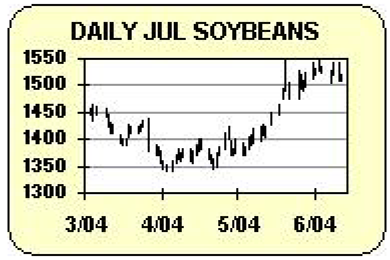
RBC Wealth Management
Dominion Securities

Grain and Livestock Commentary
Monday June 17, 2013

DAILY SOY COMPLEX COMMENTARY
06/17/13

Planting pace seen improving and charts souring; Downside looms



OVERNIGHT CHANGES THROUGH 6:05 AM (CT):
SOY BEANS -9.4, **BEAN OIL** +0.3, **SOYMEAL** -0.7

OVERNIGHT DEVELOPMENTS: July soybeans are trading 13 cents lower at 7:30 am cst and the November contract is down 13 3/4 cents. Meal is lower and oil is slightly higher. Chinese equity markets finished with modest losses, as the Shanghai A Share Index was down 0.25%. However, the Japanese Nikkei closed with a gain of 2.73%, its second straight large daily gain which has provided a modest boost to global risk sentiment this morning. European stock indices are clearly benefiting from the Nikkei's 2-session rally, and are led by gains of more than 1% in the German DAX and French CAC-40. US stock futures are posting also sizable gains during overnight trading, although the Dollar and Bonds are close to unchanged levels this morning. The Euro zone Trade surplus during April was 14.9 billion Euros, which was lower than market forecasts. US economic data to be released this morning will include the NY Fed's Empire State manufacturing survey, and a private survey index of the US housing market.

NEAR-TERM MARKET FUNDAMENTALS: A more favorable 1-5 day weather forecast and thoughts that planting progress has improved significantly over the last week helped to send futures sharply lower on the Sunday night open. A significant portion of the losses have been recovered since then with the July contract back above 1500 while the November contract holds near the midpoint of the overnight range. The old crop supply tightness as well as firm cash meal price continues to underpin the supportive tone. The planting progress report will be released this afternoon with some indicating that it could come in near 90%, up from 71% as of June 9th. The 10 year average pace for this week is 92% and the 20 year average is 89%. Weather patterns show 1-2 inches of rain for the southeast, delta, and southern Ohio River Valley in the 5 day map. The rainfall will keep soil conditions moist. Very light and scattered showers are expected for MO, IL, IN, and OH. IA, MN, and NE will see rainfall as well. Field work will continue to be delayed for areas of IA early this week as well as some parts of MN.

The Commitments of Traders Futures and Options report as of June 11th for soybeans showed Non-Commercial traders were net long 161,943 contracts, up 14,244 contracts for the week. Non-Commercial and Nonreportable combined traders held a net long position of 127,566 contracts, up 11,459 contracts in the net long position held by these traders. Trend following funds (Noncommercial net of index funds) held a net long position of 116,571 contracts, up 13,419 on the week. For soybean meal, Non-Commercial traders were net long 65,533 contracts, up 10,542 contracts for the week. Non-Commercial and Nonreportable combined traders held a net long position of 95,838 contracts, up 11,600 contracts for the week. Trend following funds held a net long position of 51,244 contracts, up 10,307 for the week. For soybean oil, Non-Commercial traders were net short 40,170 contracts, down 2,083 contracts on the week. Trend following funds held a net short position of 61,594 contracts, down 1,193 on the week.

In the short term, crush remains very strong with US processors indicating 50-60 cents per bushel gross on a cash margin basis. Interior processors continue to pay near record high levels for this time of year but firm meal premiums are helping to offset. April US NOPA crush was estimated at 120.1 million bushels, down from the March estimate and the May crush data will be out today. Many in the trade are said to be looking for 117-118 million bushels today but some suggest that it's not out of the question to see May crush come in higher than April given healthy margins and strong meal demand. The market has been expecting a demand shift to Argentina but this continues to be sluggish transition. Political and financial unrest in Argentina plus high inflation has resulted in slow producer sales which are below year ago levels and 5 year average pace. Many US end users are beginning to look for substitutes for meal given the surge in prices and with ethanol production sitting at near record levels for the year, greater supplies of DDG's may be used as replacement for some. This could take some short term demand away from meal thus hurting margins. The long term crush demand outlook is somewhat blurry as some expect a cut to the government mandated bio-diesel production target for next year. If feed grain production rebounds as much as expected, a situation of "over capacity" in the crushing market may occur as well. Traders also see soybean oil stocks near 2.52 billion pounds for today's report, down 116 million pounds from April. Stocks remain at relatively healthy levels and with cheaper production spilling out of Malaysia and Argentina, there doesn't seem to be much hope for US soybean oil exports. Malaysia, Indonesia, and South American currencies have been in a downward spiral against the US Dollar which should help their export outlook. The Indian rupee is also down sharply from the US Dollar which could be harmful to their edible oil import outlook going forward. Malaysian palm oil futures ended the session higher overnight after data showed that exports from June 1-15 jumped 18.5% from a month ago.

