



Loewen and Associates, Inc.
Commodity Consulting/Brokerage
Pete Loewen, Matt Hines,
Doug Biswell, Matt Burgener
866 341 6700
www.loewenassociates.com

Date: March 20, 2018

Morning Ag Markets Pete Loewen

Monday started off the week in very ugly fashion with significant pressure happening across the entire ag sector. Grain and oilseed trade had a lot of double digit lower closes, some of them 20+ cent losses. Meats were solidly triple digits lower across everything with one feeder contract down \$2 and the front four in hogs down over the \$2 mark as well. When you get that kind of action, it's hard to attribute it to any one fundamental factor impacting a commodity. Money flow and heavy fund selling was the big feature and obviously nothing was immune to the influence and impact.

If by chance we see any kind of continued pressure in the cattle complex specifically, it's probably going to put an end to the support we've seen in recent weeks in the feedlot trade. Based on that factor, it's very important that futures find some kind of foothold very soon.

The range of guesses for the Cattle on Feed report that's coming out on Friday show the March 1 On Feed total from 107.1% up to 108.7% of a year ago. Placements in February are projected somewhere between 100.3% and 107.3% of last year. If that happens, it will be the 13th consecutive month of larger year-over-year movement into feedlots, with an average monthly placement rate that's close to 8% bigger than the previous year. Marketings last month are pegged at 99.8% to 101.7% of last year.

Cattle slg. ___ 118,000 +5k wa +2k ya

Choice Cutout ___ 224.87 -.72

Select Cutout ___ 217.29 +.43

Feeder Index: ___ 141.73 -.98

Lean Index. ___ 64.97 -.55

Copyright © Loewen and Associates, Inc.

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.**

Pork cutout___71.98 -.59

IA-S.MN direct avg__56.44 -.57

Hog slg.___ 462,000 +2k wa +21k ya

Grain and oilseed trade got rocked by funds that were estimated sellers of 25,000 corn on the day, 16,000 beans and 13,000 wheat. To be honest, the only fundamental factor that made any rational sense from a heavy selling standpoint was KC Wheat. With the radar showing a slow rain and snow system tracking across most of Kansas, it was the first legitimate sign of relief from the winter drought. Granted, it was by no means a drought buster for the vast majority of areas, but the whole state of Kansas got from a trace in some areas to as much as a couple of inches. I wasn't particularly happy with the coverage after I looked at rainfall totals this morning. Plus, Oklahoma and Texas were for the most part left high and dry. The radar looked good during the trading session though and that's a big part of what pushed KC wheat losses a lot harder than anything else across the grains or oilseeds.

Weekly export inspections data that was released mid-morning showed 55.5 mln bushels of corn loaded for export. That put the cumulative pace for the marketing year at a level that's still 28% below last year. USDA has corn exports for the year forecast to decline 3% from a year ago. Export sales totals have been friendly lately, but shipments are still disappointing.

Soybean inspections were pretty bearish at 18 mln bushels. Last year they were 27.3 mln for the same week. For the marketing year, bean export shipments are down 12% from last year at the same time and USDA has us pegged to end the marketing year with an export tally that's 5% below. Beans have some catching up to do, just like corn.

In the wheat, inspections were 16.3 mln, which is a neutral number. Right now we're sitting at an 8% decline in shipments versus last year versus a USDA projected 12% drop. That might sound friendly, but with ending stocks forecast well over 1 bln bushels again, there's absolutely nothing friendly about old crop wheat, it's still very bearish. The friendly story for wheat is in the new crop HRW wheat crop from continued drought in the Central and Southern Plains.

State-specific crop ratings and progress was released yesterday. G/ex ratings in HRW wheat showed Kansas dropping to 11% from 12% the previous week. Oklahoma is only rated 5% g/ex versus 7% a week ago. Texas came in at 10% g/ex compared to 13% last week.

Copyright © Loewen and Associates, Inc.

