

## GOOD MORNING: 01/10/19 Farm Direction - Van Trump Report

1 message

The Van Trump Report &lt;reply@vantrumpreport-email.com&gt;

Thu, Jan 10, 2019 at 7:35 AM

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### Today In History

"Life should be either a daring adventure or nothing at all." - Helen Keller

**THURSDAY, JANUARY 10, 2019**
[Printable Copy](#) or [Audio Version](#)

**Morning Summary:** Stocks are backpedaling a bit this morning as the crude oil rally stalls. Bulls are arguing that we again have a Fed put in place. This is allowing for more aggressive bets to the upside, thinking the Fed is now on pause in 2019. In addition, we are hearing the positive comments and rhetoric coming from U.S. and Chinese leaders surrounding the recent trade negotiations. I should note, the U.S. dollar posted its lowest close since October 16th, so we are definitely seeing some dollar weakness. I suspect if the U.S. government shutdown continues and the Fed sticks with more dovish rhetoric the dollar will have a tough time rallying. Bears are saying more uncertainty in Washington and thoughts of an extended government shutdown will soon start to weigh on the stock market. Democratic leaders Nancy Pelosi and Chuck Schumer made another visit to the White House yesterday, but there was no resolution or steps towards reopening the government. President Trump tweeted following the meeting... "Just left a meeting with Chuck and Nancy, a total waste of time. I asked what is going to happen in 30 days if I quickly open things up, are you going to approve Border Security which includes a Wall or Steel Barrier? Nancy said, NO. I said bye-bye, nothing else works!" As I've been saying, this shutdown could last a while. In fact it's on pace to become our longest shutdown ever. I have to think if the stalemate in Washington continues for an extended period, the market will start taking much more notice. Economists are saying the shutdown is currently creating a small headwind for our economy, roughly -0.2% of our GDP per week. The S&P 500 is now up +10% from the recent bottom, higher 8 out of the past 10 sessions, and off to the best new year start since 2010. Traders are wondering if the worst is behind us and if the market has in fact priced in all of the bad news and uncertainty from the headlines. Bulls believe the current rally can continue and 2019 can be extremely positive, especially with Chinese trade talks taking steps in the right direction and Fed Chair Jerome Powell walking back his hawkish commentary. Personally, I'm a bit more pessimistic, thinking the current bullish bounce could be short-term in nature. Classic bear market rallies can bounce +15% in 30-days then resume their downside pressure. Again, I believe this is a traders market. The longer-term buy and hold mentality could prove to be a dangerous sport. In other words, I am not adding on the momentum to the upside. I see this as an opportunity to reduce additional exposure, remain patient and accumulate additional dry powder. Traders today will be digesting the latest Chinese inflationary data, the most recent "minutes" from the European Central Bank, U.S. wholesale inventories, and perhaps most importantly Fed Chair Jerome Powell speaking at the Economic Club of Washington. We also have Fed members Barkin, Bullard, Evans, and Clarida speaking. There will also be some media headlines circulating around President Trump's visit to the U.S. Southern Border.

**Conservatives Continue To Outnumber Liberals but Margin Shrinking:** *The latest Gallup poll shows since 1992, the percentage of Americans identifying as liberal has risen from 17% then to 26% today. This has been mostly offset by a shrinking percentage of moderates, from 43% to 35%. Meanwhile, from 1993 to 2016 the percentage of conservative was consistently between 36% and 40%, before dipping to 35% in 2017 and holding at that level in 2018. My fear and concern is that as nation we continue to move towards more extremes. Many of my friends have either moved further Left or further Right the past 10 years, that's kind of scary. Read more [HERE](#)*

**China's Car Sales Fall for First Time in Over 20 Years:** *The growth engine for the world's car industry has been thrown into reverse, with China recording the*


**1843, Outlaw Frank James**

**Born** - Franklin James, the lesser-known older brother of Jesse, is born in Clay County, Missouri. Frank and Jesse

James were both legends in their own time, though Jesse is better remembered today because of his more dramatically violent death. The two Missouri brothers drifted into a life of crime after serving in Confederate guerilla forces during the Civil War. They began robbing banks in 1866, and their bold and impudent style won them a good measure of popular admiration. Once Jesse stopped to tell a crowd of townspeople gathered for a political speech that he thought something might be wrong at the bank he and Frank had just robbed. On another occasion, they staged an audacious hold-up of a Kansas City fair box office in the middle of a crowd of 10,000 people. In an era of lingering sectional hatred and increasing public dislike for large corporate railroads and banks, some Americans began to see the James brothers as heroes, modern-day Robin Hoods who stole from the rich and gave to the poor. Newspapers, eager to increase their readership, contributed to this mythic view of the brothers. In reality, the James brothers were brutal criminals who willingly killed innocent victims in their pursuit of money, but misguided public sympathy for the men was so great that the Missouri state legislature at one point nearly approved a measure granting amnesty to the entire James gang. After the brothers murdered two innocent men during an 1881 train robbery, though, the state of Missouri came to its senses and offered a reward of \$5,000 each for the capture of Jesse and Frank. Shot down for reward money in 1882 by one of his own gang members, Jesse achieved a false but enduring reputation as a martyr in the cause of the common people against powerful interests. One Kansas City newspaper mournfully reported his death in a story headlined, "GOODBYE JESSE." Had Frank suffered the same fate, no doubt he too would have achieved martyrdom and

first annual slump in auto sales in more than two decades. Sales in the world's biggest market fell 6% to 22.7 million units last year, the China Passenger Car Association said yesterday. (Source: Bloomberg)

**Quickest Way to Lose Half of Your Assets:** Jeff Bezos 54, founder and CEO of Amazon, also the world's richest man, announced he and his wife of 25 years, MacKenzie Bezos 48, are getting a divorce! MacKenzie, also a Princeton graduate was interviewing for a job at D.E. Shaw, a New York hedge fund, when they both met. The two were engaged after three months of dating and married just three months after that in 1993. Together they left New York and headed for the West Coast. Supposedly, it was on that trip that Bezos outlined his plans for Amazon. He decided to go into the book business because of his wife's love for writing, she had graduated with honors obtaining an English degree and both had a deep passion for books. Who could have ever guessed together they would turn Amazon into the most valuable company in the world? it was recently estimated that 65% of households in the United States are now Amazon Prime subscribers. Jeff Bezos net-worth has been valued as high as \$170 billion. From what I understand, despite owning homes and real estate around the world, the couples primary residence is in the state of Washington, which requires divorcing spouses to equitably divide "community property," including all income and businesses generated during a marriage. More than likely this goes down as the most expensive divorce in history. Several source guess that 48 year old MacKenzie Bezos, with the stroke of a pen, will become one of the five richest women in the world. The couple has four children. The stock price is currently stable, but many investors are wondering how big of a role MacKenzie played in talking things out at night? My wife and I talk a ton, as I like to hear her perspective. I have some good friends who have also relied a ton of their wives perspectives to build big businesses. I found in life, sometimes its what you don't see happening behind the scenes that is the most important part of the formula. It will be interesting to see how things play out?

**More of the Best from the Consumer Electronics Show:** We are now through two of the four days at The Consumer Electronics Show in Las Vegas and it seems like more and more crazy technology keeps getting released. Below are some of the coolest products released yesterday:

**John Deere's Self-Driving Autonomous 20-ton Combine Harvester** that can be programmed using GPS to follow a route through a field without being in the cab, which farmers can monitor the whole thing using a smartphone app. The combine has two cameras with computer-vision technology to track the quality of grain coming into the machine so that its kernel-separating settings can be adjusted automatically. According to John Deere, it can stay on a preset path without wavering any more than 2.5 centimeters when operating. This is the second year at CES for this particular combine, and hopefully, this technology can help make farmers' lives a little bit easier in the future.

been the subject of popular songs like the "Ballad of Jesse James." However, Frank wisely preferred long life to martyrdom, and he turned himself in a few months after his brother was murdered. Prosecutors were unable to convince juries that Frank was a criminal, and he was declared a free man after avoiding conviction at three separate trials in Missouri and Alabama. Entering middle age and having grown weary of the criminal life, Frank James was not so foolish as to tempt fate and the watchful eyes of Missouri law officers by resuming his old ways. For the next 30 years, he lived an honest and peaceful existence, working as a race starter at county fairs, a theater doorman, and a star attraction in traveling theater companies. In 1903, he joined forces with his old criminal partner Cole Younger to form the James-Younger Wild West Show. Frank retired to his family's old farm in Missouri, where he died at the age of 72 in 1915.



**1901, Start of U.S. Oil Industry** - On this day in 1901, a drilling derrick at Spindletop Hill near Beaumont, Texas, produces an enormous

gusher of crude oil, coating the landscape for hundreds of feet and signaling the advent of the American oil industry. The geyser was discovered at a depth of over 1,000 feet, flowed at an initial rate of approximately 100,000 barrels a day and took nine days to cap. Following the discovery, petroleum, which until that time had been used in the U.S. primarily as a lubricant and in kerosene for lamps, would become the main fuel source for new inventions such as cars and airplanes; coal-powered forms of transportation including ships and trains would also convert to the liquid fuel. Crude oil, which became the world's first trillion-dollar industry, is a natural mix of hundreds of different hydrocarbon compounds trapped in underground rock. The hydrocarbons were formed millions of years ago when tiny aquatic plants and animals died and settled on the bottoms of ancient waterways, creating a thick layer of organic material. Sediment later covered this material, putting heat and pressure on it and transforming it into the petroleum that comes out of the ground today. In the early 1890s, Texas businessman and amateur geologist Patillo Higgins became convinced there was a large pool of oil under a salt-dome formation south of Beaumont. He and several partners established the Gladys City Oil, Gas and Manufacturing Company and made several unsuccessful drilling attempts before Higgins left the company. In 1899, Higgins leased a tract of land at Spindletop to mining engineer Anthony Lucas. The Lucas gusher blew on January 10, 1901, and ushered in the liquid fuel age. Unfortunately for Higgins, he'd lost his ownership stake by that point. Beaumont became a "black gold" boomtown, its population tripling in three months. The town filled up with oil workers, investors, merchants and con men (leading some people to dub it



**Savvy Smart Mirror** is a gorgeous mirror that can also display information, run apps, play music as well as videos, and much more. This smart mirror improves upon one of the most useful items we keep in our homes by being able to see important information you might want to see before leaving in the morning like the weather or the news. Keep in mind, this smart mirror is also a massive touchscreen that is available in 10-inch and 22-inch sizes. Click [HERE](#) to learn more about the Savvy Smart Mirror!

