



"You do not write your life with words...You write it with actions. What you think is not important. It is only important what you do." — **Patrick Ness**

TUESDAY, MARCH 20, 2018

Morning Summary: Stocks are steady this morning following yesterday's wild ride lower. Investors are talking about the Fed's next move, Trump trade renegotiations and the recent fall in Facebook. The Federal Reserve clearly has the attention of the markets as an interest-rate hike is now fully expected. In fact, most all odds makers have the likelihood of a rate hike at tomorrow's Fed meeting at over 95% likely. Insiders suspect Powell will be extremely optimistic about the U.S. economy, which probably makes the trade a bigger believer in 4 rate hikes in 2018. It seems like the market has almost fully discounted two rate increases in the first half of the year. But the trade seems more deeply divided on what happens in the back half of 2018. If the U.S. economy stays strong the trade will move to more fully discount the possibility of 4 rate increases, which I have to imagine eventually cause some headwinds for U.S. stocks. The general consensus also tends to believe higher interest rates make riskier asset classes less attractive. Some of the largest traders I know are worried the current market environment, which is marked by moderate economic growth, low interest rates, and low inflation, could be nearing the late portion of its cycle. Talk of trade wars and increasing tariffs also continue to dominate the headlines. Data circulating inside the trade, shows Google searches for the term "Trade War" are up over +400% this year, with countries like Canada, China, Singapore and the U.S. leading the activity. Meaning headline traders and algo's that are programmed to digest the news are clearly concerned. I should note, Canadian finance minister Bill Morneau said yesterday at the G20 conference in Buenos Aires that progress was being made in regards to renegotiating NAFTA, so perhaps the trade will walk back some of its recent tension and uncertainty. The Dow is now in negative territory on the year following yesterday's pressure to the downside. Many believe the fall in Facebook stock triggered the broader slide tumble. Facebook is not a component of the Dow, but its role in the stock market is perhaps more important than many have given credit. In case you missed the news, Facebook posted its worst single-session decline in nearly 4 years, amid reports that Cambridge Analytica collected information from 50 million people's profiles without their consent. Keep in mind, Facebook makes up close to 2% of the S&P 500, but is much heavier weighted in many popular tech and growth stock indexes and ETF's. In fact, Facebook makes up almost 7% of the wildly popular S&P 500 Technology Sector Index. It makes up over +5% of the NASDAQ 100 Index and almost 4% of the S&P 500 Growth Stock Index. In other words, there are billions and billion of investment dollars indirectly tied to Facebook in some capacity. A move like this in a major stock can certainly cause rotation and movement in various asset classes as it touches many corners of the investment world. From a macro perspective, it feels like interest rates are going to keep moving higher, and the U.S. dollar will continue to show signs of weakness. Keep in mind, the U.S. dollar has stabilized for the moment, but from a longer-term perspective has declined during the past 14 months and is at critical technical levels. If it breaks this longer-term downside level of support many suspect it could trigger a fairly broad-based adjustment in the entire investment world. I

will continue to pay close attention...

Serial Bomber In U.S.? *A package bomb bound for Austin exploded overnight at a FedEx distribution center in Schertz, Texas, hurting one employee that apparently suffered a non-life threatening injury. It "contained shrapnel," according to sources, stating the FBI and ATF are at the scene. The parcel is likely linked to the string of recent attacks in Austin believed to be the work of a serial bomber. (Source: SeekingAlpha)*

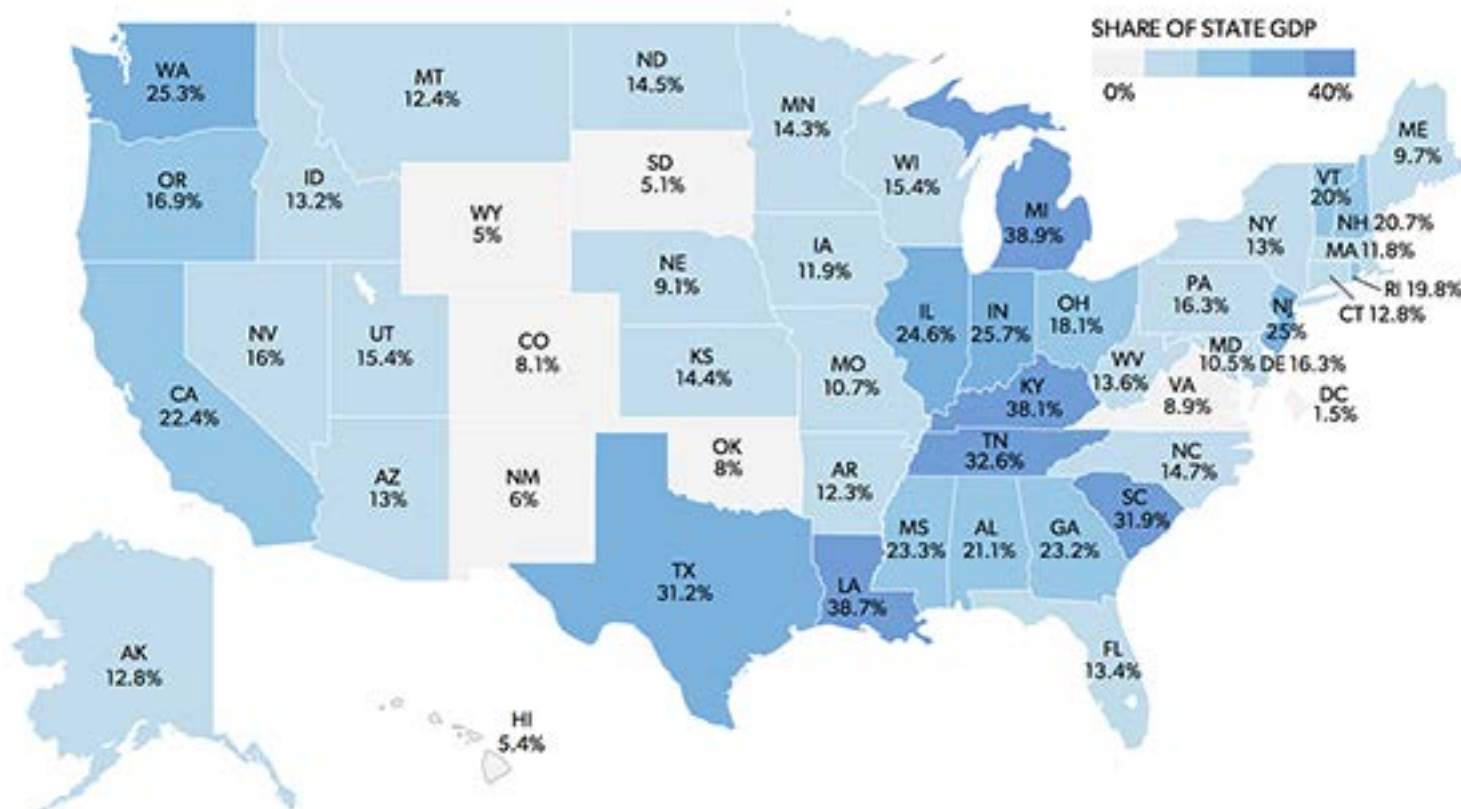
Facebook Has More Firing Power: *Facebook had a massive sell-off yesterday, but there's still this map. You're looking at the most popular messaging apps in every country across the world. Remember Facebook owns both Messenger and WhatsApp. Oh, they also own a company called Instagram. (Source: StockTwits)*



