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Interesting day on Monday as the ag commodity sector was able to shake off all of the spillover from Brexit that was still influencing the equity and currency markets. Early on the DOW was sharply lower, the dollar index actively higher and crude actively lower again, just like Friday albeit maybe a little less intense. Friday's ag market trade was sharply lower in most markets in sympathy. Yesterday the cattle complex was sharply higher. The hog market showed moderate losses in reaction to a bearish set of numbers in last Friday's quarterly Hog and Pig report.

Three key meat complex reports came out Friday, the bearish H&P numbers, a neutral to mildly negative COF report and friendly Cold Storage numbers for both pork and beef. Those reports came on the heels of new life of contract lows in the live and feeder markets over the last two weeks. New life of contract highs were set in the hogs two weeks ago, counter to the lows the cattle made. Fundamentals in the live and feeder markets still have a slightly negative undertone. The hogs were ripe for a drop after finding much larger than anticipated breeding, market hog and total inventory numbers. Projected future expansion based on deferred farrowing intentions was smaller than expected, but the bearishness of a much larger than expected spring pig crop should keep a lid on friendly price potential in coming weeks.

Cattle slg. ___ 113,000 unch wa unch ya

Choice Cutout __210.60 -3.26

Select Cutout ___197.39 -.44

Feeder Index: ___140.21 -1.06

Lean Index. __84.61 +.20

Pork cutout ___89.00 -.27

IA-S.MN direct avg __81.25 -.78

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Hog slg.____425,000 +6k wa +1k ya

Grain and oilseed market action yesterday not only showed a disconnect from Brexit influence, but there was also quite a disconnect between the different crops as well. Wheat was under moderate pressure, beans aggressively higher and corn flat at the finish, but mildly higher most of the day.

Very dynamic overnight action considering the crop progress and condition data that came out yesterday. Corn and soybean condition ratings had a decisive bearish undertone, that was obviously ignored in last night's trade. G/ex corn ratings remained unchanged at 75%. Technically speaking though, excellent gained a point, while good lost one. Balancing that out though was fair losing one and giving it to poor. A year ago the corn crop rating was 7% lower than yesterday's quote.

Soybean condition ratings did drop one point, but are still sitting at 72% g/ex, up from 63% last year at the same time. Most in the trade were looking for both corn and soybean conditions to drop 2-3 points out of g/ex. I guess they may have been wishing that more than looking for it. Nonetheless, it was a disappointment for the bulls in the data, but that data was completely ignored in lieu of the big rally last night.

Winter wheat condition ratings gained 2 points in excellent and dropped 1 in good. 62% of the crop is in that g/ex category, up from 41% a year ago. Spring wheat ratings dropped 4 points to 72% g/ex. That's still 10 points higher than last year's 62% number at the same time.

6-10 day forecasts last night were cool and wet for the central and southern Corn Belt and normal precip through the rest of the Belt. Kansas, northern Oklahoma and all through the High Plains are in the above normal precip category as well. EU weather models are forecasting a lot different picture than the US model for the Corn Belt though, which is part of what helped the fall crop markets yesterday and last night. Obviously there is a lot of volatility going into the Acreage and Stocks reports on Thursday. We'll cover those estimates for the reports more in depth over the next two days.

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