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In the meat complex, hogs finished mixed, but live and feeder futures closed limit down in multiple contract months and that means expanded limits today. Finding valid reasoning for the fallout was non-existent. The limited cash trade that developed last week was still significantly higher than spot month futures trade.

Interestingly enough, last week on Monday the market was also under significant pressure and then turned higher on the Tuesday and Wednesday closes. I'm not saying that's going to happen today, but we didn't exactly see another sharply higher corn performance overnight, it was lower most of the time, which should at least allow feeders to ease the pressure.

The lower trade a week ago also resulted in a big bearish technical key reversal lower on the charts. Last Thursday, both the live and feeder markets tried to test the top end of that reversal, but didn't exceed it, so the chart watchers were quick to jump on the sell side yesterday when the slide started.

Fundamentally the live cattle market should be supported in here and yesterday's market action was not justified. Technically the markets in both live and feeders are walking on very thin ice. If they find hard selling at some point today I'm afraid the feedlot cash and product market action may be somewhat forced to follow suit on nothing more than bearish market psychology. Today's trade is very pivotal.

Cattle slg.___ 113,000 +3k wa +3k ya

Choice Cutout__227.56 -.11

Select Cutout__201.99 -2.31

Feeder Index:___148.75 -.16

Lean Index.___80.77 +.35

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Pork cutout___87.29 +.97

IA-S.MN direct avg___79.66 +1.03

Hog slg.____427,000 +17k wa +8k ya

Grain and oilseed markets came out of the chute in Sunday night's trade at sharply higher values, then maintained the double digit gains until mid-morning Monday. Everything broke well off the highs in to the close with soybeans showing a lot of unwinding of the bull spreads. Corn held up very well, although still shy of double digits up. The new crop corn and soybeans also actually made new recent highs before fading some. Wheat futures in the KC contracts couldn't ward off the harvest pressure and finished just shy of 17 cents lower than the high of the day, but only mildly lower on the net changes.

One other important note when looking at new crop corn futures in particular. There was a big spike high in July of last year of \$4.46 ³/₄ in Dec 16' corn futures. Yesterday's high water mark that set new recent highs- exactly \$4.46 ³/₄. From a technical point of view, that number is now heavy resistance for the market. If Dec corn manages to trade through that mark, it probably won't be by just a little bit.

Yesterday morning's export inspections were friendly corn, neutral and in line with expectations in beans and also in line with the guesses in wheat, although the wheat expectations were already poor.

Informa released their acreage guesses with corn at 92.5 mln versus 93.3 last month. Beans were estimated at 83.7 mln versus 83 even last month.

Crop progress and condition numbers had a bearish undertone. Corn was rated 75% g/ex, unchanged from last week and well above the 70% average for the date. Soybeans were 74% g/ex, ahead of the 67% average, as well as up 2 points from last week. Spring wheat is rated 79% g/ex, unchanged from a week ago and 7% better than normal. Winter wheat harvest was 11% complete versus 15% normally. A good synopsis of the Kansas harvest so far is excellent test weight and good yields. I haven't heard too much on protein, but I'm guessing it's going to be lower than normal as a whole.

6-10 day forecast maps are definitely conducive to supported markets still, although the overnight action was mostly lower. Temps are predicted at above normal over the entire Plains and Corn Belt. Precip was below normal most areas other than the deep south and far northern Corn Belt.

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8:00 am export reporting showed 136k tonnes of corn sold to Japan, as well as 110k tonnes of new crop beans sold to unknown destination.

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