



## **Loewen and Associates**

***Commodity Consulting/Brokerage***

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### **Morning Ag Markets**

It was a mixed day for livestock futures as cattle and hogs traded both sides of unchanged throughout the day, hogs under the most pressure. Cash feedlot trade quiet so far this week, fed cattle exchange with only 255 head consigned this week.

OKC West - El Reno, OK

Livestock Weighted Average Report for 2/13/2018

Receipts	Week Ago	Year Ago
3,500	11,772	0

Compared to last Tuesday: Steer calves sold 3.00-6.00 higher. Heifer calves traded 4.00-8.00 higher. Demand good for all classes, very good for weaned light weight calves. Quality average to attractive. Feeder cattle supply included 56 percent Steers, 1 percent Dairy Steers, 39 percent Heifers, and 4 percent Bulls. Feeder cattle supply over 600 lbs was 40 percent.

Winter Livestock Inc - La Junta, CO

Feeder Cattle Weighted Average Report for 02/13/2018

Receipts: 2218 Last Week: 2194 Year Ago: 2150

Compared with last Tuesday: Steers under 600 lbs steady to 2.00 lower except for 500 to 550 lbs 3.00 higher, 600 to 700 lbs 2.00 lower. Heifers under 700 lbs steady to 3.00 higher. Feeder Steers and heifers over 700 lbs steady to 1.00 higher, instances 3.00 higher on thin fleshed steers weighing 830 lbs. Quality average to attractive few plain. Demand moderate to good. Slaughter cows 3.00 to 5.00 higher. Slaughter bulls steady 2.00 higher.

Cattle slaughter from Tuesday is estimated at 117,000 head, up 1,000 from a week ago and up 2,000 compared to last year. Hog slaughter from Tuesday is estimated at 462,000 head, down 4,000 compared to last week but up 31,000 compared to a year ago.

#### **IMPORTANT—PLEASE NOTE**

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Boxed beef cutout values lower on light to moderate demand and moderate offerings for a total of 127 loads sold.

Choice Cutout\_\_207.36 -.88

Select Cutout\_\_203.13 -.84

CME Feeder Index:\_\_147.57 -.06

CME Lean Hog Index.\_\_74.30 -.42

Pork Carcass Cutout\_\_77.50 +.79

IA-S.MN Wtd Avg Live\_\_ \$52.54, no comp, Wtd Avg Carcass Base\_\_68.15 -.99

National Wtd Avg Live\_\_ \$53.16 -.73, Wtd Avg Carcass Base\_\_67.76 -1.15

Last week's choppy to lower trade broke the month long higher trend for February live cattle. But just a reminder, trend lines can be moved. The 10-day moving average has been the supporting line here for the past month now at \$126.07. The next support area is from \$125.42 to \$125.12 with the market testing the \$128 resistance again yesterday. March Feeders are still holding the higher trend from December with support just north of \$144, again that is a trendline support but also matching up with last week's low at \$144.20. Resistance is up at \$148.60 and then again at \$152. February lean hogs expire today and holding firm above \$73. April though has been under heavy pressure this past month, down over \$8. Monday's trade showed a big key reversal higher. Support should be found from \$68.80 down to \$68.50 with resistance up from \$70.70 to \$71.10.

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Soybeans and meal continued to lead the grains higher yesterday. Corn did hit a new recent high on thin volume and only a 1-2 cent trading range. Wheat traded about a dime range but prices pulled back as the day progressed. The underlying good news is that world wheat prices continue to rally as well with Russian wheat up to a new 3 month high this week.

Grains overnight were lower with Chicago wheat gapping lower and meal crashing \$4 to \$5 lower. Corn finished a penny lower, soybeans 3 to 4 lower and wheat 5 to 6 lower for both KC and Chicago while MPLS was steady.

Jan NOPA crush report out today expected to show around 165.6 MBU of soybeans processed domestically compared to 166.3 MBU in December and 160.6 MBU last year.

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US January Consumer Price Index (CPI), or inflation index, a little higher than expected, up .5% month over month and up 2.1% year over year. Energy prices the big push up 3% vs. a month ago.

USDA reported a private sale of 123,000 MT or 4.8 MBU of corn sold for unknown destinations.

International forecasts call for scattered showers over the northern regions of Argentina but little precipitation in the south for the next ten days. Rains continue on the central Brazilian soy regions but little precipitation for the far south or the northeastern areas for the next ten days. US forecasts call for showers to pop up over the delta midweek that move into the eastern belt. The 6-10 day outlook shows below normal temps west and above normal east. Precipitation is above normal for the Southeast and below normal west.

Other news has been fairly light recently. Argentine banks will re-open today after Mardi Gras celebration yesterday and the end to the week-long carnival in Brazil. Chinese New Year celebrations will take them away from the markets from 2/15 to 2/21. US Markets will be closed this coming Monday for Presidents Day.

March corn still holding the higher trend since mid-January with \$3.70 the next area of resistance and \$3.63  $\frac{3}{4}$  support. March soybeans breaking the \$10 barrier again yesterday with the next test up at \$10.25 to \$10.27 and support down at \$9.88  $\frac{1}{2}$  and \$9.80. March KC wheat with support at \$4.65 and \$4.54  $\frac{1}{2}$  and resistance at last week's high of \$4.84  $\frac{1}{2}$ . March Chicago wheat showing the gap lower overnight, testing support at the 10-day moving average now at \$4.52  $\frac{1}{2}$  followed by support at \$4.48 and \$4.40. We did hit a new recent high yesterday but the lack of follow through is concerning today. The next resistance level is up at \$4.82.

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