



Loewen and Associates, Inc.

Commodity Consulting/Brokerage

**Pete Loewen, Matt Hines,
Doug Biswell, Matt Burgener
866 341 6700
www.loewenassociates.com**

Date: February 25, 2016

Gotta give a LOT of credit to the cattle complex on Wednesday. The stock market was under some serious pressure early in the day and the cattle complex hung in there without any major losses and actually managed to close higher in all months. Of course stocks came back as well, but the fact the cattle didn't follow that early pressure was hopefully a sign we might find some disconnect between the two markets soon. I say hopefully, because I also understand when equity markets get wild to the upside or downside, there always seems to be some spillover effect from the managed money and bot trade jockeying positions.

Product trade in the beef was sharply higher again yesterday resulting in all three days this week being up in the triple digits in both choice and select. Monday and Tuesday the choice and select price spread was noticeably narrowing, but yesterday they widened back out to exactly \$4.00 apart. The extreme heavy carcass weights on slaughter cattle are contributing to the choice losing ground to the select and cheap feed is contributing to the carcass weights.

Negotiated cash trade has been nearly non-existent so far this week, although it was rumored that a regional packer was bidding \$211 hot in the north yesterday and a major was lobbing bids out in the south at \$133 live. No fish took the bait though thankfully. With spot Feb futures up near \$137 yesterday it's better to deliver cattle if they meet specs than fall prey to weak packer bids.

One last note before we hit the cash market data, cold storage numbers that came out earlier this week had a decent bearish skew for all the meats. The entire meat complex was up yesterday, obviously ignoring that data. No complaints from this camp with that happening.

Cattle slg.____ 102,000 +2k wa unch ya

Choice Cutout__217.72 +2.58

Select Cutout__213.72 +1.42

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.**

Feeder Index:___158.69 +.42

Lean Index.___ 66.49 +.09

Pork cutout___74.98 -.70

IA-S.MN direct avg__64.54 +1.41

Hog slg.___415,000 -18k wa +10k ya

Grain trade was more of the same dull and boring and unfortunately lower affair with mild losses across the board in everything but new crop Nov Beans. There are starting to be some March Acreage report estimates trickling in off the newswire and the majority of those guesses are looking for slight increases from a year ago in both corn and soybeans acres in the US. That report doesn't come out until the end of March.

Today's hot topic across the newswire is going to be USDA's Ag Outlook forum going on in DC. Social media and other news sources have been inundated with tidbits of data and projections coming from that camp already today. To me there is very little use for the data as there is very little hard evidence to back up any of the projections. You're going to hear and see it quoted, but take it all with a grain of salt.

Export sales data that was released this morning was bearish wheat, bearish beans, bearish corn and kind of bearish to milo this time too. The milo sales total was 1.7 mln bushels, which is a lot lighter than recent weeks and months. Usually we're around 6-7 mln on a weekly basis this marketing year thus far. Corn sales were 36.8 mln old crop and 5.2 mln new. Soybeans were 12.1 mln old and zero new. Wheat was 14.3 mln old and 3.6 mln new.

6-10's last night were above normal temps central and west and normal east. Precip was above normal central, south and east. Below north and west.

Other news is scarce today, which I'm sure is another reason the outlook forum is getting so much attention.

Pete Loewen

Loewen and Associates, Inc.

Pete Loewen / Matt Hines / Doug Biswell / Matt Burgener

www.loewenassociates.com

peteloewen@cox.net

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.**

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.**