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

Date: 12.30.15

HAVE A SAFE AND HAPPY NEW YEAR

Morning Ag Markets

Matt Hines

Moderate pressure on the livestock futures so far this week with volume low, yes we keep saying it, the holiday trade. In general it appears the driving force this week continues to be squaring up positions before the year end. With last week's sharply higher prices and futures premium to cash still, the markets are fading this week. Undertones of the cash feedlot market are higher this week given packers will be lining up a full kill next week and cattle are stressed with feedlot conditions horrible. Sharply higher boxed beef prices week could be enough to get a rally started again to wrap up this week.

Cattle slaughter from Tuesday estimated at 108,000 head, down 8,000 from a week ago and down 5,000 compared to a year ago.

Boxed beef cutout values sharply higher on moderate to fairly good demand and light offerings.
Choice Cutout__206.17 +5.08
Select Cutout__197.66 +4.46
Feeder Index:__157.05 -.14

Hog slaughter from Tuesday estimated at 430,000 head, down 10,000 from a week ago and down 1,000 compared to a year ago.

Lean Index.__53.13 -.37
Pork carcass cutout__70.76 +.26
IA-S.MN direct avg__48.43 -.03
National Average__47.76 +.57

December live cattle goes off the board on Thursday and with a little too much premium in the market we are giving some of it back. February will take over as spot month, currently at a $10 premium to last week's cash. December live cattle have yet to break through the nearby December highs but the February contract pushed past those levels last week. Support is seen around the $134 area with resistance up at $138. January feeders have resistance at $165 with support around $160. February lean hogs are still holding their uptrend but need to stay above the $58 level this week to keep it going.

****

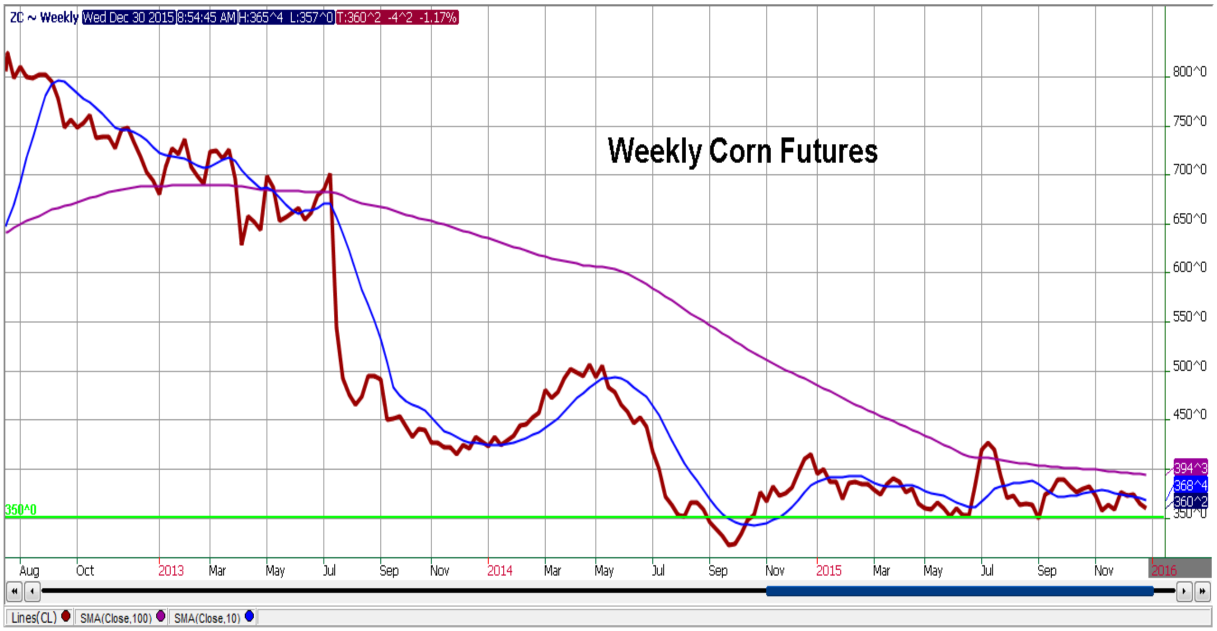
Grains were trading both sides yesterday with the morning lows reversing by midday sparking a decent recovery. Corn pushed down for new lows but was pulled back higher by short covering in both wheat and soybeans. Flooding in the Midwest continues with most expecting peak river levels to hit by tomorrow. The Mississippi River is closed currently with St Louis shut down and not expected to reopen now until mid-next week.

