



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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The meat complex was on a rampage of volatile trade again yesterday. The previous recent volatility had all been lower, yesterday it was higher.

I'm not sure you can classify massive losses in feeder and live cattle with some limit lower trade on several occasions over just a few days followed by limit up trade yesterday as a dead cat bounce, but quite honestly I'm not sure of what else to call it. New contract lows were made on Tuesday on expanded limits from limit down the previous day. Yesterday it was screaming back to the upside and limit up.

There is zero fundamental rhyme or reason behind a lot of these moves. The price discovery mechanism of the market is broken obviously. Generally one would think a swing in fundamentals from one direction to the other would facilitate or lead action in futures. However, futures are very decisively dragging on the fundamental indicators right now. The problem once again though is when that futures trade is limit down one day and limit up the next with ZERO major developments in any of the cash markets, how are cash markets supposed to react???

Cattle slg. ___ 103,000 -8k wa -5k ya

Choice Cutout ___ 214.81 -1.76

Select Cutout ___ 204.19 -2.75

Feeder Index: ___ 184.20 -1.68

Lean Index. ___ 59.83 -1.34

Pork cutout ___ 74.85 -.66

IA-S.MN direct avg ___ 51.77 -.22

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Hog slg.____403,000 -28k wa -27k ya

Grains showed almost solid positive closes, not unlike the meats, but grains were only up mildly. Thankfully for the farmer, the hangover from bearish report data across the board on Tuesday morning and the bearish futures market reaction didn't last long. New contract lows were scored in quite a few of the grain and oilseed futures Tuesday, they were all in recovery mode yesterday.

It was quite a shocker for the market to see corn yields going up 1.3 bu/ac and beans up 1.1 bu/ac in that report as well as seeing US wheat ending stocks jump up over 900 mln bushels. Bearish data far outweighed only a minute amount of friendly info, so it was a breath of fresh air to see things higher yesterday.

Export sales are delayed this week until tomorrow, but in the daily 8:00 am reporting there was a 300,000 mt soybean sale to China. Yesterday, Egypt's latest wheat tender was filled with Russian and French wheat. They bought 120,000 tonnes combined and unfortunately, none of it coming from the US once again.

6-10 day weather forecasts have above normal precip for all winter wheat country with temps pegged at above normal from central Kansas and Oklahoma to the east, normal in a small strip just west of that and below normal from the High Plains farther to the west.

South American weather potential shows increasing rain chances and cooler temps for central and northern parts of Brazil next week. That may add some pressure to the bean market today, or at least balance out the friendliness of the China bean buy from this morning.

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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