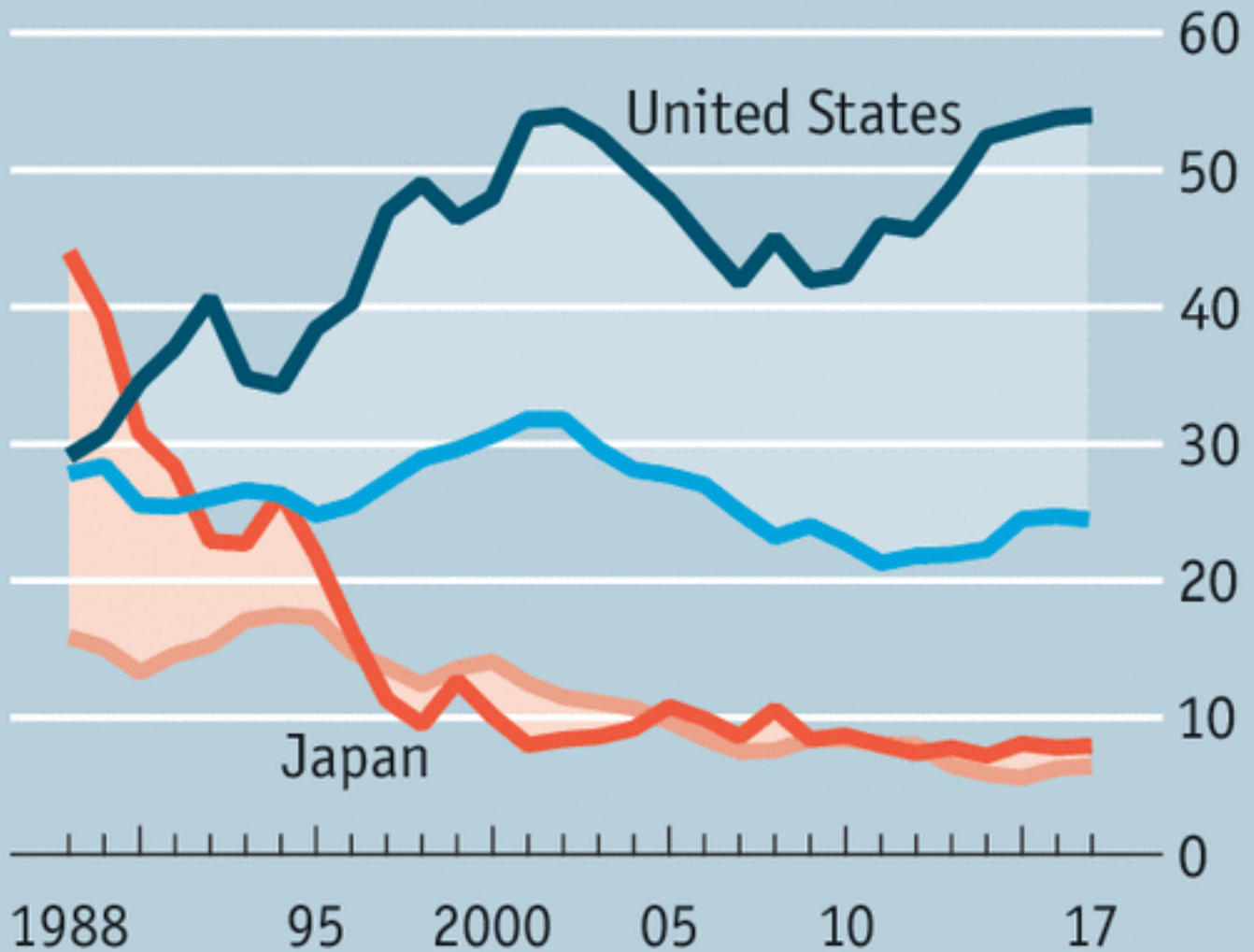
Carry that weight

MSCI All Country World Index,
weight, %

GDP*, % of world total

Japan

US



Sources: MSCI; IMF

*2017 forecast



First Bumble Bee Put On Endangered Species List

The rusty patched bumble bee became the first wild bee in the continental U.S. to gain federal protection when it was added a few weeks back to the government's list of endangered and threatened species. The bee, once widely found in the upper Midwest and Northeastern U.S., is a key pollinator of crops such as blueberries and cranberries, and are almost the only insect pollinator of tomatoes in the U.S.. The rusty-patched bumble bee, *Bombus affinis*, has suffered a dramatic decline in the last two decades due to habitat loss and degradation, along with pathogens and pesticides that are thought to be causing complications. The bee was found in 31 states and Canadian provinces before the mid to late-1990s, but since 2000, it is now being found in only 13 states and Ontario, Canada. It has seen an -88% decline in the number of populations and an -87% loss in the amount of territory it inhabits. This means the species is now vulnerable to extinction. Canada designated the species as endangered back in 2012. What this protected status