How Important Is International Trade To Each U.S. State's Economy? *Many US states, especially those that are automotive, aerospace or energy-intensive, are highly globalized and depend on foreign trade for a large share of their state's economic output and jobs. The dollar value of international trade activities (exports + imports) represented more than 20% of the dollar value of state economic output (GDP) for almost one in three US states. Ignoring the District of Columbia, the average trade share of GDP for US states in 2017 was 17.2% (up from 16.7% in 2016), and ranged from a low of 5% for South Dakota to a high of 39% for Michigan. The trade shares by state are also displayed graphically in the map below — the greater the share of state trade activities (exports + imports) in relation to state GDP, the darker the shade of blue. (Source: AEIdeas; US Census Bureau)*

International Trade as a Share of State GDP (2017)

Trade Shares = (State Exports + State Imports) / State GDP



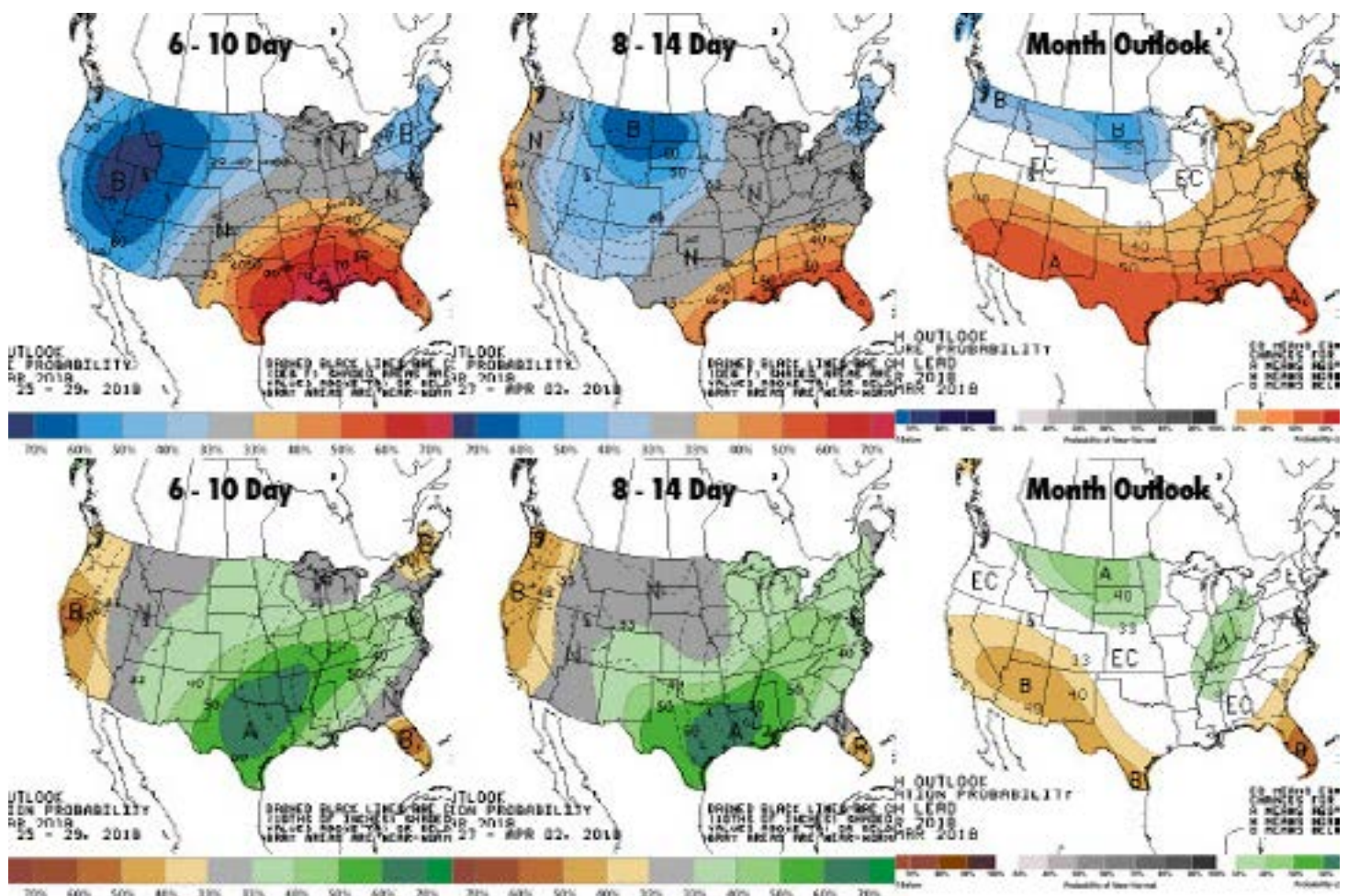
Source: US Census Bureau and Bureau of Economic Analysis

Carpe Diem **AEI**

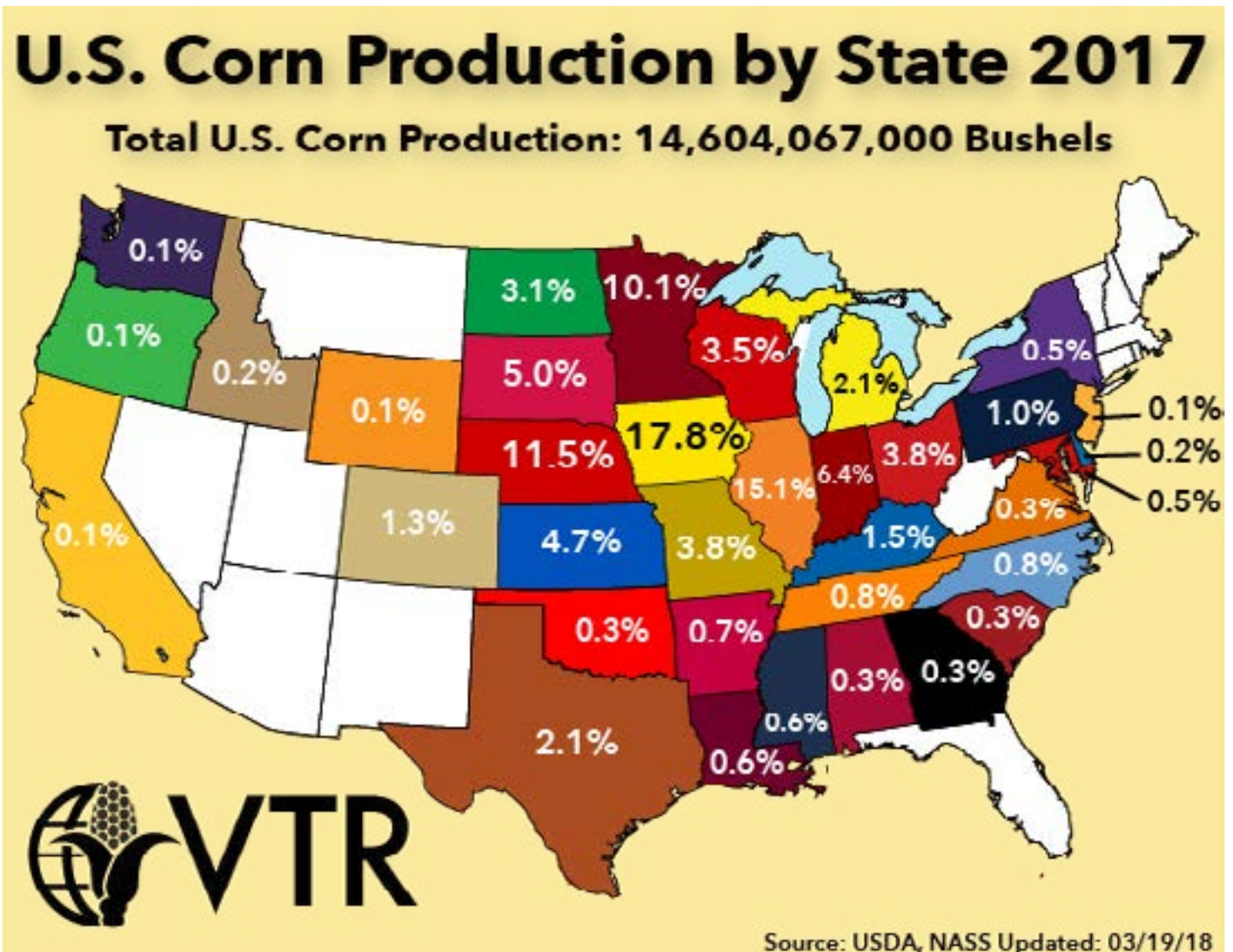
Weather across the Corn Belt is cloudy, with most areas experiencing cool, dry weather, after yesterday saw heavy rain and thunderstorms across the southwestern part of the region including Missouri. Episodes of rain, some mixed snow and periods of cooler weather will likely delay early fieldwork over the week or so. There is a chance for warmer, dryer weather late in the 10 day period, but this forecast is not yet clear at this time. In the Delta, wet conditions will continue to hamper spring fieldwork in the region. A weekend system brought rain to southern areas with showers otherwise in the region. Rainfall this

