



Loewen and Associates

Commodity Consulting/Brokerage

**Pete Loewen, Matt Hines,
Doug Biswell, Matt Burgener
866 341 6700**

www.loewenassociates.com

Date: October 2nd, 2017

Morning Ag Markets

Matt Hines

Livestock futures finished mixed to end last week. The hogs and pigs report was overall bearish but a bit friendly compared to the pre report estimates. Cash feedlot trade was steady at mostly \$108 live and \$171-\$172 on a dressed basis.

NATIONAL FEEDER & STOCKER CATTLE SUMMARY – WEEK ENDING 09/29/2017

RECEIPTS:	Auctions	Direct	Video/Internet	Total
This Week	166,500	42,700	1,800	211,000
Last Week	213,400	60,600	67,100	341,100
Last Year	163,500	38,100	23,600	225,200

Compared to last week, steers and heifers were uneven, mostly 4.00 lower to 4.00 higher as some sales early in the week quoted up to 8.00 lower and later in the week quoted 7.00 to 8.00 higher. Demand for feeder cattle and yearlings was moderate to very good, with many headed home to farmer feeders. For unweaned or short-weaned calves, demand was light to moderate at best.

For the week, Friday September 22nd to Friday September 29th, October Live Cattle -\$2.47, December -\$2.17, October Feeder Cattle -\$3.87, November -\$3.62, January -\$2.32, October Lean Hogs -\$0.30 December +\$3.32.

Cattle slaughter from Friday is estimated at 114,000 head, down 1,000 from a week ago but up 6,000 compared to a year ago. For the week, 648,000 head, up 11,000 from the week previous and up 33,000 compared to a year ago.

Hog slaughter from Friday is estimated at 453,000 head, down 2,000 from a week ago but up 16,000 compared to a year ago. For the week, 2,534,000, up 33,000 from the week previous and up 81,000 compared to a year ago.

IMPORTANT—PLEASE NOTE

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.**

Boxed beef cutout values steady to weak on light to moderate demand and moderate offerings for a total of 120 loads sold.

Choice Cutout__196.62 +.21

Select Cutout__188.50 -.61

CME Feeder Index: __153.06 +.98

CME Lean Hog Index.__54.84 -.70

Pork Carcass Cutout__73.33 +.88

IA-S.MN Wtd Avg Carcass Base__48.19 +.42

National average Wtd Avg Carcass Base__47.75 +.54

October live cattle with support at \$108 then the lows from last month just above \$104 with resistance up at \$112. October feeders peaked at \$157.30 2 weeks ago, \$2.50 from the contract high back in May. We now have a gap on the charts from \$153.60 to \$154.82 and strong support near \$147. October lean hogs gapped lower a week ago Friday with a new contract low midweek at \$54.92. The next area of support doesn't appear on the weekly charts until near the \$50 level with the lows back from last October down at \$40.70. The December contract has been choppy this past month with the contract low a month ago at \$55.77.

Over in the grains it was report day and most thought it would be a friendly report for wheat and nonevent for the fall crops. Instead, USDA raised spring wheat and durum wheat production sending wheat futures lower. Winter wheat production was reduced when most expected both HRW and SRW crops to remain unchanged. All winter wheat harvested acres dropped 469,000 with yield only up .2 BPA. Spring wheat harvested acres down 338,000 but yield up 2.7 BPA. Durum harvested acres up 278,000 and yield down 1.5 BPA.

Wheat stocks were higher than expected due to the increased production estimates. Corn usage just slightly higher than anticipated along with soybean usage. A major change for soybeans was made to the 2016 production though as well, dropping 10.6 MBU. Even though stocks are significantly higher than last year, both corn and soybean stocks came in below pre report estimates providing support heading into the weekend.

For the week, Friday September 22nd to Friday September 29th, December Corn +\$.01 ¾, March +\$.01 ¾, November Soybeans -\$.16, January -\$.16, December KC Wheat -\$.07 ½, March -\$.07 ¾, December Chicago Wheat -\$.01 ¼, March -\$.03.

IMPORTANT—PLEASE NOTE

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.**

Grains overnight were under pressure with wheat continuing to lead the way lower. Mpls finished 15 lower, Chicago and KC wheat 4 to 5 lower, soybeans 3 lower and corn steady to ½ lower.

USDA reported a private sale of 132,000 MT or 4.85 MBU of soybeans sold to China and 597,464 or 23.5 MBU of corn sold to Mexico.

The 5-7 day accumulated precipitation forecast shows 2 to 4 inches here in the Central Plains this week. The 6-10 day outlook shows above normal precipitation east and below normal west with mostly normal temps for the Plains and above normal east.

December corn still chopping sideways since breaking the steep downtrend, support down at the contract low at \$3.44 ¼ with resistance up at \$3.62. November soybeans also sideways here the past few weeks with support at \$9.60 and resistance up at \$9.87. December KC and Chicago wheat now breaking their month long uptrend with support down at \$4.35 then the contract lows of \$4.20 and \$4.22 ½ respectively.

Loewen and Associates, Inc.

Pete Loewen / Matt Hines / Doug Biswell / Matt Burgener

www.loewenassociates.com pete@loewenassociates.com matt@loewenassociates.com

866-341-6700

IMPORTANT—PLEASE NOTE

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.**