means here in the U.S. is that these bees will get federal protections and the development of a recovery plan. It also means that states with habitats for this species are eligible for federal funds to help protect and reestablish. To be clear, bee populations have been declining all across the world. A recent major global assessment sponsored by the U.N. suggested that about -40% of invertebrate pollinator species are now facing extinction. Since some 75% of food crops rely at least partially on pollinators that raises serious concerns about the future of the global food supply. A separate study, recently conducted by the Center for Biological Diversity found that more than 700 of the 4,000 bee species native to North America and Hawaii may be inching toward extinction. Personally, I've seen a lot of research papers the past few years on the subject of a declining bee population. Most all conclude that protecting the bee population is extremely

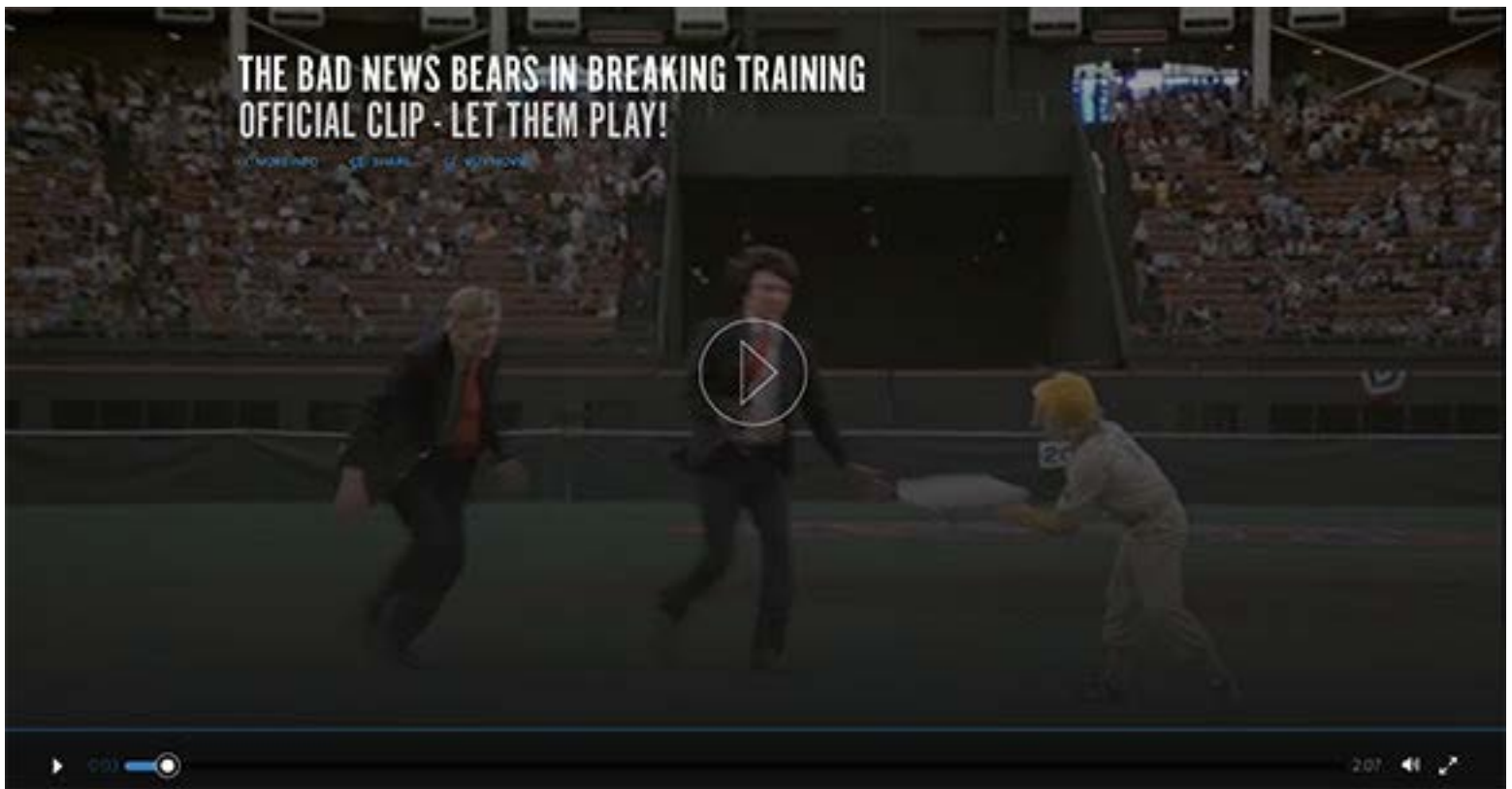
important for agricultural production all across the U.S. I'm still curious if all of the new "wireless" technology doesn't have some negative impact on the bees and their ability to communicate, navigate and reproduce. Something is obviously jamming their frequencies...

