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Strong speculative buying pushed cattle complex futures up the limit on quite a few contracts on Wednesday with feeders finishing limit bid across the first four contract months. Live cattle futures were only limit up in the April. There was a little chatter on the newswire about the premium cash market over futures being the catalyst in what sparked the strong buying, but that premium cash has been around since late 2014, so I think that was probably just people digging for reasoning and coming up empty handed. The reality is, there is no reasoning aside from lack of fundamental price discovery in the cattle market right now. Just last week we made new contract lows on some of the deferred feeder cattle and new recent lows on some live contracts. This week, some of those contracts have traded at the highest levels in a month and a half. The key point to remember is- there have been zero significant fundamental changes between the information driving markets in the middle of last week when lows were being made and the information present when markets were limit up yesterday.

The hog market caught decent spillover buying and posted a massive turnaround. Prices early in the day were a gap lower open and aggressive selling followed by enough buying to make it an outside day higher close. Technically with that happening so close to contract lows there might be some merit in looking for more short and possible intermediate term gains strictly from a chart and speculative buying standpoint. Fundamentally most of the information still has a bearish undertone to the hogs aside from that one looming fact that beef prices are still miles above pork. In the big picture that should be supportive pork from a demand perspective and at the same time, bearish beef.

Cattle slg.___106,000 +5k wa unch ya

Choice Cutout__248.58 -1.03	Select Cutout___247.23 +1.95
Feeder Index:___206.65 +.27	Lean Index.__67.73 +1.06
Pork cutout___69.98 +.97	IA-S.MN direct avg__64.89 -.78

Hog slg.___433,000 ++27k wa   +14k ya

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Grain futures spent the day under active sell pressure in beans with closes knocking at the door of 20 lower in the spot March contract. Corn and KC wheat followed at a distance, but Chicago wheat crumbled on the front end bringing carry back into the market. There was no fresh export news, nothing major changing in the Brazil truck strikes and no big report data hitting the press either. A strong dollar index probably helped the pressure, but wasn't enough to be the sole provider of the bearishness. Unfortunately from a psychological standpoint, the drop in prices yesterday was a minor victory for the bean bears as none of the futures contract months closed at $10 or better, they were all below that mark.

6-10's continued warmer than normal and drier than normal over the vast majority of the Plains and all the way north into Canada. The deep south of Texas remains cool and wetter than normal. With temperatures in the mid teens or below all through Oklahoma this morning and even south of the Red River, those needing to get in the field or hoping the wheat could soon get a jumpstart out of dormancy are getting an unfortunate reality check. Low teens and single digits in Kansas are somewhat of a double edged sword.   On one side, staying cold longer reduces the risk of late freeze damage this spring, but the other side means later developing crops that might be susceptible to heat later in the growing season. Based on those factors, I don't see anything overly bullish OR bearish about this weather unless the current temps are causing some winterkill in the far south.

Export sales numbers this morning were friendly beans and mildly friendly in corn and neutral wheat. The old crop corn total was 32.6 mln bushels, along with 6.2 mln for new crop. Milo was bullish at 7.2 mln. Keep in mind that is also coming off of two weeks of pitiful sales in sorghum. Soybeans were 18.4 mln old and 100,000 new. The wheat total was 17.3 mln old and 1.4 new. Traders were calling that wheat number bearish, but it was at the top end of the range of what we've seen in recent weeks, which is why I was in the more neutral camp.

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