



FULL SERVICE PRESS

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FRONTIER
FUTURES

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ABOUT FRONTIER FUTURES

Our doors opened in 1984, and man how things have changed! Technology, production advancements and the market climate are ever evolving, and it's our job to keep up with the times. We offer online trading and account access, market text updates, free one-on-one broker consultations, personalized marketing plans, and a full time experienced order desk at your service. The world can keep changing around us, but our commitment to educating traders and providing exceptional customer service will never change.

Our Full Service Broker Division was founded in 2016, and since then we have built a network of brokers all over the midwest. We value experience, ideas and character and only hire brokers with a passion for what they do.

We train our brokers to be teachers.

When it comes to marketing plan development and execution, you are more likely to follow through if you understand the plan. Our plans tread a fine line between discipline and flexibility, knowing both are crucial for our clients success. Most importantly, our plans are personalized to fit your needs and goals. Give your operation the financial attention it deserves and sit down with one of our brokers to see how we can help.



BROKER HIGHLIGHT TED JOHNSON



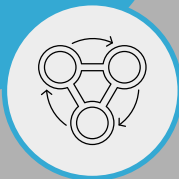
Ted has worked in the futures industry since the late 80's when he was a clerk on the floor of the Chicago Board of Trade. He began his career with Frontier by opening an office in Minneapolis, and was a member of the Minneapolis Grain Exchange and the Kansas City Board of Trade before returning to "home base" in Cedar Rapids with Frontier Futures. For the last three summers, Ted has put on his professor hat and works with our interns to pass on his wealth of knowledge so they can pass their Series 3 tests. He enjoys teaching and being able to share his stories from the "real" trading floors, a now extinct era that young students can't experience first hand. Well, share stories and recommend that they watch "Trading Places".

Ted records a weekly podcast "Full Service Press" and is always ready to talk markets. He is a great resource for our brokers and customers, and we are lucky to call him ours!

www.fullservicepress.com/our-team

OPTIONS

The buyer of an option has the right (but not the obligation) to assume a particular futures position at a specified price (the strike price) any time before the options expire.



"PUT DOWN"

When you BUY a PUT, you pay your premium and you make money if the market goes DOWN.

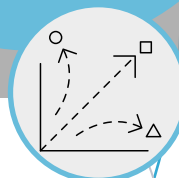
When you SELL a PUT, you collect premium and get to keep that premium if the market goes UP.



"CALL UP"

When you BUY a CALL, you pay your premium and you make money if the market goes UP.

When you SELL a CALL, you collect premium and get to keep that premium if the market goes DOWN.



LET'S TALK ABOUT HEDGING WITH OPTIONS

We believe that knowledge is power, and we come across too many people who don't utilize the futures markets because they simply do not understand them. The futures and options markets are excellent tools for producers to use to limit risk and protect profitable price levels for their commodities, which can be used in place of, or in addition to forward contracting.

Options are a great tool, but can be confusing for some. Think of buying options in the same way you would look at buying car insurance. As the buyer of an option, you know your premium costs up front, pay it, and then have no future risk of having to pay more money (read: NO margin calls). You pay your premium, and if there is no "accident", your option/policy will expire worthless. So, let's say you buy a 400 PUT to put a floor price in for your corn. When that option expires, if corn is not below \$4, your option is worthless. If it is below that, you will collect money in your trading account, but you will sell your cash for a lower price.

Conversely, if you sell options, think of yourself as the insurance company. You are collecting premiums, but you are also on the hook if there is an "accident". If you are the seller of that 400 PUT we mentioned above, you would be the one responsible to pay if the market is below \$4 at expiration. When you sell options, you do have margin risks/margin calls.

MARKET RECAP

The amount of news out there can get overwhelming. Stay informed, but don't let reports, weather and tweets be the sole driver of your marketing decisions.

DECEMBER CORN

6/20/19: \$4.61

Last month: \$3.98 1/4

Easy year: \$3.75 3/4

Contract High: \$4.73

Contract Low: \$3.63 3/4

NOVEMBER BEANS

6/20/19: \$9.41

Last month: \$8.47 1/4

Easy year: \$9.10 1/2

Contract High: \$10.15

Contract Low: \$8.15 1/2

JULY (CHI) WHEAT

6/20/19: \$5.26 1/2

Last month: \$4.65

Easy year: \$5.50 1/4

Contract High: \$6.19

Contract Low: \$4.18 1/2

CORN

Corn has taken quite the turn this past month. Throughout May into June, weather has been the big mover. Occasionally, the Midwest received some good planting days but nothing to give comfort to the farmers or the market. The July contract has made new highs, rallying as much as a dollar off the May lows. At the end of May heading into June, it seemed like we had hit a top, but the rally since the WASDE report came out has shown that this move may still have legs.