week may favor areas from Memphis north while the southern belt trends somewhat drier and warmer. In the northern Plains, a heavy snow is possible later in the week for North Dakota and surrounding environs. In the southern Plains, favorable precipitation fell yesterday to start the week off. While this rain was greatly needed, it is not enough to end drought concerns and little is expected after today. Showers in southwest Kansas were not enough to ease dryness concerns there and in areas south of there in Oklahoma and Texas. Argentina forecasters are confirming some rain fell in northern Buenos Aires over the weekend, but failed to reach key growing areas of Cordoba and Santa Fe where further losses are expected, particularly with soybeans. They can expect mostly dry conditions for the next few days as well, till late in the week. Brazil has largely had a favorable weather pattern as crops mature and soybean harvest and safrinha corn development picks up.

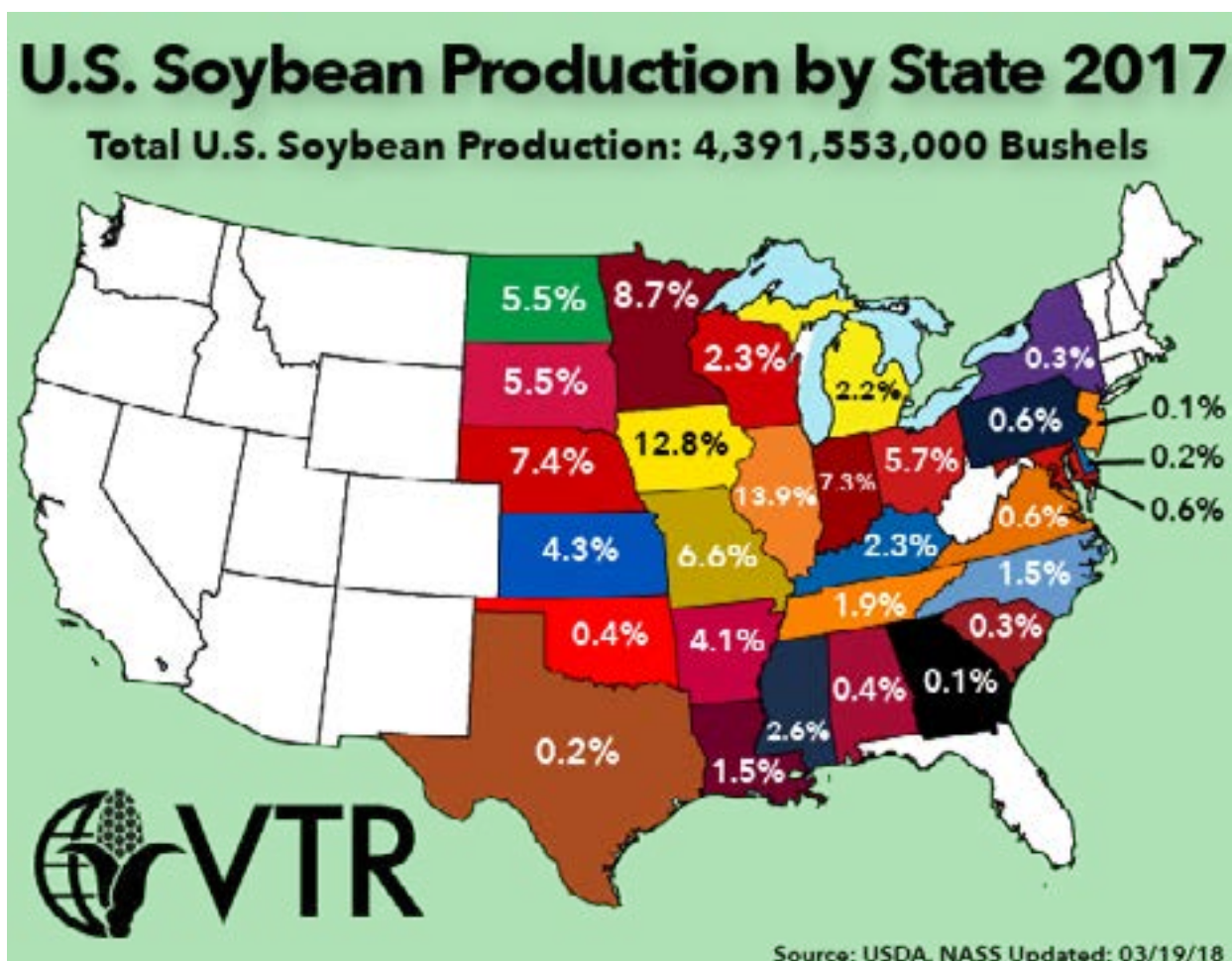
Short, Mid and Long Term Forecasts: Over the next few days, significant later-winter storms will affect both East and West Coasts. The eastern storm, currently centered over the central Plains, will reach the Mid-Atlantic Coast by mid-week. Storm total precipitation could reach 1 to 2 inches from the middle Mississippi Valley to the Mid-Atlantic States, with heavy snow expected in parts of the Northeast. In contrast, no rain will fall through week's end across the drought stricken sections of the south-central U.S., where late-week temperatures on the southern Plains will top 90 degrees F. The 6 to 10 day outlook for March 24 - 28 calls for the likelihood of near to below temperatures throughout the northern and western U.S., while warmer than normal weather will prevail from the southern Plains to the southern Atlantic Coast. Meanwhile, near to below normal precipitation in the western half of the nation should contrast with wetter than normal weather across the eastern half of the U.S., except in New England and Florida. Below I have also included the latest 8 - 14 and monthly outlooks. Click the graphic below for a larger view.