TODAY'S GUIDANCE: Some in the trade are beginning to talk that the recent decline in futures has been a result of more Chinese cargo cancellations and there continues to be rumblings of Brazilian purchases being canceled as well. The charts are beginning to turn negative, particularly for November soybeans although the market remains in an uptrend. With basis levels steadily rising in the interior of the US, the July contract may continue to decline as funds hold a rather large long position and need to roll out of it ahead of first notice day. November soybean direction will be dictated by today's planting progress report and we continue to lean bearish for the new crop market. If the NOPA crush data comes in better than market estimates, or perhaps 120 million bushels or higher, look for sizeable gains in the July/Nov spread.

TODAY'S MARKET IDEAS:
Support for November soybeans is at 1281 1/4 which was breached overnight but futures have recovered above the level since then. Next support is at 1277, 1265 and 1248. Selling resistance is at 1310. July key support is at 1485 1/2 and 1462 1/2. Resistance is at 1513 1/4. July meal put in a key-reversal on June 12th which may imply a top is in place. A series of lower highs has been put in place since then suggesting additional downside. Without a recovery in soybean meal, it may be difficult to see upside in the soybean market. The downside for July oil, in the short term may be limited as funds cover short positions. Look for July oil to recover to the 48.80-49.16 zone.

NEW RECOMMENDATIONS:
None.

PREVIOUS RECOMMENDATIONS:
1) Long 2 of the November Soybean 1100 puts from 11 cents each. Plan to exit one of the puts at 22 cents and hold the 2nd put for an eventual test of $10.00 into harvest. Risk half of the put premium from entry.

Commitment of Traders - Futures and Options - 6/4/2013 - 6/11/2013

	Non-Commercial		Commercial		Non-Reportable	
	Net Position	**Weekly Net Change**	**Net Position**	**Weekly Net Change**	**Net Position**	**Weekly Net Change**
Grains						
Soybeans	161,943	+14,244	-127,567	-11,460	-34,377	-2,785
Soymeal	65,533	+10,542	-95,837	-11,600	30,305	+1,058
Soyoil	-40,170	+2,083	46,402	+1,781	-6,233	-3,865

SOYBEAN COMPLEX TECHNICAL OUTLOOK:
Note: Technical commentary is based solely on statistical indicators and does not necessarily correspond to any fundamental analysis that may appear elsewhere in this report.

SOYBEANS (JUL) 06/17/2013: Momentum studies trending lower from overbought levels is a bearish indicator and would tend to reinforce lower price action. A negative signal for trend short-term was given on a close under the 9-bar moving average. The upside closing price reversal on the daily chart is somewhat bullish. The market's close below the pivot swing number is a mildly negative setup. The next downside objective is 1499 1/4. The next area of resistance is around 1524 1/2 and 1531 1/4, while 1st support hits today at 1508 1/2 and below there at 1499 1/4.

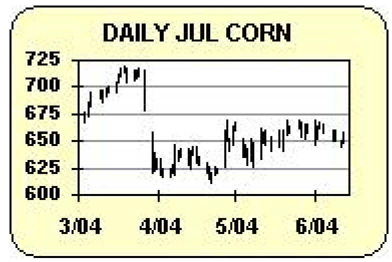
SOYBEAN OIL (JUL) 06/17/2013: The crossover up in the daily stochastics is a bullish signal. Rising from oversold levels, daily momentum studies would support higher prices, especially on a close above resistance. The market's short-term trend is positive on the close above the 9-day moving average. With the close over the 1st swing resistance number, the market is in a moderately positive position. The next upside target is 49.01. Short-term indicators suggest buying dips today. The next area of resistance is around 48.83 and 49.01, while 1st support hits today at 48.13 and below there at 47.62.

