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The closes in the meats didn't really tell the whole story. Deferred live cattle finished higher, deferred hogs were higher as well. Between the 1:00 settlement and the 4:00 conclusion of the electronic trade, live and feeder contracts were almost all triple digits lower. Add to that some Southern Plains negotiated cash feedlot trade at \$117-\$118, which is another \$1-\$2 lower than last week and choice product slipping down below the \$200 mark this week and cattle still look ugly.

Perhaps there's some room for redemption for the bulls if Friday's monthly COF numbers come in bullish. Average trade guesses for that report that comes out at 2:00 tomorrow afternoon show the Dec 1 On Feed total at 101% of a year ago. Placements in the month of November have an average guess of 95.8% of last year, while marketings are pegged at 102.7%. If the report hits those numbers, the placement and marketings data should be supportive looking at it from the outside. On the inside though, there was one more business day in November than what last year had, so the marketing number will be artificially inflated by about 3-4 points.

Weekly export sales of beef and pork were a disappointment this morning. Weekly beef export sales were down 20% from last week, 31% lower than the 4 week avg. Pork sales were down 29% from week ago and 66% from the 4 wk avg.

Cattle slg. ___ 112,000 +1k wa +11k ya

Choice Cutout ___ 196.90 -.31

Select Cutout ___ 184.91 -1.90

Feeder Index: ___ 155.10 -.12

Lean Index. ___ 55.88 -.02

Pork cutout ___ 73.26 -1.98

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IA-S.MN direct avg__49.93 -.95

Hog slg.___440,000 unch wa +9k ya

Grain futures were under solid red ink all day. Of course, the chatter is about Argentina's new President and what kind of currency and export tax changes are taking place, as well as US Biodiesel blenders credit. The Argentina news is almost exclusively carrying a bearish undertone. Other than that, it continues to be a slow up and down and mostly sideways affair in the bigger picture.

Argentina announced it would allow the Peso to float starting today. Up till this point it had been pegged at 9.8. According to reports I read this morning, it dropped 29% to 13.9 per USD. Expectations were for 14. A lot of Argentine farmers have been holding grains and oilseeds for a long time in expectation of this happening and we can probably expect a lot of commodities being dumped on the market now with this currency move. We have a strengthening US dollar index, which is big picture bearish US exports. If their cash grain movement picks up considerably, expect their export offers to increase maybe dramatically. I can't find anything positive from that news.

One other factor being talked about some is rumors that China is starting to complain about the dumping of US DDGs on their market. On a brighter note though, EIA weekly ethanol production came in at 1 mln barrels per day, which was up 7000 from the previous week.

Strategie Grains put out EU crop estimates for 2016 and the numbers were a little friendly for wheat, but not so much for corn. Their 2016/17 soft wheat production guess was 143.6 mmt's, down from 150 mmt's this year. Corn production was listed at 64.9 mmt's versus 57.3 this year. Before you get concerned or excited about either of those numbers though, keep in mind their corn prediction is being made about next summer's crop that is still sitting in the seed bag right now. The wheat guess is about as accurate as someone predicting US winter wheat yields today. In other words, they might be just as well off being blind-folded throwing darts to make the guesses.

Weekly export sales data was bearish in everything except the milo this morning. Corn sales came in at 22.8 mln old and 3.9 mln new, which is a lot lower than I'd like to see. Milo sales were 6.6 mln, bringing the YTD cumulative total up to 189.5 mln bushels, although that's still below last year's 200.1 mln on this date. Soybean sales dropped to 32.6 mln bushels, down 39% from last week. Wheat was 11.8 mln, which is up from a week ago, but still less than half of what I'd like to see to call it bullish.

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On a positive note, 8:00am export reporting had China buying 424k mt's of US beans, which is a huge sale!

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