



## Schwieterman Update

Update for the morning of January 10, 2019

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### Corn

*Trends – March Contract*

*Short Term: Up*

*Long Term: Up*

*Overnight Trade: H Flat @7:30 AM*

### Estimated Fund Position

*Net Long Futures and Options: 124000*

*Change: +9000*

It looks like we are started on another day of consolidation in the corn market. So far we haven't seen any follow through weakness from the reversal lower on Tuesday, but we haven't seen much of a recovery either. There are some hopes that the Chinese will be buying US corn soon, but it will be difficult to get confirmation of that any time soon. Without some fresh news we will probably end up retesting Tuesday's low.

### Wheat

*Trends – March Contract*

*Short Term: Up*

*Long Term: Down*

*Overnight Trade: Chicago: H -2 KC: H -3 @7:30 AM*

### Estimated Fund Position

*Net Long Futures and Options: -2000*

*Change: +3000*

Yesterday's wheat rally kind of fizzled out and we missed out on some Egyptian business, which is pretty disappointing since we are supposed to have the cheapest wheat in the world. The March KW is still struggling with the resistance at the 50-day moving average and that export business could have been the thing that kept the upward momentum going.

### Soybeans

*Trends – March Contract*

*Short Term: Up*

*Long Term: Up*

*Overnight Trade: H -1 @7:30 AM*

### Estimated Fund Position

*Net Long Futures and Options: 5000*

*Change: +6000*

It is shaping up to be another day of consolidation in the soybeans. The news is still the same with production estimates in S. America shrinking from record levels and the hope that the Chinese buy some more beans. Fresh news is sparse, which is going to keep us in a choppy trading pattern for the rest of the week.

The information contained herein is based on data obtained from recognized statistical services and other sources believed to be reliable. However, such information has not been verified by us, and we do not make any representations as to the accuracy or completeness. Past results are not necessarily indicative of future results. All statements contained herein are current opinions which are subject to change. The risk of loss in trading commodity future contracts is substantial. You should therefore carefully consider whether such trading is suitable for you in light of your financial condition. Neither the information, nor any opinion expressed shall be construed as an offer to buy or sell any futures or options on futures contracts.

## Live Cattle

### *Trend*

*Short Term: Up*

*Long Term: Up*

*Opening Calls: 10-30 Lower*

Live cattle futures tested but failed to take out Tuesday's highs on Wednesday, settling moderately lower in a narrow trading range. FCE auction saw no bids surface, with asking prices of \$125 on all five pens offered. Cutout values were lower, with choice down .14 and select dropping .79 for the day. Outside markets look less bullish this morning, with the Dollar higher and equities lower.

## Feeder Cattle

### *Trends*

*Short Term: Down*

*Long Term: Up*

*Opening Call: 20-40 Lower*

Feeder cattle futures, like the fats finished moderately lower in a narrow trading range on Wednesday. Cash index levels showed very modest gains on Wednesday and remain more than 1.00 discount to the spot month futures. Corn was up a couple cents on Wednesday and is trading steady to slightly higher overnight. Feeders do not appear poised for breakouts in either direction near term.

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Daily Energy Market Analysis  
By: Rob Charles robertcharles@swbell.net

Weekly Stocks Report for Week Ending

01/04/19

	Change	DOE			API		
		01/04/19	12/28/18	01/05/18	01/04/19		
Crude	-1.70	439.70	441.42	419.50	-6.10		
Gasoline	+ 8.10	248.10	240.00	237.30	+ 5.50		
Distillates	+ 10.60	140.00	129.43	143.10	+ 10.2		
Rates	-1.10 %	96.10	97.20				
Imports	+46K	7.85	7.39				
Nat Gas	-20	2.705	2.725	3.155	% Above/Below Lst Yr	5 Yr Avg	% A/B
				-14.3		3.265	-17.2

Analysts Estimates for Week Ending		01/04/19	
		5 Yr Avg	
Crude	-2.80	na	
Gasoline	+ 3.40	na	
Distillates	+ 1.90	na	