SOYMEAL (JUL) 06/17/2013: Momentum studies are trending lower from high levels which should accelerate a move lower on a break below the 1st swing support. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The market's close below the pivot swing number is a mildly negative setup. The next downside objective is 444.5. The next area of resistance is around 454.4 and 459.2, while 1st support hits today at 447.0 and below there at 444.5.

DAILY CORN COMMENTARY

06/17/13

Strong basis helps the old crop months amid improving crop conditions



OVERNIGHT CHANGES THROUGH 6:05 AM (CT):
CORN -4.0

OVERNIGHT DEVELOPMENTS: July corn is trading nearly unchanged at 6:50 am cst and December corn is down 5 cents. Grain markets opened up with a negative tilt on improved weather forecasts. The Yen is lower and the Euro is steady against the US Dollar while US equity indices are probing into positive territory to begin the week.

NEAR-TERM MARKET FUNDAMENTALS: December Corn finished this past week with 3 consecutive lower closes and the market is down again this morning to its lowest level in 3 weeks. The market has become immune to the persistent planting delays for this year's corn crop and attention will now turn to weekly crop conditions reports, the June 28th Quarterly Stocks report and the weather for last half of June and the month of July. Temperatures have begun to warm up across the Corn Belt, and we suspect many areas from Missouri and the Eastern Corn Belt will see improved progress and crop conditions. Iowa, Minnesota, and Wisconsin remain highly variable, with some producers dealing with land submerged by water or with poor emergence and even discoloration.

July corn caught a strong bid late last Friday but remains relatively range bound for now. The July/Dec has pushed to its highest levels since May 24th and the Sept/Dec traded through +40 to +42. Bull spreading in old/new calendar spreads remains active this morning due to strong cash markets in the interior of the US and export markets for nearby shipment. There are reports of June CIF corn trading as high as +100 the July contract which helped to push bids higher as traders run to cover paper shorts in the market. Grain is being pulled west to processors markets which have left supply pipelines thin down to the Gulf. Some traders indicate that a slowdown in shipping from Argentina and Brazil might be pushing some nearby demand to the US border but otherwise the export outlook is rather abysmal. Reports last Friday that India may not be able to fulfill some sales commitments to SE Asia feeders might be linked to the nearby strength as well if sales origins are being switched. South Korea is tendering for 140,000 tonnes of corn this morning.

Weather patterns point negative for price to begin the week with 1-2 inches expected in the southeast, delta, and southern Ohio River Valley. The rainfall will keep soil conditions moist. Very light and scattered showers are expected for MO, IL, IN, and OH. IA, MN, and NE will see rainfall as well. Much of this region remains too wet but at this point any unplanted acreage will remain unplanted. Focus is now on conditions of the crop that actually was planted. US temps remain benign with high 60's to low 70's registered overnight. The 6-10 day temp outlook is near normal levels with some 90's for the southeast late this week.

The Commitments of Traders Futures and Options report as of June 11th showed Non-Commercial traders were net long 131,191 contracts, down 6,508 contracts for the week. The Commercial traders were net short 14,303 contracts, down 5,027 contracts for the week. Non-Commercial and Nonreportable combined traders held a net long position of 14,304 contracts down 5,027 contracts in the net long position held by these traders. Trend following funds (Noncommercial net of index funds) held a net long position of 8,287 contracts, down 7,555 on the week. Last Friday's volume was estimated at 222,816 contracts and open interest declined by 1,583.

TODAY'S GUIDANCE: There doesn't seem to be enough conviction to the downside for the bear camp to force December Corn through the May 21st low of $5.12, given the uncertain weather outlook and the highly anticipated Quarterly Stocks Report on the horizon. The front end of the strip is bid this morning so expect further gains in the July/Dec as traders attempt to refill supply pipelines.

TODAY'S MARKET IDEAS:
Fairly good symmetry is indicating a possible head and shoulders technical bottom near $5.17 for December Corn. Close-in resistance is at 530 followed by 535 3/4. Longer term support comes in at 512. Close-in support for July corn is at 649 1/2 followed by 642. Resistance comes in at 660. September corn first support is at 563 1/4 and resistance is at 571 1/4 and 577. The Sept/Dec spread made a new high for the move at +42 and is near +40 this morning.

