



## **Loewen and Associates**

**Commodity Consulting/Brokerage**

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### **Morning Ag Markets**

**Matt Hines**

Cattle futures reversed back lower yesterday, hogs continue sliding lower. All of Monday's gains wiped back out yesterday for both fats and feeders, yes Monday's buying spree was a bit too much with no interest in extending those gains. Beef prices so far this week steady to higher, packers will be buying for a holiday shortened week, bids and offers still some \$4 apart. Tuesday negotiated cash trade was very limited on light demand in Nebraska with a few early dressed purchases at \$168, \$2 to \$5 lower than last week, however not enough sales for an adequate market test. Fed Cattle Exchange has 1,777 head consigned for today's online auction, we shall see if any sell this week.

Oklahoma National Stockyards - Oklahoma City, OK

Livestock Weighted Average Report for 8/28/2017

Receipts: 6,035    Week Ago: 4,911    Year Ago: 4,342

Compared to last week: Feeder steers and heifers trading mostly 2.00-5.00 higher. Heavier steer and heifer calves sold 4.00-7.00 higher. Demand good especially after Friday's bullish Cattle on Feed report was released. Recent rainfall has improved pasture conditions considerably in the trading area. Quality plain to attractive.

Tulsa Livestock Auction- Tulsa, Oklahoma

Feeder Cattle Weighted Average Report for 08/28/2017

Receipts: 1,722    Last Week: 1,536    Year Ago: 2,942

Compared to last week: Steers 6.00-7.00 higher. Heifers 5.00 higher. Demand good. Quality good. Receipts include 19 percent over 600 lbs. and 40 percent heifers. Slaughter cows mostly steady to 2.00 higher. Slaughter bulls 3.00 higher.

Joplin Regional Stockyards - Carthage, MO

Feeder Cattle Auction Report for 8/28/2017

Receipts: 3,783    Week Ago: 4,226    Year Ago: 3,372

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Compared to last week, steer calves steady, yearlings steers 2.00 to 5.00 higher, heifer calves and yearling heifers steady to 3.00 higher. Demand moderate to good, supply moderate.

Cattle slaughter from Tuesday is estimated at 117,000 head, down 1,000 from the week previous but up 3,000 compared to a year ago. Hog slaughter from Tuesday is estimated at 450,000 head, up 1,000 from the week previous and up 13,000 compared to a year ago.

Boxed beef cutout values firm on Choice and sharply higher on Select on moderate to fairly good demand and moderate offerings for a total of 120 loads sold.

Choice Cutout\_\_191.77 +.27

Select Cutout\_\_190.79 +2.17

CME Feeder Index:\_\_143.18 +.57

CME Lean Hog Index.\_\_75.68 -1.08

Pork Carcass Cutout\_\_85.15 -.95

IA-S.MN Wtd Avg Carcass Base\_\_64.56 -.49

National average Wtd Avg Carcass Base\_\_64.49 -.79

August live cattle and feeders expire here on Thursday. October live cattle have support at last week's low at \$104.62 with resistance up at \$109.70. September through November feeders spent a few days reaching below the \$140 area last week and still holding a lower trend. Support below these levels next showing at \$130 with resistance up in the \$147 to \$147.50 area which has been the high the past 2 sessions. October lean hogs down now \$11 since August 16<sup>th</sup>, support next around \$57.

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Grains remained under pressure yesterday with corn crop conditions unchanged and soybean conditions improving 1%. Crops are behind in maturity though in many areas as the Upper Midwest frost/freeze talk for the end of next week continues to get some attention. Egypt purchased 235,000 MT or 8.6 MBU of wheat from Russia and 1 cargo, 60,000 MT, 2.2 MBU from Ukraine yesterday. Offers were some \$6/MT or \$.17/BU cheaper than just a few weeks ago as wheat values continue to slide throughout the world.

Grains overnight were flat to slightly better. Not much new news out there. South Korea booked some optional origin corn and wheat, weather not threatening the

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Corn Belt. Corn and soybeans both finished + ¼ to – ¼ while wheat was 1 to 3 higher.

Statistics Canada will release crop production estimates on Thursday. Ahead of the report, analysts expect to see 26.2mmt of wheat production, down from last year's 31.729. Canola is expected to total 18.6 mmt, down from 19.9 last year. Corn is estimated at 13.5, down from 14.0 last year.

USDA reported a private sale of 113,000 MT or 4.8 MBU of new crop corn soybeans sold to China.

4-8 inches expected in the SE now and up into the Ohio River Valley over the next week as Harvey is finally moving out of the TX Gulf. The 6-10 and 8-14 day outlooks show above normal precip for the East Coast and below normal for the Plains and Corn Belt. Temperature forecasts are still showing a strong blast of cold air moving into the Upper Midwest with above normal temps hanging on the West Coast.

September grains have a first notice day tomorrow. Any long positions need to be exited or rolled here today, short positions can be held into delivery, but daily limits are off and volume will get extremely thin on the front months. December targets of \$3.41 then \$3.31 if we continue to slide and break the new contract low from yesterday at \$3.47. November soybeans holding the higher trend since August 16<sup>th</sup> with the next resistance up at \$9.60. December KC and Chicago wheat holding the \$4.20 support so far as September contracts dipped below \$4. December MPLS wheat with support at \$6.50, the 100-day moving average.

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