



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

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Live cattle futures enjoyed a nice rebound to the upside yesterday, feeders were mixed to mostly higher and hogs were all moderately higher. Front end April futures in the fats finished just over the \$132 level yesterday which matches the average of what packers have paid thus far in the Southern Plains negotiated trade. On Tuesday Kansas reported some cash deals at \$132 and Texas from \$131-\$133. That brought a lot of disappointment from those who felt holding out could have brought higher money this week. It still might, but it's probably going to take higher futures yet to get that accomplished. Tuesday when that trade happened the front month fats closed \$2.52 lower. The previous week when the trade happened on Wednesday, front month futures were \$2.50 lower. So, it appears that there's some negative psychological influence being provided on big down days in the futures action. That's why I'd like to see it up over the next two days, because there's more trade that needs conducted yet this week.

Cattle slg. ___ 108,000 -3k wa +2k ya

Choice Cutout __ 216.41 -1.29

Select Cutout ___ 207.43 -1.77

Feeder Index: ___ 157.79 -.50

Lean Index. __ 66.31 +.31

Pork cutout ___ 77.88 +.28

IA-S.MN direct avg __ 63.23 +.05

Hog slg. ___ 427,000 -9k wa -4k ya

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Grain and oilseed market trade yesterday was quiet, but higher in corn and soybeans. Wheat trade on the other hand was a disaster. Chicago and KC contracts were down in the 11-12 lower range. Finding reasoning for such a sharp drop was tough. It wasn't coming from weather, because I feel like that is getting friendlier for HRW wheat price potential anyway. Crop condition ratings came out on Tuesday, which did have some negative influence. Nationwide g/ex ratings were 59% g/ex and 7% p/vp. Last year at the same time they were 44% g/ex and 16% p/vp. Give Kansas and states to the south another week or two of this wind and no rain and those condition ratings are going to start declining rapidly. Despite that, wheat took a hard shot on the chin yesterday.

Weekly export sales numbers that came out this morning at 7:30 were a mixed bag. Wheat sales were miserable once again. The sales total was a net negative 2.1 mln bushels of old crop and 5.9 mln new. Maybe someone had a hunch about that number going into the trade yesterday, because that IS bearish wheat. Soybean sales were in the double digits at 15.4 mln bushels and that's pretty decent for this time of year. I wouldn't term that bullish, but it's neutral to supportive. It's not bullish because the cumulative sales pace is still well below last year's level, to the tune of 138 mln bushels. Corn sales were friendly at 37.2 mln bushels old and 6.9 mln new crop. The corn sales pace lags last year's total by a hefty margin too though. Milo sales were zero old and zero new. That's a little bearish.

8:00am export reporting had 145,544 tonnes of corn sold to Japan in this old crop marketing year.

6-10 day weather was normal to below temps in the Corn Belt. Normal to above in the HRW wheat belt. Precip was above normal through most of HRW wheat country and normal to below in the Central and NE part of the Corn Belt.

Finally, Egypt tendered for an unspecified quantity of wheat for mid-May shipment. The US hasn't sold any wheat to Egypt in a long time because we're not price competitive in the world trade and I don't expect us to get any of this tender either. Weather is becoming somewhat supportive to wheat, but all the other fundamentals are bearish.

Pete Loewen

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www.loewenassociates.com

peteloewen@cox.net

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