



## **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: March 5<sup>th</sup>, 2018**

### **Morning Ag Markets – Matt Hines**

Cattle futures were under pressure most of last week and that continued on Friday with triple digit losses. Cash feedlot trade was spread out throughout the week at mostly \$126 live which was \$2 lower than the week previous.

#### **NATIONAL FEEDER & STOCKER CATTLE SUMMARY – W/E 03/02/2018**

RECEIPTS:	Auctions	Direct	Video/Internet	Total
This Week	227,800	44,200	300	272,300
Last Week	222,100	44,900	39,000	306,000
Last Year	255,600	42,600	34,400	332,600

Compared to last week, steer and heifer calves sold steady to 5.00 higher and feeder steers and heifers sold steady to 5.00 lower. Buyers were more reserved on feeders headed straight to the feedyard as the CME futures markets were volatile all week long, however, demand was good to very good on calves suitable for grazing. In the North Central part of the country, market reporters noted that there were fewer farmer-feeders in the seats as pens have started to thaw out and get greasy leading to some cattle now starting to carry some mud on them.

For the week, Friday February 23<sup>rd</sup> through Friday March 2<sup>nd</sup>, April Live Cattle - \$2.67, June -\$2.47, March Feeder Cattle -\$2.32, April -\$3.22, August -\$1.65, April Lean Hogs -\$0.57, May -\$0.27. Boxed Beef – Choice +\$4.15 @ \$222.52, Select +\$1.82 @ \$214.64.

Cattle slaughter from Friday is estimated at 114,000 head, up 6,000 from the week previous and up 11,000 compared to a year ago. For the week, 608,000 head, up 36,000 from the week previous and up 22,000 from last year. Hog slaughter from Friday is estimated at 453,000 head, up 5,000 from the week previous and up 35,000 compared to a year ago. For the week, 2,417,000 head, up 28,000 from the week previous and up 101,000 from last year.

#### **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.**

Boxed beef cutout values steady on Choice and lower on Select on light to moderate demand and light offerings for a total of only 69 loads sold.

Choice Cutout\_\_222.52 +.22

Select Cutout\_\_214.64 -.96

CME Feeder Index:\_\_146.03 -1.30

CME Lean Hog Index.\_\_68.09 -.27

Pork Carcass Cutout\_\_78.11 +.73

IA-S.MN Wtd Avg Live\_\_ N/A, Wtd Avg Carcass Base\_\_62.11 -.20

National Wtd Avg Live\_\_ 49.25 +.44, Wtd Avg Carcass Base\_\_62.29 -.05

April live cattle retraced down to the 68% Fibonacci level using the low from mid-January and the high from February. The next level of support is not until that low down at \$118.05 with resistance from \$123.70 to \$124. March Feeders below all moving averages and breaking the higher trend that was in place since mid-December. The next support level is down around \$140 with resistance up at \$147.50. April lean hogs reversed higher 2 weeks ago, touched \$72 and came sharply back to hit a new recent low to end the week finding support near \$67. The next support level is down at \$65 followed by the contract low at \$63.75 hit shortly after the contract first starting trading in October 2016.

\*\*\*\*\*

Grains soared higher last week with severe droughts getting the headlines in Argentina and the US Southern Plains. New highs were seen in wheat, corn and soybeans last week although all pulled back some to end last week. Funds are now net long all grains and added to that length through Thursday.

Politics all around the markets again with ongoing negotiations between big corn and big oil on the RFS along with trade disputes/negotiations with concerns of a Chinese retaliation on our soybean market. The Chinese are very unlikely to put a restriction on US bean imports, particularly with the troubles Argentina is having.

The CFTC Commitment of Trader's Report for the week ending 2/27 showed managed money/funds were aggressive buyers of corn, beans and products while the aggressive wheat buying likely occurred Wed-Thurs. For the week they +40.4k corn (net long 59.1k), +6.4k wheat (net short -60.6k), +48.2k beans (net long 147.3k), +21.1k meal (net long 106.2k just shy of record length) and +17.7k oil (net short -9.3k).

#### 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.**

For the week, Friday February 23<sup>rd</sup> through Friday March 2<sup>nd</sup>, May Corn +\$.10 <sup>3</sup>/<sub>4</sub>, December +\$.07, May Soybeans +\$.23 <sup>1</sup>/<sub>2</sub>, November +\$.09 <sup>1</sup>/<sub>4</sub>, May KC Wheat +\$.49, July +\$.47 <sup>1</sup>/<sub>2</sub>, May Chicago Wheat +\$.35 <sup>3</sup>/<sub>4</sub>, July +\$.35 <sup>1</sup>/<sub>2</sub>, May MPLS Wheat +\$.07, September +\$.04 <sup>1</sup>/<sub>4</sub>, May Soybean Meal +\$14.60/T, October +\$8.80/T

Grains were mixed overnight, trading weaker until this morning. Corn finished steady, beans steady to 2 higher and wheat 3 to 4 higher.

Argentina is expected to remain "hot and dry" for at least another week, which will keep ramping up stress for most areas. The weather outlook is slightly more promising for rains in the second week, but it will be too late to recover yield losses for some.

Brazil's first crop corn is 24% harvested, while second crop corn is 63% planted behind harvested soy. Both are well behind last year and slightly behind average. Brazil's soybean harvest at 35% complete compared to 45% this time last year.

Rains forecasted over the Southeast and Midwest again over the next 7 days. The latest 6-10 day outlook shows above normal precipitation for those areas with below normal in TX, the Northern Plains and Western Corn Belt. Temperatures are forecasted below normal in the Southeast, above normal in the PNW and Southwest.

May corn topped at \$3.88 last week, the highest price since last August with the next resistance level up from \$3.91 to \$3.93 and support around \$3.80. May soybeans hit another new contract high at \$10.82 <sup>1</sup>/<sub>2</sub> testing resistance on the continuous weekly chart. May KC tested resistance at \$5.48 on Friday before falling lower with the next up at \$5.60. May Chicago wheat has resistance up at \$5.20 then \$5.30.

### **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 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.**