



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

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Aside from the August feeder cattle that expired quietly yesterday at 27 cents lower, the rest of the complex between fats and feeders went on a rampage higher, closing \$2.00+ to the upside in most contract months. Outside market action was up nicely in most things like the Dow and energies, which I'm sure helped the bullish cause some. If the ags can begin to lose the influence of all the hysteria regarding China's markets and US equity, stock and energy market reactions, maybe we can focus back on fundamentals and also the fact everything looks grossly oversold right now because of it.

All the world market buzz seems to have taken a toll on the pork product trade. \$4.50 has been taken off pork cutouts in just the last two days, putting a quick end to what had been a slow and methodical month of increases thus far. Hogs gapped higher the day cattle gapped lower on the charts. They look like they're all going to attempt to fill those gaps and for the sake of the hog folks, I hope it's a resumption of the upward trend again after it's filled. Hog chart technicals have looked like they have been in a bottoming phase for the better part of 2 ½ months now. Continuing that rally over this week's highs is very important to break out of the consolidating trade most contracts have been in since mid June.

Cattle slg. ___109,000 +2k wa -7k ya

Choice Cutout __244.21 -.03

Select Cutout ___233.12 -.48

Feeder Index: ___211.05 -1.29

Lean Index. __78.68 -.11

Pork cutout ___84.69 -1.14

IA-S.MN direct avg __73.25 -1.19

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Hog slg.____428,000 +1k wa +17k ya

In the grains yesterday, bearish corn and soybean export sales and neutral wheat sales had zero bearing on futures market direction as corn and beans held gains all through the session. Wheat floundered around at unchanged to lower most of the day. The marketing year for corn and beans ends on the last day of this month, so it isn't unusual to see quite a bit of switching this time of year from old to new crop sales and that was the theme in yesterday's numbers. Old crop corn sales were negative 5.2 mln bushels and beans were negative 4.8 mln old. Wheat sales were 19.4 mln which borders somewhere between neutral and poor.

Bigger picture though, I talked Thursday about wheat fundamentals, especially in the world export trade being bearish to US wheat still with other competing world exporters still offering wheat at considerably lower price levels than US values. That's the struggle for wheat; that market feels and looks too cheap from the farmer's perspective, but once again in the world trade, we're overpriced and losing business at these levels. We're just not as big a player in the world wheat trade as we are in the corn and bean export arena. Then again, we produce about 8% of the world wheat supply versus exponentially larger percentages of the corn and soybeans..., to the tune of about 38% of the corn and 33% of the soybeans.

Overnight export news was quiet and the only notable world ag news around this morning is an Egypt tender for an unspecified quantity of wheat. There's always hope the US could get some of that, but our prices are still well over Black Sea and other exporting region offers.

6-10's last night were still calling for above normal temperatures everywhere. Precip was still above normal in the far north, normal through Kansas and the rest of the Corn Belt, but Dry in the far southern plains and into the western part of the Delta. That's a pretty good forecast production-wise.

Pete Loewen

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Pete Loewen / Matt Hines / Doug Biswell / Matt Burgener

www.loewenassociates.com

peteloewen@cox.net

866 341 6700

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