



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

Date: December 15, 2015

The cleansing of the bulls continued in the cattle complex yesterday with deep, deep losses in the feeder cattle futures and actively lower trade in the live cattle as well. Several of the live contracts closed more than \$2 lower. All of the feeders were down \$3 or better with one contract \$4 lower.

Last week after Thursday's trade I talked about the major bullish key reversal on the charts. At that time I also pointed out that in mid-November there was a very similar bullish key reversal. The November reversal provided about 7-9 days of higher trade, then the rug got pulled out from under the market and prices blew through the bottom of that reversal for another leg lower. Yesterday the January feeder cattle futures took out the support from the reversal low, but not by much. Spot December live cattle did not take out support, but a lot of the rest of the live and feeder contracts did blow through the lows once again, just like they did in November. This morning the pain continued at the 8:00 open with a lot of the feeder futures gapping below yesterday's lows and into uncharted territory once again.

Not only are chart technicals looking atrocious, along with cash, but the product trade gave it up yesterday as well. Choice cutouts finally broke the psychological support level of \$200 with trade all the way down into the \$198 range in yesterday afternoon's quote. That was one of the last saving graces of support I was hoping for in cattle. Gone! Even weather can't seem to help the cattle. Big rains and snow over Thanksgiving. Big rains and snow last weekend. Tough to tell what's going to allow cattle to find a bottom...

Cattle slg.____ 112,000 +2k wa +1k ya

Choice Cutout__198.78 -3.72

Select Cutout__186.73 +.30

Feeder Index:___156.50 -1.29

Copyright © Loewen and Associates, Inc.

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.**

Lean Index.___ 55.98 -.42

Pork cutout___74.61 +.20

IA-S.MN direct avg___51.27 -.35

Hog slg.___441,000 +3k wa +9k ya

Last trading day for all the December grain futures yesterday came and went without a lot of fanfare in anything except the December corn. December corn went off the board at a 2 ¾ cent premium to the March, which is an inverted market. With a 1.785 bln carryout projection in the last report which is 54 mln larger than a year ago and world numbers at very comfortable levels as well, the rationale behind inverted futures and relatively strong basis was thrown out the door about 2-3 weeks ago. With all the on-farm capacity that has been built in recent years, the dynamics of the corn market carry and basis post-harvest might have created a sizable turning point in commercial market analysis. Either that, or the producer has been very tight fisted holding cash ownership at a much larger scale this year than in other comparable years' past. Regardless, pretty good day for the grain markets as a whole yesterday.

6-10's last night showed above normal precip and above normal temps across the vast majority of the country.

There really isn't a lot of other fresh news or tidbits to talk about in grains. Traders are waiting to see how actions in the Argentina administration change influences the market, as well as waiting for decisions on the biodiesel credit by congress. Without fresh news, these market may just continue to chop wood in a sideways fashion.

8:00 am export reporting showed a 120k mt sale of US beans to China.

Pete Loewen

Loewen and Associates, Inc.

Pete Loewen / Matt Hines / Doug Biswell / Matt Burgener

www.loewenassociates.com

peteloewen@cox.net

866 341 6700

Copyright © Loewen and Associates, Inc.

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.**