(Source: [Reuters](#))



First MLB Game Ever Played Indoors

Can you believe it's been over 50-years since the first baseball game was played in a dome ? This Sunday marks the 52nd anniversary for the opening of the Houston Astrodome and the first time an MLB game was played indoors. The exhibition game between the Houston Astros and the New York Yankees began with 21 astronauts throwing out 21 first pitches, and the crowd honoring the Gemini Twins—Gus Grissom and John Young—who weeks earlier had become the first American pair in space. The Astro's - previously known as the "Colt .45's" defeated the Yankees 2-1 even though Mickey Mantle hammered out the first hit and the first homerun in the stadiums history. The Astro Dome is largely credited as the vision of the late Roy Hofheinz - "The Judge" - a former Houston mayor, campaign advisor to Lyndon Johnson in the 1940s, and the father of professional baseball in Houston. It was Judge Hofheinz's idea to take an outdoor activity and move it indoors. Ground was broken to build the Astrodome on Jan. 3, 1962. It was completed in November 1964, six months ahead of schedule at a cost of \$35 million. I find it interesting to think of the number of innovations or "firsts" that the new stadium produced. For starters, it began the era of luxury boxes, climate control, programmable animated scoreboard and synthetic artificial turf. Many of you may be too young to remember the word "AstroTurf," but many of us still use the term today when referring to "artificial grass" that sports are widely played on. The original grass field had to be replaced after the first season once it was apparent it wouldn't survive indoors. As it turned out, the Astro's played most of their first season home games on green painted dirt due to the poor growing conditions. Since opening day, the Dome hosted everything from baseball, bullfights, and professional football to a fabled college basketball game between UCLA and the University of Houston, the first game of its kind to be seen on national television. Elvis, Evel Knievel, Muhammad Ali, and Billy Graham all performed to their faithful inside the dome. In 1973, the world tuned into to watch the legendary Battle of Sexes tennis match between Bobby Riggs and Billie Jean King. The first artist to play the Astrodome was Judy Garland on December 17, 1965, where she was paid \$43,000 for the one night performance. A small group called "The Supremes" with a lead singer named Diana Ross were her opening act and tickets sold for between \$1.00 and \$7.50. By the 1990's the Astrodome was becoming obsolete and the Houston Oilers Owner Bud Adams moved the team to Tennessee after the 1996' season. The Astro's played their last game in the dome in 1999 before relocating to "Minute Maid Park". Following a failed bid to host the 2012 Olympics, things went downhill for Houston fans and the stadium. Plans to convert the Astrodome into a luxury hotel were also rejected. There have been various other attempts to renovate the stadium in order to host conventions and events, but all were shot down. Though demolitions plans have been extensively discussed over the years, they have been put off due to environmental issues surrounding the neighborhoods in the immediate vicinity. Interestingly, in January of this year, the Texas Historical Commission voted unanimously to designate the dome a State Antiquities Landmark. Under the designation, the Astrodome may no longer be removed, altered, damaged, salvaged, or excavated without a permit from the commission. I hope the fans and tax-payers of Houston somehow find a way to keep the Astrodome alive. It was the home of so many "firsts" it would be sad to see it go. I always loved watching Tanner Boyle form the Bad News Bears being chased around the Astrodome when officials tried to end their game early. Below is a scene that takes me back... "Let Them Play! Click [HERE](#) Source:(History, MLB, Wiki)