"Swindletop"). Within a year, there were more than 285 active wells at Spindletop and an estimated 500 oil and land companies operating in the area, including some that are major players today: Humble (now Exxon), the Texas Company (Texaco) and Magnolia Petroleum Company (Mobil). Spindletop experienced a second boom starting in the mid-1920s when more oil was discovered at deeper depths. In the 1950s, Spindletop was mined for sulphur. Today, only a few oil wells still operate in the area.



**1941, FDR's Lend-Lease Program Introduced** - On this day in 1941, Franklin Roosevelt introduces the lend-lease program to Congress.

The plan was intended to help Britain beat back Hitler's advance while keeping America only indirectly involved in World War II. As Roosevelt addressed Congress, the Battle of Britain was in its full destructive swing and Hitler seemed on the verge of invading Great Britain. The cash-strapped Brits desperately needed airplanes, tanks and ships to fight Hitler's imminent invasion. For months, Britain's prime minister, Winston Churchill, had begged Roosevelt for help, but the president was committed to abiding by Americans' wishes to stay out of another bloody world war. The lend-lease program provided for military aid to any country whose defense was vital to the security of the United States. The plan thus gave Roosevelt the power to lend arms to Britain with the understanding that, after the war, America would be paid back in kind. Congress overwhelmingly accepted the plan, which only staunch isolationists opposed. Roosevelt's program enabled the U.S. military to prepare for the growing threat of Japan on its Pacific flank while helping Britain to contain Hitler across the Atlantic, as it permitted aid to Europe without committing American troops that might be needed in a Pacific war. Even though Roosevelt's plan did not require immediate repayment, the United States commandeered what was left of Britain's gold reserves and overseas investments to help pay for the increased defense production. With the bombing of Pearl Harbor in December 1941, Japan forced the entry of the United States into the war. Roosevelt then recognized the strategic advantage of also supplying the Soviet Union with arms under lend-lease in order to draw Hitler's resources away from Western Europe. This gave the United States a better chance at fighting a war on two fronts while planning for an invasion to liberate Europe. Roosevelt, mindful of the inherent conflict between American democracy and Soviet communism, counted on using U.S. military aid to the Soviet Union as a bargaining chip in post-war diplomatic relations. By the end of the war the United States had given more than \$50 billion in armaments and financial support to Britain, the U.S.S.R. and 37 other countries. The lend-lease program laid a



**FlexiSpot All-in-One Desk Bicycle** lets you work out while doing actual work at your desk. This is one of the best fitness tech products I saw at the show so far because it's not flashy, but simply just a great idea that seems to work. The Deskcise Pro is a stationary bike that also works as a standing desk. Users can sit, stand, or cycle, depending on what you feel like doing. If users do want to cycle, then Deskcise Pro features eight resistance levels so they can work out to their desired level. Click [HERE](#) to buy it now for \$399.

foundation for the post-war Marshall Plan, which provided aid to European nations to help rebuild their economies after two devastating world wars.

### Upcoming Events

**Thur. 01/10** - Export Sales, Jobless Claims

**Fri. 01/11** - Crop Production, Grain Stocks, USDA Supply & Demand, Winter Wheat Seedings

**Mon. 01/14** - Export Inspections

**Tues. 01/15** - NOPA Crush

**Thurs. 01/17** - Export Sales, Jobless Claims, Housing Starts and Pmts

**Tues. 01/21** - Martin Luther King Jr Day, Full Moon (Some Markets Closed)

**Tues. 01/22** - Export Inspections

**Thurs. 01/24** - Jobless Claims

**Fri. 01/25** - Export Sales, Cattle on Feed

**Mon. 01/28** - Export Inspections

**Tues.-Wed. 01/29-01/30** - FOMC Meeting

**Thurs. 01/31** - Export Sales, Jobless Claims, Personal Income

**Fri. 02/01** - Unemployment, Grain Crushings

**Mon. 02/04** - Export Inspections

**Tues. 02/05** - Chinese New Year

**Thurs. 02/07** - Export Sales, Jobless Claims

**Fri. 02/08** - Crop Productions, USDA Supply & Demand

**Mon. 02/11** - Export Inspections

**Thurs. 02/14** - Valentine's Day

**Fri. 02/15** - Retail Sales, NOPA Crush

**Mon. 02/18** - President's Day (Some Markets Closed)

**Tues. 2/19** - Full Moon, Export Inspections

**Wed. 02/20** - Housing Starts & Pmts

**Thur. 02/21** - Jobless Claims

**Fri. 02/22** - Export Sales, Cattle on Feed/Cold Storage

**Mon. 02/25** - Export Inspections

**Thurs 02/28** - Export Sales, Jobless Claims

### Kevin's Song of the Week



**Source by Zero Mass Water Delivers Clean Water Anywhere** - This is a startup backed by a \$1 billion fund led by Bill Gates and Jeff Bezos, which recently created a new sensor that allows you to monitor the quality of your water. This new technology produces solar panels that pull water out of the air, filter it, and deliver it to your home faucet made straight from air humidity without external energy and without waste. For \$2,000 plus around \$500 for installation, a Source solar panel can deliver about 1 to 2 gallons of water daily. This is breaking technology that might be a solution to the global water crisis in years to come.

## WHAT I'M LISTENING TO: ▶



▶ Morgan Wallen  
"Whiskey Glasses"

## Kevin's Song of the Week

## NEXT level THINKING

My goal at "The Van Trump Report" is to help readers better identify the moving parts and dynamics associated with the financial markets, geopolitical events, economics, media and culture that is currently influencing and shaping the direction of the agricultural markets. I like to believe I "Challenge the Traditional" and encourage our readers to think outside the box.

I use story telling techniques that are written in an easy to read format to help convey my current thoughts about business, markets, technology, weather, sports and life. I also like to include links, filter the noise, and pass along in-depth research and information that I believe could challenge your current thought process and help you make more informed decisions. In addition I include valuable lessons I have learned from other traders, executives and investors, along with an occasional inspirational piece about life, family and faith.

What I do not do in "The Van Trump Report" is give specific financial advice or tell individuals how to invest or how to specifically hedge. Remember, this information is being read by hedge fund managers, bankers, CEO's, and Ag leaders around the globe, therefore it's NOT tailored to fit your specific individual needs. For specific investment or hedging advice please seek the help of a licensed representative that can better understand your particular situation, individual needs and overall risk tolerance. This information should ONLY be used for educational and entertainment purposes.

My family and I would like to thank you again for your support!

*Kevin Van Trump*

## What Others Are Saying

"I am a recent subscriber to Kevin's newsletter, but I'm a long-time reader of many other high-profile marketing services. I am particularly impressed with the thorough manner in which Kevin evaluates every economic aspect, both nationally and internationally, that



**LG's OLED waterfall curved display** made out of more than 250 curved LG OLED TVs is the most mesmerizing thing at the CES in 2019. LG has a long tradition of creating crazy displays like this with its curved OLED TVs, but the display at CES 2019 blows all previous years away. Click [HERE](#) to watch this display live!



*influences commodity prices. His analysis and conclusions are highly thought out and conveyed in layman's terms so that the reader can comprehend the numerous and often complex interrelationships that impact the markets. Kevin is a real attribute to the agricultural sector."*

**A.M., FDIC**

*"As a national federal farm policy administrator and commodity producer, I find it critical to keep updated with what is going on in the real world of agriculture and with the domestic and global markets. Of all the services I've have been privy to or have subscribed to over the past 20 years I've found in the past several months of engaging in your "Farm Direction" services to be the best perception and analysis of what is really happening in today's world. Not only here in the United States, but across the globe as well. US farmers need this type of help and information to assist them in their daily efforts. I commend you for a job well done. Please let me know if I can ever be of any help or assistance to you in the future..."*

**L.T., Assistant Deputy Administrator  
for Farm Programs USDA**

#### My Own Personal Truisms

*"Not To Trade, is often considered a good trading decision..."*

*"First Rule of HOLES: When you are in one stop digging..."*

*"Every looser in Vegas, always walks away from the table thinking he could have done better, the winners on the other hand leave while on top..."*

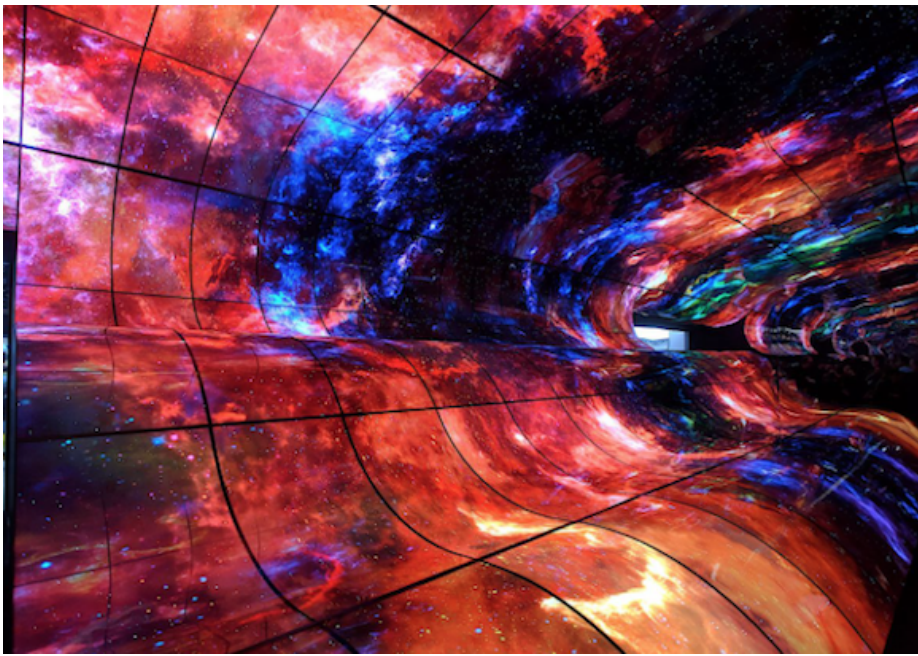
*"Bulls make money, Bears make money, but pigs get slaughtered..."*

*"The markets ability to remain irrational can often times last much longer than your ability to remain solvent..."*

*I'm more of a long-term player, therefore you will not see me give many short-term suggestions or trade ideas. One of my most important rules is that I always follow my long-term direction. Therefore, as long as I am "bullish" a market I will only play that particular market in one of three ways.*

- Option #1 - Conservatively long.
- Option #2 - Aggressively long.
- Option #3 - Sitting on the sideline.

