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The wild ride in the feeder cattle market continued on Monday with a $6.75 expanded limit being nearly tested at the low of the day by several contract months trading more than $6.00 lower. That also brought every contract month except the spot January below the $200 mark in price. Midsession there was a strong shot of buying that surfaced, bringing prices up into the triple digits. Futures then failed again into the close and everything closed down in the triples.

Hog futures finished the day up more than $2.00 in most contracts as rumors broke that Russia had lifted the ban on pork and poultry imports. Turns out that was only on imports from the EU.

Live cattle rode a smaller version of the same seesaw as feeders, trading actively lower, then higher, but then closed unevenly mixed. Evidently there was no reaction to be had from a friendly COF report from Friday since there was obviously a lot more weakness than strength in the fats.

$5.00 lower cash feedlot trade last week is still being outpaced by the sinking futures trade. In feeders and calf market trade the cash market is crashing as well, but not unlike the fats, still not as fast as the futures are falling. Oklahoma City opened $10-$15 lower on feeder steers and heifers Monday. The afternoon report on Joplin's sale was $10-$25 lower on all weights of steers and $5-$15 lower on heifers. Receipts in Joplin were about half what they were the week prior. I think both buyers and sellers are sitting in a state of disbelief and disarray over what to do next on the cash side. If I were a buyer right now, I would either step aside and do nothing, or at the very least make sure that everything I bought had a profitable margin at the purchase and was 100% hard priced in the risk management. That's not to say this market can't rebound at some point, but the risks are WAY too high right not to continue and buy cattle and do nothing like so many have been doing for the last two years. This market is a total wreck and that's not a good time to gamble and hope.

Cattle slg.___112,000 unch wa +4k ya

Choice Cutout__251.44 -2.336

Select Cutout___244.79 -2.44

Feeder Index:___217.61 -2.84

Lean Index.__72.91 -.66

Pork cutout___84.47 +.09

IA-S.MN direct avg__68.44 -.60

Hog slg.___435,000 +39k wa +31k ya

In the grains, wheat and corn settled under mild pressure, but the beans finished around a dime higher in most contracts. Export inspections showed wheat loadings at 9.7 mln bushels, corn at 34.9 mln and soybeans at 56 mln bushels. China took a total of 14 of the bean cargoes compared to 20 the previous week. Milo shipments were almost 12 mln bushels, bringing total shipped to date on milo to 146 mln bushels versus just 47 mln last year at the same time.

Looking at the technical trends of the charts, corn is actually holding on to better support than either beans or wheat. Spot March KC Wheat futures tested life of contract lows yesterday and took them out overnight. Soybeans broke through major support last week and has a lot of thin air between current prices and the contract lows of $9.20 ¾ on the spot March. Corn has huge support in the $3.75-$3.77 range on March futures, but hasn't tested that level in a couple weeks. If that support is taken out, the trend gets really ugly for corn.

Daily export reporting showed 110,000 tonnes of old crop beans sold to unknown destination. It also showed 120,000 tonnes of soybean cancellations to China.

South American crop forecasts were rolling in on the overnight newswires. The general trend is lower bean production guesses for Brazil, but higher for both beans and corn for Argentina.

Funds were active sellers in corn and wheat yesterday and big buyers in soybeans and meal.

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