



Loewen and Associates

Commodity Consulting/Brokerage

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

www.loewenassociates.com

Date: 3.9.16

Morning Ag Markets

Matt Hines

Early losses in cattle futures was quickly offset by aggressive buying interest pushing futures triple digits higher yesterday as hogs remained mixed throughout the trading session. So far this week cash feedlot trade is not well defined with only a few scattered sales in NE and TX at even money. Early week cash markets for feeders so far steady to a few dollars lower in most areas. OKC reported steers and heifers steady to \$3 lower expect for 800 to 900 lb steers at \$2 to \$4 lower than a week ago.

Cattle slaughter from Tuesday estimated at 108,000 head, down 2,000 from week ago and compared to a year ago.

Hog slaughter from Tuesday estimated at 435,000 head, down 2,000 from a week ago but up 5,000 from year ago.

Boxed beef cutout values lower on Choice but higher on Select on light to moderate demand and heavy offerings for a total of 191 loads sold.

Choice Cutout__220.25 -1.17

Select Cutout__214.55 +.81

CME Feeder Index__159.18 +.28

CME Lean Hog Index__66.61 -.29

Pork carcass cutout__75.74 -.10

IA-S.MN direct avg__62.75 -.36

National Average__61.79 +.11

April live cattle are showing good support in the \$135 to \$134.50 area with resistance at the February high of \$138.40 and then at the December high at \$138.95. March Feeders still having trouble breaking the \$160 resistance with support in the \$155 area with that \$5 range bound trade now since mid-

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.**

February. April lean hogs are still in their higher trending channel with support in the \$69 level and the \$72 area as resistance.

Grains finished higher yesterday as the short covering rally continues. Wheat futures have led the way higher breaking above the highs from last month. Soybeans are back to the upper end of their recent trading range with corn lagging behind. The question will be, can we find something from today's USDA crop report to continue the rally or do we continue to see bearish fundamentals that push price back lower?

Overnight grains were mostly steady to lower but only off a penny and trading ranges of only 1 to 2 cents for corn and wheat with a nickel trading range in soybeans.