*I never initiate a "short" position in a market that I am "bullish" longer-term, nor do I initiate a "long" position in a market I am "bearish" longer-term.*



*Farm Direction*  
RECIPES

★ **FAMILY** ★  
**FAVORITES**  
-SENT IN BY OUR READERS-

**Captain Morgan  
Jamaican  
Banana Bread**



[CLICK TO SEE RECIPE](#)

**FARM TANK**

Tweets of the Day





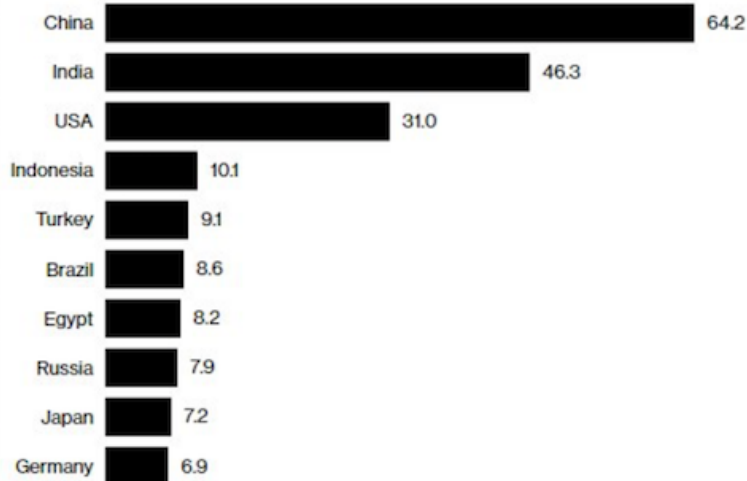
**Bloomberg Economics** ✓  
@economics

Following

Both China and India's economies are projected to be bigger than the U.S. by 2030  
[bloom.bg/2CVGBLx](https://bloom.bg/2CVGBLx)

### Rising Stars?

Top 10 countries by nominal GDP using PPP exchange rates by the year 2030



**Vala Afshar** ✓  
@ValaAfshar

Following

December 1953 - The first ever RCA color television is sold for \$1,175 (\$10,849 today)

#CES2019 🇺🇸





**Scott Sloan**  
@ScottSloan6164

Unfollow



All of #harvest18 was a "challenge". Was thinking of moonlighting as a tow rope manufacturer!! 😂🙋



**Justin**  
@efarmsfive

Following



That sound of a combine after a roughly 45 day harvest delay. 🙋





**THROWBACKTRUCKS**

@THROWBACKTRUCKS

Following



#Ford



**Rock 'N' Roll Pics**

@DailyRockPics

Following



Greta Van Fleet, 2018.

Translate Tweet





Yvonne Rediger  
@blackyyv

Following

This applies to kids from the #prairies too.  
#farmkids #Sunday



# neuro mining

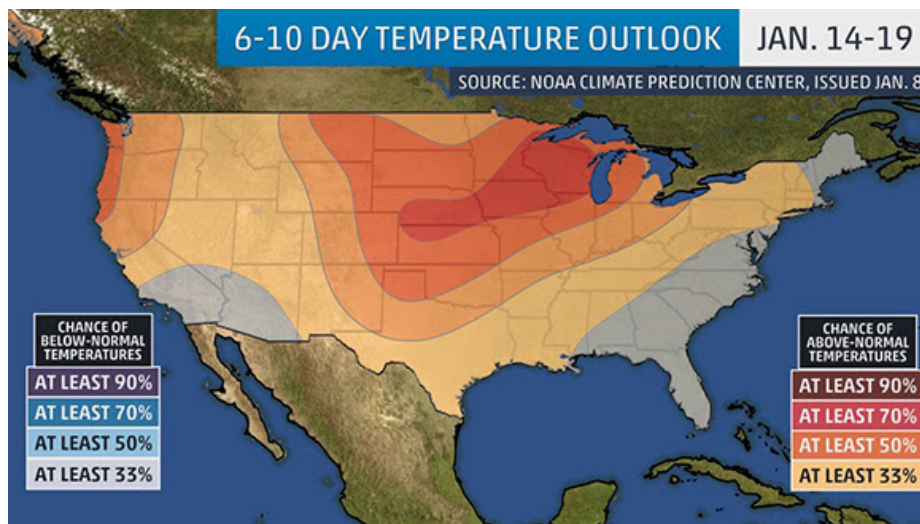
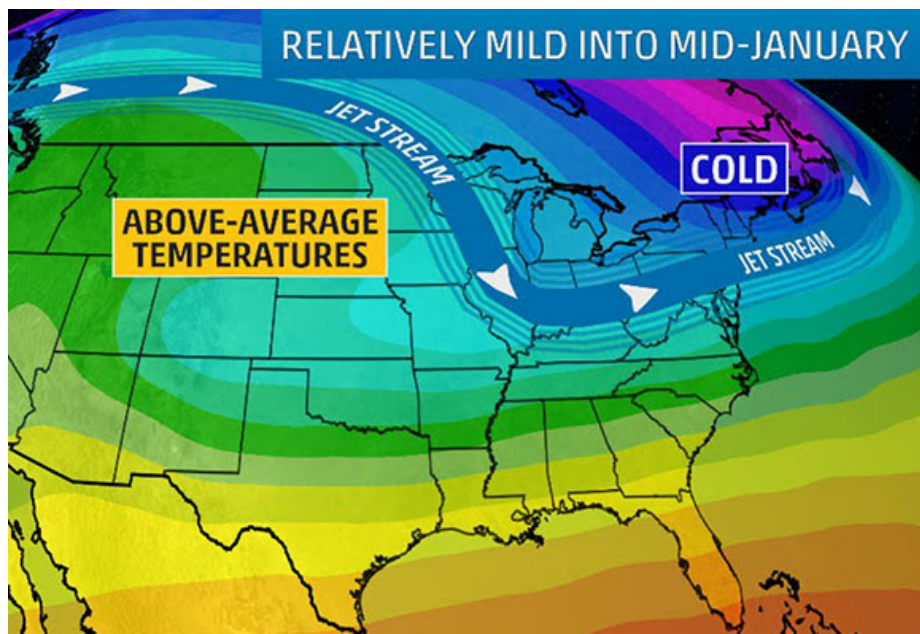


*As we age, it gets harder and harder to create new neural pathways in the brain. It's the reason kids find it so easy to learn new things, but as adults it often gets more difficult. Doing brain teasers and solving riddles can be an important part of keeping our brain healthy. The more connections we can form, the better our brain will be. I hope this helps provide a little daily fun and exercise. The answer to each riddle or puzzle will be located at the bottom of the report.*

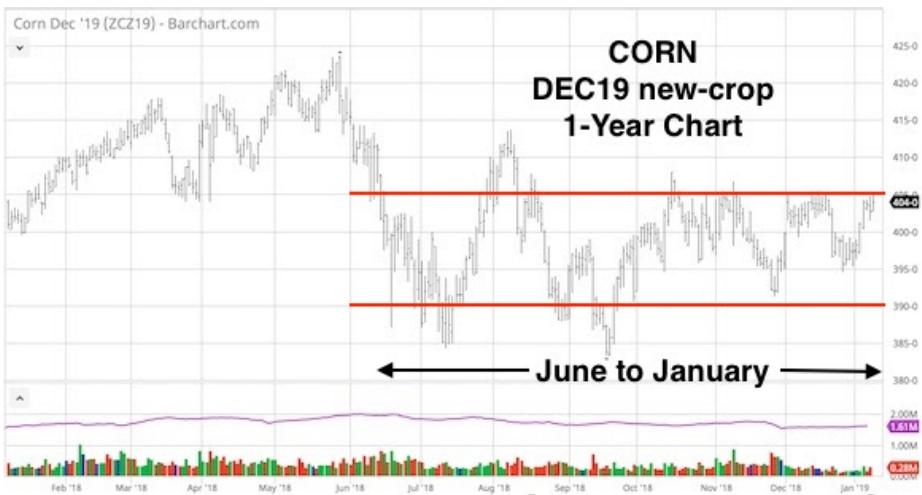
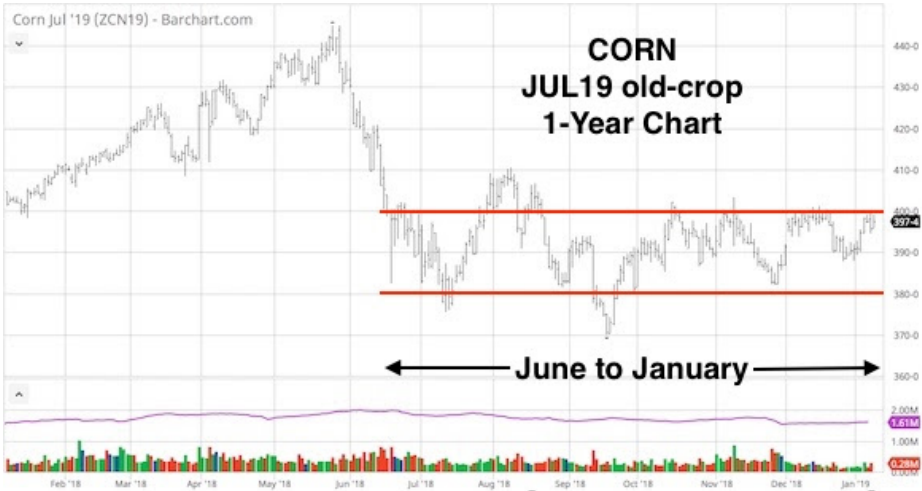
**TODAY'S RIDDLE:**

You can collect me and you can toss me, you can flip me, you can spin me, and people all around the world have different versions of me. What am I?