Start With The End In Mind...

This story was sent my direction the other day and it reminded me of what I'm always telling my kids and often some of my employees... "create your plan with the end in mind," doing so often allows you the opportunity and luxury of discarding quickly and can keep you from digging a deeper hole. Too many times in life we make emotional decisions, then tend to blow wherever the wind takes us. The initial thought or idea sounded great, but when things start to go in a direction we had not intended, we often avoid making the tough decisions and try to avoid admitting we were wrong. Often times it's because we didn't set a clear plan and objective initially. We didn't set a clear time horizon or hold ourselves accountable to reaching certain checkpoints along the way. Instead we simply avoided those thoughts and allowed ourselves to drift. Irishman Johnny Ward epitomizes clearly having the end in mind as he set out on a goal to travel to every country in the world in a 10-year time horizon. Before moving to England to study International Economics, Ward grew up in a single-parent household with his mother and sister. Ward likes to make clear this wasn't a venture by another spoiled rich kid traveling the world with his daddy's credit card. Having no money to travel indefinitely he began his adventure in New York working with underprivileged children. He traveled the U.S. for a short bit of time, but soon found himself out of money, so he headed home to Ireland. There he signed up for medical experiments and was actually locked in a hospital for five weeks as he underwent a barrage of drug tests and various other procedures. Ward used that money to purchase a one-way ticket to Asia where he taught English to children in Thailand. After spending two years of working, traveling on a budget of \$10 - \$15 a day, having to work again to travel, etc., he found himself 26 years old and broke again. With worries about his future and online business ideas rambling around in his head, Ward took off for Australia where he went to work in an office 9-5. It was during this 12 month period that he knew life for him wasn't meant to be spent in an office. While still working in Australia, Ward created his travel blog OneStep4Ward.com and began to solidified his plans to see every country. Over time, he was able to monetize his blog as he visited more countries. During his ten years of traveling Ward was able to amass nearly \$1.5 million dollars through his blogging.

At any number of points along the way discouragement, doubt and frustration could have ended his journey, but because he had a simple plan with well designed check-points in place along the way, it allowed him to keep moving the ball forward. Though not everyone has a need or desire to travel the world, the same approach can be taken to achieve your goals, businesses or investment strategies. The most consistent investors and traders I ever met had clearly entry, exit and time objectives that dictated the final outcome. Jumping in and rolling with the punches can often take you down a dead-end path. Moral of the story, start with the end in mind and work yourself backwards out of the maze. Leave checkpoints and breadcrumbs along the way so you can check your progress. If you don't get to your checkpoints in a timely fashion, stop digging the hole. In a recent interview Ward shared some of his highlights as well as insights for others: Great stuff! (Source: Telegraph.co, OneStep4Ward, Business Insider)

Travel Highlights: *I couldn't choose one, but some highlights include - Guilin in China, Lalibela in Ethiopia, the Bhutanese Himalayas, wild cheetahs hunting in the Serengeti, and the World Cup Final in Rio!*

