



Loewen and Associates, Inc.
Commodity Consulting/Brokerage
Pete Loewen, Matt Hines,
Doug Biswell, Matt Burgener
866 341 6700
www.loewenassociates.com

Date: April 4, 2017

It was a mixed close in the cattle complex to start off the week, but the range of trade was actually fairly wide. Both the live and feeder cattle markets were close to \$1 higher at times and also close to \$1 lower. There really wasn't much fresh news to drive things in either direction, but that gave the bulls and bears both something to cheer about at different times during the day.

This coming Friday is option expiration for the April Live Cattle and then first notice day for the deliveries is Monday. With cash still at a stout premium to the April futures, the threat of deliveries in the early rounds is close to a zero chance. After slipping a little lower in the cash feedlot trade last week, the jury is out on whether the highs have been posted for the spring or if there's chance at another run up in to new recent highs. The slide was only minor in cash feedlot trade though with the Fed Cattle Exchange down just a little over \$2 and the balance of the normal negotiated cash down around \$1 from peak to peak. Given the recent weakness in product, sliding off the highs in futures, beginning to move lower in feedlot trade, or the bearishness of last week's Hog and Pig report weighing on the total red meat equation, it's "possible" there could be another run up to new highs, but not in the realm of "probable" in my book (cash-wise, or product).

Cattle slg. ___ 108,000 -8k wa -1k ya

Choice Cutout ___ 213.43 -.69

Select Cutout ___ 201.35 -2.65

Feeder Index: ___ 133.33 +.56

Lean Index. ___ 67.59 -.71

Pork cutout ___ 75.89 +.49

IA-S.MN direct avg ___ 61.30 -.19

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.**

Hog slg. ___443,000 +3k wa +9k ya

Grain and oilseed futures yesterday settled a little higher in corn and Chicago wheat and a little lower in soybeans and KC wheat. Coming off of a mixed bag of news for corn in last week's reports that entailed bearish quarterly stocks data a bullish planted acreage intentions, corn has made a decent push to the upside. Soybeans were pressured after the report, but it almost seems like there's some spillover pull coming from corn, keeping beans from bigger losses. Wheat was bearish in the stocks data and mildly friendly in the acreage numbers.

One big point of contention I have with the wheat acres on the report from Friday was the spring wheat seedings number. Expectations were for 11.3 mln acres of spring wheat, down from 11.6 mln last year. The number came in dead even with the guesses at 11.3 mln. However, given the unbelievably good corn and bean yield numbers from last year in those traditional spring wheat areas, I think we're going to lose more spring wheat acres than just 300,000 like the report cited. The fact new crop Minneapolis futures are still solidly below \$6.00/bu lend even more credibility to those thoughts as well.

Export inspections data that came out yesterday morning was bullish corn, supportive for milo, bullish beans and neutral to decent in wheat as well. Corn inspections were 58.1 mln bushels, soybeans were 24.4 mln and wheat was 20.6 mln bushels. Anything above 20 should be bullish wheat, but we have seen so many weeks below 20 that I'm not going to get excited until it's happening more consistently.