**Weather** conditions haven't felt like early January for many across the Plains, Midwest and to the East, and while a cold blast last this week will bring a brief winter reminder, more warmer temperatures are expected to return. The first seven days of January ranks one of the top-ten warmest for much of the East, Midwest and northern Plains. This includes Atlanta (7th warmest), Washington D.C. (tied for 10th warmest), Milwaukee (4th warmest) and Glasgow, Montana (warmest). But again, the late-week cold will quickly dissipate and by early next week, high temperatures will be 10 to 20 degrees above average from the northern and central Plains into the Midwest. The 6 to 10 day temperature outlook shows through mid-January the Lower 48 can expect near to above average temperatures with the greatest chances of warmer-than-average conditions found from the central Plains into the upper Midwest.

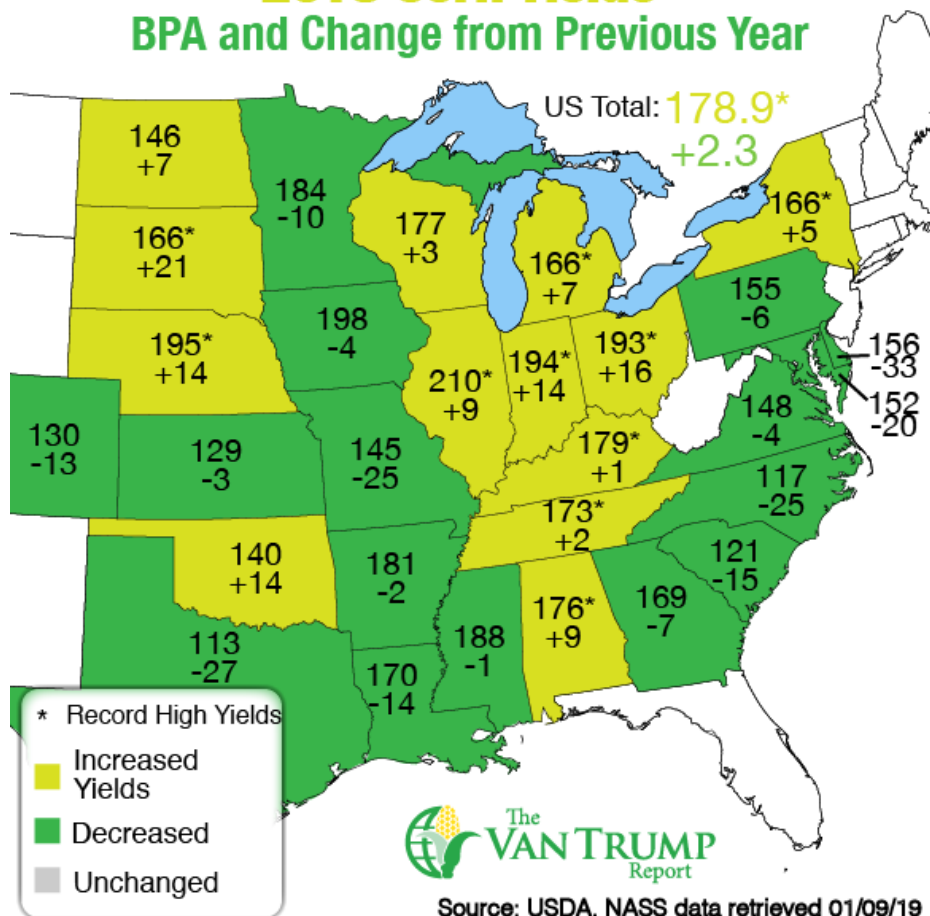


**Corn** prices continue to consolidate towards the upper end of the most recent range. Bulls are happy to hear recent talks with the Chinese have gone well. There's also continued weather extremes in South America adding some uncertainty to production estimates. Interestingly, CONAB bumped their corn estimate for Brazil a hair higher this morning. A massive eight day rally in crude oil prices and a weakening U.S. dollar have also provided an added tailwind. The trade is also anticipating another U.S. yield reduction by the USDA when the end-of-year is eventually released. Bears believe the USDA could offset some of the production losses by lowering the U.S., export estimate and perhaps lowering their forecast for feed and residual usage. Some of the larger bears believe we could still see a further reduction in corn used for ethanol as more plants have reduced run rates or been temporarily idled. I'm staying optimistic, ultimately believing the Chinese are going to be buyers of U.S. corn, sorghum, ethanol, and DDGs. I'm also thinking there could be production, political, or logistical hiccups in South America. There's also a lot of political uncertainty circulating around Ukraine. At the same time I have to respect the global balance sheet and global growth uncertainties that are in play. Meaning I can't be swinging for the fences. Similar to soybeans, I like the thought of finding strategies and ways to limit downside exposure but still keeping a bit of upside opportunity on the books. As producers we've clearly identified, when the ducks are in the air and flying, we have to shoot! If you feel you are undersold in either old-crop or new-crop, this is probably the time to be reducing exposure. This is certainly the high-end of the range since mid-August.



## 2018 Corn Yields

### BPA and Change from Previous Year



**Soybean** bulls have picked up two "wild-cards", the weather in South America and Chinese trade negotiations, and are playing them as bullish. Talks out of both Washington and Beijing are positive, but there's still no major specifics. The trade continues to guess in regards to total Chinese purchases of U.S. soybeans with most estimates ranging around 5.0 MMTs. Bears don't see this as near enough to meaningfully reduce the balance sheet or tip the scales far enough for the bulls to gain full control. Also extremely uncertain, is total production for Brazil. Analyst and insiders are taking wild stabs but we are still a long ways from hearing harvest confirmation. The USDA was most recently forecasting a record crop for Brazil at 122.0 MMTs. Producers had gotten off to a terrific start with a record number of acres. Abnormally dry conditions and more extreme heat are causing concerns and uncertainty. I continue to hear more talk and chatter of estimates coming in sub-115 MMTs. In fact there's been some floating around sub-110 MMTs. The weather forecast for northern parts of Brazil show things heating up and more dryness, so the verdict is still out. I've heard talk of some very good areas and some not so good. We should learn more this morning after CONAB releases their most recent update, they were last estimating production right around 120.0 MMTs. I heard this morning their newest estimate was going to be around 118.5 MMTs. Regardless of the specifics, the trade is certainly playing the Brazilian weather card as bullish and cutting production estimates. As a producer, I continue to take a wait-and-see approach, but only because I reduced my downside exposure a long time ago. Those who are strictly cash marketers or still have a substantial amount of old-crop in the bin, with JUL19 trading near \$9.50 per bushel, plus the MFP payment, reducing risk seems extremely important. Don't forget, the highest close we've seen in the JUL19 contract during the past six-months has been \$9.57<sup>2</sup>. To find a close higher than that we have to go back to June 15th of last year. I included below a chart and a timeline of Events leading up to the US-China trade war. The timeline was something I was sent from another trader, it was published by China Briefing by Dezan Shira & Associates. It provides a good look back and how things have transpired. There have certainly been some optimistic periods and some not so optimistic periods. I'm wondering if we are just in another optimistic period or actually on the cusp of a full resolution? You can see more details [HERE](#)

**June 16, 2018:** China revises its initial tariff list (25% on 106 products) to now include a 25% tariff on 545 products (valued at US\$34 billion). This tariff will take effect July 6, 2018. China also proposes a second round of 25% tariffs on a further 114 products (valued at US\$16 billion).

**June 15, 2018:** Initial list of products reduced and finalized. List 1 now implements a 25% tariff on a reduced 818 products (from 1,334) and is set to take effect on July 6, 2018. List 2 of 284 new products is also announced and under consideration.

**June 7, 2018:** US and ZTE agree to deal that will allow ZTE to resume business.

**June 4-5, 2018:** Two days of trade talks between US and China held in Beijing.

**May 29, 2018:** US reinstates tariff plans after brief truce.

**May 20, 2018:** US and China agree to put the trade war on hold after China reportedly agrees to buy more US goods.

**May 18, 2018:** China's Commerce Ministry announces that it will stop tariffs on US sorghum at negotiations.

**May 13, 2018:** Trump promises to help ZTE in a tweet.

**May 3-7, 2018:** US-China engage in trade talks in Beijing, where the US demands that China reduce the trade gap by US\$200 billion within two years. Talks end with no resolution.

**April 17, 2018:** China announces antidumping duties of 178.6% on imports of sorghum from the US.

**April 16, 2018:** US Department of Commerce concludes that Chinese telecom company ZTE violated US sanctions. US companies are banned from doing business with ZTE for seven years.

**April 4, 2018:** China reacts to USTR's initial list, and proposes 25% tariffs to be applied on 106 products (worth US\$50 billion) on goods such as soybeans, automobile, chemicals (list revised on June 16).

**April 3, 2018:** The USTR releases an initial list of 1,334 proposed products (worth US\$50 billion) subject to a potential 25% tariff (list revised June 15).

**April 2, 2018:** China imposes tariffs (ranging 15-25%) on 128 products (worth US\$3 billion) including fruit, wine, seamless steel pipes, pork and recycled aluminium in retaliation to the US' steel and aluminium tariffs.

**March 23, 2018:** US imposes a 25% tariff on all steel imports (except from Argentina, Australia, Brazil, and South Korea) and a 10% tariff on all aluminium imports (except from Argentina and Australia).

