



## **Loewen and Associates**

***Commodity Consulting/Brokerage***

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

**[www.loewenassociates.com](http://www.loewenassociates.com)**

**Date: December 18<sup>th</sup>, 2017**

### **Morning Ag Markets**

Slaughter cattle trade in all feeding regions sold mostly \$1 to \$3 higher late Friday from \$117 up to as high as \$120 live. Nebraska dressed sales also \$1 to \$2 higher at \$188 to \$189. Futures moved sharply higher before the close in anticipation of packers paying up yielding week over week gains of \$2 to \$3.

#### **NATIONAL FEEDER & STOCKER CATTLE SUMMARY – W/E 12/15/2017**

RECEIPTS:	Auctions	Direct	Video/Internet	Total
This Week	243,800	23,400	16,900	284,100
Last Week	334,300	18,200	1,900	354,400
Last Year	299,900	59,300	2,500	361,700

Compared to last week, steers and heifers traded mixed this week nationwide; from 4.00 lower to 5.00 higher and everything in between with the most common term in all market report trends is: "steady to" fill in the blank. Demand was good to very good at auctions this week as there were many more weaned calves this week with an overwhelmingly amount of those having a total preconditioning program. Most calves were sold in moderate flesh, however some light and some a little heavier at times. The mild weather has allowed these calves to easily maintain, and gain, body condition. With plenty of low cost feed, there were many buyers noted being in the seats geared up to buy cattle.

For the week, Friday December 8<sup>th</sup> through Friday December 15<sup>th</sup>, December Live Cattle +\$3.32, February +\$2.72, January Feeder Cattle +\$2.52, March +\$2.22, February Lean Hogs -\$0.32, April -\$0.32. Boxed Beef – Choice

Cattle slaughter from Friday is estimated at 118,000 head, up 4,000 compared to the week previous and up 10,000 compared to a year ago. For the week, 630,000 head, down 6,000 from the week previous but up 24,000 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.**

Hog slaughter from Friday is estimated at 464,000 head, up 5,000 compared to the week previous and up 37,000 compared to a year ago. For the week, a new weekly record at 2,578,000 head, up 41,000 from the week previous and up 76,000 compared to a year ago.

Beef production last week at 524.7 million pounds, down .7% from a week ago, up 3.4% vs. a year ago and year to date up 3.8%. Pork production at 550.5 million pounds, up 1.9% from a week ago, up 4.3% vs. a year ago and year to date up 2.4%.

Boxed beef cutout values higher on Choice and weak on Select on light to moderate demand and moderate offerings for a total of 121 loads sold.

Choice Cutout\_\_201.87 +.83, -3.72 for the week

Select Cutout\_\_183.25 -.44, -2.72 for the week

CME Feeder Index:\_\_154.40 +.09

CME Lean Hog Index.\_\_64.11 -.53

Pork Carcass Cutout\_\_77.57 +.26, -6.13 for the week

IA-S.MN Wtd Avg Carcass Base\_\_56.35 +.03

National average Wtd Avg Carcass Base\_\_56.47 -.13

December live cattle reversed higher on Friday, support at \$115.00 with resistance up at \$120 then \$120.77. The February contract shows support at \$117.60 with resistance up at \$122.60 then \$123.80. January feeders were not able to crack last week's high at \$148.37 with resistance up near \$151 and good support from \$145 to \$144.50. The higher trend from late August was breached on the February lean hogs chart and now a head and shoulders pattern with the head up near \$72, shoulders at \$66.30. If this holds we could look to test the lows from earlier this fall down near \$61.

\*\*\*\*\*

Choppy corn futures last week and soybeans under the most pressure. The main focus is still South American weather and the forecasted rains for Argentina. Some relief is expected, with follow-up rains expected a week to ten days out. Crops there are enduring stress where germinated, while some are still awaiting some moisture to start planting. The most recent data suggested just under half of the corn had been planted in Argentina, which is roughly 10% behind normal. Brazil crops remain in very good condition overall with only a few dry pockets developing. Wheat futures spent most of the week setting new contract lows but

#### 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.**

some short covering came in to end the week. We are finally competitive in the world market and had some surprise sales announcements last week in both SRW and HRW.

For the week, Friday December 8<sup>th</sup> through Friday December 15<sup>th</sup>, March Corn - \$.05 ¼, May -\$.05 ¼, January Soybeans -\$.22 ½, March -\$.23 ½, March KC Wheat -\$.00 ½, July -\$.00 ¾, March Chicago Wheat -\$.00 ¾, July -\$.01 ¾, March MPLS Wheat +\$.08 ¾, May +\$.08 ½, January Soybean Meal -\$11.10/T.