To the surprise of much of the trade, the USDA made significant adjustments to the June WASDE decreasing production acres as well as yield per acre from 176 to 166. This combination leads to a fairly substantial decrease in production by about 1.35 billion bushels. Beginning stocks were increased 100 million bushels while feed, residual and exports were reduced. Profit margins for livestock farmers get squeezed a little bit when corn prices go up as fast as they have been recently, and weekly export numbers showing decreased sales are catching eyes. Rationing seems to be the name of the game until we start to really see this corn crop condition as well as soybean acres and their condition.

Technical analysis gives the bull advantaged market the ability to move up to \$5 after breaking through resistance in the upper \$4.40s. Market volatility is high right now and may continue to be this way until crop condition and acres are really understood. If you've had the time to look out into what seem to be the far months away like December '20, the market has become quite inverted and has the ability to draw some eyes here in the coming weeks. As it was mentioned above, end users such as livestock and ethanol producers have been moving the cash market hard, especially the old crop, keeping away from the uncertainty originating from the new crop. These next few weeks are going to be a wild rollercoaster, so strap on in and make the most of it. -CF

SOYBEANS

The soybean market has rallied off of its May lows, first supported by corn, and then late planting. There has been over a dollar in price movement. This is despite the fact that we still have not seen a trade war resolution with China. Even a bearish WASDE report, which showed ending stocks over a billion bushels and large world ending stocks, didn't kill the rally. This week's planting progress report showed a lot of acres left to plant and with continued wetness we need to be concerned about losing a lot of soybean acres to prevent plant. However, world stocks continue to be large and we need to take into consideration that if ASF is as bad as it seems in China that will pressure global soybean prices because soybean demand could weaken for several years as they rebuild the hog herd. Weather scares look to be selling opportunities in the near term for any old crop soybeans. I would be watching for local basis run ups as opportunities to sell fall basis for new crop as values have increased as farmer movement in Indiana, Kentucky and Illinois has been slow because producers have been rewarded to deliver corn over soybeans in these parts of the U.S. The strength in corn should help support new crop soybean prices but basis might go the other direction this summer as we see the soybean crop mature. As we have said before market volatility helps as take advantage of price moment not seen in the cash market. This looks like it will be the case for soybeans going forward until we know more about how much of the crop was planted. -AS

WHEAT

Wheat has made a strong up trend over the past month from early May lows, following along with corn on this bullish run. The possibility for short term price retracement is likely, supported in part by quiet export numbers and improving harvest progress. Global wheat importers continue to buy from large wheat gluts in the Black Sea Region, in part because the U.S. has priced itself out of these markets where prices are much lower. However, demand support from livestock feeders looking to wheat as an alternative to feeding corn could negate these bearish punts. The market holds its overall bullish position, supported by livestock producers' attractions to wheat as feed. Spring harvest experienced some bearish threats as weather slowed harvest and wheat quality hurt figures, but changes in the upcoming forecast could change that outlook. -AK/SO (MN)

LIVESTOCK

LIVE CATTLE

Live cattle as a whole have continued to trend down, and the market is posed bearish to neutral. As is the case with several commodities, trade talks with China are going to be a big determining factor if both sides can come to an agreement. With beef prices being down and grilling season around the corner look for the possibility of support with the chance of beef gaining a market share in the cash market. A concern for cattle feeders everywhere is the increasing cost of inputs and decreasing profit margins. Therefore, look for cattle to hit the packers sooner and breeders to cut down on herd size, historically this position leads to a bearish short-term trend leading to long term support. As corn continues to trend up, look for the possibility of cattle feeders going to wheat as an alternative. Overall cattle seem to be in an area of possible long-term support.

LEAN HOGS

Declining prices for the last three months have given the market a bearish stance on the charts with liquidating longs in managed money, but recent bullish fundamentals have given support to a short-term uptrend. The two major factors here: corn and China. With corn quickly gaining on \$5, feed costs are beginning to threaten the pockets of hog producers. Higher feed prices could pose a larger problem for producers, should the "bull market of the decade" hit the corn market. Some producers have turned to quicker sales on the cash market, supporting the bearish forces. From a global perspective, hog supplies are threatened by China's growing ASF problem, a reason why hog prices are up 13.9% for June in Chinese markets. This has given some support in US markets in recent trading sessions, helping slow declining prices. With ASF threatening global hog supplies, throw in potential efforts towards trade negotiations between Trump/Xi and we could be posed for an upward move in the future.

JULY HOGS

6/20/19: \$79.25

Last month: \$93.00

Lasz year: \$80.02

Contract High: \$102.45

Contract Low: \$70.05

AUGUST CATTLE

6/20/19: \$103.95

Last month: \$108.92

Lasz year: \$106.65

Contract High: \$121.15

Contract Low: \$102.30

AUGUST CRUDE

6/20/19: \$57.02

Last month: \$62.99

Lasz year: \$65.71

Contract High: \$89.03

Contract Low: \$42.40

BULL MARKET VS BEAR MARKET

We can find opportunity in either! The reality is, since we are hedging (NOT speculating!) we can use market volatility and movement to our advantage. The futures markets can provide price spikes or dips that the cash market may not reflect, so we welcome the chance to take advantage of that when we can. Be it through horns or claws VOLATILITY = OPPORTUNITY.



