



Loewen and Associates, Inc.

Commodity Consulting/Brokerage

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Thursday was another horrifying day for the cattle complex with expanded limits in live cattle from Wednesday's \$3.00 limit down move resulting in the front month December actually touching the expanded limit down of \$4.50 at one point. Add to that the fact March feeders had a \$2.40 range in the opening 20 seconds of trade and you can understand the frustration that everyone has watching these futures markets, or worse yet, having to participate.

The losses yesterday meant new contract lows across most cattle months, which also opens the door up to no more support being under the market. One really disappointing aspect of those new lows is that they also nullified the strong bullish key reversal we had back in mid-November. On the technical analysis side that now becomes extra icing on the cake for the market bears with momentum clearly in their favor.

With the sharply lower futures trade came lower cash action, only the cash was only \$2.00-\$3.00 lower than the previous week in the Southern Plains compared to a futures market that has now lost \$6.40 in two days at yesterday's close. As I have stated for many weeks now, the market is badly broken with these wide swings. Before you start believing this is a new development though, these giant swings were happening on the way up a year ago too. The market was horribly broken then as well, there just wasn't as much complaining because broken in a higher direction was in most people's favor.

Cattle slg. ___ 110,000 lw was holiday unch ya

Choice Cutout __204.49 +.41

Select Cutout ___193.02 +.77

Feeder Index: ___170.78 -1.58

Lean Index. ___ 56.13 +.32

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Pork cutout___74.08 +1.98

IA-S.MN direct avg__53.14 -.07

Hog slg.___437,000 lw was Thanksgiving +9k ya

Grain trade yesterday included really bad and bearish export sales numbers in corn and wheat and only marginally good in soybeans. Futures trade was strongly higher in wheat, moderately higher in corn and mildly higher in soybeans. Makes a lot of sense, huh? Whether it made sense or not, at least the grain and oilseed market movement was higher, unlike the meats.

Weekly export sales yesterday were 19.7 mln corn, 32.3 beans and 14.4 mln wheat. There was also a 120k mt sale of beans to China. This morning there were two larger bean sales to report in the 8:00am daily announcements. There was a 178k tonne soybean sale to China and a 249k tonne sale to unknown destination, which we'll assume as usual to be China as well.

Along with talk that is gaining momentum about Russia and Ukraine dryness and Turkey shipping blockades, maybe we can swing a little support again in today's action at some point. As I have pointed out before though, don't write off a wheat crop in the winter, especially when the news is coming from a foreign source.

6-10's last night were still showing above normal temps and now above normal precip almost everywhere except central and south Texas where it was normal to below in the precip category.

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