Wheat the leader overnight as it continues its technical turn higher finishing 3 higher, soybeans 3 higher as well and corn steady to 1 higher.

Three new contracts trading on the CME today, Black Sea Wheat and Corn and Bitcoin with volume fairly thin to start for all three.

The latest commitment of traders report from CFTC shows managed money or funds added to their short positions for both corn and wheat last week while staying long soybeans.

USDA announced 2 private sales to China this morning, 168,000 MT or 6.6 MBU of grain sorghum and 396,000 MT or 14.6 MBU of soybeans.

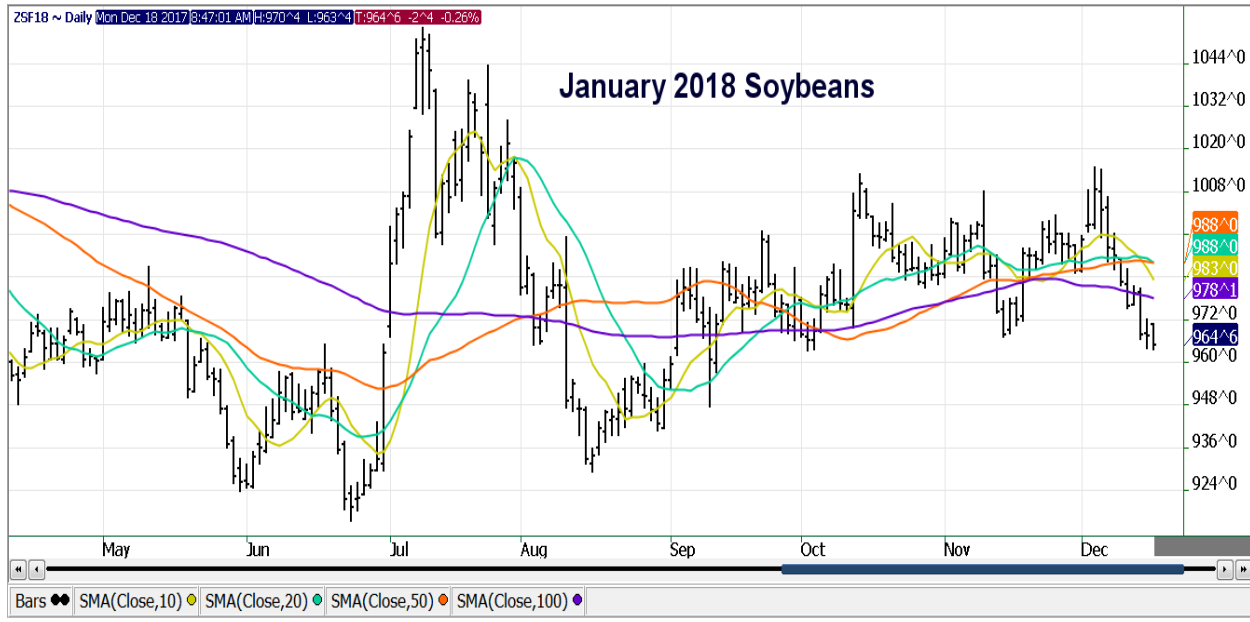
It was mostly dry over Argentina Saturday with showers over the northeast Sunday of ½ to 1 inch, and showers over the northeastern Brazilian soybean areas Saturday of ½ to 1 inch, then over the south Sunday. Mostly dry to start the week, then rains over the north of Argentina for the end of the week of ½ to 1 ½ inches, and fairly normal rains over Brazil for the next ten days. International 6-10 day forecasts call for above normal precipitation for the northern Brazilian Ag areas with below normal temps for the north, and normal moisture for Argentina with above normal temperatures.

Still dry forecasts in the Plains, 1+ inches forecasted for the Northeast and 5-7 inches for the Southeast over this next week. The 6-10 day outlook actually showing above normal precipitation for CO and TX and then covering most of the Midwest, below normal for the PNW. Temperatures are now forecasted below normal for most the U.S.

#### 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.**

March corn with a new low at \$3.46 ½, resistance still up at \$3.60 then \$3.65.  
 January soybeans now below last month's lows with the next area of support down at \$9.48. March KC wheat contract low last week at \$4.10 ½, support down at \$4 then \$3.91 ½. March Chicago wheat with the same new low, December got down to \$3.86 ½ before expiring at \$3.95.



## **Loewen and Associates, Inc.**

Pete Loewen / Matt Hines / Doug Biswell / Matt Burgener

[www.loewenassociates.com](http://www.loewenassociates.com) [pete@loewenassociates.com](mailto:pete@loewenassociates.com) [matt@loewenassociates.com](mailto:matt@loewenassociates.com)

**866-341-6700**

### **IMPORTANT—PLEASE NOTE**

This does not 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.**