Analysts Estimates for Week Ending		01/04/19	
	Avg	5 Yr Avg	
Nat Gas			

	Crude Oil	Unleaded	Heating Oil	Natural Gas
Short Term Trend	UP	UP	UP	DOWN
Long Term Trend	DOWN	DOWN	DOWN	DOWN
O/N Trade @ 6:45 am	-0.44	-0.0005	-0.0023	+ .057

Commentary:

Spot month crude oil traded lower in overnight and early trade today which is the first time in more than a week that the day has begun with lower trade. This could be a sign that the market is short term overbought and ripe for some type of corrective action. Yesterday seen impressive strength that pushed spot month crude oil to 4 week highs and near the important 50 day moving average. Yesterday was also the first time in 4 weeks that spot month crude oil was able to close above the psychological \$ 50.00 level. This morning's weakness could also be the result of a buy the rumor sell the fact mentality after US/China trade talks finished yesterday. There is a measure of disappointment that details are lacking as to the specifics of the talks. The US stated that both sides discussed ways to achieve a trade agreement and China stated that the talks established a foundation for the resolution of the trade dispute. The lack of details may be enough of a disappointment that some corrective action is due to relieve a short term overbought status in both crude and equity markets. Some Wall Street banks have lowered their average price outlooks for this year over the past few sessions which too could lend some short term pressure. Any break lower however will likely be met with good buying interest keeping the uptrend intact.

	FEB	FEB	FEB
	Crude Oil	Unleaded	Heating Oil
Resistance	52.90/54.55	1.4350/1.4675	1.9120/1.9445
Support	49.75/48.10	1.3615/1.3385	1.8190/1.7755



## Schwieterman Update

Financial Market Analysis for the morning of January 10, 2019

Eric Relp Garden City, KS 800-972-9131 620-275-4100 [ericrelph@sbcglobal.net](mailto:ericrelph@sbcglobal.net)

US equities are set to open lower today after starting 2019 with 6 out of 7 sessions trading to the upside. The early slide is not expected to withstand the day amidst positive news from the delegates involved in trade talks between the US and China as well as a continued sentiment that the Fed is backing off of its aggressive rate-hike path. Both the Dow Jones and S&P are trading at levels that many analysts feel is satisfactory and should continue upward momentum. A welcome change from how markets performed throughout December. A televised question and answer session with Fed Chairman Powell is scheduled for this afternoon, which could impact trading in the overnight and into tomorrow.

### Dow (mini)



FUTURES

**Index Close Cur Future Change**

23879.12 23778.0 -52.00

FUTURES FAIR VALUE (29.12)

**Fair Val Close Cur Future Implied Open**

23859.12 23778.0 -81.12

Last Updated: Thu, 10 Jan '19 | 8:15 AM ET

### S&P 500 (Mini)



FUTURES

**Index Close Cur Future Change**

2584.96 2572.0 -10.50

FUTURES FAIR VALUE (3.46)

**Fair Val Close Cur Future Implied Open**

2585.96 2572.0 -13.96

Last Updated: Thu, 10 Jan '19 | 8:14 AM ET

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[LM XB403](#)

**DAILY ESTIMATED CUTOUT VALUES**

	<b>Choice</b> <u>600-900#</u>	<b>Select</b> <u>600-900#</u>	<b>Choice/Select Spread</b>
Cutout Values	213.84	206.47	7.37
Change from Prior Day	(0.14)	(0.79)	
Primal Rib	350.41	316.69	
Primal Chuck	175.25	172.93	
Primal Round	172.76	172.91	
Primal Loin	278.61	266.36	
Primal Brisket	192.24	187.23	
Primal Short Plate	155.74	155.74	
Primal Flank	108.03	107.47	

<b>Load Count:</b>	
Total	126
Choice	76
Select	12
Trimming	10
Grinds	29

Fresh 50% Trimmings 5 Loads @ 58.69

[NW LS441](#)

**USDA BY-PRODUCT DROP VALUE (STEER) - DAILY**

9.00 Change: (0.05)

[LM CT100](#)

