



Loewen and Associates

Commodity Consulting/Brokerage

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Date: October 30th, 2017

Morning Ag Markets

Fed cattle exchange internet trade is getting less and less interest every week and there were only 897 head consigned for Wednesday's sale. Zero head traded and the only price discovery it provided was 1 lot being passed at \$111 bids. The rest were no sales. The lighter offerings are likely coming from the fact there were two lots that traded last week at \$109, but then the negotiated action later in the week was up to \$111-\$112.

Cash feedlot trade started at \$112-\$113 live, \$1-\$2 higher than a week ago and \$178 dressed, \$3 higher. Late Friday ending up at \$118 to \$120 live, \$7 to \$9 higher

NATIONAL FEEDER & STOCKER CATTLE SUMMARY – WEEK ENDING 10/27/2017

RECEIPTS:	Auctions	Direct	Video/Internet	Total
This Week	309,800	37,900	9,900	357,600
Last Week	305,200	36,300	18,500	360,000
Last Year	255,300	59,900	19,200	334,400

Compared to last week, steer and heifers sold uneven again this week; from 3.00 lower to 3.00 higher. Most of the lower trending markets occurred early in the week prior to the surge in the CME Cattle Complex. Tuesday saw an upswing in the complex and so rolled the local auction markets.

For the week, Friday October 20th to Friday October 27th, October Live Cattle +\$3.70, December +\$4.22, November Feeder Cattle +\$3.40, January +\$4.62, December Lean Hogs +\$.40, February +\$1.15. Choice boxed-beef +\$3.44 @ \$203.30, Select boxed-beef \$1.34 at \$192.48.

Cattle slaughter from Friday is estimated at 103,000 head, down 9,000 from a week ago and down 9,000 compared to a year ago. For the week, 617,000 head, down 12,000 from the week previous but up 3,000 compared to a year ago.

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Hog slaughter from Friday is estimated at 457,000 head, down 3,000 from a week ago but up 53,000 compared to a year ago. For the week, 2,526,000, up 46,000 from the week previous and up 119,000 compared to a year ago.

Boxed beef cutout values firm to higher on light to moderate demand and light offerings for a total of 81 loads sold.

Choice Cutout__203.30 +.93

Select Cutout__192.48 +.57

CME Feeder Index:__155.12 +.72

CME Lean Hog Index.__68.94 +.66

Pork Carcass Cutout__77.56 +.19

IA-S.MN Wtd Avg Carcass Base__63.87 +1.51

National average Wtd Avg Carcass Base__64.41 +.63

December live cattle trending higher still and into new recent highs last week with the contract high at \$122.85 back from early June. November feeders right up against the contract high but not above it last week while January made a new contract high at \$157.10 last week. December lean hogs also testing contract highs last week.

Despite the late week sell-off, corn futures were still able to hold gains for the week as trading ranges for most of the week were kept to just few cents +/- of unchanged. CFTC data after the close found a little more fund selling than expected in the corn market (and soy too, for that matter). There still remains a lack of fresh news in the grains, the focus is on Northern Hemisphere harvest and Southern hemisphere planting. Soybeans supported to end the week with China finally in for 4 cargoes of beans on Friday, the first new sales announcement of the week.

After a surprisingly quiet week, the USDA finally came through with an corn announced sale on Friday as well. 132,000 MT, 5.2 MBU, of corn were booked to Spain, which will likely show up in next week's report. The marketing year for exports got off to a sluggish start, but has been catching up nicely this month. Clearly, there is still more work to do, as YTD sales + shipments of 16.22 MMT are 70% of levels seen this time last year. Currency moves are making the job

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slightly more difficult; the Dollar has continued its recent recovery effort, trading to the highest levels since mid-July.

With the potential increase of export business, an export lineup that is getting healthier and cash for hard wheat continuing to firm, the logic was we were going to start finding support on breaks. And that may still be true going forward, but the recent strength in the US Dollar has seemingly thrown a wrench in that thought process for the time being.

AgRural estimates Brazilian soybean planting at 30% vs. 20% last week and 41% a year ago although 30% is roughly in line with the long term average for this date. The most significant delays are seen in Mato Grosso but the recent return of rains over the past week should allow the major producing state to catch up and allow for timely 2nd crop corn plantings.

For the week, Friday October 20th to Friday October 27th, December Corn +\$.04 ¼, March +\$.04, November Soybeans -\$0.03 ½, January -\$0.02 ¾, December KC Wheat +\$.02 ½, March +\$.02 ¼, December Chicago Wheat +\$.01 ¼, March +\$.02 ¼, December MPLS Wheat +\$.05 ¾, March +\$.04 ¼, December Soybean Meal -\$5/T

Grains overnight trading firm led by soybeans which finished 4 to 5 higher. Corn and wheat backed off some this morning with corn finishing steady and wheat 1 lower.