Corn bulls seem a little shocked by the recent setback in price. I suspect you can blame a portion on improved weather in South America and the U.S., fear of potential trade war retaliation, and a couple of steps back by the macro bulls. Technical guru's are still talking about last week's weekly reversal to the downside and the gap open lower. Insiders are thinking some of the recently added fund length might have been a bit weak-kneed and quick to liquidate when the market showed the slightest sign of weakness. Hence, when we buckled a bit and broke through nearby downside technical indicators, there was a heavier wave of liquidation and buyers paused, creating acceleration to the downside. I personally believe there's still a longer-term story brewing. Demand remains strong, Argentine production is clearly less than the trade was forecasting in early 2018, Brazilian second-crop production is still uncertain, and U.S. weather will be a wild-card for several more weeks. The bears are pointing to the fact some extremely dry areas in the U.S. have gotten some recent rains which helps the overall prospect of corn planting. Some areas may in fact start to get too wet, which could ultimately create a few bullish headlines as we move forward. Bulls are thinking U.S. producers could be quicker to move to soybean acres as cash-flow remains tight. I still feel like U.S. planted corn acres are going to end up somewhere between 88.5 and 89.5 million. More planters are starting to roll down South... From what I've been hearing, producers in southern Texas started planting a few back and corn is already starting to emerge. Texas is thought to now be around 40% planted. Last week I heard planters were rolling in parts of Arkansas (about 2% planted), Mississippi (about 6% planted) and Louisiana (now about 8% planted).



Soybean traders created a bit of a vacuum to the downside as bulls stopped buying and bears accelerated on the downhill. Similar to corn, a perfect storm of improved weather, fears and rumors about retaliatory trade actions, and a breakdown in the technicals has prompted liquidation and limited buy side interest. Weekly U.S. soybean export inspections were about half of what they were last week, so the talk of increasing U.S. demand based on problems in Argentina is being more heavily questioned by the bears. This adds to the bears argument that U.S. exports might still need to be trimmed and the majority of the lost Argentine marketshare will more than likely be scooped up by Brazil, who is in the process of harvesting a new all-time record crop. Bottom-line, as I've been saying, the traditional fundamentals make it tough to be a longer-term bull. Weather complications in Argentina certainly creates uncertainty in the front-end of the trade, but the fundamental fear is that U.S. ending stocks could remain extremely burdensome longer-term at between 550 and 600 million bushels. Exports are running behind the pace needed to reach the current USDA estimate. This has some penciling in a possible -10 to -30 million bushel reduction to U.S. exports. A strong domestic crush could help offset a bit of the loss in demand, but with U.S. producers expected to plant a record number of acres it's hard to envision a major reduction in ending stocks until we see more uncertainty in U.S. weather, which still seems a ways off in the headlines. From what I understand, we would need to see record U.S. soybean exports during the March to August time period if we have any chance of reaching the current USDA estimate. Traditionally, U.S. exports sales start to really slowdown in April forward, but perhaps we could see a surprise this summer with the weather problems in Argentina and possible logistical problems in Brazil. I'm not giving up on hopes of another bull run, but it feels like the bears are wanting to take their turn up to bat. This is why I've been adamant about making sales and reducing new-crop risk on the recent rallies. Weather and Washington have been extremely difficult to forecast and the headlines can change in the blink of the eye.



Wheat bears are pointing to better than expected rains falling across the U.S. Plains. Bulls argue the rains were certainly welcomed but not nearly as beneficial as the trade has given credit. I suspect the trade will be paying closer attention to rainfall totals and coverage in the days ahead for parts of Southwest Kansas, Oklahoma and down into Northern and Mid-Texas. I think there is still a longer-term U.S. story brewing, but it probably takes more time to develop. Demand headlines here in the U.S. also don't help the bulls much with their cause. Wheat export inspections last week came in at 16.3 million bushels, which is still below the weekly rate needed to meet USDA's current forecast. Meaning, the current USDA export estimate will probably be trimmed lower once again. Technically, the SRW and HRW contracts have broken below most nearby levels of support and are trading at lows not seen in six to eight weeks. As both a spec and a producer, I feel like I've danced through raindrops. I didn't reverse my bullish position, but as I mentioned last week, I was able to exit ahead of the storm. As a producer, I would have liked to price more cash bushels, but not having full confidence in production makes it tough to get overly aggressive with sales. I was pleased to pull the trigger on what I did. I think there is more downside risk ahead.

Most recent winter wheat crop condition ratings showed:

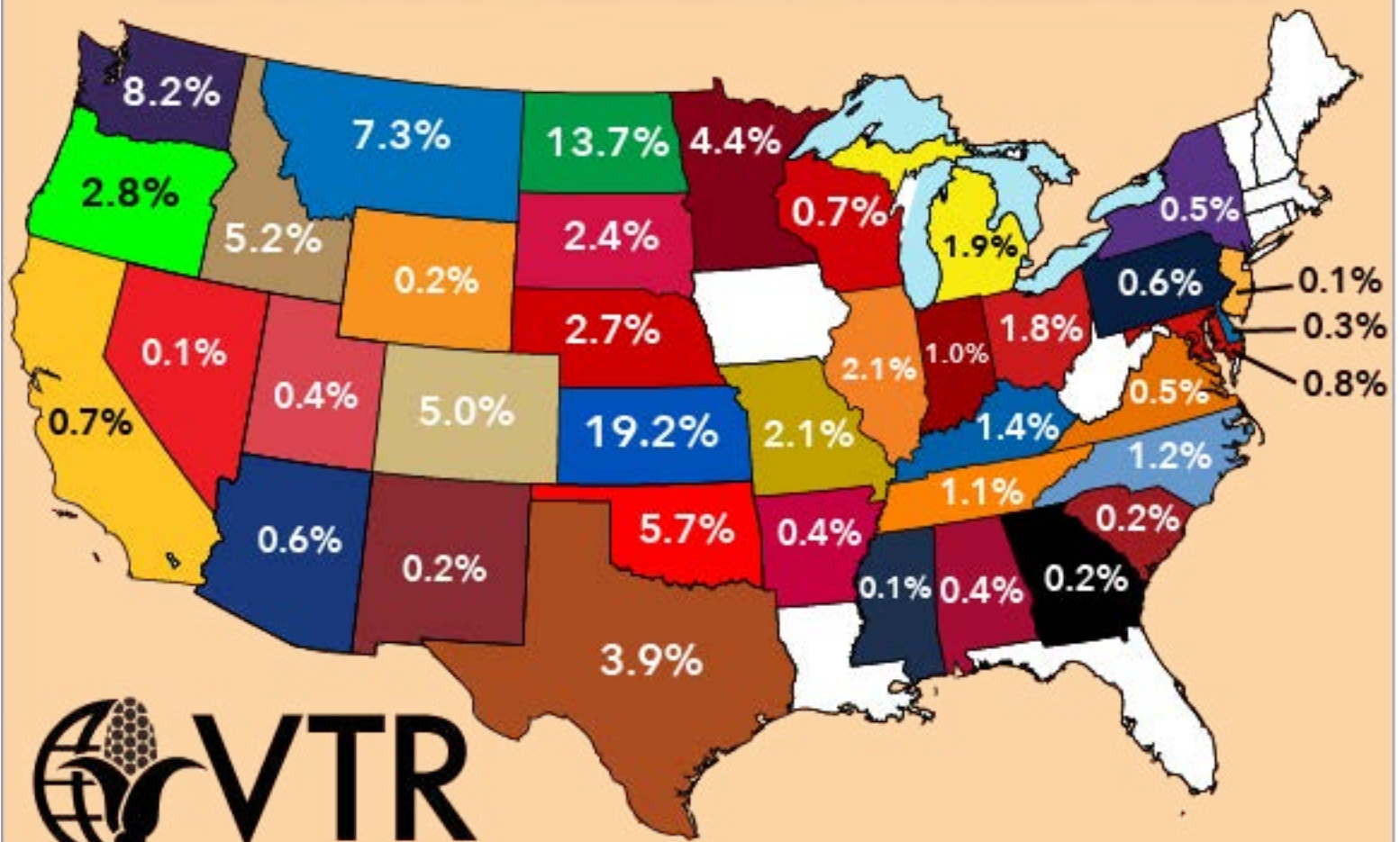
Kansas crop deteriorating from 12% down to 11% rated "good-to-excellent", and "poor-to-very poor" rating jumping higher from 53% to 55%.