NEW RECOMMENDATIONS:
None.

PREVIOUS RECOMMENDATIONS:
* 1) Short September corn and long December corn as a spread at +38 premium to the September contract. Risk the trade to +45 with an objective of +10 1/4 premium to September. 2) Long two of the September corn 520 puts from a new effective price of 9 1/8 each. Hit objective on a third put at 27 cents for an 11 7/8 profit. Hold other two puts for now. 3) Short July 2014 Corn and Long December 2014 Corn at +17 premium the July with an objective of -20 (Discount to the July). Risk to +27 Premium July.

Commitment of Traders - Futures and Options - 6/4/2013 - 6/11/2013

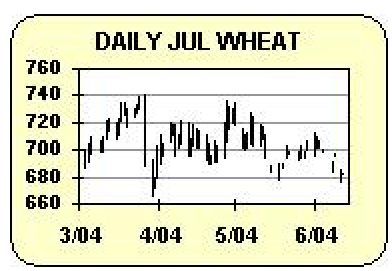
	Non-Commercial		Commercial		Non-Reportable	
	Net Position	**Weekly Net Change**	**Net Position**	**Weekly Net Change**	**Net Position**	**Weekly Net Change**
Grains						
Corn	131,191	-6,508	-14,303	+5,027	-116,887	+1,481

CORN TECHNICAL OUTLOOK:
Note: Technical commentary is based solely on statistical indicators and does not necessarily correspond to any fundamental analysis that may appear elsewhere in this report.

CORN (JUL) 06/17/2013: The market now above the 60-day moving average suggests the longer-term trend has turned up. Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. The market's short-term trend is negative as the close remains below the 9-day moving average. With the close over the 1st swing resistance number, the market is in a moderately positive position. The next downside objective is now at 638 3/4. The next area of resistance is around 662 and 667, while 1st support hits today at 648 and below there at 638 3/4.

DAILY WHEAT COMMENTARY
06/17/13

Harvest pressures but charts look oversold; Demand may build



OVERNIGHT CHANGES THROUGH 6:05 AM (CT):
WHEAT -2.0

OVERNIGHT DEVELOPMENTS: Grain markets opened up with a negative tilt on improved weather forecasts. The Yen is lower and the Euro is steady against the US Dollar while US equity indices are probing into positive territory to begin the week.

NEAR-TERM MARKET FUNDAMENTALS: Harvest is beginning to pick up the pace in the eastern Corn Belt which is helping to pressure markets to start the week. Souring technical charts as well as improved weather conditions for areas of Europe and the Black Sea have added momentum to the advance lower. The KC and Chicago July contracts made new lows for the move overnight. Traders indicated that the Chicago wheat harvest was running smoothly with trucks dumping at elevators in parts of KY and MO. Harvest in southern OK up to the southern border of KS was going as well although the KS harvest is very young at this point. Funds continue to pile onto the short side of the Chicago wheat market with some beginning to suggest futures are near oversold conditions. The 1-5 day forecast for KS and OK is trending wetter and while the moisture is needed in some drought stricken regions, it could be harmful to some of the crop in central KS. Traders will continue to monitor weather patterns this week.

USDA officials stated late Friday that the unapproved GMO wheat was a single isolated incident. Officials have also given trading partners that remain unnerved by the development a test method to identify the wheat. Buyers in Japan and South Korea continue to brush aside US white wheat for import and stated they will keep their ban in place for western white wheat and soft white wheat until their final test results are examined.

Harvest continues to pressure the Chicago market but reports of China snooping around for additional tonnage has kept the bear camp honest. South Korea is tendering for 55,000 tonnes of feed wheat which may go to the Black Sea. Traders indicate that Russia's agriculture of ministry might be inquiring on wheat to help rebuild reserves. This type of action has been known for some amount of time now and it could limit just how aggressive Black Sea exporters are in the second half of the crop year. Paris futures are lower to start the week as traders indicate that German wheat conditions continue to improve and the French crop was rated 68% G/E by a French farm office, unchanged from the week prior. The Egyptian government has purchased 3.96 million tonnes of local wheat so far this harvest. Officials stated that imports of foreign wheat have totaled 6.66 million tonnes in this fiscal year, down from the 10 million that is normally imported. Many traders still expect Egypt to come back into the market for wheat in July but much of this will depend on their financial situation and if they can obtain a loan from the IMF.

