



## **Loewen and Associates**

***Commodity Consulting/Brokerage***

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### **Morning Ag Markets**

A little pullback for cattle futures to start this week, will wait to see where cash trades later in the week, but early asking prices already up to \$130 live. Profit taking and long liquidation seem to be the main idea behind yesterday's mixed but mostly lower trading. The other impact is the start of the Goldman roll that pressured nearby contracts but allowed deferred contracts for both fats and feeders to finish in the green. Volume was also very light for the feeders.

Oklahoma National Stockyards - Oklahoma City, OK

Feeder Cattle Auction Report for 11/6/2017

Receipts	Week Ago	Year Ago
10,400	8,743	5,947

Compared to last week: Feeder steers traded 4.00-8.00 higher, feeder heifers 7.00-10.00 higher. Lightweight steer calves 2.00 lower and 500-700 lb steer calves brought 5.00-9.00 higher. Heifer calves traded 2.00-5.00 higher. Demand was very good for most all classes, especially feeder cattle and with exception to lightweight unweaned steer calves.

Joplin Regional Stockyards - Carthage, MO

Feeder Cattle Auction Report for 11/6/2017

Receipts	Week Ago	Year Ago
8,877	4,981	3,838

Compared to last week, steer calves steady to 3.00 lower, heifer calves 1.00 to 3.00 higher, yearlings steers 2.00 to 4.00 higher, yearling heifers 3.00 to 8.00 higher. Demand moderate to mostly good, supply heavy.

Cattle slaughter from Monday is estimated at 117,000 head, down 1,000 from a week ago but up 6,000 compared to a year ago. Hog slaughter from Monday is estimated at 460,000 head, up 17,000 from a week ago and up 16,000 compared to a year ago.

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Boxed beef cutout values higher on light to moderate demand and moderate offerings for a total of 113 loads sold.

Choice Cutout\_\_210.57 +1.83

Select Cutout\_\_194.77 +1.69

CME Feeder Index: \_\_159.46 +.23

CME Lean Hog Index.\_\_68.95 -.33

Pork Carcass Cutout\_\_80.25 +.17

IA-S.MN Wtd Avg Carcass Base\_\_61.22 -.64

National average Wtd Avg Carcass Base\_\_61.38 -.95

December live cattle unable to take out the previous high, so the key reversal from Thursday still a bearish key technically. Looking at the weekly charts, we have support at \$118.52 with a gap remaining down to \$115.50, resistance up at \$131 then \$134. November feeders also had a key reversal lower on Thursday but took off for a new contract high on Friday. This is also a new weekly high with resistance up near \$165 from March of 2016. December lean hogs ran up for new highs early last week and have been sharply lower since, support at \$64 with resistance up near \$68.

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Range bound trade expected in the grains this week as we await the USDA crop report on Thursday. Yesterday's trade highlighted by spread trading, buying beans and selling corn.

Export inspections for the week ending November 2<sup>nd</sup> again disappointing with corn at 17.5 MBU, wheat at 10.5 MBU and grain sorghum 2.1 MBU. Soybeans in line with expectations at 91.5 MBU but now 53.7 MBU behind last year's pace.

Corn harvest up 16% last week to now 70% complete, grain sorghum harvest at 72% done and soybean harvest matching expectations at 90% complete. Corn still well below the 5 year average of 83% with the WCB and Northern Plains with the most remaining. IA at 67% complete compared to 84% complete a year ago, MN 27 points behind at 60% and WI at 67% complete which is 26% behind the average pace. Winter wheat planting at 91% with 75% emerged. Conditions improved by 3 points in the good to excellent category now at 55%.

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Grains under pressure overnight as the US\$ traded into a 4-month high. Corn and soybeans finished 1 lower while KC wheat and Chicago wheat was 4 lower and MPLS wheat held steady.

USDA reported another private sale of 130,000 MT or 5.1 MBU of corn sold to unknown destinations for the 2017/18 crop year.

#### Thursday's USDA Crop Production, Supply and Demand Updates

Analysts are forecasting this week's USDA monthly report to show US corn production at 14.33 BBU. This compares to last month's 14.280 BBU estimate. Yields are expected at 172.4 bushels per acre compared to the 171.8 bpa last month. US corn ending stocks estimated at 2.36 BBU up slightly from the 2.34 BBU in October.

Analysts are forecasting this week's USDA monthly report to show US soybean production at 4.410 BBU compared to last month's 4.431 BBU with the average yield estimate at 49.3 bushels per acre compared to the 49.5 bpa in October. US soybean ending stocks at 420 MBU down from the previous month's 430 MBU

Worldwide 17/18 Corn ending stockpiles estimated higher at 201.2 MMT, up from the 200.9 MMT last month. Worldwide 17/18 Soybean ending stockpiles at 95.5 MMT, down from the 96.05 MMT in October. World wheat stocks expected to be lower this month at 266.8 MMT vs. 268.1 last month.