Oklahoma crop deteriorated slightly with just 5% now rated "good-to-excellent" vs. 7% last week. However "poor-to-very poor" conditions were lowered from 72% down to 66%.

Texas crop was rated 10% "good-to-excellent" vs. 13% last week. "Poor-to-very poor" conditions were raised from 53% last week to 60%.

U.S. Wheat Production by State 2017

Total U.S. Wheat Production: 1,740,582,000 Bushels



Source: USDA, NASS Updated: 03/19/18



> **Brazil Inks Deal With Panama To Increase Asian Market Share:** Mato Grosso, which produces nearly 30% of all Brazil's beans, looks to save two to four days and gain both financially and logistically. This move occurs during a growing trade dispute between China and the U.S. and opens the door for more direct competition. Brazil exported 54.39 million mt of soybeans worth \$20.52 billion to China between February 2017-January 2018. (Source: Agricensus)

> **Uber Halts Autonomous Vehicle Operations After Fatal Accident:** Sunday evening an Uber self-driving car struck and killed a pedestrian who was walking outside the

crosswalk at a intersection around 10 pm. Uber is cooperating with officials and has halted operations in Tempe, Pittsburgh, San Francisco and Toronto. The greater Phoenix area, plays host to autonomous test programs from Uber, Intel Corp., General Motors Co. and Waymo.

> Jordan Building Re-Export Facility: Jordan is building a \$42 million dollar facility to re-export grains, which will double storage capacity going forward. Increasing demand and requests by the private sector led to the ports infrastructure improvements. Authorities feel this will keep Jordan's competitiveness and support the local economy. (Source: worldgrain)

> Challenging Winter Left EU Crops Unscathed: According to MARS, the European Commission's crop-monitoring unit, unusual winter weather will not lower estimates. Wheat and barley are both expected to see increases in production for the upcoming year around 1.5% and one percent respectively. Damage was expected in France, but water-logging in the north of the country will not have the negative effects expected.

> Walmart Files Patent For Autonomous Robot Bees: This will be the sixth patent for farming drones filed by Walmart. It seems to make sense considering they sell produce and could stand to improve the quality while also lowering the costs. Using sensors and cameras, it is hoped the robo-pollinators will ensure an annual crop. (Source: weforum)

> Cargill Rosario Plant At 20% Capacity: SOER oilseed crushers will consider if further strikes are in order as they respond to the recent dismissal of 33 workers from Cargill plants in Villa Gobernador Galvez and Punta Alvear. Cargill Rosario reopened Monday after shutting down from Thursday to Sunday. Currently, they are operating at 20%. The situation has centered around pay hikes, with union workers wanting a 23% increase and Cargill offering 15%. (Source: Agricensus)

> Kansas Congressmen Call for Drought Measures: Senate Agriculture Chairman Pat Roberts, Sen. Jerry Moran and Rep. Roger Marshall sent a letter to USDA Secretary Sonny Perdue calling for Emergency haying and grazing of Conservation Reserve Program lands due to severe drought. (USDA)

> Apple Making Its Own Displays For First Time Ever: Apple is designing and making its own display screens for the first time at a secret facility near its California headquarters. The company is testing small numbers of the screens as it makes investments in the development of next-generation MicroLED screens. MicroLED screens are harder to make than current OLED screens as they use different light-emitting compounds and will make devices slimmer, brighter and more power-efficient. This move by Apple has implications for suppliers including Samsung and LG. (Marketwatch)

> First U.S. Shipment of Live Cattle to Peru In 30 Years: Peru imported ten Brown Swiss heifers from Wisconsin in January 2018. This is Peru's first live cattle import from the U.S. in thirty years and the result of the implementation of the U.S. - Peru Trade Promotion Agreement. Brown Swiss heifers are very high quality animals and these particular cattle will be used for genetic improvement of the Peruvian herd's embryo transplant. While ten heifers doesn't sound like much, this single import has triggered interest from other farmers and the Peruvian government. (USDA)

> VW To Spend \$340 Million On New Plant: VW will manufacture a new sport-utility vehicle at an existing assembly plant in Tennessee. Many believe VW is following a strategy to offset a potential trade war. As I understand it, the goal is to double market share in the U.S. to 5% in the coming years. VW had previously invested \$900 million in the plant to build the Atlas. (Source: WSJ)

> Where Were We 300 Million Years Ago? Trivia nights would have been a lot easier 300 million years ago. In the Early Permian Epoch, Earth had one just one ocean, Panthalassa, with one massive supercontinent in it, Pangea. Click [HERE](#) for a larger view of who your neighbor was 300 million years ago!





Central Illinois - *I'd love to repeat last years numbers as yields were very good. Our corn averaged 240bpa with the highs reaching 270bpa on some fields. The beans turned out ok but we did have to replant over half the acres. They managed to hit 65-70bpa despite the wet conditions. 2016 was our bean year when we saw 85bpa. We will have more corn acres this year as we will do some corn on corn. We really like the \$4 number and have priced and hedged nearly 50% of our production above that cost already. We are starting to see more cover crops around here but our land is flat and black and I can't justify the need for them at this point. We need to get a new planter before we do any other tech adoption but with 250bpa corn it can't be all bad!*

Northeast Ohio - *We won't hit the field until the first week in May. We have planted earlier but it never seems to work out. Last year the end of April was good and a lot of guys hit the field only to be followed by two weeks of cold wet weather. Of course, that lead to emergence problems, so most will wait till May. There have been years that we didn't get planted until June 8th and it worked out but again, I wouldn't do it if I didn't have too. Ohio State tells us that if we are in by the 10th of May we have a 99% opportunity and by the 20th a 95% one. We have some old crop left by design as we have the ability to hold our grain as we have no debt, it has always worked for us.*

Western Kansas - *We are moving some grain today that I had priced some time ago. We still have a lot of old crop grain to price. We grow corn, wheat, and milo, with the wheat acres falling way off. We are planting only about 20% of the normal wheat acres that we plant any given year. We will have more corn on corn acres than we have ever had. If we can catch some rains the yields will push high enough to give us the extra bushels to offset the low prices. We were dry early on last year but then saw a very wet April and May and had a hard time getting in the fields last year to plant. We doubled our normal precipitation last year, totaling 32". I don't think the profile is fully charged but in decent shape for this year.*



