



**Loewen and Associates, Inc.**

**Commodity Consulting/Brokerage**

**Matt Hines, Doug Biswell,**

**Matt Burgener, Alex Gasper**

**Pete Loewen**

**866 341 6700**

**www.loewenassociates.com**

Date: June 14, 2018

**Morning Ag Markets**

**Pete Loewen**

While the hog market continued its rampage higher, the cattle market endured a disappointing day of trade on Wednesday. Both the live and feeder cattle markets spent some time at or below the \$1 lower level, but thankfully everything closed just mildly lower. There's still a lot of confusion in the trade as to why and how the cash feedlot action could jump \$4-\$5 last week up to \$115 in the Southern Plains and somehow result in futures this week being down \$1.37 on Monday, \$.12 Tuesday and \$.60 lower yesterday. That action slowly but surely widened the spread between last week's cash and spot June futures to \$7.07 at yesterday's close. Unfortunately, futures opened lower today as well...

Fed Cattle Exchange trade had 596 head consigned this week and zero sales yet again. There were two PO's; one at \$100 and the other at \$112. This is a very pivotal week cash-wise, because it has the trade kind of perplexed on where this week's negotiated cash will land. I was pleasantly shocked last week where it landed and all I can say is I hope I'm pleasantly surprised this week as well.

Weekly export sales in the meats were very solid in beef and somewhat bearish in pork. Net beef sales were 22,200 mt's, up 43% from the previous week and 32% higher than the 4-week average. Actual exports were 18,500 mt's, which was up 14% from the 4-week average. Net pork sales were bearish at 14,700 mt's, although it was still up 70% from last week's terrible number. It was also down 20% from the 4-week average. Actual exports were mildly friendly at 22,300 mt's.

Cattle slg. \_\_\_ 114,000 -5k wa -5k ya

Choice Cutout \_\_\_ 223.90 -1.02

Select Cutout \_\_\_ 202.30 -1.09

Copyright © Loewen and Associates, Inc.

**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.**

Feeder Index:\_\_\_141.02 +.07

Lean Index.\_\_78.71 +1.53

Pork cutout\_\_\_81.69 +.39

IA-S.MN direct avg\_\_81.59 +1.50

Hog slg.\_\_\_ 446,000 -5k wa +14k ya

\*\*\*\*\*

Grain and oilseed trade got thumped really hard in soybeans and wheat, but corn was very reluctant to follow, actually trading higher at times, but still closed just mildly lower. Soybeans, KC and Chicago wheat were all double digits lower. That's an odd change of pace considering just after Tuesday's crop production numbers were released in wheat they were a little bit bearish, but futures jumped aggressively higher. Big wakeup call with yesterday's setback. Once again though, one big culprit that can be blamed is the funds that sold an estimated 10k corn, 18k beans and 7k wheat. I'm not so sure 7000 wheat should have resulted in mid-teens lower on the net changes for the day, but it did nonetheless.

I want to clarify something regarding my statement that the report on Tuesday was a little bearish wheat. Big picture, it was still friendly for HRW wheat because the big 3 states of Kansas, Oklahoma and Texas were down 11 bu/ac, 8 bu/ac and 2 bu/ac respectively from last year's yields. The bearishness I'm referencing is what happened on the report versus the expectations. I thought we would either see a reduction in harvested acres from all the abandonment talk, or we'd see a reduction on yield. Instead, we got neither! Harvested acres remained unchanged from the May report and yields didn't change in those three states either. To me, that was a bearish surprise. Granted, ending stocks still came in slightly below the average trade guess on new crop total wheat, but old crop stocks went up almost a like amount. I like the fact the new crop ending stocks projection is now below 1 bln bushels, coming in at 946 mln, but historically that's still a good size number.

