



Loewen and Associates

Commodity Consulting/Brokerage

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Morning Ag Markets – Matt Hines

Pressure continued on cattle and hog futures yesterday, May Lean Hogs down over \$3 due to expanded limits. Getting a lot of calls recently, asking where's the bottom at, all I can say is we are not there just yet but really hope it is here soon. Futures are very oversold but early in the day gains are not getting any traction lately. KS cash feedlot trade was confirmed on over 8,000 head by 3 PM at \$117 to \$118 live, down another \$2 to \$3, but not confirmed if this was nearby shipments or 15-30 days out. TX & NE also traded at \$117 live, \$188 dressed.

Cattle slaughter from Tuesday is estimated at 119,000 head, matching last week and up 3,000 compared to a year ago. Hog slaughter from Tuesday is estimated at 468,000 head, up 7,000 from last week and up 19,000 from last year.

Boxed beef cutout values steady on Choice and lower on Select on light to moderate demand and moderate to heavy offerings for a total of 129 loads sold.

Choice Cutout__219.68 -.12

Select Cutout__209.33 -1.17

CME Feeder Index:__134.94 -.12

CME Lean Hog Index.__56.00 -.72

Pork Carcass Cutout__71.16 unchanged

IA-S.MN Wtd Avg Live__ 37.67 no comp, Wtd Avg Carcass Base__46.08 -.46

National Wtd Avg Live__ 38.17 -.83, Wtd Avg Carcass Base__46.09 -1.02

April live cattle with another new recent low. The next support area is at the lows from August down around \$110.30. April Feeders into a new contract low at \$130.37 with the \$130 level the support line, below that is the \$120 area from the lows on the weekly chart from back in 2016/2017. April lean hogs with another new contract low at \$51.35, the next support level is at \$45 then the \$40.70 low from October 2016.

IMPORTANT—PLEASE NOTE

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Grains crashed overnight, beans touching limit lower at one point and corn down 16. Both rebounded off those lows with corn finishing 9 lower, beans 35 to 40 lower, KC wheat 2 lower, Chicago wheat 4 lower, MPLS wheat 9 lower and soybean meal \$10/T lower.

U.S. Tariffs, Chinese Tariffs

China quickly hit back at the Trump administration's plans to slap tariffs on \$50 billion in Chinese goods, retaliating with a list of similar duties on key U.S. imports including soybeans, planes, cars, whiskey and chemicals. The speed with which the trade struggle between Washington and Beijing is ratcheting up – the Chinese government took less than 11 hours to respond with its own measures – led to a sharp selloff in global stock markets and commodities.

<https://www.reuters.com/article/us-usa-trade-china/china-retaliates-slaps-duties-on-u-s-soybeans-planes-markets-skid-idUSKCN1HB0G6>

In other news...USDA reported a private sale of 130,000 MT or 4.8 MBU of old crop soybeans sold for unknown destinations, 195,000 MT or 7.2 MBU of new crop soybeans for unknown destinations and yes 129,000 or 4.7 MBU of new crop soybeans sold to China.

Rains moving out of the Southeast, more snow expected for the Northern Corn Belt, even some here over the next couple days. The latest 6-10 day outlook still showing below normal precipitation for the Southern Plains, above normal for the PNW, Northern Plains and East Coast. Temperatures are forecasted above normal for the Southwest and below normal for the Northern Corn Belt and Northeast.

May corn tested the support levels from last month, down to \$3.72, resistance at \$3.92. May soybeans breaking through lots of support overnight into a new 2 month low with support next at \$9.80, resistance around \$10.27. May KC wheat still chopping sideways, a higher trend for the past week now, support first at \$4.71 then \$4.56 and resistance at \$4.95. May Chicago wheat also choppy, sideways now for 3 weeks, support at \$4.40, resistance up at \$4.66.

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