



**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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Negotiated cash feedlot trade remained at a standstill as of yesterday afternoon, with the only business happening this week being the earlier action in the north at \$116 live and up to \$188 dressed. Front month August live cattle continued to aggressively move higher. It posted \$2+ gains Wednesday and another \$1.27 yesterday, moving up just under the \$113 mark. While that's still not very close to the light \$116 northern trade and even farther away from the \$120 action from last Friday, it's a much better reflection of price discovery than we've seen in a while. It also makes holding out for a lot better money than \$116 more relevant and realistic than earlier as well.

Before getting too bulled up to the cattle complex, it probably pays to keep in mind just three days ago the August live contract was sitting at life of contract lows. In this upswing it is also getting very close to some heavy downtrending resistance. If it breaks that resistance, it might be time to get friendly. If it fails, we'll probably see new lows again this summer.

Cattle slg. \_\_\_ 109,000 -2k wa -3k ya

Choice Cutout \_\_ 205.00 -.19

Select Cutout \_\_ 193.06 -2.45

Feeder Index: \_\_ 143.86 -.86

Lean Index. \_\_ 81.00 -.37

Pork cutout \_\_ 90.12 -.73

IA-S.MN direct avg \_\_ 74.30 -1.36

Hog slg. \_\_\_ 431,000 -4k wa +11k ya

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In the grain and oilseed trade yesterday the overnight from Wednesday night had been up and the weather market bullish buying was still in play. One comment I have emphasized heavily this week has been that “a weather market is only as good as the next forecast”. Well, the midday model run yesterday knocked the duration and size of the high pressure ridging down considerably. When that happened, POOF went the futures.

Overnight trade in the grains finished\_\_\_\_\_ mildly higher corn, 4-5 lower beans and mixed in wheat. While those overnight closes may sound a little boring and quiet, there was nothing quiet about the overnight trade. Dec corn had an 18 cent range from higher to low with most of that being lower. Nov beans had a 38 ¾ cent range from higher to low and settled close to the middle of its range at 7:45 this morning.

The type of volatility and price swing seen in grains overnight rivaled some of the crazy moves we see in cattle sometimes. Not quite as extreme, but equally as ignorant looking considering the significantly lower participant base in overnight markets.

Weather forecasts last night in the 6-10's were below normal precip across almost all of the Plains and Corn Belt. Temps were pegged at above to much above everywhere except the PNW. Upper air maps are still showing significant high pressure ridging over the Plains and Corn Belt for next week, but not nearly as ominous as how those maps looked from the previous night.

8:00 am export reporting showed 320k mt's of new crop soybeans sold to unknown destination. Keep in mind also that yesterday's weekly export sales were bearish wheat, neutral to mildly friendly corn and soybeans and all numbers were lower than we've seen in recent weeks for the three.

**Pete Loewen**

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