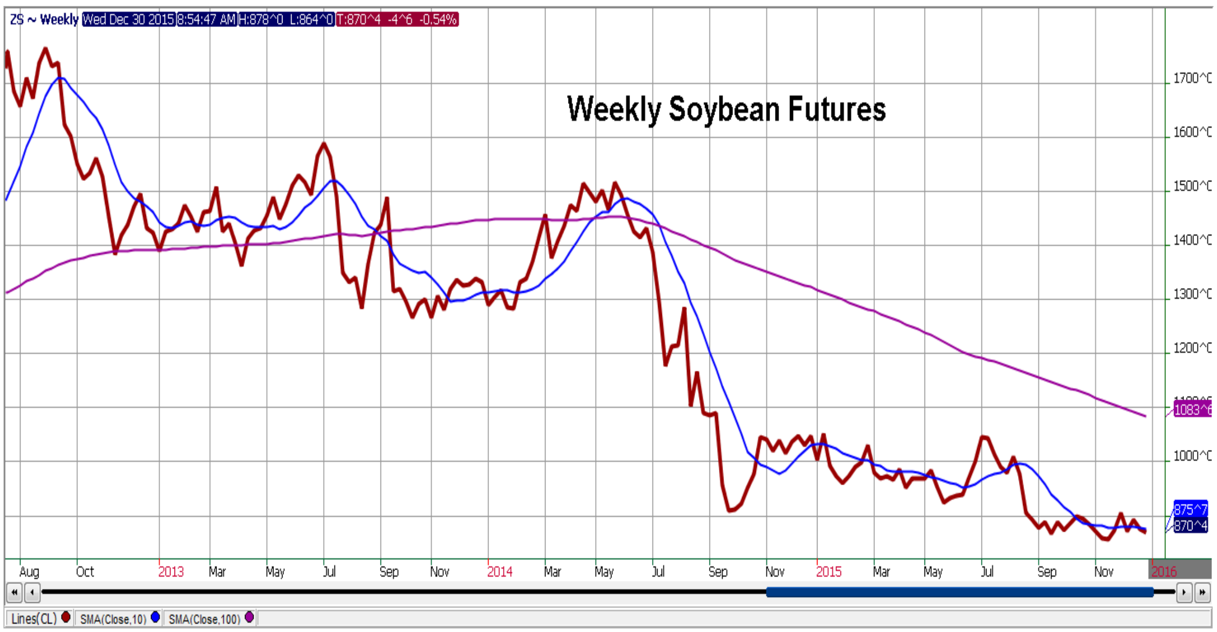
Overnight grains continued higher with corn finishing 1 higher, soybeans 3 to 4 higher and wheat 2 to 3 higher.

South Korea purchased a cargo of South American corn overnight reported near $10/MT or $.25/BU cheaper than US current offers.

Temperatures in Russia are forecasted to crater with mixed snow cover being reported and mixed reports of light snow to hit before the temps fall. Brazil's forecast continues to look good providing relief to dry areas but the hardest hit northern areas of Brazil may not receive much through the weekend.

March corn reached down for a new contract low yesterday at $3.57, a penny from the December 15 contract low. The $3.50 area is the key support area which has been tested quite a few times this past year. Both KC and Chicago March wheat contracts bounced off their contract lows near $4.65 and are now $.10+ above it hovering around the 10-day moving average. Both have strong overhead resistance in the $5.00 area. First notice day for January soybeans will come tomorrow so make sure and be out of any long positons here today and short positions sometime next week before volumes get to thin. The Jan-March spread has already been telling you want to do for some time now with minimal carry and quickly has raced to now Jan premium the March contract. March soybeans have support in the $8.55 area with resistance at $8.76.





<u>Loewen and Associates, Inc.</u>
Pete Loewen / Matt Hines / Doug Biswell / Matt Burgener
www.loewenassociates.com
peteloewen@cox.net
matthines1@cox.net
866-341-6700

IMPORTANT—PLEASE NOTE