**March 22, 2018:** Trump signs a memorandum directing the following acts:

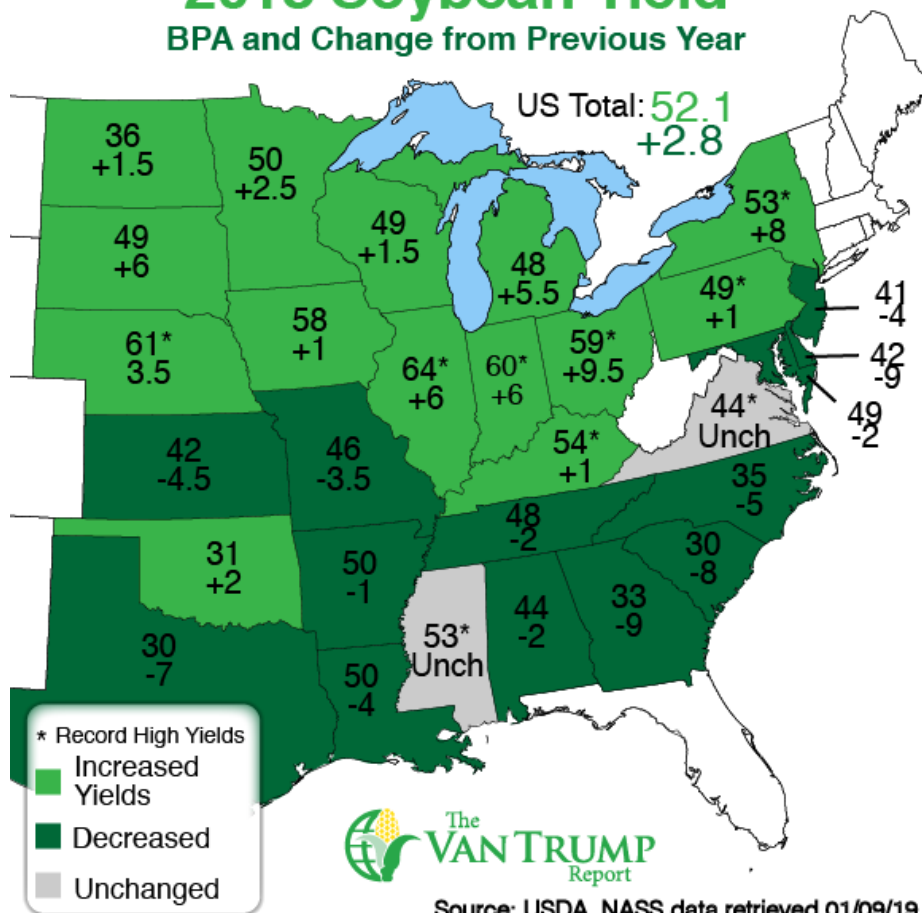
- To file a WTO case against China for their discriminatory licensing practices;
- To restrict investment in key technology sectors; and
- To impose tariffs on Chinese products (such as aerospace, information communication technology and machinery).

**February 7, 2018:** The US implements 'global safeguard tariffs' – placing a 30% tariff on all solar panel imports, except for those from Canada, (worth US\$8.5 billion) and a 20% tariff on washing machine imports (worth US\$1.8 billion).



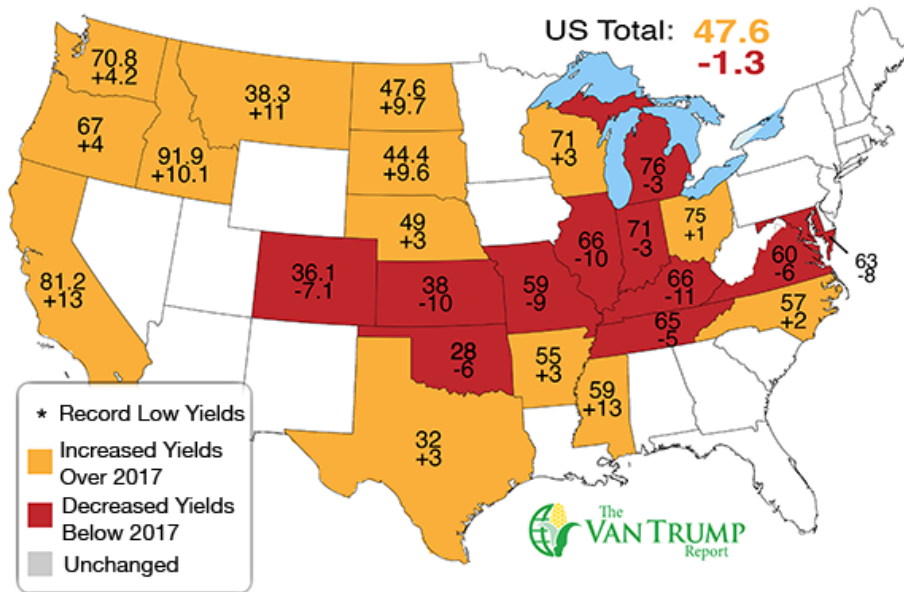
# 2018 Soybean Yield

## BPA and Change from Previous Year



**Wheat** bulls remain optimistic about growth in U.S. export, but as the bears point out, eventually the rubber has to meet the road. We've heard rumors of U.S. wheat moving to Algeria, Egypt or perhaps even China. The recent optimism from the Chinese trade talks could arguable have provided a slight tailwind. Also weakness in the U.S. dollar has created a slightly less bearish macro landscape. Keep in mind, the U.S. dollar closed yesterday at levels last seen back on October 16th, so we are definitely seeing some weakness. I suspect if the U.S. government shutdown continues and the Fed sticks with more dovish rhetoric the green back will have a tough time rallying. Hopefully this will provide a more bullish landscape for macro commodity bulls, hence less short-side interest in wheat. I really don't see "weather" providing much bullish enthusiasm. The problems in Argentina and Australia have been well advertised. Here at home, good soil moisture compared to previous years is keeping a lid on bullish concerns. It seems like a few of the areas in eastern Europe that we've been keeping an eye on have recently received beneficial snow cover to help protect the crop. I believe the biggest bullish factors at the moment are weakness in the U.S. dollar and continued geopolitical uncertainty with Russia and Ukraine. Staying patient...

## 2018 Wheat Yields BPA and Change from Previous Year



**> Brazil Soybean Crop Cut Because of Dry Weather:** Brazil's 2018/19 soybean crop forecast was cut to 116.9 million metric tons from 121.4 mmts late in November according to AgRural. The reason for this reduction is being blamed on extreme heat and a dry spell in southern areas. AgRural said southern Parana state was the hardest-hit by the heat and dry spell as they cut projections for the state by 2.5 million metric tons. Remember, Brazil is in the initial stages of soybean harvest. We'll keep an eye out on CONAB as they are set to release new numbers as well. (Source: Reuters)

**> EPA Reaffirms Commitment to Higher Ethanol Blend by Summer:** The EPA has come out and said they would complete a rule to boost sales of higher-ethanol blends of gasoline by the summer driving season, despite a partial government shutdown. The EPA currently bans the higher ethanol blend, E15, during the summer because of concern it contributes to smog on hot days - a worry biofuels advocates say is unfounded. The proposal is also expected to be coupled with a slew of reforms to the RINs market -- the credit-trading market that underpins the nation's renewable fuel policy. (Source: Reuters)

**> Food Stamp Benefits To Be Paid Early:** The administration will release an estimated \$4.8 billion to SNAP recipients on January 20, nearly two weeks early, to ensure they get their February food stamps despite the partial government shutdown, announced Agriculture Secretary Sonny Perdue.

**> Farmers Making Use of Drones:** In Perdue University's December Ag Economy Barometer survey, they questioned farmers regarding their usage of drones on their farms. 34% of survey respondents said a drone was used on their farm in the last year, with just over half (56%) of farms that used a drone in 2018 saying that drone usage provided added value to their farm operation, whereas 44% indicated that it did not add value. Drones were mainly used for field scouting (43%), but also field mapping (17%), photography (17%), hobby (17%) and to inspect farm structures (6%). Looking ahead to 2019, just 6% of farms surveyed said they plan to purchase a drone for themselves. (Source: Perdue Univ Ag Econ Barometer)

**> 78% of U.S. Workers Live Paycheck to Paycheck:** Government workers are far from alone in feeling stressed about not getting paid. Nearly 80% of American workers (78%) say they're living paycheck to paycheck, according to a 2017 report by employment website CareerBuilder. Women are particularly vulnerable: 81% of them report living paycheck to paycheck, compared with 75% of men. It's not merely those earning low wages who are struggling. CareerBuilder reports that nearly 10% of

Americans with salaries of \$100,000 or more live paycheck to paycheck as well. That means that many workers aren't able to put anything significant into savings. More than 50% of respondents say that they save less than \$100 per month. (Source: CNBC)

**> New York City's Iconic Chrysler Building For Sale:** Owners of the 1930 art deco office tower—an Abu Dhabi government fund and New York developer Tishman Speyer are putting the iconic building up for sale. Estimates for the property's value vary widely, but a number of real-estate investors believe the Chrysler Building could struggle to recoup the \$800 million that the Abu Dhabi Investment Council paid for a 90% stake in the property in 2008. It's worth noting that in recent years, U.S. and overseas investors have splurged on famous properties like the Willis Tower in Chicago and New York's Waldorf Astoria Hotel, for which a Chinese insurer paid \$1.95 billion in 2015—a record for a U.S. hotel sale. (Source: WSJ)

**> Apple Makes Plans to Reduce iPhone Production... But:** Apple is cutting iPhone production by -10% between January and March, according to the Nikkei Asian Review. It is believed to be the second time in two months when Apple has trimmed production plans. I'm told the planned production volume for new and old iPhones, including the XS Max, the XS, and the XR, would fall to between 40 million and 43 million units. This is down from the previous projection of 47 million to 48 million units. Interestingly, revenue from Apples wearable products, namely the Apple Watch and the AirPods, has now topped that of the iPod at its peak. (Source: BusinessInsider)

**> Cash Was King in 2018:** Cash was the best-performing asset of 2018, reigning supreme among other investments like stocks, bonds, and commodities. Meaning, cash was the only major asset that posted positive returns last year, with a 1.9% rise, according to Bank of America Merrill Lynch. Analysts add that it was a perfect storm that hit equities in the fourth quarter of 2018 with high oil prices, a strong dollar and a shift upwards in the U.S. yield curve, all of which altered perceptions towards risk assets and encouraged investors into cash.

