



Loewen and Associates
Commodity Consulting/Brokerage
Pete Loewen, Matt Hines, Doug Biswell,
Matt Burgener, Alex Gasper
866 341 6700
www.loewenassociates.com

Date: May 2nd, 2018

Morning Ag Markets – Matt Hines

Cattle futures were again lower yesterday with another wave of liquidation for fats. Fed Cattle Exchange later this morning with 2,982 head consigned compared to last week's 3,194 head of which none were sold. The continued rally in corn is keeping pressure on feeders.

This week's cash feedlot trade will be difficult to push higher at this pace and the nearby June futures contract now \$20 discount to last week's cash. Packers bid \$120 for current spot delivery but had no success in making purchases. They were more successful in buying forward periods in the month of May. Dressed prices in the north ranged from \$188 for the last week in May to \$195 for first half delivery. A few head traded in Kansas at \$118 yesterday, most likely for the last two weeks in May.

Oklahoma National Stockyards - Oklahoma City, OK

Livestock Auction Report for 4/30/2018

Receipts	Week Ago	Year Ago
11,146	4,952	5,991

Compared to last week: Feeder steers steady to 3.00 higher with exception to 700-850 lbs. bringing 2.00 lower. Feeder heifers steady to 2.00 higher. Steer calves had a limited test with a higher undertone noted on lightweight calves, lower on 500-600 lb. calves. Heifer calves 1.00-4.00 higher. Demand good, quality average. Many larger load lots with long weaned feeder cattle suitable for summer grazing pastures on offer.

Winter Livestock Inc - La Junta, CO

Feeder Cattle Weighted Average Report for 05/01/2018

Receipts: 1615 Last Week: 1733 Year Ago: NA

Compared with last Tuesday: Steers under 700 lbs steady except for 500 to 600 lbs 3.00 to 5.00 higher. Heifers under 700 lbs steady with the exception of 500 to 650 lbs 5.00 to 8.00 lower, quality considered. Feeder Steers and heifers over 700 lbs in

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.**

a light test mostly steady. Slaughter cows steady to 1.00 lower. Slaughter bulls steady. Trade and Demand moderate.

OKC West - El Reno, OK

Livestock Weighted Average Report for 5/1/2018

Receipts	Week Ago	Year Ago
2,500	10,041	15,451

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

Compared to last Tuesday: Steer calves sold with a higher undertone on limited comparable offerings. Heifer calves traded 1.00-3.00 higher.

Cattle slaughter from Tuesday is estimated at 118,000 head, down 2,000 from last week but up 3,000 from last year. Hog slaughter from Tuesday is estimated at 466,000 head, matching last Tuesday and up 46,000 from last year.

Boxed beef cutout values sharply higher on moderate to good demand and light to moderate offerings for a total of 109 loads sold.

Choice Cutout__226.43 +2.01

Select Cutout__207.09 +2.30

CME Feeder Index:__139.27 -.04

CME Lean Hog Index.__62.45 +.25

Pork Carcass Cutout__69.16 +.43

IA-S.MN Wtd Avg Live__ N/A, Wtd Avg Carcass Base__59.12 +.77

National Wtd Avg Live__ 45.70 +.67, Wtd Avg Carcass Base__58.86 +.50

June live cattle still holding a month long higher trend with support near \$104 and resistance at \$108. May Feeders higher trendline broken yesterday but support was found just underneath and we'll see if \$137 holds or the next down from \$135 to \$134.30 with resistance up at \$143. May lean hogs trending lower since spiking higher last week to \$70.75, support around the \$66 area.

We are forecasted to get some rain here this week, but severe weather along with it. This is only the 4th time since 1950 that it took until May to see our first tornadoes in KS with 15 reported yesterday and more severe weather expected today. The market weather chatter is still talking up the dry conditions for Brazil second corn crop, their higher production crop as well. Subsoil moisture is still adequate today, but the topsoil is becoming extremely dry and the rainy season has

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.**

ended. Soybeans were higher but more so from a meal led rally again. Domestic soybeans crushed for March was just slightly below expectations but confirmed yesterday to be a new record monthly total. USDA also reported corn consumed for alcohol up 2% yr/yr to 526 MBU in March. "Dry" distiller grain production was lower yr/yr, while "wet" and "Modified" continue to see yr/yr gains.

Wheat actually continues to be the leader for the grains as the state wheat tours begin this week. The annual KS Wheat Quality Tour kicked off yesterday with northern KS yields averaging 38.2 BPA vs 43 LY and 42 average. Many comments posted continue to talk about the behind normal progress. When I took a windshield tour a couple weeks ago through SC and into SW KS, the best recap I could give is it looked like a dry mid-March instead of mid-April.

Grains slipped back a bit overnight with corn steady to 1 lower, soybeans 4 to 6 lower, wheat steady to 2 lower.

Brazil reported April monthly exports yesterday for soybeans at only 7.4 MMT compared to 8.8 MMT in March and 10.4 MMT last year. Basis levels in Brazil still some 70 cents premium to US gulf values. This along with rallying Brazilian Real pushed soybean values premium to U.S. last week.

Over this next week, decent moisture in the forecast for central TX through KS and MO and into the Corn Belt. The latest 6-10 day outlook with an above normal precip bullseye on the Rockies and stretching into the heart of HRW country. Below normal for the eastern half of the U.S. Temperatures are above normal for the western half of the U.S., below normal only showing up for the Great Lakes.

July corn into a new 9 month high yesterday at \$4.06, \$4.10 the next level to take out with support at \$3.95. July soybeans still trending higher with support at \$10.27 and resistance up at \$10.78. July KC wheat into a new recent high yesterday with the next at \$5.65 from early March, support at \$5.23. July Chicago wheat testing the resistance now, \$5.30 to \$5.31 with support at \$4.95.

Loewen and Associates, Inc.

Pete Loewen / Matt Hines / Doug Biswell / Matt Burgener / Alex Gasper

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.**