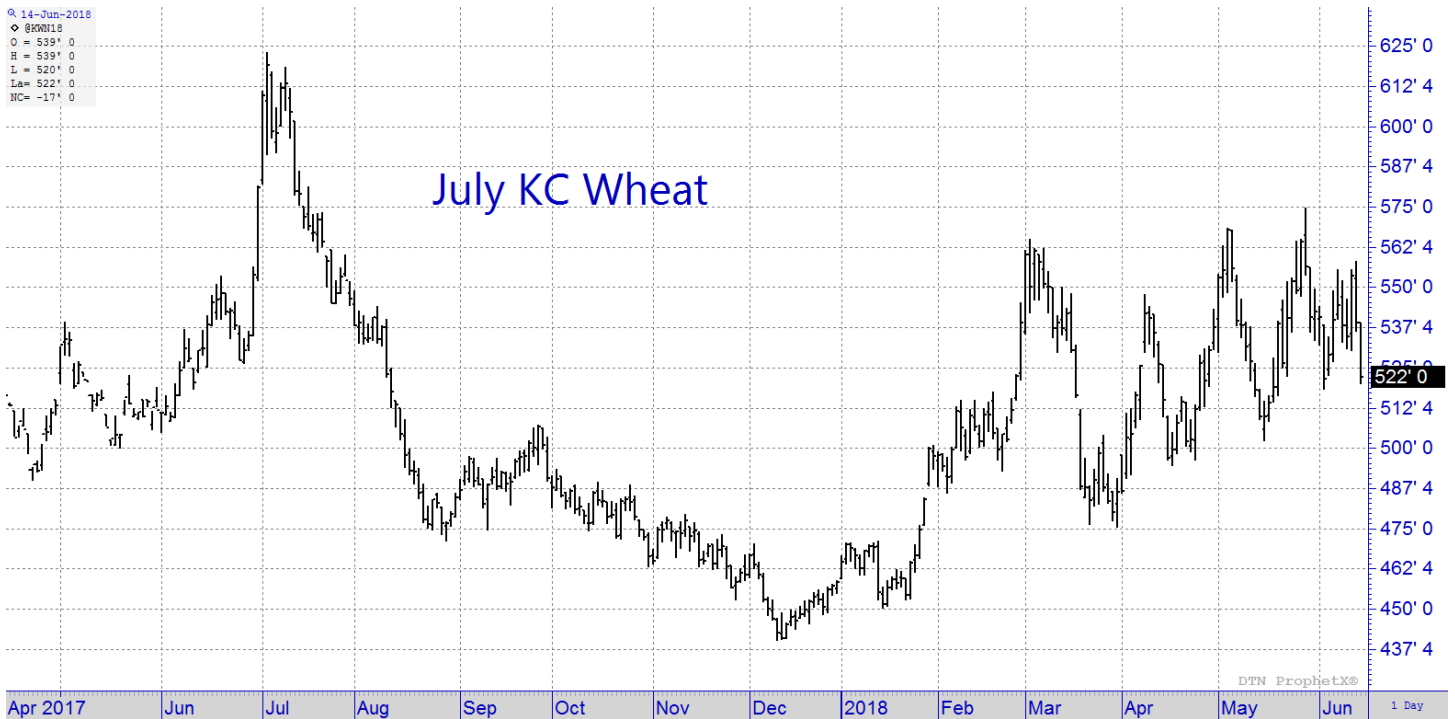
Weekly export sales numbers were good in corn and soybeans and bearish wheat. Corn sales were 36.9 mln bushels old crop and 9.5 mln new. Milo sales were zero old and new, which is nasty. Soybeans came in at 19.1 mln old and 10.7 mln bushels new, which is solid given the timeframe of the year we are in right now. Wheat sales were 11.1 mln total, which is just a touch over half of what it would take for me to call it bullish wheat.

After a two day reprieve from the blast furnace in the Central and Southern Plains, it's back to hot again through the weekend and the 6-10's are mostly hot as well. Central and Southern High Plains areas are normal to below on temps, but aside from that including the Panhandle

Copyright © Loewen and Associates, Inc.

