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

Livestock futures were lower pressured by long liquidation, commercial selling and cash market concerns. Light volume already trading so far this week according to USDA but significantly lower prices at \$114 to \$117 live and \$185 to \$191 dressed, roughly \$7 lower than last week. Another report indicating a range from \$112 to \$123 live with the high end for nearby delivery in IA, the south trading at \$116 to \$118 nearby and down to \$112 for shipment in FH June. The Fed Cattle Exchange will be later this morning with 2,586 head consigned compared to last week 2,456 of which none were sold.

Winter Livestock Inc - La Junta, CO

Feeder Cattle Weighted Average Report for 05/15/2018

Receipts: 1905 Last Week: 4506 Year Ago: NA

Compared with last Tuesday: Steers and heifers under 700 lbs lightly tested, although a lower undertone noted. Yearling feeder steers and heifers over 700 lbs 3.00 to 5.00 lower. Slaughter cows 1.00 to 2.00 higher. Slaughter bulls steady. Trade and Demand moderate.

OKC West - El Reno, OK

Livestock Weighted Average Report for 5/15/2018

Receipts	Week Ago	Year Ago
2,000	11,517	16,895

\*\*\* Final report including feeder cattle will be released later today \*\*\*

Compared to last Tuesday: Steer and heifer calves sold mostly 7.00-10.00 lower. Quality plain to average, few attractive. Demand light, moderate for long weaned calves. Much needed moisture is expected for most of the week across the trade area.

Cattle slaughter from Tuesday is estimated at 119,000 head, matching a week ago and up 2,000 compared to a year ago. Hog slaughter from Tuesday is estimated at 461,000 head, down 3,000 from last week but up 20,000 compared to a year ago.

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Boxed beef cutout values weak on Choice and firm on Select on light to moderate demand and moderate to heavy offerings for a total of 145 loads sold.

Choice Cutout\_\_231.64 -.48

Select Cutout\_\_209.51 +.39

CME Feeder Index:\_\_135.92 -.20

CME Lean Hog Index.\_\_65.23 +.58

Pork Carcass Cutout\_\_74.24 +.69

IA-S.MN Wtd Avg Live\_\_ 49.02 no comp, Wtd Avg Carcass Base\_\_64.76 +1.38

National Wtd Avg Live\_\_ 48.77 +.99, Wtd Avg Carcass Base\_\_67.37 +1.52

June live cattle breaking the 2 month long higher trend with support next from \$101.60 to \$101.20 and then the contract low down at \$97.07 from April 4<sup>th</sup>, resistance up at \$105.40 and \$108. May Feeders have been trending lower since late April with resistance at \$137.80 then \$139 and the only support left at the contract low \$128.87. June lean hogs have been very volatile recently with support at \$72.20 and resistance up at \$77.50.

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Grains traded both sides of unchanged yesterday but corn held strength after testing support levels and pulled all higher. It was a bearish crop progress report after the close on Monday that pushed grains lower to start along with a rallying US\$. Corn planting nationwide is back to the average but the concern still lies in the North with MN, SD and ND at 10-40% behind. I know this doesn't sound like much and this isn't the typical Corn Belt or 3 I's talk. These 3 states produced over 18% of our nation's corn last year. There was also some optimism building yesterday that trade talks will get sorted out with Chinese trade delegates here the remainder of the week.

NOPA April domestic crush was right line with estimates at 161.02 MBU of soybeans. This compares to last month's 171.8 MBU and last year's 139.1 MBU. Oil stocks were higher than expected as meal exports for the month reached a yearly high at 947,000 MT.

Grains were mixed overnight with corn 1 to 2 higher, soybeans 5 to 6 lower and wheat 2 to 4 higher.

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Egypt purchased 1 cargo of wheat from Ukraine, Jordan purchased 60,000 MT or 2.2 MBU of optional origin wheat and Taiwan purchased 83,000 MT or 3 MBU of US milling wheat, several different varieties to be shipped from the PNW.

Beans and meal back under pressure with talk of more acres switching from spring wheat and corn into beans here in the US. Brazil's basis tanked 24 cents to now +66 FOB and now discount to US values.

Over this next week, still forecast for roughly an inch of rain here in the Plains, heavy rains on East Coast. The latest 6-10 day outlook showing normal to above normal precipitation for all except south TX and the northern border states. Temperatures are forecasted above normal.

July corn trending higher since mid-January topping at \$4.08 ¼ last week with support at \$3.95. July soybeans very choppy, but trending lower these past couple months. Nearby support is at \$10.02 with resistance at \$10.25 and \$10.33. July KC wheat still holding the higher trend from mid-December but over \$.50 off the highs from earlier this month. Support is at \$5.02 ½ and resistance at \$5.19 & \$5.28. July Chicago wheat looks similar with the long term higher trend, resistance at \$5.15 and \$5.38 ½, support at \$4.86.

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