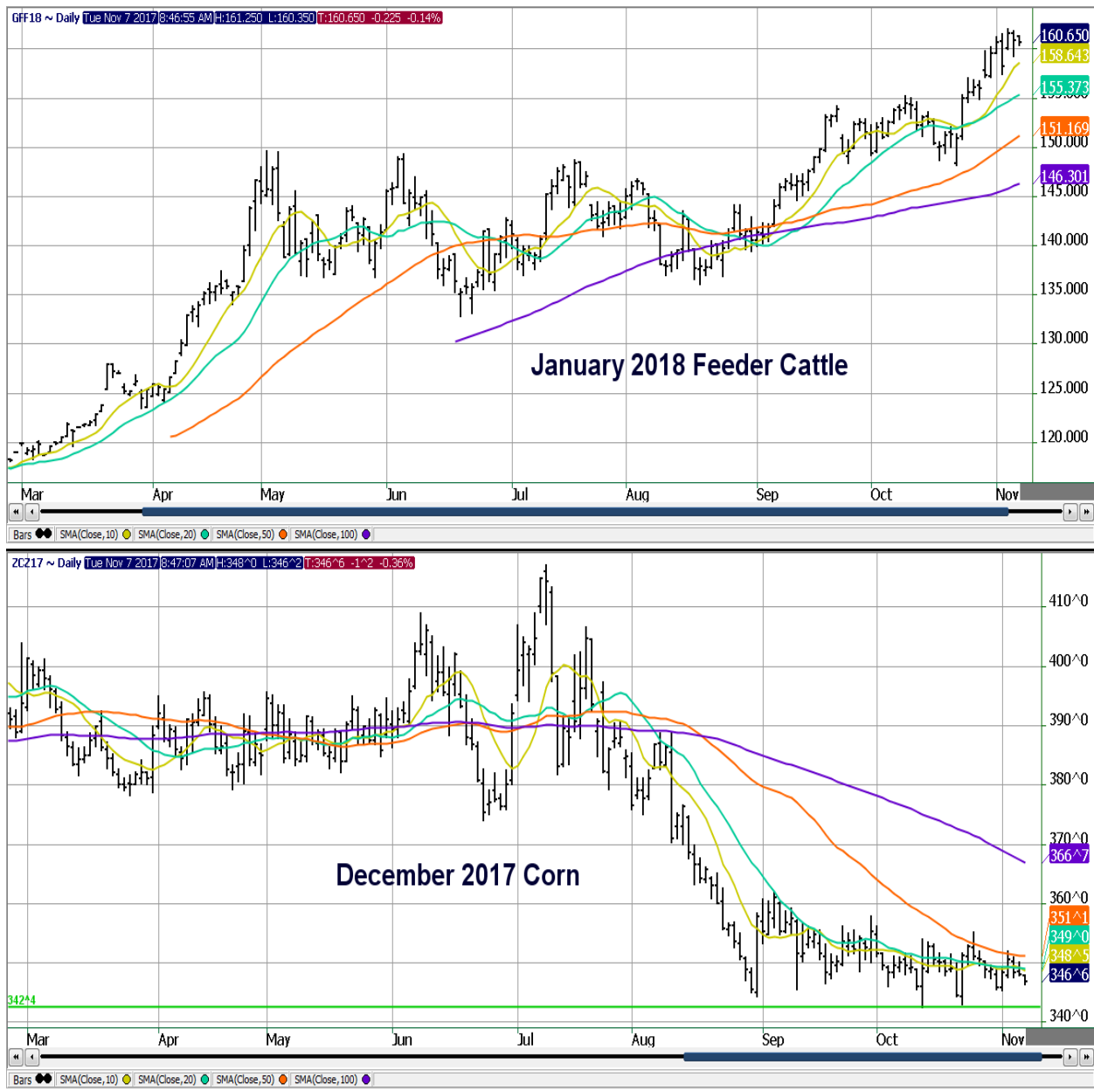
Mostly dry and lower temps this week for the Plains and Corn Belt, 1 to 2 inches forecasted for the Southeast. The 6-10 day outlook shows below normal precipitation for most of the country, above normal in the PNW and Northeast now. Temperatures still above normal in the Southwest and starting to creep in the Southern Plains.

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 the 50-day moving average at \$3.51, \$3.55 the high from October and then \$3.58 and \$3.62 the 2 spike highs from September. January soybeans still holding the higher trend since mid-August, bouncing higher off that trendline last week with support at \$9.81 and resistance up at \$10. December KC wheat with the new contract low at \$4.13 ½ early last week, tested a few days but now holding near the

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10 and 20-day moving averages with resistance up at \$4.36 ¼. December Chicago wheat looks similar with the contract low at \$4.16 ¼ and resistance at \$4.38 ¼.



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