What Is The USDA Doing With Billions Of Pounds Of Almond Shells: *Inside a USDA research building near Berkeley, California, research leader Bill Orts holds up a mottled-looking black plate. It's "really ugly," he says. But the rough prototype is the first of its kind, made with recycled plastic and almond shells that were transformed into a charcoal-like black powder in an on-site lab. Read more about the USDA's creations [HERE](#).*

Ketone Ester, The Soldiers New Drink: *In November, the biohacking company HVMN revealed HVMN Ketone, a clear liquid served in a 2.2-fluid-ounce bottle that promises to help you "perform at your absolute best." A result of ten years of research and \$60 million in funding, the drink was created by University of Oxford scientists responding to DARPA's 2003 call to create an efficient energy source for soldiers. Since then, it's been shown to boost the performance of professional athletes. Read more [HERE](#).*

The Impressive Growth Of Esports Will Continue: *The dizzying pace at which celebrities and pro athletes are investing in esports teams and leagues will be an intriguing sidelight to the growing allure of esports. The industry continues to blend in seamlessly with traditional sports and our cultural fabric, meaning growth isn't slowing down anytime soon. Read more [HERE](#).*

Want To Live Longer - Read More Books: *More than a quarter--26 percent--of American adults admit to not having read even part of a book within the last year. That's according to statistics coming out of the Pew Research Center. If you're part of this group, know that science supports the idea that reading is good for you on several levels. Read more [HERE](#).*

Leading The Way To Energy Independence: *The Hawaii Legislature and the University of Hawaii system established a joint goal: The entire university network, which comprises 10 campuses across the islands, will be "net zero" by 2035, meaning that the system would generate as much renewable energy as it consumes. And now by 2019, UH's Maui College will be among the first campuses in the nation to generate 100% of its energy from an on-site solar installation, coupled with battery storage. Read how they will do it [HERE](#).*

New Museum Of Failure Opens In LA: *Next time you visit the Walk of Fame, take a quick walk to the Hollywood & Highland Center where the Museum of Failure is located! The museum, which recently opened, displays many iconic fails throughout marketing history! For example: remember clear Pepsi or The Shared Girlfriend? Don't worry, neither do we -- hence the point of the museum. How about Purple ketchup in an "EZ Squirt" bottle? Yummy! Not exactly. You get the point. Check out more of the obscure misses in the marketing world [HERE](#).*



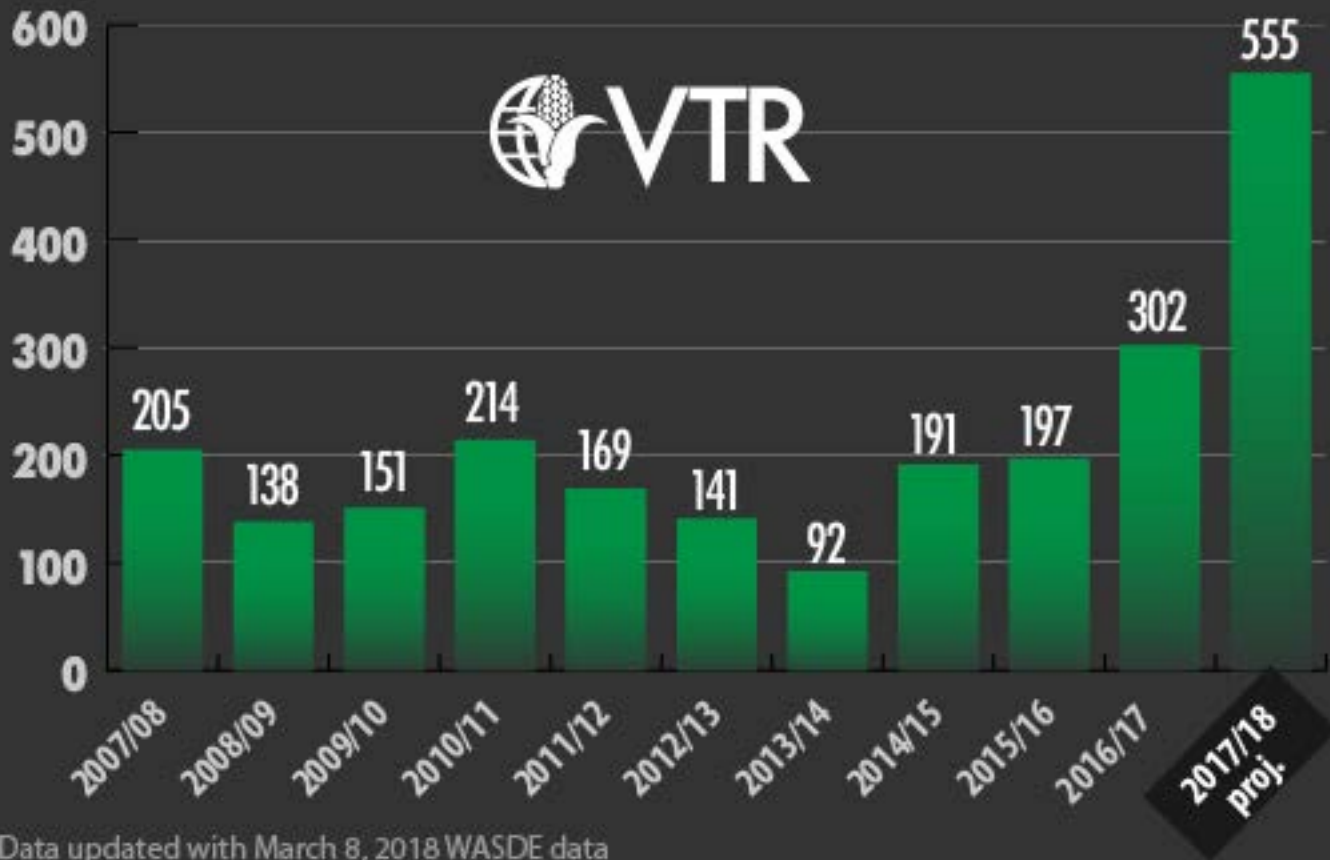


U.S. Soybean Exports... Down But Not Out

USDA most recently forecast 2017/18 season-ending soybean stocks +25 million bushels higher to 555 million. This month's expected increase is the consequence of a lowered 2017/18 export forecast, which was lowered -35 million bushels to 2.065 billion. February export inspections of soybeans declined -50 million bushels from January to 155 million. While this is typical for this season, cumulative shipments through February fell even further behind the 2016/17 pace. Logistical delays for a top U.S. transportation artery contributed to slower soybean exports in February. Barge shipments to port elevators at the Gulf of Mexico (the point of departure for nearly 60% of U.S. soybean exports) have been interrupted by upstream flooding. Barge traffic was temporarily suspended on lower sections of the Mississippi River and its major tributaries including the Ohio, Illinois, Tennessee, and Arkansas Rivers. Runoff from last month's heavy rains and rapidly melting snow was responsible. Rising waters make it more difficult to get tow boats under the loading spouts at river terminals. A faster current also forces reductions in the size of barge tows and restricts operations to daylight hours. Even with no further rainfall, it could take weeks for normal barge service to resume. Some of the barge traffic can be replaced by additional rail shipments to Pacific Northwest ports. Understand, it would take the highest ever March - August soybean shipments to realize even this down-sized forecast of annual exports. However, we are not going to be totally negative here -- export sales may revive in the second half of 2017/18 despite record competitor supplies being currently harvested in Brazil. Both the current and deferred price bids at the U.S. Gulf are still quite competitive with South American origins, which could stimulate additional sales. Buying interest could also heat up again this summer with the possibility of sluggish soybean shipments from Argentina. (Source: USDA, ERS, Oil Crops Outlook)

U.S. Soybean Ending Stocks

(in Million Bushels)



First Day Of Spring!