The Commitments of Traders Futures and Options report as of June 11th for Chicago wheat showed Non-Commercial traders were net short 12,305 contracts, down 48 contracts on the week. Non-Commercial and Nonreportable combined traders held a net short position of 33,640 contracts, up 496 contracts in the net short position held by these traders. Trend following funds (Noncommercial net of index funds) held a net short position of 47,031 contracts, down 1,684 on the week. Last Friday's volume was estimated at 125,436 contracts and open interest declined by 5,267.

The Commitments of Traders Futures and Options report as of June 11th for Kansas City wheat showed Non-Commercial traders were net short 1,625 contracts, up 6,896 contracts on the week and represents a change from a net long to net short position. Non-Commercial and Nonreportable combined traders held a net short position of 6,941 contracts and have gone from a net long to a net short position. Trend following funds (Noncommercial net of index funds) held a net short position of 13,064 contracts, up 6,802 on the week.

Early reports on the KC harvest continue to come in a bit better than expected which is helping to push risk premium out of the market. An agronomist at OK St. University cited that conditions have improved in many areas due to the beneficial moisture and mild temps last month. Yields in TX and OK have come in between 15-25 bushels per acre with 13-14% protein. Conditions could get wetter in much of KS over the next week which will need to be watched as this could damage quality of wheat. Storm systems are moving across southern KS and OK this morning which will keep harvest progress limited.

TODAY'S GUIDANCE: The charts certainly hint that more downside is ahead for both KC and Chicago wheat but both markets seem to be a bit oversold. KC continues to narrow up against Chicago as premium is pulled from the market due to better than expected harvest reports out west. No confirmation of any Chinese sales has been made but we hesitate to push the short side of this market at these levels. We continue to see a bounce ahead and a strong old crop corn market could help to trigger the move.

TODAY'S MARKET IDEAS:
Unless corn rolls over, we look for a bounce in the wheat markets with resistance for KC July at 725 1/4. Strong buying support is likely to be found near the 700 level. Chicago July support is at 674 with resistance at 690. The Sept wheat/corn spread is consolidating just under +120 and trend-line resistance comes in at +128. We see this

narrowing inside +100.

NEW RECOMMENDATIONS:
None.

PREVIOUS RECOMMENDATIONS:
1) Long September corn and Short September Chicago wheat at -137 corn with an objective of -94 corn. Risk to -138 corn.

Commitment of Traders - Futures and Options - 6/4/2013 - 6/11/2013

	Non-Commercial		Commercial		Non-Reportable	
	Net Position	**Weekly Net Change**	**Net Position**	**Weekly Net Change**	**Net Position**	**Weekly Net Change**
Grains						
KC Wheat	-1,625	-6,896	6,942	+8,172	-5,316	-1,276
Wheat	-12,305	+48	33,641	+498	-21,335	-544

WHEAT TECHNICAL OUTLOOK:

Note: Technical commentary is based solely on statistical indicators and does not necessarily correspond to any fundamental analysis that may appear elsewhere in this report.

WHEAT (JUL) 06/17/2013: A negative indicator was given with the downside crossover of the 9 and 18 bar moving average. Momentum studies are still bearish but are now at oversold levels and will tend to support reversal action if it occurs. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The market's close below the pivot swing number is a mildly negative setup. The next downside objective is 672. The next area of resistance is around 685 1/4 and 689 3/4, while 1st support hits today at 676 1/4 and below there at 672.

KC WHEAT (JUL) 06/17/2013: Momentum studies are declining, but have fallen to oversold levels. A negative signal for trend short-term was given on a close under the 9-bar moving average. The market setup is somewhat negative with the close under the 1st swing support. The next downside target is now at 702 1/4. With a reading under 30, the 9-day RSI is approaching oversold levels. The next area of resistance is around 716 1/2 and 722 1/2, while 1st support hits today at 706 1/2 and below there at 702 1/4.

MINN WHEAT (JUL) 06/17/2013: The major trend has turned down with the cross over back below the 60-day moving average. Daily stochastics are trending lower but have declined into oversold territory. A negative signal for trend short-term was given on a close under the 9-bar moving average. The market setup is somewhat negative with the close under the 1st swing support. The next downside target is 795 3/4. The next area of resistance is around 809 and 815 3/4, while 1st support hits today at 799 and below there at 795 3/4.