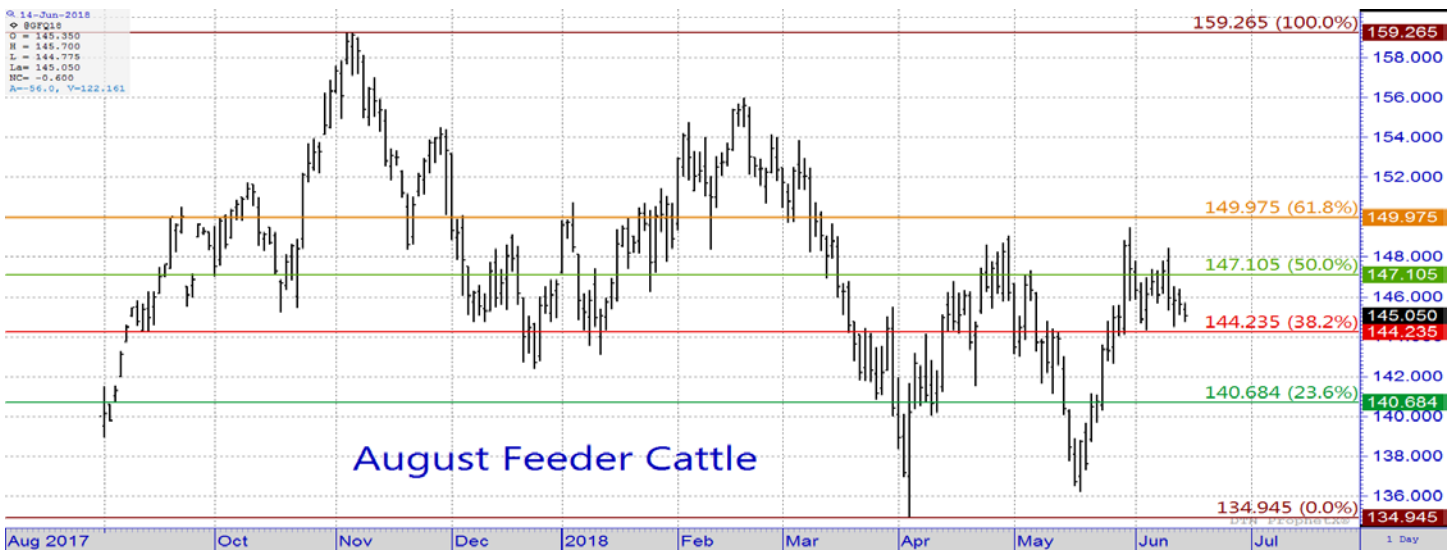
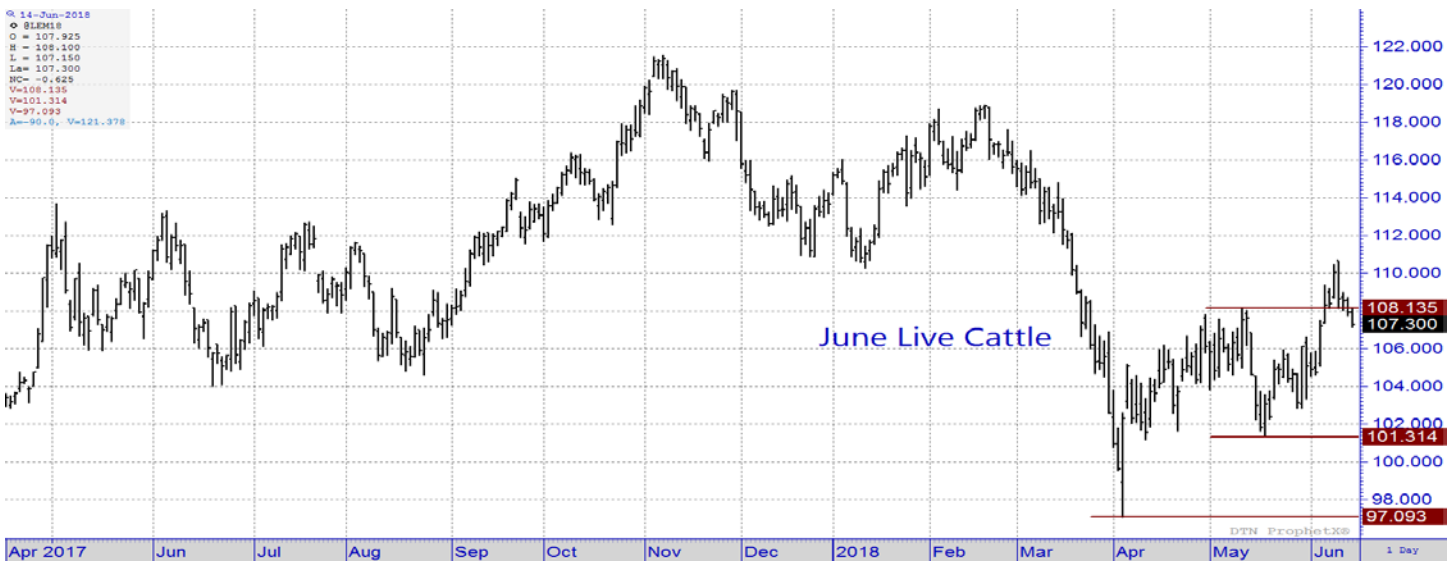
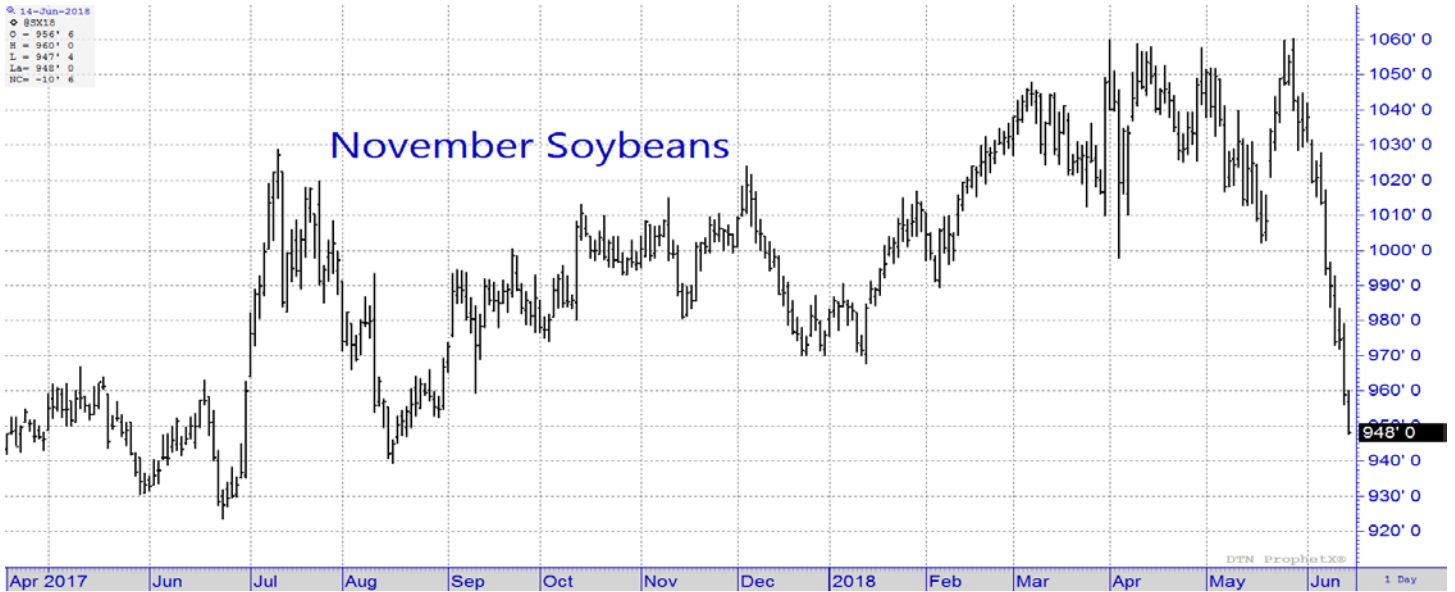
**This does constitute a solicitation to buy or sell commodities futures and/or options.** The information contained herein is provided for informational purposes only. The information is not guaranteed as to its accuracy or completeness, although the information was taken from sources we believe to 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.**