Trade will be looking for the USDA to report Corn harvest 55% to 60% complete vs. 38% last week. Soybean harvest expected to be 83% to 88% complete vs. 70% last week. We should also see the first 2017/18 winter wheat conditions released later this afternoon.

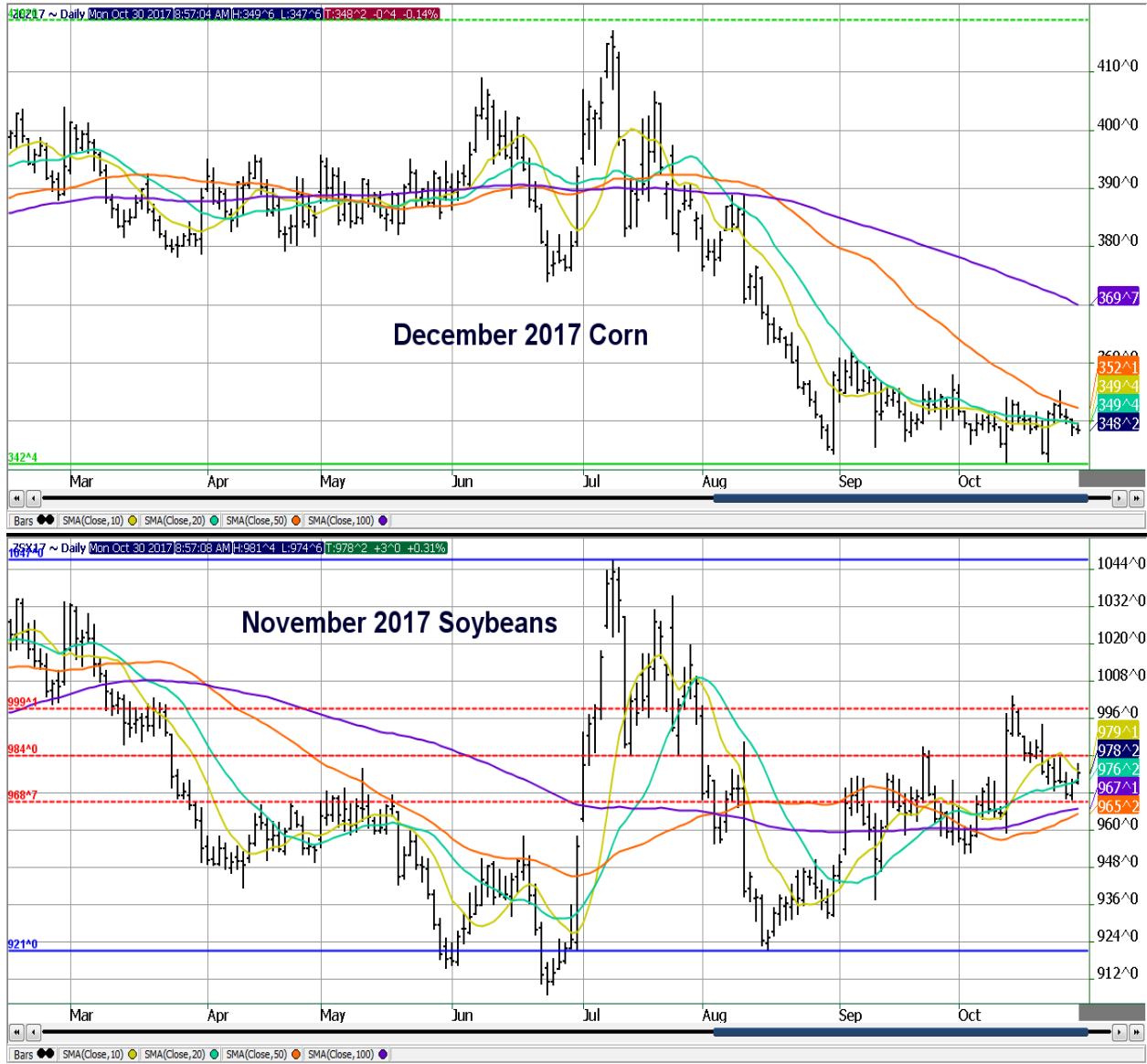
Dry forecasts for this week throughout the Plains, 1 to 2 inches forecasted for the Midwest. The 6-10 day outlook shows below normal precipitation for the Plains and Southeast with above normal in the Corn Belt and Southwest. Temperatures are above normal south and east and below normal for north and west.

December corn still chopping sideways in approximately a dime range recently centered around \$3.50, support down at the contract low at \$3.42 ½ with resistance up at \$3.58. November soybeans with first notice day tomorrow, please get

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positions exited or rolled here today. Beans trending lower still the October crop report break higher, support at \$9.70 with resistance up near \$10. December KC wheat only a couple cents from the contract low at \$4.20 with resistance at \$4.40. December Chicago wheat looks the similar with the contract low at \$4.22 ½ and resistance at \$4.43.



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