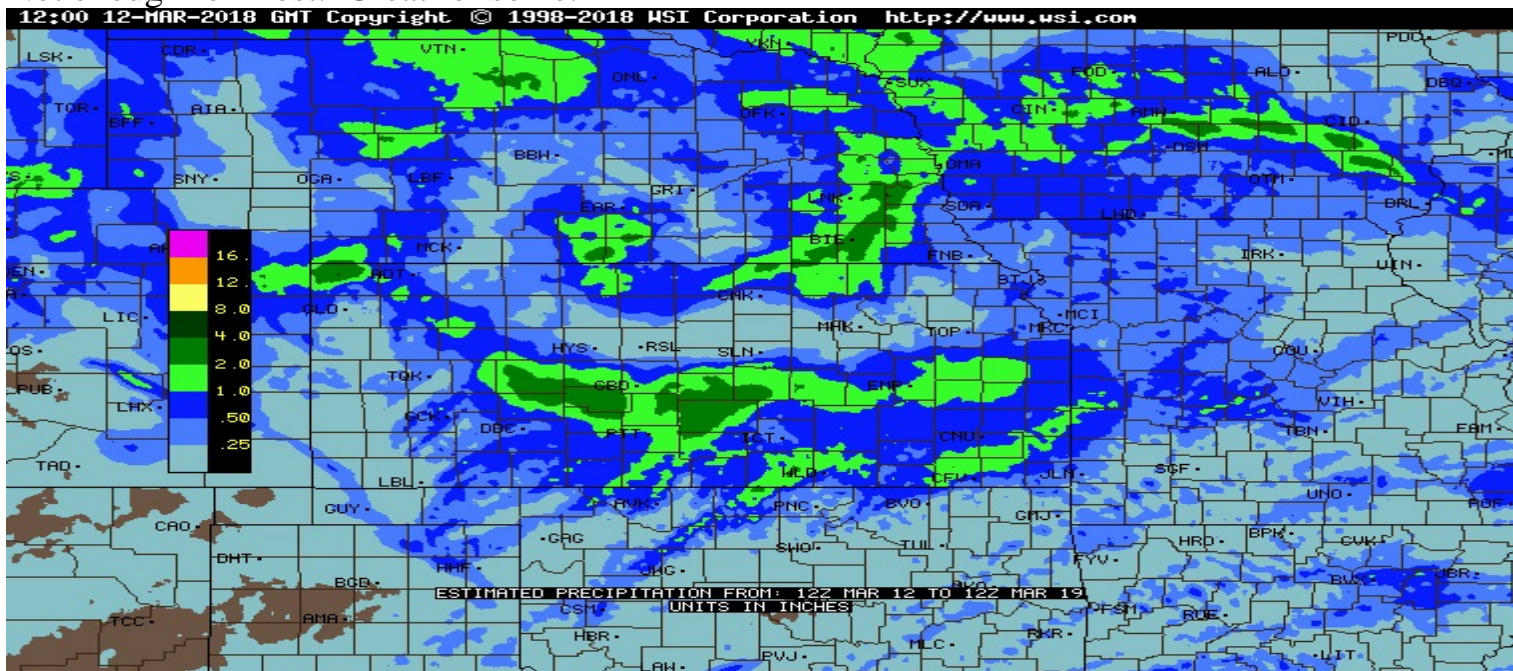
This does constitute a solicitation to buy or sell commodities futures and/or options. The information contained herein is provided for informational purposes only. The information is not guaranteed as to its accuracy or completeness, although the information was taken from sources we believe to be reliable. 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.**

Corn planting progress in the south is ahead of schedule. Texas showed 35% complete, up 9 points for the week and 9 points ahead of average as well. Louisiana moved to 8% done, Arkansas 2% versus 1% normally and Mississippi was 6% complete which is 2 points ahead of normal.

6-10's last night showed normal to above temps for all but the far NW corner of Kansas in the Central and Southern Plains areas. From that NW corner of Kansas to the north was below normal temps. From Central Iowa east and south was normal to above. Precip was above normal for the entire Plains and Corn Belt, which makes it difficult yet in my opinion for wheat to mount much of a comeback yet, despite a big part of HRW wheat country missing any big rains.

8a.m. export reporting showed 110k mt's of US corn sold to Peru. There was no other business reported.

Not enough for most. Great for some.



Pete Loewen

Loewen and Associates, Inc.

Pete Loewen / Matt Hines / Doug Biswell / Matt Burgener

www.loewenassociates.com

Copyright © Loewen and Associates, Inc.

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.**