**> Organogenesis (ORGO) Stock Up +2200% at One Point Yesterday:** Organogenesis, ORGO, opened yesterday trading at \$13.00 and rose as high as \$310.90, which is over +2200% growth during one day of trading. The stock ended up closing at \$82.35, which is still over +500% growth on the day. The stock's price to earnings ratio is now trading at 4117.5 making the company valued way higher than its per-share earnings. Keep in mind, the average markets P/E ratio is 20-25 times earnings. The stock was paused many times throughout the day due to volatility, but maybe a stock to watch moving forward.

**> Hulu Tops 25 Million Subscribers, Traditional Television Going Extinct:** Hulu is keeping its pedal to metal in the streaming TV race, ending 2018 with more than 25 million total subscribers, a net gain of 8 million for the year. The 47% year-over-year growth in subscribers for 2018 gives Hulu more video customers than the U.S.'s biggest pay-TV providers — including Comcast, one of its owners. In 2019, Disney is set to take 60% ownership of Hulu, through its acquisition of 20th Century Fox assets including a 30% stake in the joint venture. Comcast is the other 30% owner; AT&T's WarnerMedia owns the remaining 10% but is considering selling that stake. (Source: Variety)

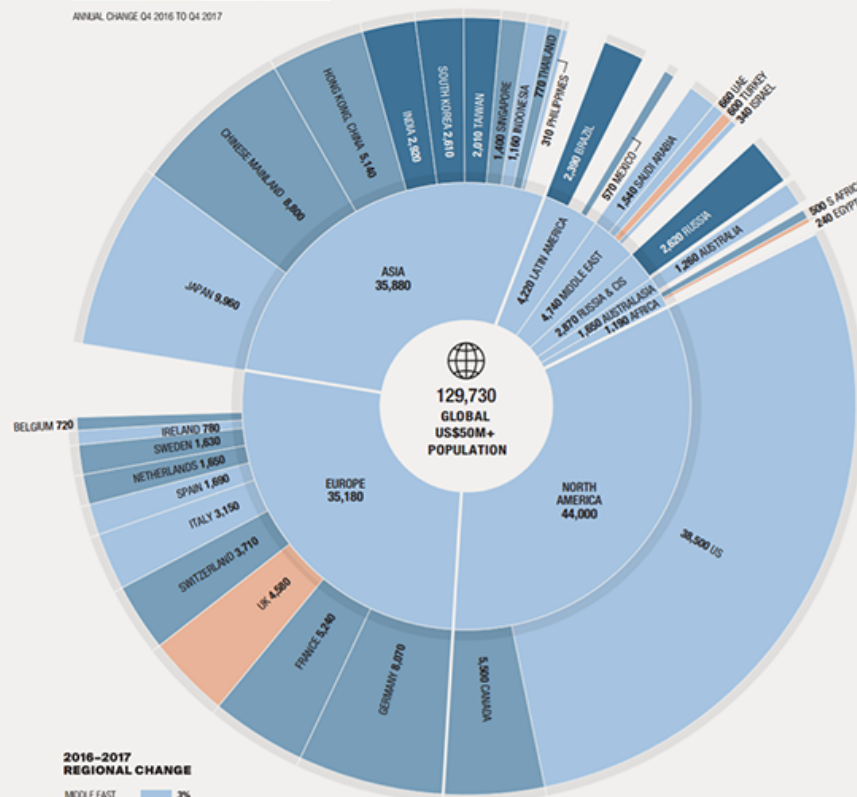
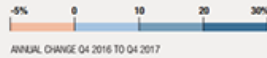
**> VC Funding for Startups nears \$100 billion, Highest Since dot-com Bubble:** Venture capital funding in U.S. companies reached \$99.5 billion in 2018, the highest since 2000, according to the Q4 MoneyTree report from PwC and CB Insights. While investors are putting more dollars behind startups, they aren't making more bets — deal activity for 2018 reached 5,536 transactions, the lowest since 2013. This is part of a trend toward fewer, bigger deals. Seed-stage deal share fell to 25%; it made up 36% of deals in 2013. (Source: GeekWire)

**> Are we less than 10 years away from a cancer blood test?** Another fascinating conversation I had just this morning was with Helmy Eltoukhy, the co-founder and CEO of Guardant Health. This week, Guardant, which is in the "liquid biopsy" business - i.e., developing blood tests that could one day supplant invasive tissue biopsies - announced a new kind of test for detection of early-stage cancers. Eltoukhy tells me he's confident that this kind of technology can become a regular part of an annual checkup to screen for cancer in, not 12 or 15 years, but in less than ten. (Source: Fortune, Clifton Leaf)

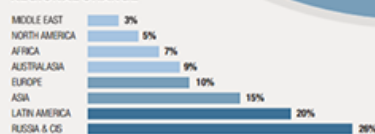
**> Where Are The World's Ultra-Wealthy Located?** Today's infographic comes to us from the [Knight Frank Wealthy Report 2018](#) and breaks down the world's 129,730 people that have fortunes of US\$50 million and above. It's a narrow measure, representing just the upper echelon (top 1%) of the world's millionaire population. (Source: Knight Frank) Click image for large view of graphic.

## GLOBAL WEALTH

INDIVIDUALS WORTH OVER US\$50M IN 2017



### 2016-2017 REGIONAL CHANGE



SOURCE: ALL DATA SUPPLIED BY HEWLETT

## FROM THE FIELD

**Northeast Colorado** - We farm corn and silage on irrigated acres, along with running a cow-calf operation and feed around 900. We are fortunate to be able to use our own silage for the cattle we send to the feedlot, keeping costs down. Our beef business served us well this year as we were making \$140-\$150 per head. Usually, we are sending the cows to the feeder once they reach 800 pounds. Overall it was a good year and we are grateful to have paid our bills and made a bit on top of it. Sales for corn were good last season and we have a decent start on the 2019 season as well. Had to build a new bin this year and have some great guys in the area who knocked it out in 90-days. I am taking mamma for a bit of skiing before we have to get back to work soon.

**Northeast South Dakota** - We ended up starting a new business this year by accident. Following the recommendation of our agronomist last season, we added lime to our fields. Having it delivered we were planning on having someone local spread it for us, when we were made aware that there wasn't anyone who did that in our area. So we bought some equipment and spread it ourselves and sure enough folks saw what we were doing and ended up having lime put down on their fields as well and hiring us to do it. Things got to the point that the new endeavor really filled the gap for our less than average season. Due to dryness in the area both corn and bean yields were down nearly 40%. On top of that, the basis in our area is one of the countries worst ones. The good news is over two-thirds of the beans were sold at \$10.20 average. Wish we could say we were as aggressive with our corn.

**Southern Ohio** - I'm about half finished with beans at this point. I've mostly been delivering 15% moisture beans, which was about 3 weeks ago. Seems to rain every three days and the fields are a mess. My 4400 does fine and doesn't tear the fields up as bad as I thought it would, but the beans have been staying 20% since mid-December. Our last downpour was Friday, then had a nice weekend and I got a very small rain shower Monday evening. Yesterday was sunny, 60 and windy as can be so we decided to try it last night after work and beans were 12.9% and getting dryer through the night because of the heat and wind. The only problem was fields were somehow even wetter than a few weeks ago and I rutted them up more. There's a cold snap coming through now and will hopefully freeze everything up. If a few things go right, we might finish by the weekend.



**Princeton's Vertical Farming Project Seeks to Grow Industry:** Vertical farming got a lot of attention at the very end of 2018, from Bowery's \$90 million funding round to news of major corporations starting their own farms. But amid all those numbers and names, one vital piece of information was (and is) missing: We don't actually know how well the vertical farming market as a whole is doing — if it's on track to reach its projected \$13 billion marketshare by 2024, and if the concept is even as promising a food source as the headlines would have you believe. Stepping in with their own research to offer answers to these questions as well as hoping to create an open source platform for future startups is The Princeton Vertical Farming Project (PVFP). Led by Paul P.G. Gauthier, an associate research scholar in plant physiology and environmental plant metabolism, PVFP also wants to provide a model for other initiatives and companies by releasing data on their experiments about what works in vertical farming, and what doesn't. With all the unknowns that startups must answer to turn a profit, Gauthier is simply looking to bring data to the process. Learn more [HERE](#).

**Amazon Developing "Free Sample" Program:** Amazon is quietly piloting a program to let brands like Maybelline and Folgers pay to send free samples to consumers — all based on what the retail giant already knows they're likely to buy. I'm told the plan is to turn free samples into new targeted ads, playing to Amazon's strength as a trusted delivery service of everyday goods. Amazon is betting the sample strategy is something its biggest competitors — Google and Facebook — can't match. Display ads are currently how Amazon makes the majority of its roughly \$5 billion in ad revenue., but Amazon says that marrying old-school samples with its customer data will provide brands "a higher likelihood of conversion than display ads," according to a summer job posting. With more than 100 million Prime services subscribers alone, Amazon has a long established relationships with its users. Sounds like a brilliant strategy on paper. Read more [HERE](#) on what to expect.

**Autonomous Driving Startup Aurora to be Valued Over \$2 Billion:** Not yet two years old, start up Aurora has made waves in the autonomous-driving industry with a highly regarded executive team from Tesla, Uber, and Google and with its latest round of funding to be valued at over \$2 billion. Insiders are taking notice as the most prestigious venture capital firm in Silicon Valley, are making its biggest commitment into the capital-intensive world of self-driving car technology in the US. I should mention, Aurora came out of stealth in 2017 to much fanfare given its top-flight technical talent, including CEO Chris Urmson, who was the chief technology officer for Alphabet's self-driving arm, Waymo, Sterling Anderson, former head of Autopilot, and Drew Bagnell who was also one of the founding members of Uber's autonomous efforts. In a sector where only a few have technical know-how, a disproportionate amount of Aurora's appeal — and, presumably, its valuation — is predicated on these three founders. Read more on Aurora and its team [HERE](#).

