



Loewen and Associates, Inc.
Commodity Consulting/Brokerage
Pete Loewen, Matt Hines,
Doug Biswell, LaVell Winsor
866 341 6700
www.loewenassociates.com

Date: 07.29.2014

Morning Ag Markets

Pete Loewen

Big day for the feeder cattle market yesterday because the discounted cash feeder index compared to the board is NO MORE following yesterday's epic \$7.82 jump in the CME Index. Live cattle trade was a lot more lackluster as front end futures actually finished mildly lower on the front two months, but higher on the back end.

Friday's On Feed report was neutral to mildly friendly. In the big picture the numbers were bullish, but when compared to the average guesses, the only number that came in with bullish undertone was the placement pace being 2 points lighter than expected. The On Feed and Marketing numbers were in line with the estimates. Live cattle futures started the day very strongly higher, but faltered shortly after the open and trudged lower the rest of the session.

With cash indications pointing very favorably at higher money yet again this week, it will be fundamentally tough to keep pressure on the front end of the fats. Technically though, the chart posted a big bearish reversal yesterday, plus the open interest in the front end August is very large heading into FND next Monday. With a lot of that open interest in the hands of the spec long that creates quite the tug-o-war between cash and futures this week. I'm siding with cash winning as a strongly discounted futures market won't lead to much threat of delivery in the first place.

Cattle slg. ___ 111,000 -4k wa -7k ya

Choice Cutout ___ 259.30 +1.92

Select Cutout ___ 256.17 +1.84

Copyright © Loewen and Associates, Inc.

This does constitute a solicitation to buy or sell commodities futures and/or options. The information contained herein is provided for informational purposes only. The information is not guaranteed as to its accuracy or completeness, although the information was taken from sources we believe to be reliable. The market recommendations of Loewen and Associates, Inc. are based solely on the judgment of Loewen and Associates, Inc. personnel. We do not guarantee or warranty, either expressed or implied, of success to you in the use of this information. Loewen and Associates, Inc. disclaims responsibility for or loss associated with use of information from our commentary, analysis or recommendations. **There is risk of loss in trading commodity futures and options. The risk in trading can be substantial; therefore only genuine "risk" funds should be used.**

Feeder Index:___221.95 +7.82

Lean Index.___129.76 -.67

Pork cutout___130.94 -.85

IA-S.MN direct avg___122.38 -3.18

Hog slg.___397,000 +25k wa +42k ya

Moving on to the grains, continued tightness concerns in old crop soybean supplies, plus a big new crop export sales announcement helped fuel a 20+ higher session in the bean market, pulling corn up to mild gains as a result. There was also a 101k mt wheat sale to Nigeria added to the mix, but for some reason that had no bearing on wheat price movement as both KC and Chicago finished with mild losses. Too cool in the north and too hot in the south, along with some net drying in a few areas have kind of taken away from the “perfect crop” feel in some of the fringe areas. That has added quite a bit of premium and volatility to the soybean market in recent weeks, but corn still acts like it is a struggle to gain any upside momentum.

8:00 am export announcements were active this morning with a 147k mt new crop corn sale reported to Columbia along with a 135k tonne sale of soybean meal to unknown destination.

Crop condition numbers yesterday had a mildly friendly undertone in the fall crop markets with corn conditions dropping 1 point out of good and adding it to poor. Overall the corn rating was 75% g/ex compared to 76% last week and 63% last year. The average is 60% for this time of year. Soybean ratings were 71% g/ex, dropping 2 points from last week’s 73% ratings. Last year was 63% and the average on this date is 58%. Corn silking and in the dough stage is ahead of normal averages, as are the soybeans setting pods. Wheat ratings had spring wheat at 70% g/ex unchanged from last week and 4 points better than the average on this date.

6-10 day forecasts last night held the below normal temps and normal to below precip in the offering. That below normal temperature factor is a real double edged sword. For central and southern crops it is wonderful, but the north is

Copyright © Loewen and Associates, Inc.

This does constitute a solicitation to buy or sell commodities futures and/or options. The information contained herein is provided for informational purposes only. The information is not guaranteed as to its accuracy or completeness, although the information was taken from sources we believe to be reliable. The market recommendations of Loewen and Associates, Inc. are based solely on the judgment of Loewen and Associates, Inc. personnel. We do not guarantee or warranty, either expressed or implied, of success to you in the use of this information. Loewen and Associates, Inc. disclaims responsibility for or loss associated with use of information from our commentary, analysis or recommendations. **There is risk of loss in trading commodity futures and options. The risk in trading can be substantial; therefore only genuine “risk” funds should be used.**

short on growing degree days already, so it's not good for them in either corn or beans. Once again, I don't like the drying trend in some areas either...

Pete Loewen

Loewen and Associates, Inc.

Pete Loewen / Matt Hines / Doug Biswell / LaVell Winsor

www.loewenassociates.com

peteloewen@cox.net

866 341 6700

Copyright © Loewen and Associates, Inc.

This does constitute a solicitation to buy or sell commodities futures and/or options. The information contained herein is provided for informational purposes only. The information is not guaranteed as to its accuracy or completeness, although the information was taken from sources we believe to be reliable. The market recommendations of Loewen and Associates, Inc. are based solely on the judgment of Loewen and Associates, Inc. personnel. We do not guarantee or warranty, either expressed or implied, of success to you in the use of this information. Loewen and Associates, Inc. disclaims responsibility for or loss associated with use of information from our commentary, analysis or recommendations. **There is risk of loss in trading commodity futures and options. The risk in trading can be substantial; therefore only genuine "risk" funds should be used.**