RICE (JUL) 06/17/2013: Studies are showing positive momentum but are now in overbought territory, so some caution is warranted. The market's short-term trend is positive on the close above the 9-day moving average. The daily closing price reversal down is a negative indicator for prices. The close over the pivot swing is a somewhat positive setup. The next upside objective is 16.798. The market is becoming somewhat overbought now that the RSI is over 70. The next area of resistance is around 16.662 and 16.798, while 1st support hits today at 16.348 and below there at 16.169.

DAILY TECHNICAL STATISTICS

	CLOSE	9 DAY RSI	14 DAY RSI	14 DAY SLOW STOCH D	14 DAY SLOW STOCH K	4 DAY M AVG	9 DAY M AVG	18 DAY M AVG	45 DAY M AVG	60 DAY M AVG
GRAIN COMPLEX										
CNAN3	655	50.10	50.48	49.62	38.80	652.19	656.61	657.26	647.14	650.00
CNAZ3	533	40.15	44.15	42.68	23.49	539.13	544.94	546.29	541.41	543.25
SSAN3	1516 1/2	54.84	58.64	83.66	72.53	1527.00	1526.22	1512.97	1439.89	1426.07
SMAN3	450.7	54.48	58.09	84.99	74.68	457.03	454.59	448.04	423.04	417.68

BOAN3	48.48	49.30	46.84	9.87	15.23	48.12	48.24	48.66	48.97	49.26
WHAN3	680 3/4	36.17	40.53	33.82	16.91	686.50	693.36	695.53	702.04	703.76
WHAZ3	701 1/2	33.12	38.56	32.40	15.43	708.25	715.67	718.18	725.00	726.18
RCAN3	16.505	77.46	71.05	93.36	97.37	16.37	16.06	15.72	15.51	15.55
KWAN3	711 1/2	26.23	33.36	10.46	4.31	719.13	730.00	738.43	750.18	749.58
MWAN3	804	40.04	44.27	44.35	26.41	809.50	814.06	813.75	810.58	805.89
OTAN3	399 1/2	59.43	59.02	88.94	87.41	403.56	399.61	383.57	381.76	379.84

Calculations based on previous session. Data collected 06/14/2013
Data sources can & do produce bad ticks. Verify before use.

DAILY SWING STATISTICS

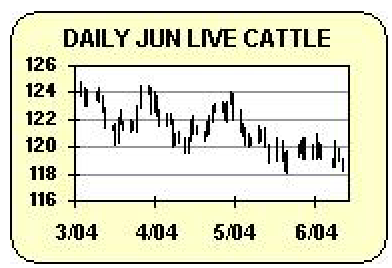
Contract		**Support 2**	**Support 1**	**Pivot**	**Resist 1**	**Resist 2**
GRAIN COMPLEX						
CNAN3	Corn	638 3/4	648	653	662	667 1/4
CNAZ3	Corn	527	530	533 1/4	536	539 1/2
SSAN3	Soybeans	1499 1/4	1508 1/2	1515 1/4	1524 1/2	1531 1/4
SMAN3	Soymeal	444.4	447.0	451.8	454.4	459.2
BOAN3	Soybean Oil	47.61	48.13	48.31	48.83	49.01
WHAN3	Wheat	672	676 1/4	681	685 1/4	690
WHAZ3	Wheat	692	696 1/2	701 3/4	706 1/2	711 1/2
RCAN3	Rice	16.168	16.347	16.483	16.662	16.798
KWAN3	KC Wheat	702 1/4	706 1/2	712 1/2	716 1/2	722 3/4
MWAN3	MINN Wheat	795 3/4	799	805 3/4	809	815 3/4
OTAN3	Oats	389	394	400 1/4	405	411 1/2

Calculations based on previous session. Data collected 06/14/2013
Data sources can & do produce bad ticks. Verify before use.

DAILY CATTLE COMMENTARY

06/17/13

Beef trend remains down even at peak demand; weak



The technical action is weak and beef prices continue to erode and the market looks vulnerable to another leg down. Speculators appear to be in a long liquidation mode basis the COT report and packers seem to be able to acquire cattle at lower prices given the weakness in beef. Boxed beef cutout values were down 48 cents at mid-session Friday and closed $1.10 lower at $199.53. This was down from $201.57 the prior week and is the lowest beef market since May 1st. August cattle closed 75 lower on the session Friday and down 90 for the week. The market traded back down to the lows of the week on Friday and is approaching the low end of the recent 5-week consolidation and experienced the lowest close since May 23rd.

