



Loewen and Associates

Commodity Consulting/Brokerage

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

www.loewenassociates.com

Date: March 7th, 2018

Morning Ag Markets – Matt Hines

Cattle futures couldn't hold gains that would have led us to a 2-day rally. Both fats and feeders did see triple digits higher during the morning trade along with 328 head confirmed in the Western Corn Belt sold at \$128 to \$129 live in the cash market. This didn't hold either with light volume cash trade starting in NE at \$126 live, \$1 lower than last week and then spilling over into TX & KS at \$126 also, steady with a week ago for the South. Boxed beef prices steady to higher which is supporting the fact some feedyards are still holding asking prices at \$128+. Slaughter levels are higher as spot margins are in the black for packers. If futures can hold this week we should see steady to better cash trade unlike last week's collapse that allowed packers to buy cattle cheaper. Fed Cattle Exchange later this morning with 474 head consigned compared to last week's 365 head of which 1 lot, 80 head of KS heifers, sold at \$126 live.

Tulsa Livestock Auction, Tulsa, OK

Feeder Cattle Weighted Average Report for 03/05/2018

Receipts: 2340 Last Week: 1044 Year Ago: 2279

Compared to last weeks limited receipts: Steers and heifers mostly steady to 2.00 higher. Quality good. Demand good. Receipts include 19 percent over 600 lbs. and 43 percent heifers. Slaughter cows 2.00 higher following limited receipts last week. Slaughter bulls 1.00 higher also following a light test last week. A total of 272 cows and bulls sold with 72 percent going to packers.

Oklahoma National Stockyards - Oklahoma City, OK

Livestock Auction Report for 3/5/2018

Receipts	Week Ago	Year Ago
7,029	2,633	8,069

Compared to last week's light test: Feeder steers steady to 3.00 lower, except 700-750 lbs steady to 3.00 higher. Stocker steers and steer calves steady to 4.00 higher. Feeder heifers and heifer calves 2.00-5.00 higher. Demand moderate for feeder cattle. Demand remains good for light weight grass cattle. Quality mostly

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.**

average, few attractive. Feeder cattle supply included 65 percent Steers, 33 percent Heifers, and 2 percent Bulls. Feeder cattle supply over 600 lbs was 70 percent.

OKC West - El Reno, OK

Livestock Weighted Average Report for 3/6/2018

Receipts	Week Ago	Year Ago
2,500	6,570	15,045

Compared to last Tuesday: Steer calves firm to 5.00 higher, most advance on calves under 500 lbs. Heifer calves sold mostly steady to 4.00 higher. Demand was good to very good. Quality average to attractive. Feeder cattle supply included 47 percent Steers, 50 percent Heifers, and 3 percent Bulls. Feeder cattle supply over 600 lbs was 28 percent.

Cattle slaughter from Tuesday is estimated at 115,000 head, down 2,000 from the week previous and compared to a year ago. Hog slaughter from Tuesday is estimated at 460,000 head, up 16,000 from the week previous and up 17,000 compared to a year ago.

Boxed beef cutout values steady to firm on light to moderate demand and offerings for a total of 105 loads sold.

Choice Cutout__223.35 +.12

Select Cutout__215.20 +.36

CME Feeder Index:__145.25 -.19

CME Lean Hog Index.__67.52 -.17

Pork Carcass Cutout__77.92 -1.70

IA-S.MN Wtd Avg Live__ N/A, Wtd Avg Carcass Base__62.86 +.64

National Wtd Avg Live__ 49.48 +1.43, Wtd Avg Carcass Base__62.51 +.16

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. Yesterday started with a reversal higher, although the gains did not hold, the market moved higher enough to get above every major moving average before coming back to settle lower, leaving nearby resistance now from \$124.80 to \$125.20. March Feeders still below all moving averages but the key reversal higher from Monday still in play. Resistance is up at \$146.40 then \$148 with support at \$142.75 then down around \$140. April lean hogs still trending lower with support at \$67, a gap from \$69.50 to \$69.80, resistance at \$70 and \$72.

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.**

Over in the grains, wheat pulled back some while corn and soybeans traded both sides of unchanged. Old crop soybeans spent most of the day a few cents lower as rains entered the extended forecasts for Argentina, by that I mean 7 to 12 days out. New crop soybeans held higher though with November scoring another new contract high. Honestly this was more due to the fact spreads corrected a bit from Monday's move.

Grains were steady to weaker overnight. Corn finished steady to $\frac{3}{4}$ lower, soybeans 1 to 3 lower, KC wheat mixed but Chicago and MPLS 1 to 2 lower.

USDA outlook forum stated 90 million acres each to be planted to corn and soybeans, the market still feels additional bean acres and less corn. FCStone survey came out with 88.9 million acres corn and 92.0 acres to be planted to soybeans.

The next USDA crop report is tomorrow morning, nothing updated for the new crop but domestic demand for this current crop year could see some adjustments. Most feel that corn ending stocks will be adjusted lower with increases possibly to both ethanol usage and exports. The average trade estimate is 2.312 BBU compared to 2.352 in February and that is currently the top end of the range. The pre report average trade estimate is unchanged for both wheat and soybeans, 1.009 BBU and 530 MBU respectively, with the range fairly tight on wheat but +/- 50 MBU on soybeans.

The numbers to watch for tomorrow are updates on South American production. Both USDA and CONAB are released tomorrow morning, all looking for decreased production estimates for Argentina's corn and soybean crop, mixed but mostly lower estimates for Brazil's corn crop and steady to increased estimates on Brazil's soybean crop.

Egypt picked up 175,000 MT or 6.4 MBU of Russian wheat this week paying over \$7/MT higher than their previous purchase 2 weeks ago. South Korea purchased a total of 407,000 MT or 16 MBU of optional origin corn overnight. They also purchased 2 cargoes of South American origin soybean meal. No additional export sales announced by USDA this morning.

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.**

Rains still isolated to the Southeast and East Coast over the over the next 7 days. The latest 6-10 day outlook shows a major shift to below normal precip east and above normal for the West Coast with temps above normal in the Southwest and into the Plains with below normal temps for both coasts.

May corn into a new high at \$3.88 ½ yesterday, resistance up from \$3.91 to \$3.93 and support around \$3.80. May soybeans actually trending lower the past few days after a new contract high at \$10.82 ½ last week. November though still grinding higher with a new contract high overnight at \$10.48. May KC with resistance from \$5.45 to \$5.48 ½ and support near \$5.20. May Chicago wheat has resistance up at \$5.20 then \$5.30 and support at \$4.90.

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.**