



Loewen and Associates

Commodity Consulting/Brokerage

**Pete Loewen, Matt Hines,
Doug Biswell, Matt Burgener
866 341 6700**

www.loewenassociates.com

Date: 3.17.16

Morning Ag Markets

Matt Hines

Happy St Patrick's Day!

Strong support in wholesale pork values and continued sharply higher boxed beef prices helped to push livestock futures higher yesterday. Commercial buying pushed the front month contracts higher as fundamentals are improving with expected tighter supplies and increased demand for beef. Feeders continue to pressure the upper resistance levels yet were unable to push through them again.

Cattle slaughter from Wednesday estimated at 111,000 head, up 1,000 from last week and up 2,000 compared to a year ago.

Hog slaughter from Wednesday estimated at 427,000 head, down 2,000 from the week previous and down 6,000 from year ago.

Boxed beef cutout values sharply higher on moderate to fairly good demand and light offerings on a total of 139 loads sold.

Choice Cutout__233.92 +2.91

Select Cutout__223.68 +2.10

Feeder Index:__160.41 -.41

Lean Index.__66.79 +.04

Pork carcass cutout__76.81 +1.07

IA-S.MN direct avg__62.76 -.60

National Average__62.05 -.25

April live cattle holding above the \$140 area now with the next level of resistance at \$144.45, the high back from December, and support in the \$138 area. March Feeders again fell just a tick short of \$165. The 2016 high is at \$166.87 with May through August all trying to push above the \$165-\$167 resistance areas this week. April lean hogs took a dive below \$70 yesterday but

IMPORTANT—PLEASE NOTE

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.**

quickly rallied back in the channel and will need to stay above the \$70 area this week to keep the up trending channel going. The June contract also has an up trending channel with support around \$80 and resistance in the \$83 area with the contract high just a few ticks away at \$83.90.

Grains were mixed again yesterday, soybeans finishing higher this time with corn steady and wheat pressured lower. The FED left rates unchanged sending the US\$ from trading higher before the announcement to 1% lower after. Soybeans quickly turned around with this currency shift. The cold weather event forecasted for the Southern Plains later this week will be watched closely by the market.

Egypt tendered for another round of wheat and only received 6 offers with French wheat being the cheapest and still many questions over the ergot tolerance. They announced yesterday morning a purchase of 120,000 MT or 4.4 MBU from France along with 2.2 MBU from both Ukraine and Romania for an average price delivered of \$188.86/MT or \$5.14/BU. Are US prices still too pricey...YES! The gulf bids are equal to \$5.20/BU! So other countries can deliver to Egypt for less than our own Gulf can source bushels for.

Grains bounced backed higher overnight as the US Dollar Index hit a 5 month low this morning. Corn finished 1 to 2 higher, soybeans 5 to 6 higher and wheat 3 to 4 higher.

Export sales were better than expectations for corn and in line with expectations for wheat and soybeans. Corn sales were a whopping 48.3 MBU old crop with an additional 2.4 MBU new crop. Wheat sales totaled 7.8 MBU old crop and 5.8 MBU new crop. Soybean sales totaled 22.9 MBU old crop and 8.6 MBU for new crop.

Japan purchased a total of 149,550 MT, 5.5 MBU, of milling quality wheat overnight of which 2.3 MBU will come from the US.

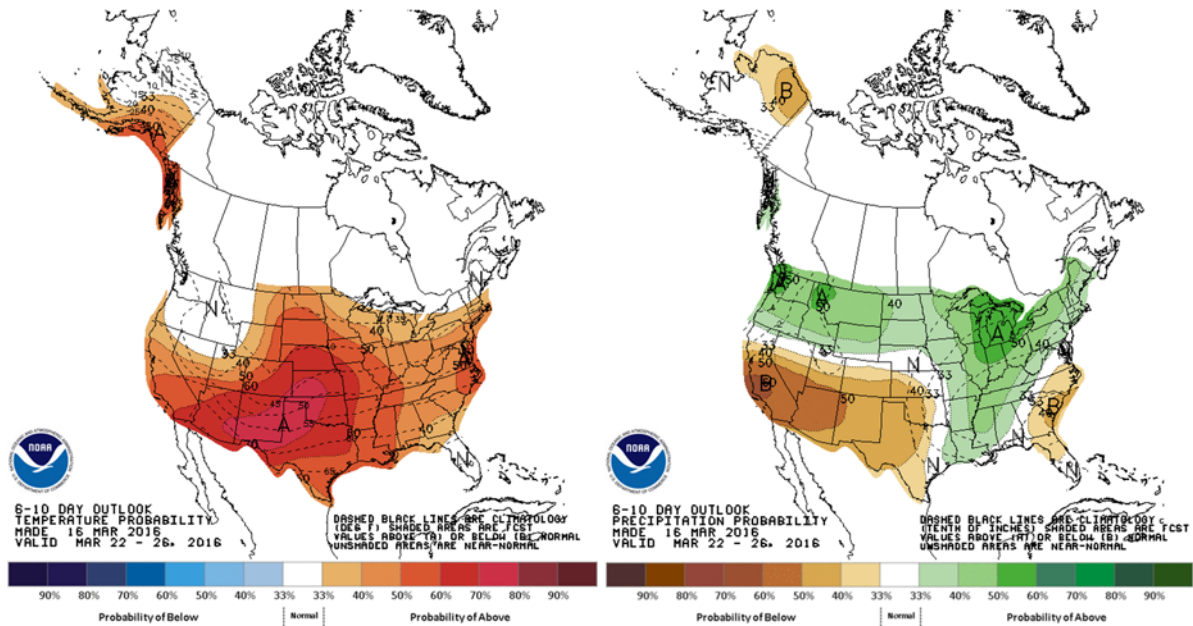
May corn still sitting near the midpoint of the 3 month long range bound trade from \$3.54 to \$3.78. May soybeans pushed above the \$9 mark overnight now testing the highs back from late December in the \$9.02 area and looking to make a run at the \$9.14 to \$9.17 area next. The November contract did trade up to \$9.12 overnight with the \$9.20 to \$9.25 target area next. May KC wheat is

IMPORTANT—PLEASE NOTE

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.**

trying to test the Jan highs \$4.92 while Chicago still needs to take out the Feb high at \$4.87.

Snow is moving across the Northern Plains this morning, while a small shower works its way across the OK/TX border and golf ball size hail was reported in Fort Worth, TX. Still lots of focus on the southern plains the next 48-hours as rain is expected to fall in varying amounts. KS is slated for 0.10-0.50” in the western half of the state, which is badly needed considering the amount of moisture the last 60-days and the advanced stage of the wheat crop. The Delta is also expected to see more rain the next 2-days which will be unwelcome news to already flooded areas of LA & AR. Temps are still forecasted to dip below freezing overnight Friday and Saturday as far south as West Texas. The 6-10 day temps now show normal to above normal temps for the entire country will below normal precipitation to continue for the Southwest and Southern Plains.



Loewen and Associates, Inc.

Pete Loewen / Matt Hines / Doug Biswell / Matt Burgener

www.loewenassociates.com pete@loewenassociates.com matt@loewenassociates.com

866-341-6700

IMPORTANT—PLEASE NOTE

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.**