A continued weak trend in beef prices last week and continued concerns over consumer beef demand after 4th of July bookings are complete have helped to hold futures at a good discount to cash. Cash cattle finally traded late on Friday at $120.00, down $2.00 on the week. Positive packer margins were seen as somewhat supportive but packer bids fell along with beef prices. Deferred cattle also pushed lower on the day and weakness in the stock market added to the negative tone.

The estimated cattle slaughter came in at 123,000 head Friday and 31,000 head for Saturday. This brought the total for last week to 644,000 head, unchanged from the previous week but down from 655,000 a year ago. The Commitments of Traders reports as of June 11th showed Non-Commercial traders were net long 35,422 contracts, a decrease of 565 contracts for the week. Non-Commercial and Nonreportable combined traders held a net long of 27,332 contracts, down 2,082 contracts for the week and the long liquidation selling is seen as a short-term negative force. Commodity Index traders held a net long of 99,687 contracts, down 521.

TODAY'S GUIDANCE: The market continues to struggle with sluggish beef prices during a period of peak demand but the discount of futures occasionally provides some temporary support. Without help from the beef market, futures look vulnerable to continued erosion over the near-term. Open interest continues to trend lower and supply bulls move to the sidelines.

TODAY'S MARKET IDEAS:
August cattle resistance is at 118.97 and 119.40 and the close under 118.52 on Friday leaves 116.62 as next downside target.

NEW RECOMMENDATIONS:
None.

PREVIOUS RECOMMENDATIONS:
Short July Cattle 119.00 put from 145. * Attempt to exit at a scratch at 145. Risk to 195.

Commitment of Traders - Futures and Options - 6/4/2013 - 6/11/2013	Non-Commercial		Commercial		Non-Reportable	
	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change
Livestock						
Feeder Cattle	-5,247	-151	8,279	-76	-3,032	+226
Cattle	35,422	-565	-27,333	+2,080	-8,090	-1,517

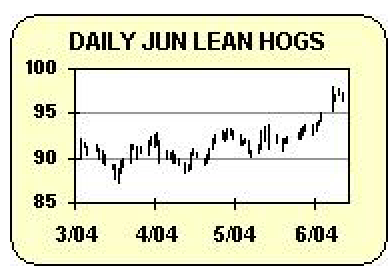
CATTLE COMPLEX TECHNICAL OUTLOOK:
Note: Technical commentary is based solely on statistical indicators and does not necessarily correspond to any fundamental analysis that may appear elsewhere in this report.

LIVE CATTLE (AUG) 06/17/2013: Declining momentum studies in the neutral zone will tend to reinforce lower price action. The close below the 9-day moving average is a negative short-term indicator for trend. More selling pressure is likely given yesterday's gap lower price action on the day session chart. The market is in a bearish position with the close below the 2nd swing support number. The next downside target is 117.600. The next area of resistance is around 118.720 and 119.170, while 1st support hits today at 117.950 and below there at 117.600.

FEEDER CATTLE (AUG) 06/17/2013: A negative indicator was given with the downside crossover of the 9 and 18 bar moving average. A bearish signal was triggered on a crossover down in the daily stochastics. Declining momentum studies in the neutral zone will tend to reinforce lower price action. The intermediate trend has turned down with the cross over back below the 18-day moving average. The close below the 2nd swing support number puts the market on the defensive. The next downside objective is 142.094. The next area of resistance is around 144.262 and 145.543, while 1st support hits today at 142.538 and below there at 142.094.

DAILY HOGS COMMENTARY
06/17/13

Surge in pork values to support cash last week; firm early this week



Surging pork values continue to support the cash market and cash looks to continue to push higher this week. Slaughter has come in smaller than expected and retailers have concentrated on moving pork in recent weeks due to high priced beef. The recent pull back on slaughter led by packers attempt to support margins has come at a time when pork is moving. Pork cutout values, released after the close Friday, came in at $103.58, up $3.89 from Thursday and up from $95.18 the previous week. This is the highest pork cut-out since August 24th of 2011. Cash bellies surged $10.31 to $175.72. Loins also jumped $4.24 to $113.41 from $105.50 last week at this time. July hogs closed 75 lower on the session and were up 170 for the week. This leaves July hogs at a discount of at least 350 points to the cash market and could leave futures looking a bit oversold early this week. This, combined with surging pork values opens the door for more active buying in July hogs this week with June going off the board at $102.70 on Friday.

