



Loewen and Associates

Commodity Consulting/Brokerage

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Morning Ag Markets

Matt Hines

Strong triple digit gains again yesterday for the cattle futures as buyers have stepped back into the market now for the past 2 sessions. Hogs traded mixed again though looking for direction as last week cash markets pushing higher helped to support higher futures, but this week's higher cash and pork prices are having little impact on futures.

Oklahoma National Stockyards, Oklahoma City, OK - Feeder Cattle Report for 04/25/2016

Actual Receipts: 8,416 Last Monday: 5,659 Year Ago Monday: 6,280

Compared to last week: Feeder steers and heifers 1.00-4.00 lower. Steer and heifer calves steady to 3.00 lower. Stocker cattle lightly tested with last week with some cattle selling sharply higher than a week ago.

Joplin Regional Stockyards - Feeder Cattle Auction for 04/25/16

Receipts: 3,703 Last Week: 6,130 Year Ago: 5,214

Compared to last week, steer calves 3.00 to 7.00 lower, except M & L 1 steers under 400 lbs. steady to 5.00 higher, heifer calves 6.00 to 12.00 lower, yearling steers 2.00 to 5.00 lower, yearling heifers 3.00 to 7.00 lower.

Cattle slaughter from Tuesday estimated at 114,000 head, up 1,000 from a week ago and compared to a year ago.

Hog slaughter from Tuesday estimated at 434,000 head, equal to last Tuesday and up 7,000 compared to a year ago.

Boxed beef cutout values lower on Choice and steady on Select on light to moderate demand and offerings for a total of 118 loads sold.

Choice Cutout__218.57 -1.64

Select Cutout__210.38 +.15

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Feeder Index: __146.58 -1.31
Lean Index. __68.48 +.42
Pork carcass cutout __81.82 +1.24
IA-S.MN direct avg __67.70 +1.04
National Average __66.47 +1.31

April live cattle expire at the end of the week and the heavier volume as already moved to the June contract. June was able to get back to the 10-day moving average yesterday but stalled out there. Support is down at the contract low of \$113.90. April Feeders expire tomorrow so looking at the May contract with resistance up at \$150 and support at the contract low of \$141.05. June lean hogs dipped down to \$76.80 then ran above \$80 last week before pulling back to test support levels and range bound the past couple days from \$77.50 and \$79.

The grains were once again led by the soy complex, higher again yesterday after last week's late pullback. The charts continue to support additionally buying in the beans which is spilling over into the corn and wheat futures. Corn planting pace is well ahead of last year's and the average pace but will be slowed some this week with heavy rains throughout most of the major growing areas.

Overnight grains pulled back a little with corn steady to 1 lower, soybeans finished 3 to 4 lower and wheat 3 lower.

USDA announced a private sale of 12.9 MBU of old crop soybeans and 1.6 MBU of new crop soybeans sold to unknown destinations. Any new sales are a bonus this time of year as South American is currently the main world supplier and typically at cheaper prices. We only need to ship 7.4 MBU per week for the next 4 months to hit USDA's current export estimate at 1.705 BBU.

Since early March, it is difficult to find any one major fundamental factor for the major buying enthusiasm. Our daily ranges in soybeans are growing, along with volatility, as we trade in a more summerlike manner and funds have pushed positions to levels not seen since 2014.

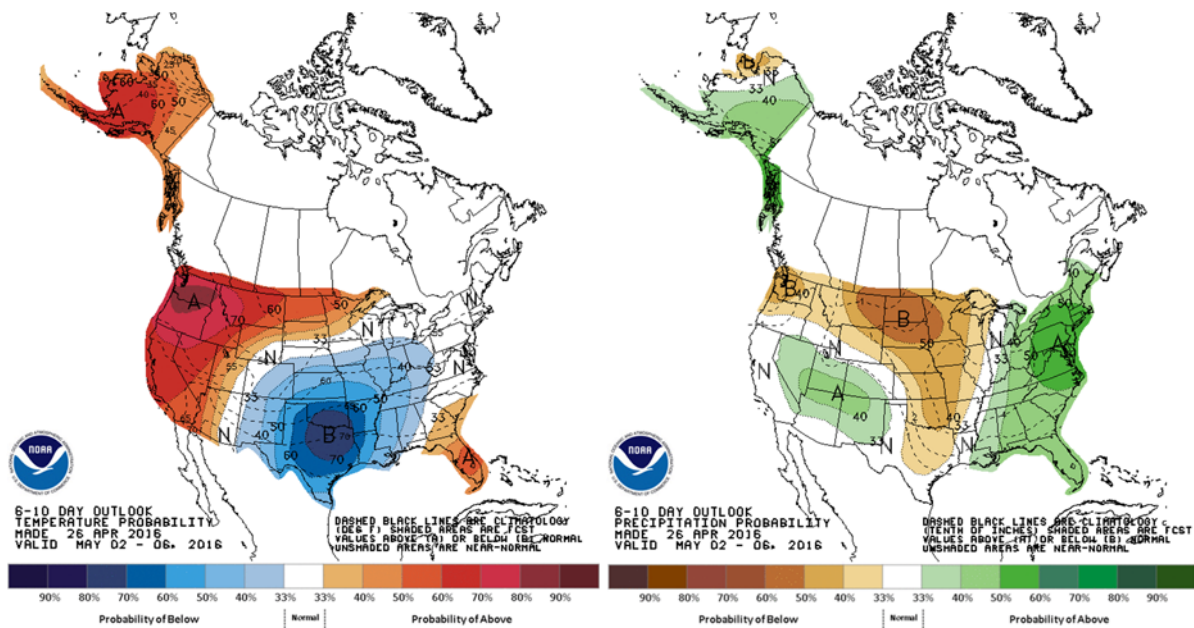
May corn has found support near \$3.70 after pulling back from the \$4.02 high last week. The December contract pushed up to \$4.09 last week, pulled back to near \$3.80 and hitting resistance again at \$3.95. As I mentioned earlier the soybean daily ranges are growing with support for the May contract near \$9.75

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and resistance at \$10.20. November soybeans also have support at \$9.75 and pushing the \$10.10 resistance the past few sessions. KC wheat contracts are \$.20 off the contract lows from early last week but would need to rally another \$.20 to keep the market moving higher. Chicago wheat futures are back to trying to push through the \$4.80 level and take another run at the \$5 mark.

After a week of impressive planting progress, the US Midwest weather picture has turned a bit more variable, with waves of showers expected over the next week. For most newly-planted fields, this will be just what the doctor ordered, but for a few spots, it could prove to be a little too much. Rains moved through the Southern Plains overnight with some additional scattered systems expected today. Over the next 7 days, 1-4 inches is expected through the Plains and Corn Belt with 5-6 inches forecasted for East Texas, Arkansas and Louisiana. The 6-10 day maps turn a little drier with below normal precipitation showing for the middle of US and below normal temperatures.



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