**5 AREA WEEKLY ACCUMULATED WEIGHTED AVG CATTLE PRICE**

<i>As of 10:00 am</i>	<u>Head Count</u>	<u>Avg Weight</u>	<u>Avg Price</u>
Live Steer	671	1,247	122.50
Live Heifer	36	1,110	122.50
Dressed Steer	0		
Dressed Heifer	0		

[SJ LS710](#)

**ESTIMATED DAILY CATTLE SLAUGHTER**

Today (est)	120,000
Week Ago (est)	117,000
Year Ago (act)	118,000
Week to Date	357,000
Same Period Last Week	188,000
Same Period Last Year	353,000
<b>Previous Day Estimated</b>	<b>Steer and Heifer 94,000</b>
	<b>Cow and Bull 25,000</b>

[SJ LS712](#)

<b>BEEF PRODUCTION</b>	<b>1/5/2019</b> (Estimate)	<b>Last Week</b> (Estimate)	<b>Last Year</b> (Actual)
Slaughter	520,000	438,000	545,000
Live Weights	1374	1374	1382
Dressed Weights	829	829	836
Beef Production (millions of pounds)	430.5	362.6	454.9

[NW LS410](#)

**USDA BEEF CARCASS PRICE EQUIVALENT INDEX VALUE**

	<b>Choice</b> <u>600-900#</u>	<b>Select</b> <u>600-900#</u>	<b>Dressing percent:</b>	
			<u>Steer</u>	<u>Heifer</u>
Change	(0.02)	(0.34)	63.23	63.27

[LM XB405](#)

**USDA NATIONAL CUTTER COW CARCASS CUTOUT**

157.64 0.51 90% lean: 200.09

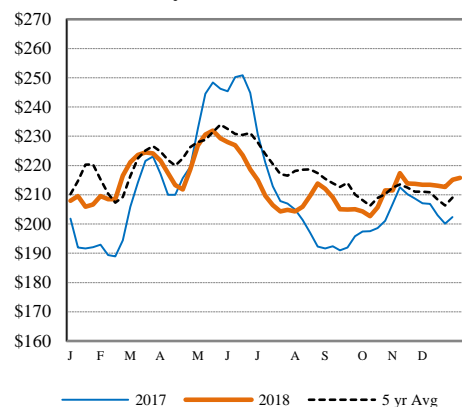
[CME LIVE CATTLE](#)

	<u>High</u>	<u>Low</u>	<u>Close</u>	<u>Change</u>
FEB	125.40	124.73	124.80	(-0.50)
APR	126.25	125.63	125.80	(-0.35)
JUN	117.63	116.90	117.25	(-0.22)

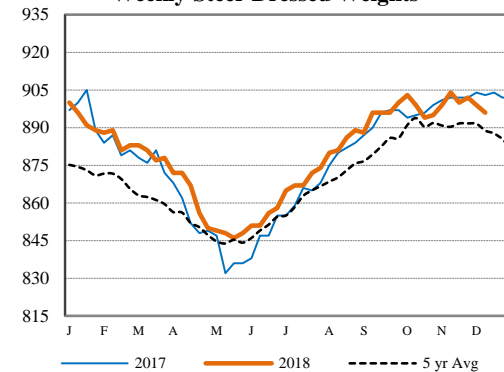
[CME FEEDER CATTLE](#)

	<u>High</u>	<u>Low</u>	<u>Close</u>	<u>Change</u>
JAN	147.78	146.75	146.83	(-0.80)
MAR	145.73	144.73	144.90	(-0.55)
APR	146.175B	145.30	145.48	(-0.62)