The market traded sharply lower on the session Friday into the mid-day and down to a 4-session low as traders expect a peak in pork product and cash markets soon and long liquidation selling ahead of the weekend emerged to pressure. Slaughter has been running smaller than expected in the past several weeks so there is some concerns that slaughter will pick-up significantly into mid-July. June hogs closed higher for 13 sessions in a row and traded sharply higher Friday. However, traders are nervous that July and August hogs will trade discount to cash given seasonal pressures.

Tightness in market-ready hogs into peak demand has helped support the cash market. The estimated hog slaughter came in at 344,000 head Friday and 12,000 head for Saturday. This brought the total for last week to 1.949 million head, down from 2.018 million the previous week and down from 1.959 million a year ago. The Commitments of Traders reports as of June 11th showed Non-Commercial traders were net long 53,635 contracts, an increase of 13,792 contracts for the week and the buying trend is seen as a short-term positive force. Non-Commercial and Nonreportable combined traders held a net long of 42,240 contracts, up 14,646. Commodity Index traders held a net long of 79,697 contracts, up 1,395 contracts for the week.

TODAY'S GUIDANCE: The market is probing for a near-term peak and pork product prices may begin to slip "once" retailers are done booking holiday needs. This has not happened yet and the surge in pork values Friday should support solid gains early this week. For now, cash strength continues to support.

TODAY'S MARKET IDEAS:
July hog resistance is at 98.70 and 99.02 and a move above resistance leaves 101.15 as an upside target. Consider owning a July out-of-the money calls this week.

NEW RECOMMENDATIONS:
None.

PREVIOUS RECOMMENDATIONS:
Long December hog 76.00 put from 182 with an objective of 530. Risk to 87.

Commitment of Traders - Futures and Options - 6/4/2013 - 6/11/2013

	Non-Commercial		Commercial		Non-Reportable	
	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change
Livestock						
Hogs	53,635	+13,792	-42,239	-14,645	-11,395	+854

PORK COMPLEX TECHNICAL OUTLOOK:
Note: Technical commentary is based solely on statistical indicators and does not necessarily correspond to any fundamental analysis that may appear elsewhere in this report.

LEAN HOGS (AUG) 06/17/2013: Momentum studies are trending lower from high levels which should accelerate a move lower on a break below the 1st swing support. A positive signal for trend short-term was given on a close over the 9-bar moving average. More selling pressure is likely given yesterday's gap lower price action on the day session chart. The close below the 2nd swing support number puts the market on the defensive. The next downside objective is now at 96.020. With a reading over 70, the 9-day RSI is approaching overbought levels. The next area of resistance is around 97.050 and 97.300, while 1st support hits today at 96.420 and below there at 96.020.

DAILY TECHNICAL STATISTICS

	CLOSE	9 DAY RSI	14 DAY RSI	14 DAY SLOW STOCH D	14 DAY SLOW STOCH K	4 DAY M AVG	9 DAY M AVG	18 DAY M AVG	45 DAY M AVG	60 DAY M AVG
MEAT COMPLEX										

LCQ3	118.320	40.75	42.33	44.40	31.61	119.16	119.30	119.42	120.62	121.24
FCQ3	143.400	41.13	42.53	53.59	48.25	144.87	144.59	144.63	146.23	147.34
LHQ3	96.750	72.33	70.35	96.14	92.95	97.06	95.72	94.03	91.98	91.63

Calculations based on previous session. Data collected 06/14/2013
Data sources can & do produce bad ticks. Verify before use.

DAILY SWING STATISTICS

Contract		Support 2	Support 1	Pivot	Resist 1	Resist 2
MEAT COMPLEX						
LCQ3	Live Cattle	117.570	117.900	118.370	118.720	119.170
FCQ3	Feeder Cattle	142.093	142.537	143.818	144.262	145.543
LHQ3	Lean Hogs	96.000	96.400	96.650	97.050	97.300

Calculations based on previous session. Data collected 06/14/2013
Data sources can & do produce bad ticks. Verify before use.