



## **Loewen and Associates**

***Commodity Consulting/Brokerage***

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

**[www.loewenassociates.com](http://www.loewenassociates.com)**

**Date: May 23<sup>rd</sup>, 2016**

### **Morning Ag Markets**

**Matt Hines**

Midweek we saw cash feedlot trade \$2 to \$6 lower than the week previous at \$130 to \$133 live for TX and KS, \$129 to \$130 live and \$204 to \$206 dressed in IA and NE. Some of these sales for delivery not until June. Live cattle futures were hit hard Thursday with futures down again on Friday to wrap up a lower week. Feeders were mixed Friday and held \$1+ gains for the week.

**NATIONAL FEEDER & STOCKER CATTLE SUMMARY – W/E 05/20/15**  
Compared to last week, steer and heifer calves early in the week sold steady to 5.00 higher, with instances up to 15.00 higher on sales that didn't get to take advantage the late last week's uptick in the market. For the week, yearling steers and heifers traded mostly steady to 3.00 higher. Several auctions across the North and South Plains have had steers weighing over 900 lbs. in their runs the past few weeks due to the excellent weather from winter through spring. Some of the highest prices seen this spring were perhaps this week as 2 loads of light 9 weight fancy steers in Valentine, NE sold on Thursday at 149.00-149.35. Several strings of steers at Hub City Livestock in Aberdeen, SD and Mitchell Livestock in SD had a wtd avg on 1000-1150 lbs. north of 130.00 and at Huss-Platte Valley Auction in Kearney, NE on Wednesday sold 4 loads of 1012 lbs. steers at 138.50.

After the close, Cattle on Feed as of May 1<sup>st</sup> at 10.8 million head, 101% vs. a year ago with expectations at 100%. The big number comes from placements at 107.5% vs. year ago when the average trade guess was down at 99%. Cattle placed in TX feedlots in April up 13% compared to a year ago, KS 17% higher while NE was 3% lower. Not only were placements higher but heavier weights made up the bulk with 700-799 lbs. and 800 lbs.+ both at 112% vs. a year ago. Marketings were up 1% compared to year ago but down 1% compared to the average trade guess.

#### **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.**

For the week, Friday May 13<sup>th</sup> to Friday May 20<sup>th</sup>, June Live Cattle down \$2.37, August down \$1.27, May Feeders up \$1.57, August up \$1.67, June Lean Hogs down \$2.10, July down \$2.30.

Cattle slaughter from Friday estimated at 110,000 head, down 2,000 from a week ago and down 1,000 from a year ago. Weekly totals were estimated at 587,000 head, down 14,000 from the week previous but up 16,000 compared to a year ago.

Hog slaughter from Friday estimated at 385,000 head, down 17,000 from a week ago and down 23,000 from a year ago. Weekly totals were estimated at 2,119,000 head, down 41,000 from the week previous and down 21,000 compared to a year ago.

Boxed beef cutout values lower on light demand and moderate offerings for a total of 87 loads sold.

Choice Cutout\_\_225.96 -1.20, +7.40 for the week

Select Cutout\_\_208.42 -2.73, +2.47 for the week

Feeder Index:\_\_148.53 +.24

Lean Index.\_\_78.81 +.38

Pork carcass cutout\_\_83.40 +.11

IA-S.MN direct avg\_\_75.62 -.29

National Average\_\_74.69 -.35

June live cattle pulled back in the \$120 area filling the gap left from May 6<sup>th</sup>. The next area of support is down near \$118 with the contract low down at \$113.90. May feeders broke through the \$149 support towards the end of last week with the next level near \$145 and the contract low at \$138.57. June lean hogs continue on the roller coaster ride up and down finding support just south of \$80 and resistance just above \$83

\*\*\*\*\*

Moving over to the grains, spread trading and spec buying continues with old crop soybeans and meal surging higher while new crop contracts sold off. One third of Friday's volume in the July soybean contract was done just with spread trades from July to November. Both corn and wheat were unable to follow through on midweek gains, corn pushing through resistance even. Both pulled back Thursday with the small gains Friday helping corn stay positive for the

#### 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.**

week. Soybean meal was \$14.60 higher on Friday, positing the highest spot close in over 16 months and up \$29.70 for the week.

For the week, Friday May 13<sup>th</sup> to Friday May 20<sup>th</sup>, July corn up \$.03 <sup>3</sup>/<sub>4</sub>, December up \$.01 <sup>1</sup>/<sub>2</sub>, July Soybeans up \$.09 <sup>1</sup>/<sub>4</sub>, November down \$.05, July KC Wheat down \$.07, July Chicago Wheat also down \$.07.

Overnight, grains were lower led by soybeans down 10 to 16. Heavy selling overnight as weather was favorable across the Corn Belt and some decent planting progress should have been made ahead of this week's forecasted rain all week. Corn finished 2 to 3 lower and wheat was 3 to 5 lower.

USDA announced this morning a private sale of 5.1 MBU of new crop soybeans and 20,000 MT of old crop soybean oil both for unknown destinations.

For this afternoon's Crop Progress and Conditions report, the expectations are for the USDA to show Corn planting 85% to 90% complete. Soybean planting is expected to be 50% to 55% complete.

We have another wet week ahead of us with 2 to 5 inches expected over the next 7 days throughout the Midwest. The 6-10 day maps continue to show above normal precipitation while temps stay normal to above normal except for the Western third of the US.

July corn has support at \$3.68 with resistance up at \$3.95. The December contract has support at \$3.75 with resistance now just above \$4.05 to the spike high at \$4.09 back in April. July soybeans have support at \$10.50 and resistance up the \$10.90 area. November soybeans peaked out at \$10.79 <sup>3</sup>/<sub>4</sub> two weeks ago and touched the support area overnight at \$10.30. July KC wheat now has a contract low at \$4.41 <sup>1</sup>/<sub>4</sub> providing support and resistance up at \$4.61. July Chicago wheat has been able to stay off the contract low at \$4.49 <sup>1</sup>/<sub>2</sub> from early March with resistance up at \$4.85.

### **Loewen and Associates, Inc.**

Pete Loewen / Matt Hines / Doug Biswell / Matt Burgener

[www.loewenassociates.com](http://www.loewenassociates.com) [pete@loewenassociates.com](mailto:pete@loewenassociates.com) [matt@loewenassociates.com](mailto: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.**