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Just under a $1.00 range in most of the live cattle and under $2.00 from high to low in most feeders resulted in an extremely quiet day compared to most over the last 2 years in the cattle complex. I don't know if it was quiet in anticipation of this afternoon's Cattle Inventory report numbers, or if the HFT and Algo trade just forgot to turn on their computers and participate?? Either way it was a nice change of pace, but unfortunately it also came with lower closes across the board in everything across the meat complex.

This afternoon we get the semi-annual Cattle Inventory data release. Estimates for that report are looking for a total inventory between 101.1% and 102.3% of a year ago. Beef cows and heifers that have calved are pegged between 101.3% and 103.8%. Beef replacement heifers have guesses between a wide range of 102.1% and 107.3%. The calf crop is pegged at 101%-104.1% of a year ago.

Cattle Inventory reports are usually very vanilla in that estimates and actual figures tend to come in very close to each other and the estimates are usually confined in a tight range. This report is different. There is a huge gap in the beef replacement heifer guesses as well as the calf crop. One could assume with discounted deferred live and feeder futures that some bearishness is already price into the market. I think there's room for some big fireworks in either direction depending on whether those numbers come in close to the high end or low end or even outside the ranges. If they hit the averages, it will be a non-event.

Cattle slg.___ 111,000 unch wa unch ya

Choice Cutout__220.12 -1.21

Select Cutout___215.43 +.41

Feeder Index:___160.96 +2.06

Lean Index.__ 60.23 +.78

Hog slg.___435,000  -6k wa   +8k ya

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Before the day session open yesterday USDA announced a cancellation of US beans sales to China to the tune of 395k metric tonnes.  While that was pretty bearish news, soybeans didn't open up too badly and neither did any of the other grains.  The beans closed badly though, down 14-15 cents in most contract months.  To me, the timing of the selling didn't match up very well to the timing of the news of the cancellation, so I can't really pinpoint that as the catalyst. Nevertheless, I think the corn and wheat all felt pressure from what was going on in beans and everything was lower.  From a chart watchers perspective, this short term up trend everything has been in was damaged with the lower close.  To continue higher the market needs some positive news injected into the trade.

6-10 day weather was a mixed bag last night, taking most of the HRW wheat belt as well as the Northern Plains into normal temps and below normal west and east of that north to south line. Precip was pegged at below normal from Central Kansas east to west all the way through Texas and normal north of that line.  Needless to say, I'm looking forward to the warm temps forecast over the central and southern plains this weekend, but not so much to the heavy snowfall projections for early next week.

Grains and oilseeds aren't going to get any friendly help from export sales this week.  They were delayed until today compared to the normal Thursday release because of the weather on the East Coast.  Corn, soybean and wheat sales were all three bearish, while the milo sales were neutral and well below recent weeks.  Old crop corn sales were 32.2 mln bushels.  Milo sales were 2.3 mln.  Soybeans were 23.8 mln bushels and wheat was 10.8 mln.  Of the four, I would say wheat fared the worst, which has been the case for a long time.

On a friendlier note this morning, we continue to hear chatter about mounting dryness in some areas of Argentina.  Additionally, the European Commission lowered their 2015/16 soft wheat stocks to 15.8 mmt's versus 17.6 previously and 20.6 from the previous marketing year.

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