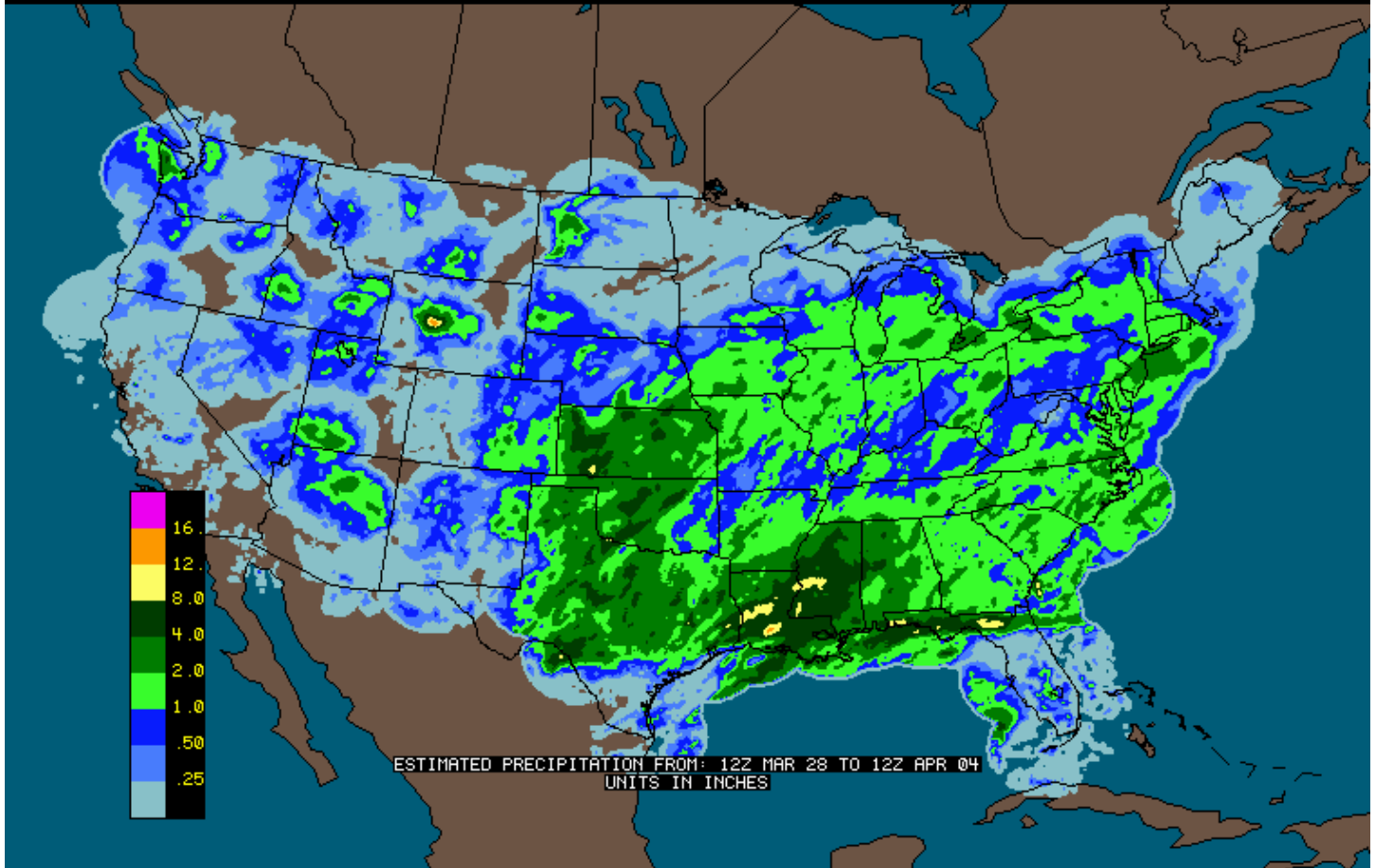
National crop progress and condition data was released for the first time this year yesterday afternoon. Winter wheat condition ratings were 51% g/ex compared to 59% g/ex last year at the same time. P/vp ratings were 14% yesterday compared to 7% last year. Compared to last week in the HRW wheat states, Kansas p/vp conditions declined 5% and all of that went to the g/ex column. Oklahoma g/ex ratings improved 4 points and Texas increased 5% in the g/ex category. 100% of that bump in conditions was the widespread rains from the previous week.

There wasn't a national corn planting progress number released yet, but some states released their own data. Texas is 56% complete, up 13 points from normal, Kansas 3% planted versus 2 normally. Louisiana is 90% done, up 20 from normal. Georgia is 49% done, Tennessee 1%, Mississippi 63%, Alabama 11% and South Carolina 21% complete. I'm sure we're going to see some cheerleaders starting to talk about too wet to plant in the Corn Belt, but on April 4th and with today's equipment size and technology, don't get bulled up by those cheers just yet...

6-10's last night showed normal precip for west Texas, but above normal over the rest of the Plains and Corn Belt. Temps were above normal central and east and below normal from the High Plains to the west.

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

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.**