



Loewen and Associates

Commodity Consulting/Brokerage

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Date: August 1st, 2016

Morning Ag Markets

Matt Hines

Livestock futures finished mostly lower to end the week but cattle futures scored solid gains for the week. Light volume cash feedlot trade was reported midweek in the North at \$118 live and \$185 to \$186 on a dressed basis which was \$1 higher than the week previous. On Friday some more trade took place up to \$188 dressed and finally saw some movement in the South at \$116 live which was also \$1 higher than a week ago.

NATIONAL FEEDER & STOCKER CATTLE SUMMARY - WEEK ENDING 07/29/2016

RECEIPTS:	Auctions	Direct	Video/Internet	Total
This Week	115,500	52,900	147,700	316,100
Last Week	105,700	50,600	265,100	421,400
Last Year	106,100	36,900	1,500	144,500

Compared to last week, feeder steers and heifers sold mostly steady to 4.00 higher, with instances 5.00 to 7.00 higher. Early week auctions across the Plains had reduced receipts; however mid-week auction receipts picked up as dangerous heat indexes subsided the longer the week went on. Much needed precipitation occurred in the Northern and Southern Plains this week with some large cells moving across those areas. The rains weren't as widespread as many would've liked; however the cooler temps that came along with those fronts were a welcome sight. Most of the receipts this week were yearlings that had been in a holding pattern waiting for the heat to subside and the appearance of a "summer low" in the cattle complex. Buyers were active at sales this week as more offerings were on hand and they could put together more loads than in the previous two weeks.

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For the week, Friday July 22nd to Friday July 29th, August Live Cattle up \$3.12, October up \$3.65, August Feeders up \$2.85, September up \$2.75, August Lean Hogs down \$6.30, October down \$4.85.

Cattle slaughter from Friday estimated at 112,000 head, even with the week previous and up 9,000 compared to a year ago. For the week, 559,000 head, down 2,000 from the week previous but up 29,000 compared to a year ago.

Hog slaughter from Friday estimated at 394,000 head, down 12,000 compared to a week ago but up 3,000 from a year ago. For the week, 2,184,000 head, up 43,000 from the week previous and up 61,000 compared to a year ago.

Boxed beef cutout values lower on Choice and steady on Select on light to moderate demand offerings for a total of 117 loads sold.

Choice Cutout__197.57 -1.19, -2.52 for the week

Select Cutout__189.60 -.11, +.03 for the week

Feeder Index:__142.49 +1.44

Lean Index.__73.73 -.74

Pork carcass cutout__79.39 -.78, -9.09 for the week

IA-S.MN direct avg__67.09 -.08

National Average__65.99 -.63

August live cattle move above the 50-day moving average last week but was unable to hold above that level. Trendline resistance and the most recent high are in the \$115.70 to \$116 area with support down at \$111.70. August feeders are back up towards the upper channel line with resistance in the \$145 area and support down at \$134.40 to \$134.25. The pressure continues on the hogs with the August lean hog contract scoring a new contract low on Friday at \$68.70. We should find some support at \$66.32, the nearby contract low back from this past April.

Grains were higher Friday but mixed for the week. Corn is still hanging in the \$3.30 to \$3.40+ range for the time being. Soybeans charged higher Friday setting a new high for the week as forecasts were calling for some hotter and drier temps by mid August. Wheat futures continue under pressure as EU futures pulled back hard this week and Russia wheat continues to impress.

For the week, Friday July 22nd to Friday July 29th, September Corn down \$.00 ½, December up \$.01, August Soybeans up \$.26, November up \$.14 ¾,

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September KC Wheat down \$.09 ¼, December down \$.09, September Chicago Wheat down \$.17 ½, December down \$.14 ½.

Overnight fall crops were under pressure as the forecasts are still calling for hot temps across the Corn Belt but bringing moisture with it as well. Soybeans pulled back most of the gains made last Friday finishing 16 to 19 lower, corn 2 lower while wheat was 1 to 2 higher.

USDA announced a private sale this morning of 14.4 MBU of new crop soybeans sold for unknown destinations. Last week USDA announced over 39 MBU combined old crop and new crop soybeans sold to China and unknown destinations.

Traders say they believe the market is looking for this afternoon's USDA weekly progress and conditions report to show Corn and Soybean ratings unchanged to down 1% from last week. A week ago conditions were left unchanged nationwide but continued to show ratings drop in KS, SD and OH.

7 day precip map showing 1 to 3 inches over the Midwest. The 6-10 and 8-14 day forecasts from last night showing normal to above normal temps and precip

September corn has been range bound from \$3.25 to \$3.35 and December from \$3.35 to \$3.45. November soybeans reached down for a low last week at \$9.63 and high at \$10.06, those will be this week's support and resistance levels. September KC wheat held above the \$4 low last week but the September Chicago wheat contract pushed down for a new contract low at \$4.03 ½.

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