



**Loewen and Associates, Inc.**  
**Commodity Consulting/Brokerage**  
Pete Loewen, Matt Hines,  
Doug Biswell, Matt Burgener  
866 341 6700  
[www.loewenassociates.com](http://www.loewenassociates.com)

Date: August 11<sup>th</sup>, 2016

The cattle complex traded on both sides of unchanged yesterday, but settled mildly lower, while the hogs finished mild to moderately higher. Recent trends have had a lot more up days than down in cattle and significantly more down days in hogs and without much change on the fundamental news flow I'm just chalking the trade up to minor corrections.

From a technical analysis point of view in the cattle, the feeder market looks really friendly on the charts, crossing over long term moving averages and very solidly breaking out of downtrending resistance. Live cattle futures charts look pretty positive, but just not to the extent of the feeders. Downtrending resistance points haven't been decisively violated in the fats and if we get that, momentum should build on the bull side from bigger spec buying and liquidation on the short side. Once again, fats are looking good, but not great like the feeder market.

One strong outside force that could change that feeder picture in either direction is Friday's crop production report and its impact on corn futures. A strong bull from that report and I could see feeders dropping regardless, or vice versa if it's bearish. No, I'm not going to make a prediction on whether Friday's crop report will be bullish or bearish. I'll leave that up to the forecasters who still somehow think they are smarter than the market.

Cattle slg. \_\_\_ 113,000 unch wa +11k ya

Choice Cutout \_\_200.87 +.98

Select Cutout \_\_192.05 -.01

Feeder Index: \_\_147.55 ++.38

Lean Index. \_\_ 68.79 +.37

Pork cutout \_\_77.10 +.70

Copyright © Loewen and Associates, Inc.

**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.**

IA-S.MN direct avg\_\_62.46 -.26

Hog slg.\_\_\_433,000 -1k wa +5k ya

\*\*\*\*\*

Grain and oilseed trade was slow just like the meat trade yesterday. Soybeans were mildly lower across the board and corn and wheat were higher. Those markets are just biding time heading into the big August crop reports that will be released on Friday. That report will give us the first real objective yield survey data for corn and beans for new crop and there's a lot of controversy brewing over whether the corn number will be north or south of the 168 bushel line when the numbers hit the press. Average guesses are for slightly higher, but there's definite fireworks potential.

DTN's pre-report estimates this morning for fall crop yields have an average corn guess of 170.8 bu/ac. In July it was 168. Soybean yield estimates averaged 47.6 bu/ac, up from 46.7 last month and milo was 66.2 versus 65.1 a month ago.

Average guesses for old crop ending stocks are looking for a 19 mln bushel increase in corn from a month ago and a 22 mln bushel decline in beans. New crop ending stocks are 2.287 bln corn, 323 mln beans, 56 mln milo and 1.115 bln wheat.

Weekly export sales numbers were pretty good this morning. Wheat sales finally topped my magical 20 mln bushel total with 22.3 mln this week. Corn was 23.4 mln old crop and 40 mln new, along with milo at 2.4 mln old and 2.2 new. Soybeans had a good old crop total at 11.3 mln and an enormous new crop tally of 102.6 mln bushels. With 1.938 bln bushels of soybean commitments for old crop in a marketing year that ends at the close of this month, I think it's now a gimme that USDA will raise old crop export projections in Friday's report. Granted, we won't end up with an export total anywhere close to 1.938 bln because a lot of those will be switched to new crop before they are shipped, but it will end up larger than 1.795 that they are currently projecting.

8a.m. daily export reporting showed two new bean sales with 129k mt's of new crop US beans sold to unknown destination and 120k mt's of new crop reported sold to China. That's 11 out of the last 12 consecutive days with 100,000mt+ US beans sold! Demand, demand, demand!!!

6-10 day weather predictions last night showed normal to below precip for the Corn Belt and normal to above temps, which should be a moderately friendly forecast, especially for the soybean market.

Pre-report DTN estimates on following page--

Copyright © Loewen and Associates, Inc.

**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.**

U.S. CROP PRODUCTION (Million Bushels) 2016-2017

	Aug	Avg	Hi gh	Low	July	2015- 16
Corn		14, 784	15, 146	14, 590	14, 540	13, 601
Soybeans		3, 949	4, 054	3, 865	3, 880	3, 929
Grain Sorghum		430	450	410	407	597
All Wheat		2, 269	2, 360	2, 061	2, 261	2, 052
All Winter		1, 630	1, 682	1, 589	1, 628	1, 370
Spring		546	576	509	551	599

U.S. AVERAGE YIELD (Bushels Per Acre) 2016-2017

	Aug	Avg	Hi gh	Low	July	2015- 16
Corn		170. 8	175. 0	168. 6	168. 0	168. 4
Soybeans		47. 6	48. 8	46. 7	46. 7	48. 0
Grain Sorghum		66. 2	68. 3	65. 1	65. 1	76. 0

U.S. ENDING STOCKS (Million Bushels) 2016-2017

	Aug	Avg	Hi gh	Low	July
Corn		2, 287	2, 653	2, 091	2, 081
Soybeans		323	403	260	290
Grain Sorghum		56	66	46	46
Wheat		1, 115	1, 213	1, 080	1, 105

U.S. ENDING STOCKS (Million Bushels) 2015-2016

	Aug	Avg	Hi gh	Low	July	2014- 15
Corn		1, 720	1, 903	1, 671	1, 701	1, 731
Soybeans		328	370	285	350	191
Grain Sorghum		50	60	40	45	18

WORLD ENDING STOCKS (Million metric tons) 2015-2016

	Aug	Avg	Hi gh	Low	July	2014- 15
Corn		206. 30	208. 00	203. 00	206. 90	208. 51
Soybeans		71. 40	72. 70	70. 00	72. 20	78. 41
Wheat		244. 20	245. 00	241. 40	244. 50	217. 40

WORLD ENDING STOCKS (Million metric tons) 2016-17

	Aug	Avg	Hi gh	Low	July
Corn		211. 80	228. 70	201. 20	208. 40
Soybeans		67. 40	69. 50	64. 50	67. 10
Wheat		251. 50	255. 30	244. 30	253. 70

Copyright © Loewen and Associates, Inc.

**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.**

**Pete Loewen**

**Loewen and Associates, Inc.**

**Pete Loewen / Matt Hines / Doug Biswell / Matt Burgener**

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

Copyright © Loewen and Associates, Inc.

**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.**