Today is officially the first day of Spring and it begins with what's called the "vernal equinox." Astronomically speaking, this is when the Sun crosses directly over the celestial equator, which means it's basically over the center of the Earth, causing day and night to be almost exactly equal in length. This happens twice a year - Spring and Autumn. As the Sun progressively moves further north throughout the Spring season, daylight hours will increase over the Northern Hemisphere. While we have the benefit of modern science to help us better understand the changing of the seasons, these shifts were recognized by humans going back thousands of years. This was of course in large part because it marked the beginning of warmer days during which their food supplies would be restored. Keep in mind, the first day of spring in the Southern Hemisphere is the first day of fall in the Northern Hemisphere. Here are a few other facts about the Vernal Equinox and start of Spring:

Religion: Spring plays a major role in Christian traditions because Easter is always on the first Sunday following the first full moon after the Vernal Equinox.

What If Pope Gregory XIII would not have established the Gregorian calendar, which most of the world now observes, in 1582, then every 128 years the vernal equinox would have come a full calendar day earlier, eventually putting Easter in mid-winter.

Navigation: *The fall and spring equinoxes are the only two times during the year when the sun rises due east and sets due west.*

Spring Fever: *The term "spring fever" refers to a both psychological and physiological symptoms associated with the arrival of spring, including restlessness, daydreaming, and increased sexual appetite. While the exact cause is unclear, scientists believe that increased light, more exercise, and more bare skin influence hormone levels.*

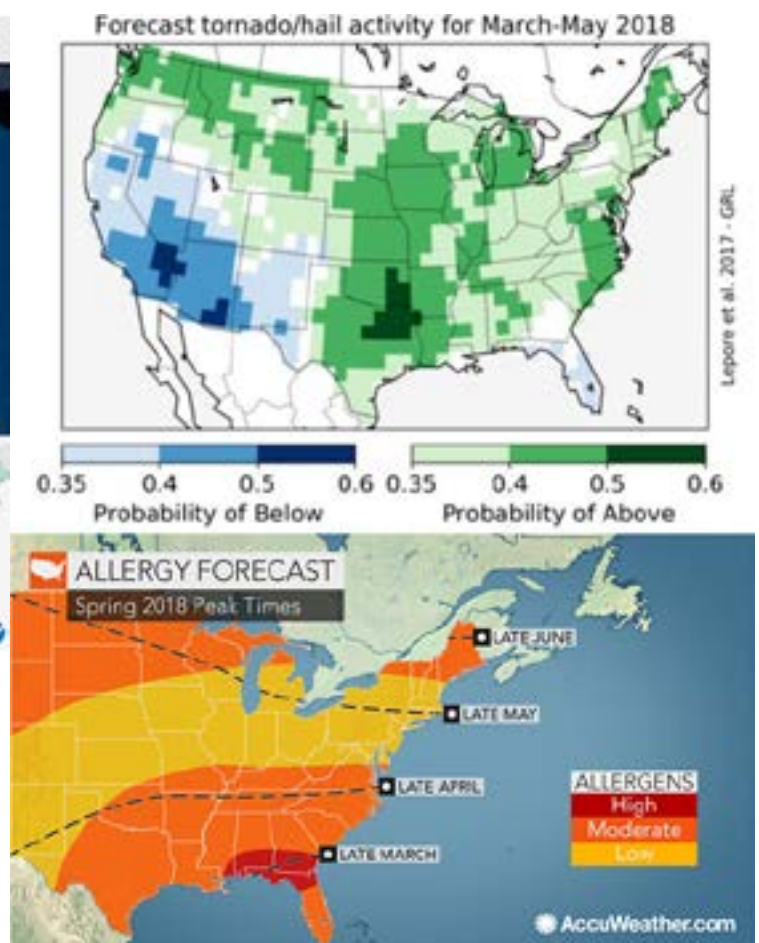
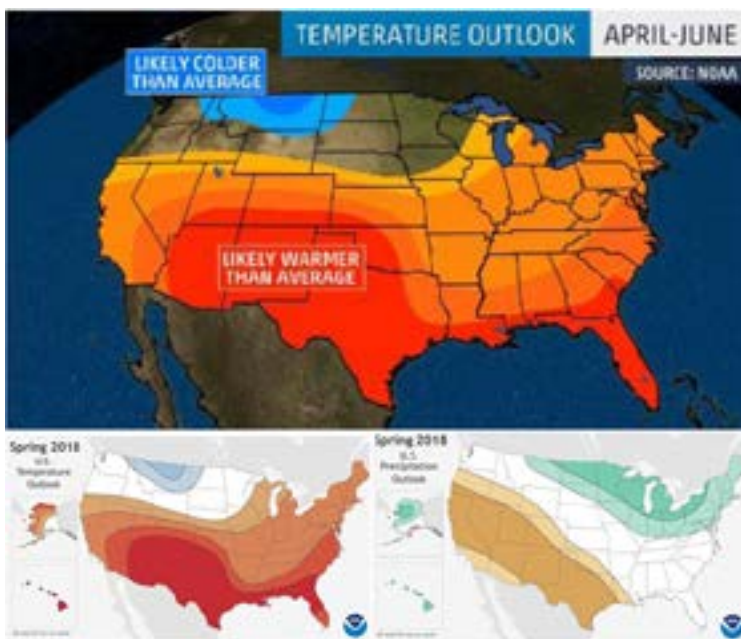
North & South Pole: *On the first day of spring, a person at the North Pole would see the sun skimming across the horizon, beginning six months of uninterrupted daylight. A person at the South Pole would see the sun skimming across the horizon, signaling the start of six months of darkness.*

Why Rotation Is So Important: *If Earth rotated on an axis perpendicular to the plane of its orbit around the sun rather than on a 23.4° tilt, there would be no variation in day lengths and no variation in seasons.*

Flowers of Spring: *The first spring flowers are typically lilacs, irises, lilies, tulips, daffodils, and dandelions.*

Birds: *During the spring, birds are more vocal as they sing to attract mates and warn away rivals.*

Real Estate: *According to the National Association of Realtors, spring is the most popular season to sell/buy a house. Buyers are usually hesitant to move during the winter when the weather is colder and kids are in school. So, while there are lots of houses to choose from in the spring, property prices are at their highest then.*



