



Loewen and Associates

Commodity Consulting/Brokerage

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

www.loewenassociates.com

Date: March 28th, 2018

Morning Ag Markets – Matt Hines

Live cattle futures finished mixed yesterday after spending most of the day in positive territory. Feeders held gains although were trading \$1+ higher for most of the day as well. Oversold conditions prompted the rally but heavy selling volume came in right around 1 PM for both.

Cash feedlot trade has been light so far this week, yet already sharply lower with some movement in KS at \$121 live on Monday. Yesterday that range stretched from \$118 to \$125 in KS, NE & IA with dressed trade from \$190 to mostly \$198. These prices are \$5 lower than last week and represent the largest weekly decline so far this year. Fed Cattle Exchange has 409 total head consigned this week compared to last week's 166 head of which both lots sold from KS at \$125.63.

Winter Livestock Inc - La Junta, CO

Feeder Cattle Weighted Average Report for 03/27/2018

Receipts: 793 Last Week: 1992 Year Ago: 1138

Compared with last Tuesday: Feeder steers and heifers under 700 lbs lightly tested although a lower undertone noted, Yearling feeder steers 800 to 900 lbs 3.00 to 5.00 lower. Yearling feeder heifers 700 to 750 lbs 2.00 to 3.00 lower. Slaughter cows 3.00 higher, Slaughter bulls mostly steady. Trade and Demand moderate for feeders, good for slaughter cows and bulls.

OKC West - El Reno, OK

Livestock Weighted Average Report for 3/27/2018

Receipts	Week Ago	Year Ago
1,350	7,263	11,396

Compared to last Tuesday: Steer and heifer calves sold 1.00-3.00 higher on limited comparable sales, with exception of 550-600 lb heifer calves trading sharply higher. Quality average to attractive, demand moderate to good especially for thin fleshed long weaned calves.

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.**

Cattle slaughter from Tuesday is estimated at 119,000 head, up 1,000 from the week previous and up 3,000 compared to a year ago. Hog slaughter from Tuesday is estimated at 461,000 head, down 3,000 from the week previous but up 18,000 compared to a year ago.

Boxed beef cutout values steady on Choice and lower on Select on light to moderate demand and moderate offerings for a total of 115 loads sold.

Choice Cutout__222.36 -.17

Select Cutout__214.24 -1.22

CME Feeder Index:__136.22 -.46

CME Lean Hog Index.__60.58 -.77

Pork Carcass Cutout__69.72 -1.20

IA-S.MN Wtd Avg Live__ N/A, Wtd Avg Carcass Base__49.87 -1.35

National Wtd Avg Live__ 41.65 -.35, Wtd Avg Carcass Base__50.11 -1.41

April live cattle off almost \$12 in a month, breaking into new recent lows on Friday. The next support area is at \$115 from the weekly charts and then lows from August down around \$110.30. March Feeders finally stopped the most recent trend of 8 days in a row with a new recent low, the next support level at \$134 back from mid-August with resistance up at \$137. And then April lean hogs with another new contract low at \$57.52. Looking at the weekly chart, the next support level is at \$55.

Grains started mixed to higher but corn was the only commodity to hold steady. Both beans and wheat sold off as the day progressed. Argentina crop estimates continue to shrink as Brazil's are still increases but still not enough to offset the loss. USDA Planting Intentions and Quarterly stocks will be released tomorrow so the grains should be somewhat quiet until then.

Grains were mixed and quiet overnight, with corn and soybeans steady while wheat finished 1 lower.

No export sales reported by USDA this morning but two South Korean feed companies each purchased 65,000 MT or 2.6 MBU of optional origin corn, most likely to come from the U.S., with a 3rd purchasing 140,000 MT or 5.5 MBU overnight.

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.**

Planting Intentions Report - The average trade estimates have corn acres at 89.42 million compared to 90.17 last year and soybean acres up to 91.05 million compared to 90.14 last year. Both were pegged at 90 million during the USDA Outlook Forum this winter. The kicker this year will be acres planted to cotton and grain sorghum. Cotton acres last year were 12.612 million, the average trade guess for this year at 13.292 million and the high end of the range at 13.6. Grain sorghum acres will also be higher with last year at 5.626 million, average estimate at 5.935 and the high end of the range up at 6.3 million acres.

Quarterly Stocks Report – This is the USDA confirmation to Q1 usage. Corn and soybean stocks are expected to be a record high levels, but there's a chance corn stocks may not with record high ethanol production and feed usage and export demand very strong these past couple months. The average trade estimate is at 8.7 BBU with soybeans at 2.03 and wheat at 1.5 BBU.

Heavy rains still in the forecast for the Southeast and up into the Corn Belt over this next week. The latest 6-10 day outlook showing above normal precipitation for Southeast and Eastern Corn Belt, below normal for the Southwest. Temperatures are forecasted above normal for the Southwest and below normal in the Northern Border States and Northeast.

May corn hit the 62% retracement last week at \$3.69 ½, the first area of support now, with the first line of resistance up at \$3.82. May soybeans still on a lower trend from earlier this month, off now \$.67 from the high. Resistance now at \$10.36 then up at \$10.50 with support at \$10.10. May KC wheat breaking below the 100-day moving average that had been providing support this past week with the next level down near \$4.50 and resistance up at \$4.87 ½. May Chicago wheat still trending lower with support being tested today and resistance up near \$4.67.

Loewen and Associates, Inc.

Pete Loewen / Matt Hines / Doug Biswell / Matt Burgener

www.loewenassociates.com pete@loewenassociates.com matt@loewenassociates.com

866-341-6700

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.**