**I Gave a Bounty Hunter \$300. Then He Located Our Phone:** T-Mobile, Sprint, and AT&T are selling access to their customers' location data, and that data is ending up in the hands of bounty hunters and others not authorized to possess it, letting them track most phones in the country. This is crazy, basically anybody can find you at any moment using this phone locator. Read more [HERE](#)

**Sting Ray Sat in Garage for 45 Years... and Has Never Had a Passenger:** If a car sells for \$1 million at an auction, smart money says it's a vintage Ferrari or Jaguar, but definitely not a white Corvette down in the Florida swamps. But on Friday in Kissimmee, this car might prove the exception. The last of the special "Sting Ray" generation, this Chevrolet Corvette coupe isn't the cool and rare split-window variety from 1963, which typically command the most money. But it does offer something very special: It's basically just as it was when it rolled off the assembly line in 1967. I'm told its only been driven 2,996 miles since its birth and had only four owners, each of whom kept up

regular maintenance. Its original components, such as gauges, dials, and interior trimmings remain unmolested and intact, but more impressively, it sat parked in the same garage from May 20, 1967, until Feb. 12, 2012—nearly 45 years. On top of that, it has never had a passenger while being driven. Read more [HERE](#) on this rarity.





# HACKING EVOLUTION FOR SPEED, DIVERSITY AND SAVINGS

WEBINAR | 1.10.18 AT 3PM CT | PRESENTED BY: ENEVOLV

BROUGHT TO YOU BY:



During 2018, iSelect, The VanTrump Report and The Yield Lab Institute are sponsoring a series of weekly webinars featuring the best in agriculture innovation. Agrifood Conversations is all about driving innovation and each month will highlight a specific theme, from biologicals to vertical farms, featuring emerging topics such as soil health, biologics, plant genetics, vertical farming, precision agriculture, herd health and management, and aquaculture, to name a few. Once a quarter, we'll open up the conversation with a panel of experts on that month's topic. Learn about new trends in ag, connect with industry leaders and discover new solutions.

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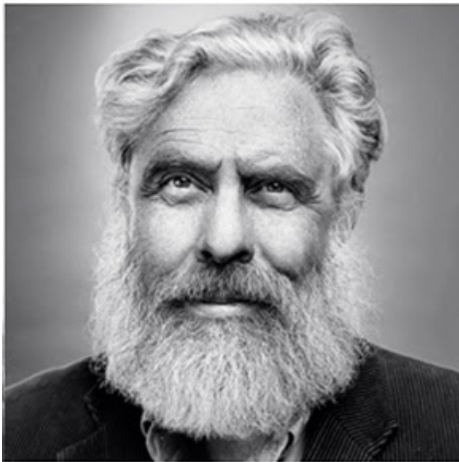
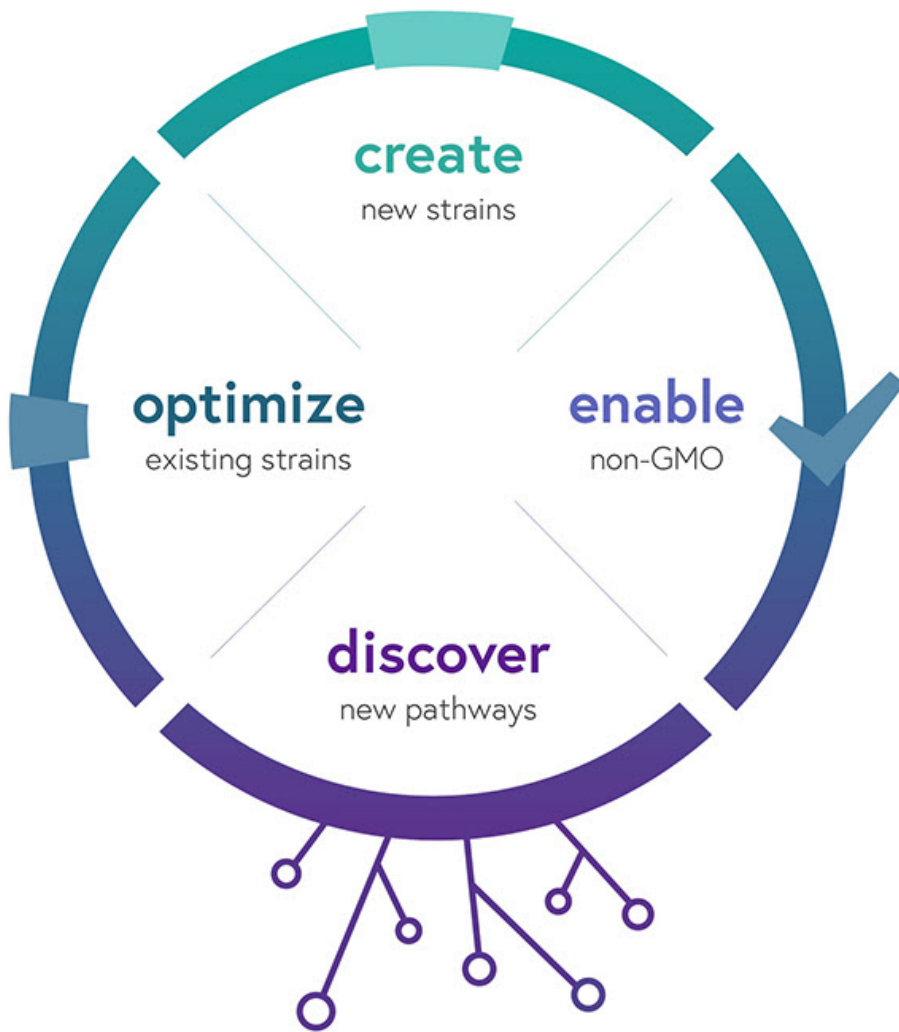
## Learn More About "enEvolv"

**Title: Hacking Evolution for Speed, Diversity, and Savings,**

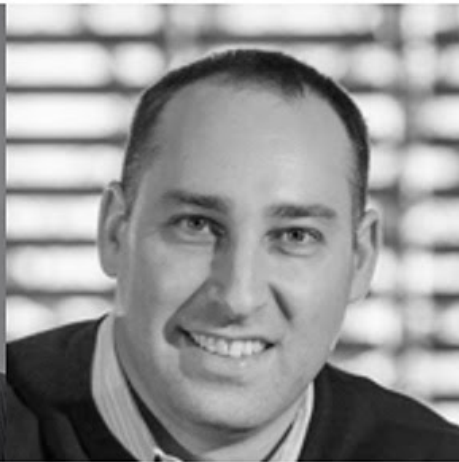
**Time: Thursday, January 10th @ 3:00 pm CT**

### Engineering Science to Create Bio-based Products for Health, Food and the Environment

If your interested in science and biology this is an extremely enEvolv is an extremely interesting company. The Co-founder is George M. Church, Ph.D., a distinguished Professor of Genetics and Director of the Center for Computational Genetics at Harvard Medical School. Dr. Church is widely regarded as a pioneer in personal genomics and synthetic biology, having authored and co-authored more than 270 publications and 50 patents. The other Co-Founder is Farren J. Isaacs, Ph.D., is an Associate Professor of Molecular, Cellular and Developmental Biology at Yale University. He received a B.S.E degree in Bioengineering from the University of Pennsylvania and obtained his Ph.D. from the Biomedical Engineering Department and Bioinformatics Program at Boston University. In his Ph.D. he pioneered the design and development of synthetic RNA components capable of probing and programming cellular function. The company believes that biology has solutions for many of the world's problems. From carbon emissions to food shortages to pandemic diseases, researchers are working to harness the power of the natural world to make human lives better. enEvolv engineers microorganisms to produce bio-based products like chemicals, enzymes, and small molecules. They work with various partners in therapeutics, nutrition, energy, and specialty chemicals to improve existing strains and develop new ones that results in an increase in production yield and product quality. These technologies harness and accelerate evolution by enabling them to build and screen genomic designs in massive parallel, which results in unprecedented efficiency in strain engineering. By focusing and accelerating evolution to engineer the genomes of microbes, enEvolv is able to produce complex targets at a speed and efficiency never possible before. enEvolv claims it would take 30 robots 2,000 years to do what they can do with a test tube in just 1 month because their exponential process builds and screens up to billions of unique designs with diverse ancestries. Through this process creates more speed, more designs, more data, more diversity, more precision, more learning, and more results. Learn how one company is harnessing the power of evolution to create unique, commercial products from feed enzymes through to cannabinoids by engineering the genomes of microbes at "Hacking Evolution for Speed, Diversity, and Savings," a webinar to be held at 3 pm CT on January 10th featuring Colin South, CEO of enEvolv.



**George Church**  
Co-founder



**Farren Isaacs**  
Co-founder & Director

**Interesting Study on "Real Premium" vs. "Perceived Premium"**

Payless ShoeSource recently made a fake luxury brand called "Palessi". The fake brand tricked fashion influencers into spending \$640 on shoes sold in their stores, which is a +1,800% markup on a pair of shoes that normally retails for around \$35. The only difference between the shoes from the Payless store is they covered the original brand labels with stickers that said "Palessi" in clean black font with price tags as high as \$1,800 per pair. The company then invited 80 fashion influencers, who waited in line for

the invite-only event. Interestingly, many of the influencers commented on the brand's "sophisticated" style and "high-quality material." This stunt was to show that in certain respect the only major difference between Payless and some of the luxury shoes being sold is clearly the brand name, the stores image, and the price tag. It also shows what influencers can do to a brand and how shoppers shell out tons of cash for items branded as "luxury" when often, they could get something of similar or perhaps even better quality or value from a lesser-known brand at a lower cost. Sarah Couch, Payless's chief marketing officer said, "We felt like this campaign would be a great way to get a lot of people to consider Payless again, and to realize it's more than just a shoe store in the mall." I believe this was a genius marketing play by Payless considering they got the attention of CNN, Ad Week, and ABC World News Tonight, which are just a few of the major outlets that covered the story. You might be wondering how Payless pulled this trick off, right? All Payless needed to do was rent a former Armani store in Santa Monica with upscale stores surrounding them like Louis Vuitton, Barneys, Michael Kors and Tiffany & Co. Then, filled the store with dramatic lighting, launched a fake website with an Italian-sounding name, and filled up a fictional Instagram account with stock images. Payless went as far as bringing in gold mannequins, hanging white paper shopping bags, and installed the big-winged angel statue in the middle of the store. In addition, they even wheeled in gold-painted statues of lions and a giraffe. Click [HERE](#) to watch the advertisement Payless released shortly after the event. It's crazy what the power of marketing can do to our minds. Below are a few misconceptions I wanted to include that many consumers have in the buying world today.

