



Loewen and Associates

Commodity Consulting/Brokerage

**Pete Loewen, Matt Hines,
Doug Biswell, Matt Burgener
866 341 6700**

www.loewenassociates.com

Date: 11.30.15

Morning Ag Markets

Matt Hines

Cattle markets finished higher last Friday and lean hog futures pulled back a little bit as volume was thin for the holiday shortened trading day. Cash feedlot trade was very light for the week at steady money. Beef prices seemed to have turned the corner with steady to good volume last week at higher money.

For the week, Friday November 20th to Friday November 27th, December Live Cattle up \$2.12, January Feeders up \$2.37, December Lean Hogs up \$1.27.

Cattle slaughter from Friday estimated at 98,000 head, down 10,000 from a week ago and down 7,000 from a year ago. For the week, 462,000 head, down 109,000 from a week ago with 1 less day, and down 30,000 from a year ago. The year to date difference remained the same at 5.5% less than a year ago.

Boxed beef cutout values firm to higher on moderate to fairly good demand and light offerings.

Choice Cutout__204.40 +.31

Select Cutout__195.50 +1.74

Feeder Index:__172.16 -.53 from before Thanksgiving

Hog slaughter from Friday estimated at 433,000 head, down 4,000 from a week ago but up 26,000 from a year ago. For the week, 2,129,000 head, down 258,000 from a week ago, but again with 1 less day, and up 142,000 from a year ago. The year to date difference remains the same though at 7.9% more than a year ago.

Lean Index.__55.74 +.10 from before Thanksgiving

Pork carcass cutout__72.40 +.68

IA-S.MN direct avg__51.57 -.32

National Average__50.72 -.18

IMPORTANT—PLEASE NOTE

This does constitute a solicitation to buy or sell commodities futures and/or options. The information contained herein is provided for informational purposes only. The information is not guaranteed as to its accuracy or completeness, although the information was taken from sources we believe to be reliable. The market recommendations of Loewen and Associates, Inc. are based solely on the judgment of Loewen and Associates, Inc. personnel. We do not guarantee or warranty, either expressed or implied, of success to you in the use of this information. Loewen and Associates, Inc. disclaims responsibility for or loss associated with use of information from our commentary, analysis or recommendations. **There is risk of loss in trading commodity futures and options. The risk in trading can be substantial; therefore only genuine "risk" funds should be used.**

Opening calls are steady to higher as some follow through buying is expected first thing this morning. December live cattle are now \$4+ above the contract low with support at the 10-day moving average of \$130.20 and resistance at last week's high of \$132.70. January feeders have rallied some \$5+ since the contract low also above the 10 day moving average providing support at \$163.70. December lean hogs tried but could not break the \$59 resistance level both Wednesday and Friday of last week. Support is down around \$56.

*****\

Grains finished lower on Friday with wheat leading the charge down with volume very light of course from the holiday shortened trading day.

For the week, Friday November 20th to Friday November 27th, December corn down \$.04, March down \$.02 ½, January Soybeans up \$.15 ½, March up \$.15, December KC Wheat down \$.07, NC July down \$.03 ¼, December Chicago Wheat down \$.22 ¼, July down \$.04 ½.

Export sales were at the low end of expectations for wheat, in line for soybeans and good for corn last week. Wheat sales totaled 11.2 MBU old crop and 808,000 BU new crop. Soybean sales totaled 43.1 MBU. The biggest buyers were China with 27.6 MBU of which 18.8 MBU was switched from unknown destinations and the Netherlands purchased 5.2 MBU with almost all switched from unknown destination as well. Corn sales were 80.2 MBU, a marketing year high, and 20.8 MBU new crop. Most of the business went to Mexico as expected from previous reports with about half of the old crop and almost all of the new crop.

Overnight grains were steady to higher as full trade volume will kick back in today. Corn finished steady to 1 higher, soybeans 2 higher and wheat 1 to 4 higher except the nearby Chicago contract which was down 4 with deliveries expected.

Egypt announced last week they now have enough wheat reserves to last through April. Russia and Turkey continue to squabble back and forth as trade between the two has seized for the time being.