Best Hotel: *Either Sri Panwa in Thailand or Per Aquum in Niyama in the Maldives - and the Chedi in Muscat, Oman was insane as well.*

Favorite Meal: *Thai street food - grilled chicken (gai yang), sticky rice (kao niaw) and spicy sauce (nam jim jao). I love it and a meal costs about \$5!*

Can Others Do This: *I've had to be diligent enough to take out my laptop and work in the evenings when I was in Mongolia, or Kazakhstan, or Ethiopia. Those were the tough times, putting the work in while I was actively travelling, not knowing if it would pay off or not. I started outsourcing lots of the work and that was key I think. Anyone can do it - as long as they're willing to put the rest of their life on hold and focus on blogging, it's 100 per cent possible.*

What's Next For You: *I'm off to Spain, then to Norway and onwards to Bangkok, where I'm semi-based. Next month I'm racing tuktuks around Sri Lanka and having a couple of days in the Maldives, then back to Thailand to build a playground for disadvantaged kids on the Burma/Thai border through the charity my buddy and I set up, the GiveBackGiveAway. The rest of the year is pretty busy; I'm also planning a round-the-world-trip without taking a flight, so that should be fun.*

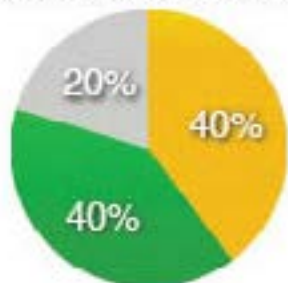
Johnny Ward's Philosophy: *If you're not happy, a good salary isn't progress, it's financial prison. Life is meant to be lived, not sold to the highest bidder. Social conformity, the media, our education systems dictate that we should go to school, go to university, go to a city, work in an office, save for a retirement that we'll be too old to enjoy. Personally, I don't want to do that. Not one bit. I want to live now, today so I make sure I do exactly that. Every single day.*



CASH SALES & HEDGING TOTALS

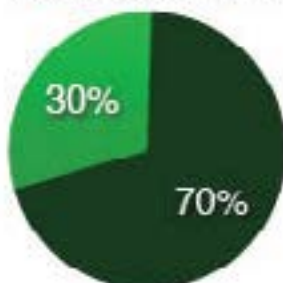
CORN 2016 CROP

40% SOLD
40% HEDGED
20% UNPROTECTED



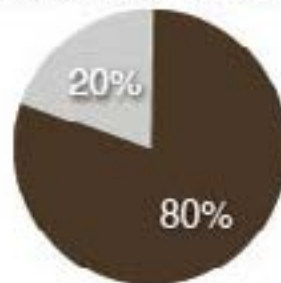
SOYBEANS 2016 CROP

70% SOLD
30% HEDGED
0% UNPROTECTED



WHEAT 2016 CROP

80% SOLD
0% HEDGED
20% UNPROTECTED



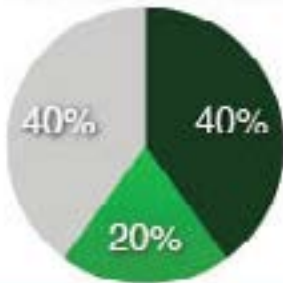
CORN 2017 CROP

15% SOLD
25% HEDGED
60% UNPROTECTED



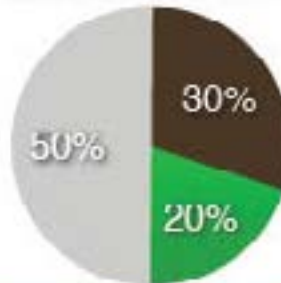
SOYBEANS 2017 CROP

40% SOLD
20% HEDGED
40% UNPROTECTED



WHEAT 2017 CROP

30% SOLD
20% HEDGED
50% UNPROTECTED



CORN 2018 CROP

0% SOLD
0% HEDGED
100% UNPROTECTED



SOYBEANS 2018 CROP

0% SOLD
0% HEDGED
100% UNPROTECTED



WHEAT 2018 CROP

0% SOLD
10% HEDGED
90% UNPROTECTED