**Raising The Price Rather Than Lowering It** - *If it's expensive, then it must be good, right? We all know this isn't necessarily true, but perhaps the relationship between price and quality is enough to justify a gamble to many buyers. Sellers usually assume that they can sell more of a good if they lower the price. Some high end businesses, especially a luxury good, have found if a product is just sitting and not moving off the shelf, then perhaps they should try raising the price instead of lowering it. Crazy to think that raising the price will create more sales, but in many cases they've found this to be true.*

**The Venue or Space Might Be Adding Perceived Value** - *If the surroundings are luxurious, then merchandise must be too, right? Many shoppers rely upon environmental cues such as colors like pastels being more upscale than primaries, plush carpeting trumping tile floors, sounds, odors, fancy lighting, etc. to figure out whether the merchandise is worth the price. This is right along the same line my grandmother always told me, "you can't always judge a book by its cover". The use of furnishings and structural elements inside the store are doing a lot more these days to influence our buying decisions. Makes certain you are actually judging the actual product and not the surroundings or packaging.*

**Country of Origin Can Falsely Add or Subtract Premium** - *Where the product came from always matters. Americans love to buy Italian shoes, French wine, and microwave ovens built in South Korea, right? Consumers most always associate certain items with specific countries and they seem to benefit from these linkages. So, making an authentic name like Bruno Palessi, even though the shoes actually came from Bob Payless, was a genius marketing move for this experiment. But I suspect many of us have payed a handsome premium for something that we didn't need to simply because it had a cool sounding country of origin, i.e. France, Italy, etc.. At the same time I'm always wanting a discount on anything I see made from China or Taiwan. Interesting the way our minds work and develop our buying choices.*

## Payless Opened a Fake Luxury Store, 'Palessi,' to See How Much People Would Pay for \$20 Shoes

The answer? A hell of a lot

By T.L. Stanley | 21 hours ago



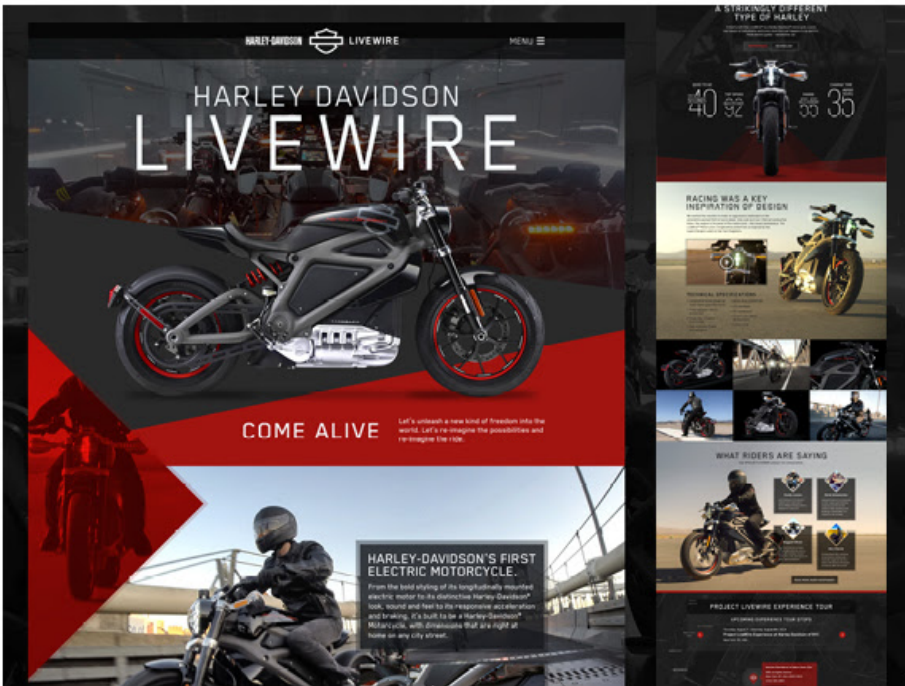
It feels good to ... Palessi?  
Payless



### Harley-Davidson's First Electric Motorcycle

After years of talk, Harley-Davidson is finally ready to release its first "electric motorcycle", called the LiveWire. I'm more of a traditional Harley man, as I currently own a 1949 panhead. I've owned a few Harley Road Kings, Street Glides and a Knucklehead, so this is tough for me to swallow, but I'm keeping an open mind. In fact, the electric bike is actually really cool. They are taking pre-orders now and hoping to have it available and on the road by this summer. The price is just under \$30k. Interestingly, the new electrically powered bike requires no clutch or gear shifting. All a rider needs to do is twist and go! The LiveWire will go from 0 to 60 mph in under 3.5 seconds and will be able to travel 110 city miles on a single charge. The best part about the charging is it can be charged from a standard household electric outlet with a power cord for a full charge overnight. Riders will also be able to locate charger stations through an app, and dealerships that sell the electric bikes will have stations if users would like a faster charge. The LiveWire also comes with LTE-connected telematics control unit hidden under the bike's seat called H-D Connect, which feeds data about the bike including battery charging, remote status checks, trip planning, service reminders, and diagnostics to the owner through Harley's connected app. Something else I read that's crazy about this motorcycle is theft or vandalism notification, which tells you if someone touches or steals the motorcycle and tracks exactly where it is through GPS. This bike will also include high-quality Brembo brakes with cornering-enhanced anti-lock, fully adjustable Showa suspension, Michelin tires, and traction control. Not to mention the bike is equipped with a 4.3-inch color touch screen above the handlebar that's tilt-adjustable for the best viewing angle, which allows access to a navigation system, music, and more. The LiveWire's suspension will have seven riding modes to choose from, which four are set as standard at the factory and three that can be customized by the rider. This bike will be offered in three color options including two exclusive paint colors of Yellow Fuse and Orange Fuse as well as vivid black. The only real competition for this bike seems to be the Zero, which has been called the "Tesla of

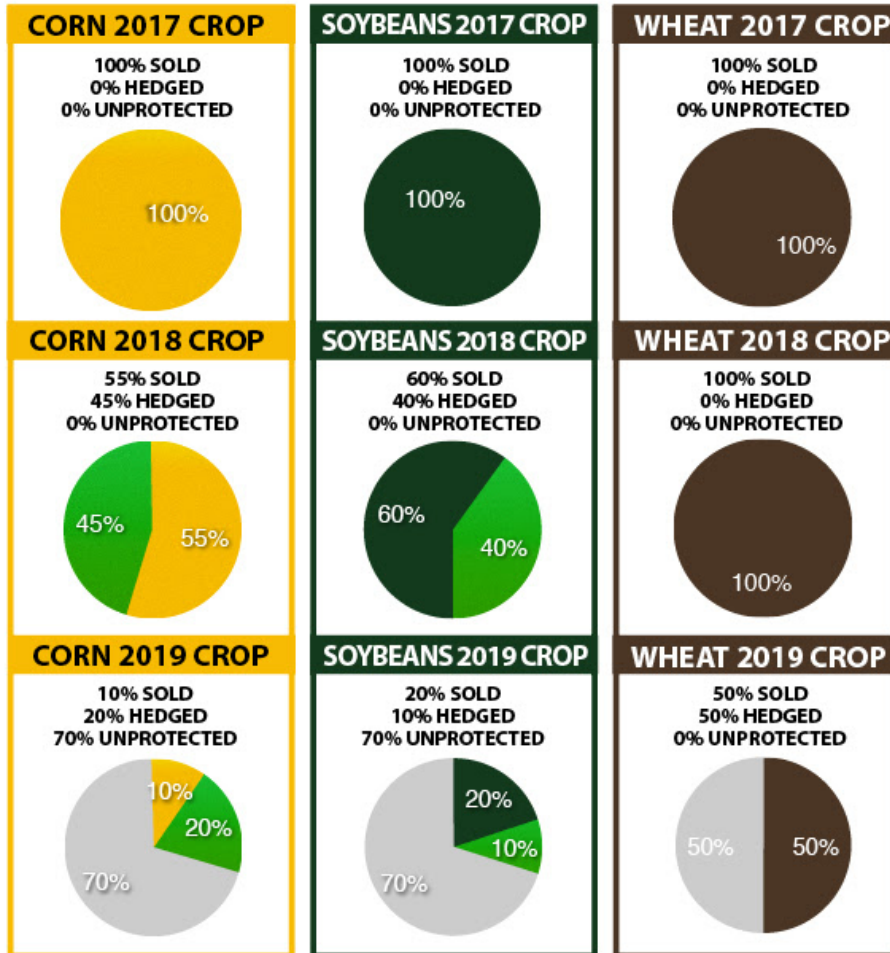
motorcycles.” The LiveWire is much more expensive, as I’ve heard some of the Zero S models start at \$10,995 and goes as high as the Zero SR at \$16,495. The only thing I really don’t like about the Live Wire is no classic Harley sound. From what I’m understanding, there’s really no sound at all. Harley is working to show riders that electric motors can make riding more fun, which is the same thing Tesla did with cars. Harley-Davidson has also recently unveiled prototypes for two more electric bikes including a dirt bike and a moped. The electric bikes could be exactly what Harley is looking for to create a whole new brand of riders. I’ve read through a plan called More Roads to Harley-Davidson, the company has said it expects to spend between \$675 million and \$825 million as it looks to generate more than \$1 billion in additional annual revenue in 2022. Harley plans to have at least one dealership in all 50 states carrying the LiveWire, and more in large metropolitan areas. In order for dealers to carry the LiveWire, they must meet a list of requirements including most importantly installing DC fast charging on-site and maintaining a dedicated staff of LiveWire sales reps. Crazy, but even the 116-year old iconic Harley Davidson is being forced to change. Click [HERE](#) to find a dealer near you to pre-order the Live Wire.



**ANSWER to riddle:** A coin.

**CASH SALES & HEDGING TOTALS**

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