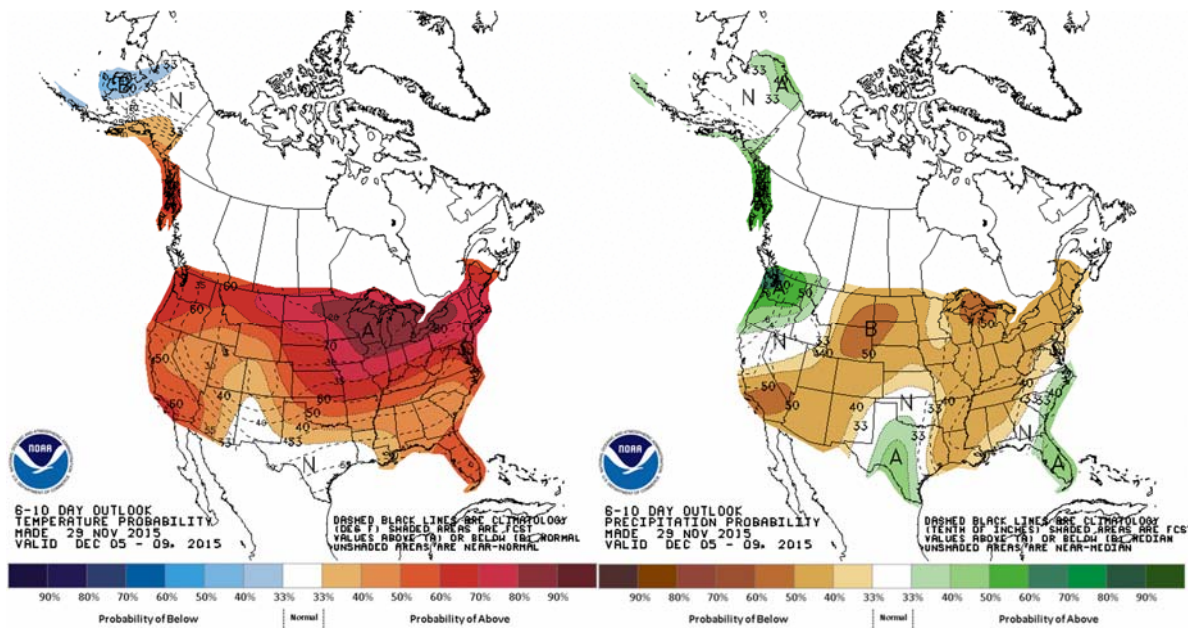
Argentina will reduce the Soybean export tariff from 35% down to 30% on December 10th as it appears that the plan is to reduce the tariff on soybeans 5% each year until it is zero. The tax on corn, wheat, beef and sunflowers will be completely eliminated as soon as the new administration takes office.

IMPORTANT—PLEASE NOTE

This does constitute a solicitation to buy or sell commodities futures and/or options. The information contained herein is provided for informational purposes only. The information is not guaranteed as to its accuracy or completeness, although the information was taken from sources we believe to be reliable. The market recommendations of Loewen and Associates, Inc. are based solely on the judgment of Loewen and Associates, Inc. personnel. We do not guarantee or warranty, either expressed or implied, of success to you in the use of this information. Loewen and Associates, Inc. disclaims responsibility for or loss associated with use of information from our commentary, analysis or recommendations. **There is risk of loss in trading commodity futures and options. The risk in trading can be substantial; therefore only genuine "risk" funds should be used.**

It is rumored that China is planning to cut domestic corn prices this next year trying to reduce the massive stockpiles. This could reduce corn and corn replacements imports though by up to 50% for the 2016/2017 crop year.

The southern plains had widespread rain and ice through the end of last week and over the weekend with Oklahoma declaring a state of emergency and widespread power outages. The southern part of the rains had records that put central Texas and Arkansas back into flood watches. Rains extended into the Midwest but with lower accumulations. The rains still stretch from Kansas up to Wisconsin today with temps right at freezing so that ice remains an issue. These systems continue to move east over the next three days with skies clearing behind the storm line. Cold temps continue in the west for two days while the rest of the country hovers just above freezing and warms into next week with the 6 to 10 day showing above normal temps for most of the country. Precipitation looks to be below normal for most of the country in the extended forecasts except for the PNW, Texas and Florida through North Carolina.



Loewen and Associates, Inc.

Pete Loewen / Matt Hines / Doug Biswell / Matt Burgener

www.loewenassociates.com

peteloewen@cox.net

matthines1@cox.net

866-341-6700

IMPORTANT—PLEASE NOTE

This does constitute a solicitation to buy or sell commodities futures and/or options. The information contained herein is provided for informational purposes only. The information is not guaranteed as to its accuracy or completeness, although the information was taken from sources we believe to be reliable. The market recommendations of Loewen and Associates, Inc. are based solely on the judgment of Loewen and Associates, Inc. personnel. We do not guarantee or warranty, either expressed or implied, of success to you in the use of this information. Loewen and Associates, Inc. disclaims responsibility for or loss associated with use of information from our commentary, analysis or recommendations. **There is risk of loss in trading commodity futures and options. The risk in trading can be substantial; therefore only genuine "risk" funds should be used.**