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The wild volatility continued yesterday in the meat complex. Hogs were limit down in the front two contract months. Live cattle were limit down in the front three. Feeders traded limit lower for a fair amount of the trading session, but nothing closed limit lower. For the December live cattle, there have been 5 limit moves in the last 6 sessions. If my memory serves me correctly, it was 2 at limit up and 3 at limit lower.

The futures market is very decisively leading the fundamental indicators on a wild goose chase. I firmly believe there is absolutely zero fundamental drive or influence behind what happens on a day to day basis. The price discovery mechanism of the market is broken badly when there is no dynamic news in a market and yet we go through days of limit lower, followed by limit higher and then back to limit lower. In all honesty, I think computer HFT and Algo trade is leading the charge and on thin volume days it appears it doesn't take much to move prices in leaps and bounds.

Cattle slg. ___ 106,000 -5k wa -5k ya

Choice Cutout __209.04 -.26

Select Cutout ___196.99 -2.06

Feeder Index: ___177.65 -3.63

Lean Index. __56.98 --.95

Pork cutout ___74.69 +1.33

IA-S.MN direct avg __51.15 -.61

Hog slg. ___438,000 +8k wa +10k ya

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New contract lows in futures means more chart damage, so the path of least resistance looks to be lower yet both in the board and cash and product markets. Yesterday's limit close under normal circumstances would have meant sharply lower trade on the open today. Everything did open quite a bit lower, then over the course of about 5 minutes jumped \$2.00-\$3.00 higher.

In the face of the meats being under incredible pressure, grain futures were able to ward off any spillover and actually finished mildly higher in corn and soybeans. Wheat futures were mixed with Chicago closing lower and KC a little higher.

Export shipment data yesterday morning showed wheat shipments at 10.3 mln bushels, bringing marketing year to date numbers up to 353 mln versus 420 a year ago. Corn shipments were 14.7 mln and the YTD total now stands at 233 mln versus 307 at the same time a year ago. Milo was 10.7 mln and the milo total for the year which started September 1 is 94 mln versus 71 mln at the same time last year. Soybeans were 79.4 mln which is really good, but the total in soybeans still trails the year ago total by 16 mln bushels. That report data was supportive beans, but negative for wheat and corn. Milo has been pretty impressive to date.

Crop progress and condition numbers showed winter wheat ratings up 1 point to 52% g/ex. Kansas was rated 46% g/ex, Oklahoma 45% g/ex and Texas 48% g/ex. Overall the 52% g/ex rating is 8% below last year at the same time and 3% below the longer term average for this date. Emergence was 87% versus 86% on average. Winter wheat seedings now stand at 94% complete, which is 4 points behind the normal pace.

Corn harvest was pegged at 96% complete now with the only states below 90% remaining being Wisconsin, Michigan, Pennsylvania and Colorado. Apparently 9% of the milo is still in the field with a lot of it waiting for a killing freeze to dry down. That's still 2% ahead of normal though.

6-10 day precip is forecasting below normal levels in HRW wheat country, normal in soft wheat areas and wet in the far northern Plains. Temperatures are pegged at below normal everywhere.

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