USDA REPORT NUMBERS

Released May 10th, 2019

Next WASDE Report: June 11th, 2019

	Analyst Predictions			USDA		Difference	
	Low	High	Avg	Last Month	Current	Analyst	Prev Mo
US Corn Ending Stocks	1.633	2.404	1.917	2.485	1.675	-0.242	-0.810
US Soybean Ending Stocks	0.854	1.069	0.983	0.970	1.045	0.062	0.075
US Wheat Ending Stocks	1.052	1.180	0.983	0.970	1.045	0.062	0.075
Brazil Soybeans	116	118.5	117.22	117	123	5.78	6
Argentina Soybeans	55.5	57	56.09	56	53	-3.09	-3
World Soybeans Ending Stocks	108	136.20	115.10	113.09	112.66	-2.44	-0.43
Brazil Corn	96	101	99.86	100	101	1.14	1
Argentina Corn	48	50	49.28	49	50	0.72	1
World Corn Ending Stocks	285	315	303.8	314.71	290.52	-13.28	-24.19

ANY STATEMENTS CONTAINED HEREIN ARE DERIVED FROM SOURCES BELIEVED TO BE RELIABLE, BUT ARE NOT GUARANTEED AS TO ACCURACY OR COMPLETENESS. NO RESPONSIBILITY IS ASSUMED WITH RESPECT TO ANY SUCH STATEMENT, NOR WITH RESPECT TO ANY EXPRESSION OF OPINION HEREIN CONTAINED. PLEASE NOTE THAT PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS. MOREOVER, TRADING IN COMMODITY FUTURES OR OPTIONS INVOLVES SUBSTANTIAL RISK OF LOSS AND IS NOT SUITABLE FOR EVERYONE.

STAY ON TRACK!

It's nice to see the little plant at the bottom of this page finally show up! In the last few weeks we have made great strides getting crops planted, but on average, we are still about a month behind. We keep preaching how important it is to have a plan, and the way this year is playing out, it is reinforcing that sentiment for us perfectly. Your full service broker is a huge asset when you are too busy to keep up on markets, and to ensure you are aware of opportunities the markets offer us.

☐ TALK TO YOUR BROKER

Our full service commission rates start at \$70/round turn. If you are trading/hedging grains, that works out to be a penny and a half per bushel. We offer personalized consultations for no cost or commitment. Make the time, drop us a line or give us a call.

☐ MARKETING PLAN STRATEGIES

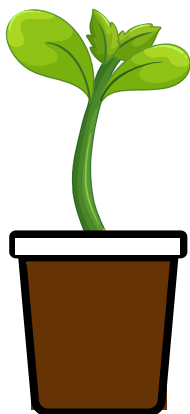
If you have a plan, you are on the right track. Depending on what you've already hedged, we can take a look at putting floors under current prices to protect your downside. The weather issues and risks are just beginning. We need to talk about how future weather issues (hot pollenation season, potential frost threats with a late harvest, etc) will affect what marketing you have done, or intend to do in the near future.

☐ LOOK TOWARDS THE FUTURE

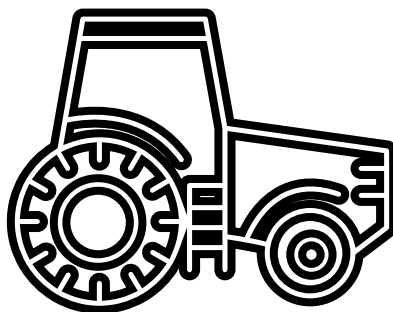
As stated above, the weather market has several more waves left in this crop season. Whether you need the rain or not, don't let the meteorologist rule your books. Look out into next year and consider making some sales in 2020. Remember, we are in the business of protecting profit. Profitable levels should at the very least be prompting the conversation with your broker.

GRAIN PROGRESS TRAIN

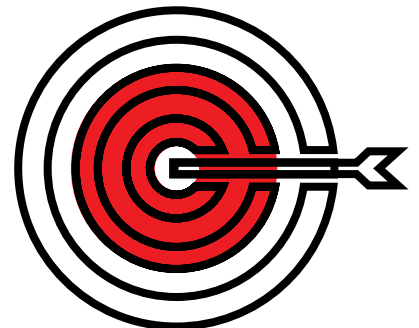
FOLLOW ALONG EACH MONTH AS WE UPDATE PLANTING, HARVEST AND HEDGING LEVELS.



92% - CORN
77% - BEANS



%0



%50-60

(CLICK FOR SPECIFIC NUMBERS)

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