Kid Earns Over \$500,000 Month From People Watching Him Play Video Games

Tyler Blevins, known as “Ninja” in the streaming video game world, is making millions letting people watch him play video games. It started when he was just 11 years old playing Halo with his older brothers. Tyler would spend hours gaming and perfecting his craft. Many now say he is the best Halo player in the world. Understand what I’m saying here, he is truly a professional gamer and making millions as an eSports super star. In case you didn’t know, eSport or electronic sports has become a huge enterprise. In its simplest form it’s a competition using video games. Most commonly, eSports take the form of organized, multiplayer video game competitions, particularly between professional players. Tournaments such as The International, the League of Legends World Championship, the Evolution Championship Series and the Intel Extreme Masters provide live broadcasts of the competition, and prize money to competitors. Spectators are also paying monthly subscription fees of between \$3 and \$9 to watch these professional players game live in hopes of learning tips, tricks, secrets, etc... The global eSports market now includes over 500 million people with billions in total revenue being created. The modern eSports boom has also seen a rise in video games companies embracing the eSports potential of their products. After many years of ignoring and at times suppressing the eSports scene, Nintendo hosted Wii Games Summer 2010. Spanning over a month, the tournament had over +400,000 participants. Rising interest in viewership of eSports, prompted some companies to create leagues that draft and pay to acquire the best players, very similar to the approach models used in North American professional sports, in which all teams, their players and owners participate in a regular season of matches to vie for top standing as to participate in the post-season games. Players that get contracts to play on teams are guaranteed an annual salary and benefits, as well as sharing of the team’s revenue and prize winnings. In 2015, the first Esports Arena was launched in Santa Ana, California, as the United States’ first dedicated eSports facility. From what I understand, watching your favorite players and teams have gotten so popular, the Luxor Las Vegas is supposedly opening the first eSports Arena on the Las Vegas Strip and additional locations are planned to open in the coming decade. I recently read that “Take-Two Interactive” partnered with the National Basketball Association (NBA) to create an eSport NBA League, using the NBA 2K game series. It is the first eSports league to be operated by a professional sports league, and the NBA sought to have a League team partially sponsored by each of the 30 professional NBA teams. Its inaugural season is set to start in May. In 2013 on an episode of Real Sports with Bryant Gumbel the panelist openly laughed at the topic of video gaming perhaps becoming a professional sport. I wonder who’s laughing now? I remember always telling the kids to put down the video games because they will never make any money playing them. I guess I’m the one now eating my words... Below are few more interesting facts:

Olympic eSports? *There’s talk that leaders in Japan are becoming involved to help bring eSports to the 2020 Summer Olympics and beyond.*

Big Prize Money: *Often, game developers provide prize money for tournament competition directly, but sponsorship may also come from third parties, typically companies selling computer hardware, energy drinks, or computer software. In 2016, Dota 2 awarded approximately \$86 million in prize money to tournament participants, with 23 players winning over \$1 million. League of Legends awarded approximately \$30 million.*

Performance Enhancing Drugs: Not even eSports are immune to PED's. Reports of widespread use of performance-enhancing drugs (PEDs) in eSports are not uncommon, with players discussing their own, their teammates' and their competitors' use and officials acknowledging the prevalence of the issue. Players often turn to stimulants such as Ritalin, Adderall and Vyvanse, drugs which can significantly boost concentration, improve reaction time and prevent fatigue.

Growing Market: Nielsen, a global information company known for tracking viewership for television and other media, announced this past summer that it would launch Nielsen eSports, a division devoted to providing similar viewership and other consumer research data around eSports, to help determine how to track and monitor audience sizes for eSport events, which is said to be growing massively each day.

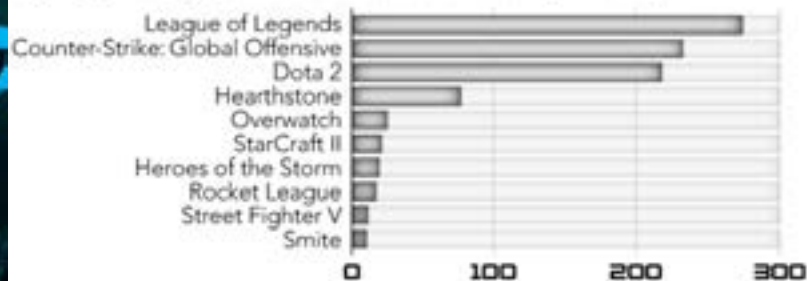
Record Setting Views: Just this past week, Grammy Award-winning rapper Drake helped Twitch break its record for the most-viewed stream by joining gamer Tyler "Ninja" Blevins to play the video game "Fortnite." From what was reported, there were 630,000 concurrent viewers at its peak on the live-streaming platform watching the rapper and eSports star playing the game Fortnite. The two were later joined by rapper Travis Scott and Pittsburgh Steelers receiver JuJu Smith-Schuster.

Wagering: There are reports that millions are already being wagered on eSports games, competitions and tournaments. Bookies are already creating odds and lines on all kinds of events.



Games that grabbed the most eyeballs in 2017

Top 10 games by esports hours watched on Twitch* (in millions)



Esports hours consists of content from professionally organized esports competitions, does not include individual (pro-player) streams. *Livestreaming platform
Source: Newzoo Global Esports Market Report 2018



TYLER "NINJA" BLEVINS

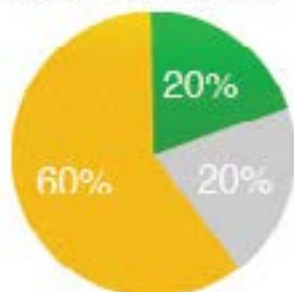
26 years old
\$560,000 monthly income from Twitch
3,387,662 followers on Twitch
174,128 paid Twitch subscribers
635,000 people who watched him play Fortnite with Shroud, Travis Scott and JuJu Smith-Schuster

Everyone go follow my twitch account ... link in bio 🙏🙏🙏
@ninja

CASH SALES & HEDGING TOTALS

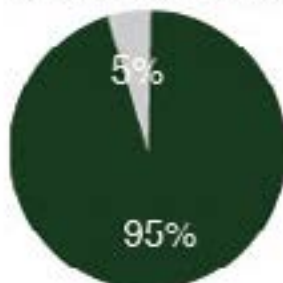
CORN 2017 CROP

60% SOLD
20% HEDGED
20% UNPROTECTED



SOYBEANS 2017 CROP

95% SOLD
0% HEDGED
5% UNPROTECTED



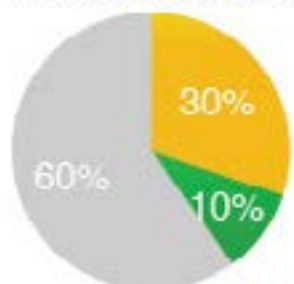
WHEAT 2017 CROP

100% SOLD
0% HEDGED
0% UNPROTECTED



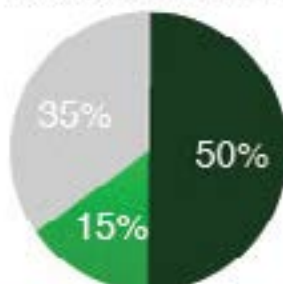
CORN 2018 CROP

30% SOLD
10% HEDGED
60% UNPROTECTED



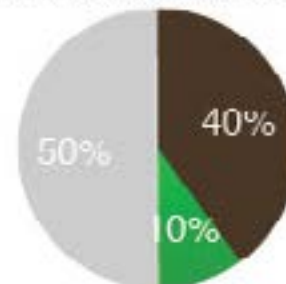
SOYBEANS 2018 CROP

50% SOLD
15% HEDGED
35% UNPROTECTED



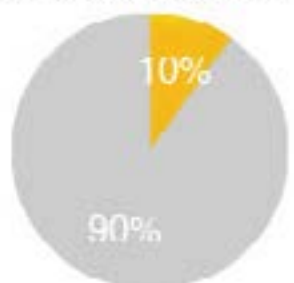
WHEAT 2018 CROP

40% SOLD
10% HEDGED
50% UNPROTECTED



CORN 2019 CROP

10% SOLD
0% HEDGED
90% UNPROTECTED



SOYBEANS 2019 CROP

0% SOLD
0% HEDGED
100% UNPROTECTED



WHEAT 2019 CROP

20% SOLD
0% HEDGED
80% UNPROTECTED