and SW Kansas, everything else east and north was above normal on temps. The good news is the precip forecast with above normal moisture in the offering for the Central and Southern Plains as well as most of the Corn Belt. The exceptions there are from SE South Dakota through the Northern Plains and most of Minnesota it was normal to below on precip.



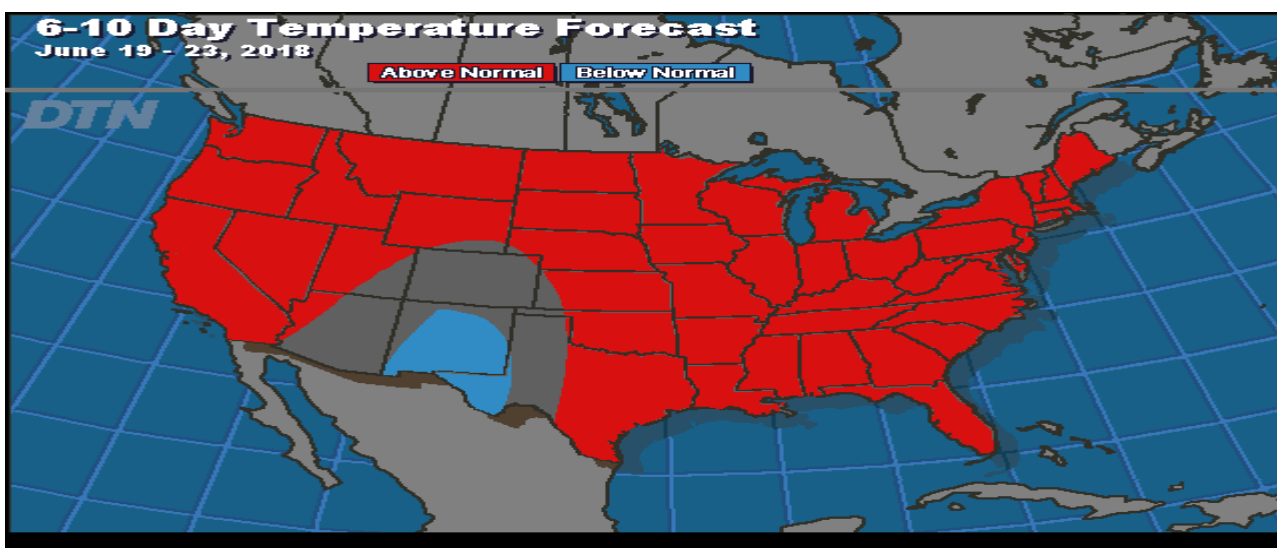
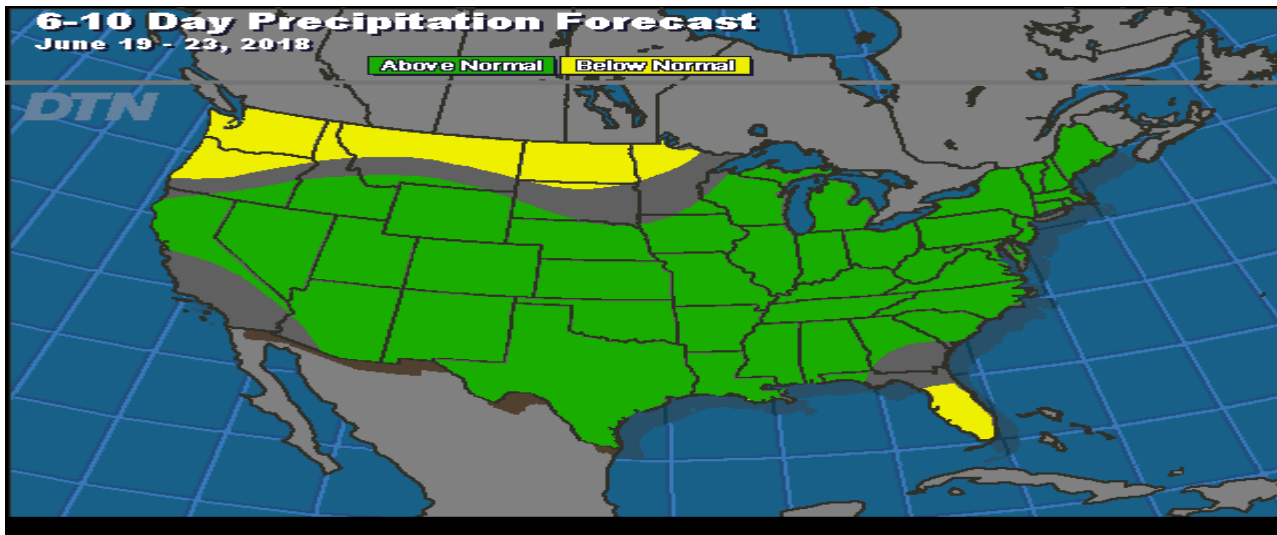
Copyright © Loewen and Associates, Inc.

**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.**



Copyright © Loewen and Associates, Inc.

**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.**



**Pete Loewen**

**Loewen and Associates, Inc.**

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

[www.loewenassociates.com](http://www.loewenassociates.com)

Copyright © Loewen and Associates, Inc.

**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.**