

July 22, 2022

Sale schedule for next week (all sales start at 10:00 AM Central):

- **Tuesday, July 26**
- **Wednesday, July 27**
- **Thursday, July 28**

Live cattle traded at \$136 to \$137 in the South and from \$137 to \$143 in the North, \$225 to \$232 dressed. Market sentiment continued steady with a weak undertone.

This week's Fed Cattle Exchange saw 4,600 head consigned and 500 head sold with active bidding from national and regional packers.

The Fed Cattle Exchange again helped set the trading range for the week. Some feedyards sold cattle for \$1 to \$3 more than their regional basis, setting the weekly highs for their respective trade areas.

The USDA Cattle on Feed report issued this afternoon will be perceived as neutral to bullish. Placements were higher than expected but marketings and cattle on feed were in line with pre-report estimates.

Live and Feeder Cattle futures traded mostly sideways for the week. Open interest continued to decline as speculative traders reassess their positions considering recent economic news.

The Southern Plains baked this week with record-high temperatures and no end in sight for the current drought. Major cattle feeding areas remain trapped under the dome of high pressure and no rain. Livestock market receipts are steady to slowing as the most producers have already moved cattle and thinned herds in drought-affected regions. Calf sale weights remain much lower than average.

The Federal Reserve will meet July 26 – 27 and expectations are they will raise the fed funds rate at least 75 points and perhaps up to 100 basis points. Raising interest rates is the primary tool available to help slow inflation. Time will tell if the short-term pain of raising rates will create the desired reaction from an economy still under strain and recovering from COVID.

We invite all feedyards to list cattle with Central Stockyards. Whether your feedyard sells on a live basis, negotiated grid, or other marketing method, our Fed Cattle Exchange platform presents your cattle to major and regional packers. If you are interested in transparent, real-time price discovery, we invite you to list a few pens and see how we can help you. Contact us today for more information.

Central Stockyards Team

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