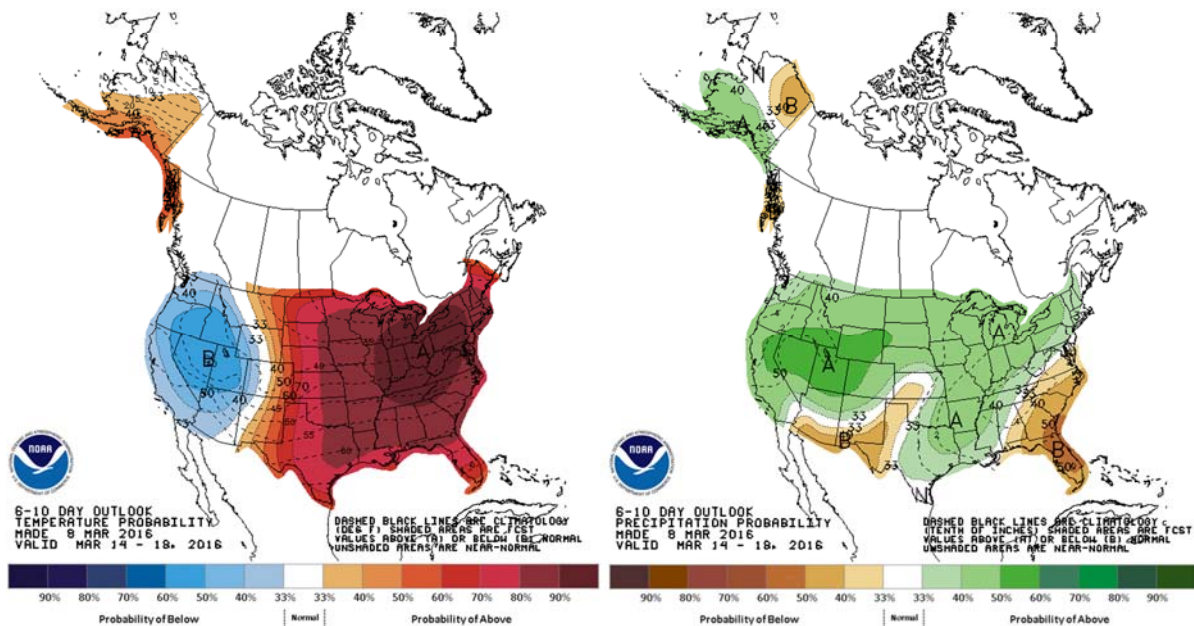
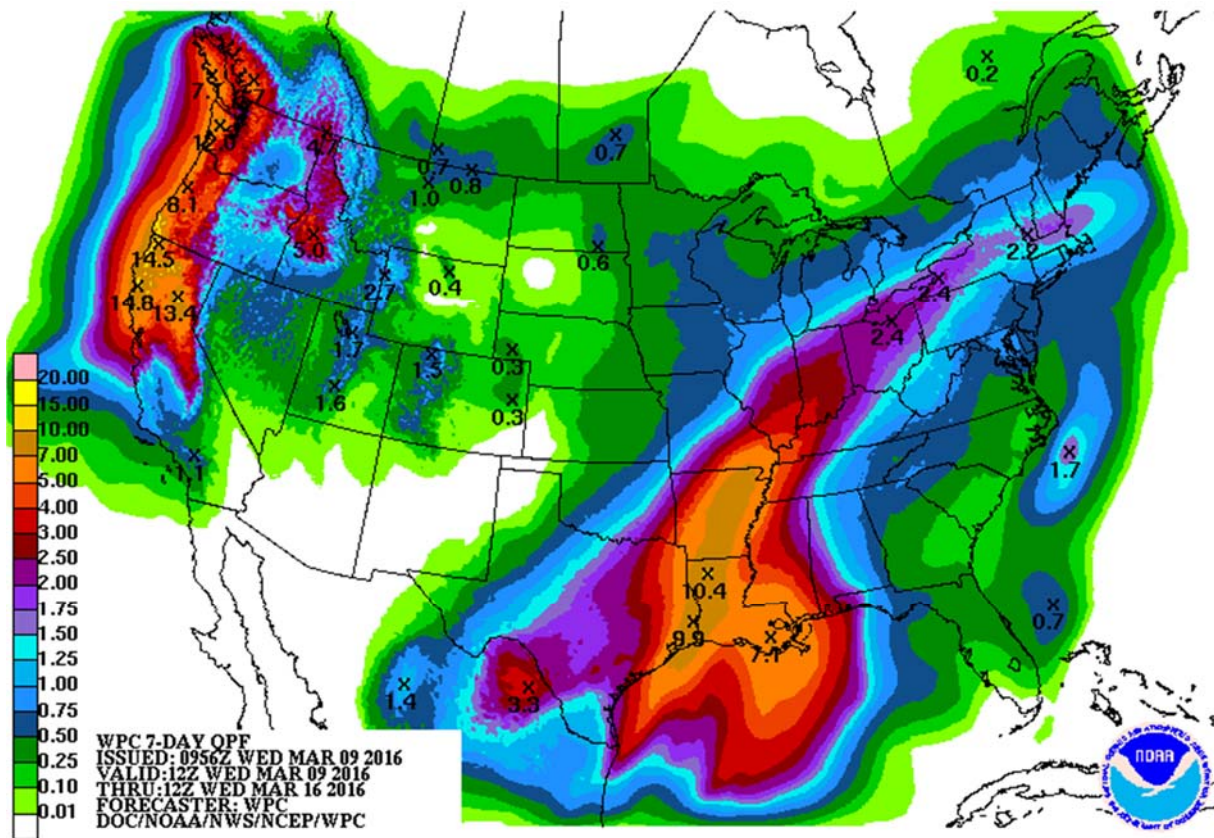
Trade is looking for small increases in carry out in wheat and corn on smaller exports. In beans may see a small reduction in crush. South American crop estimates have firmed so that World production should gain some with ending stocks firming. Expectations for US corn 15/16 ending stocks are to be around 1.85 BBU (compared to 1.81 in Feb). World corn ending stocks are expected to be around 209.1 MMT, (compared to 208.8 in Feb). World wheat ending stocks should be around 238.5 MMT vs last month's 238.9 MMT, and US wheat 15/16 ending stocks should be around 975 MBU vs. last month's 966 MBU. Current estimates of South American bean production remains around 175 MMT which is about 4 MMT larger than last year. Corn production is estimated at around 113 MMT which is about 3 MMT less than last year but this has a chance of expanding due to a larger 2nd corn crop in Brazil with planting to end this week.

The May corn contract low sits at \$3.54 ¼ with resistance up in the \$3.75 area. May soybeans trading a 30 cent range so far this year pushing up against the \$8.90 resistance level again this week. Both KC and Chicago May wheat contracts are \$.20 off their contract lows. Breaking and staying above the \$4.75 area is needed to see some additional buying support.

The weather forecasts here in US still show hot temperatures over the next week for much of the Midwest and East with some areas seeing 20 degrees over normal. Rains are expected across eastern Texas, the Mississippi Delta, and into the Midwest for the next few days. Precipitation accumulation expected to be about 3-10 inches in Louisiana, Arkansas and Eastern Texas with a possibility of minor crop damage there over the next 7 days. Rain accumulation will be about 1-3 inches in Illinois, Indiana, and Ohio.

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.**



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.**