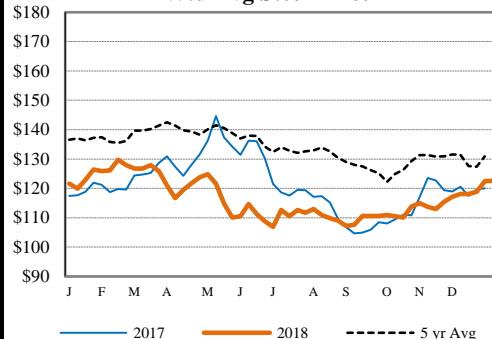
**Weekly Choice Cutout**



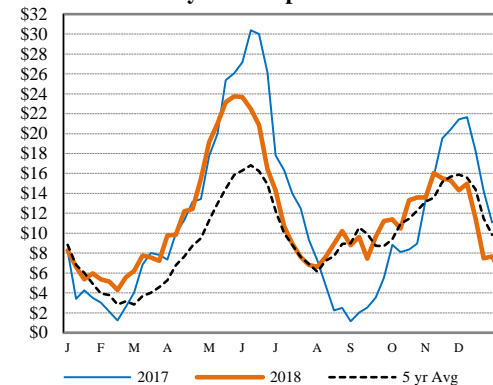
**Weekly Steer Dressed Weights**



**5 Area Weekly Wtd Avg Steer Price**



**Weekly Ch/Se Spread**



**USDA Livestock Poultry Grain Market News**

Des Moines, Iowa  
Phone: 515-284-4460  
Email: [desm.lpgmn@ams.usda.gov](mailto:desm.lpgmn@ams.usda.gov)  
[USDA AMS Livestock, Poultry & Grain Market News Portal](#)

**DAILY DIRECT HOGS PLANT DELIVERED as of 1:30 PM**

Negotiated Barrow and Gilt:	Carcass Base Price	Live Price
<u>NATIONAL - LM_HG203:</u>		
Range:	\$46.50 - \$52.50	\$35.50 - \$40.50
Weighted Average:	\$51.19	\$38.89
Change from Prior Day:	1.02 higher	0.11 lower
Receipts:	8,870	601

<u>IOWA/MINNESOTA - LM_HG206:</u>		
Range:	\$46.50 - \$52.50	\$36.18 - \$40.50
Weighted Average:	\$52.04	\$38.56
Change from Prior Day:	1.28 higher	no comparison
Receipts:	5,450	168

<u>WESTERN CORNBELT - LM_HG212:</u>		
Range:	\$46.50 - \$52.50	\$35.50 - \$40.50
Weighted Average:	\$51.96	\$38.43
Change from Prior Day:	1.23 higher	no comparison
Receipts:	5,750	426

<u>EASTERN CORNBELT - LM_HG210:</u>		
Range:	N/A - N/A	NA - NA
Weighted Average:	N/A	NA
Change from Prior Day:	N/A	NA
Receipts:	2,930	175

<u>NATIONAL DAILY PORK REPORT FOB PLANT- LM_PK602:</u>			
Carcass Cutout Values	69.67	Change:	(-0.49)
Primal Loin	62.64		(-0.55)
Primal Butt	73.33		(-5.70)
Primal Picnic	36.55		(-1.82)
Primal Rib	124.28		0.74
Primal Ham	47.63		0.86
Primal Belly	137.95		0.38
Total Loads	450.82		
Pork Cuts	398.90	Lds	
Trim/Process Pork	51.92	Lds	

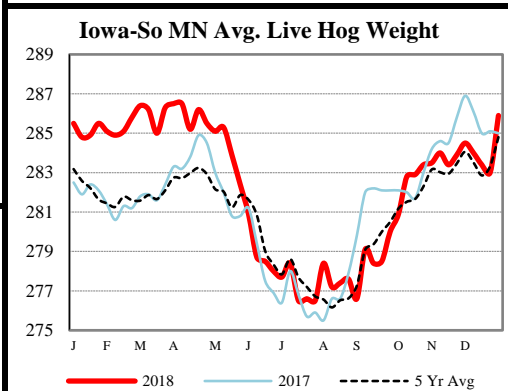
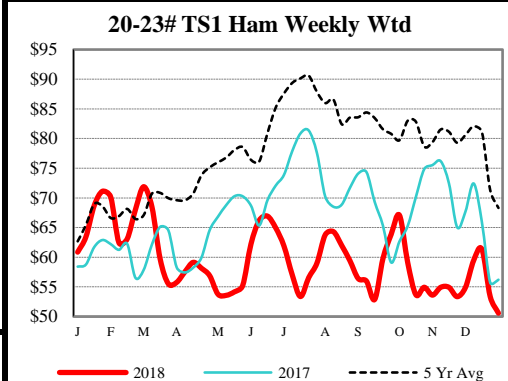
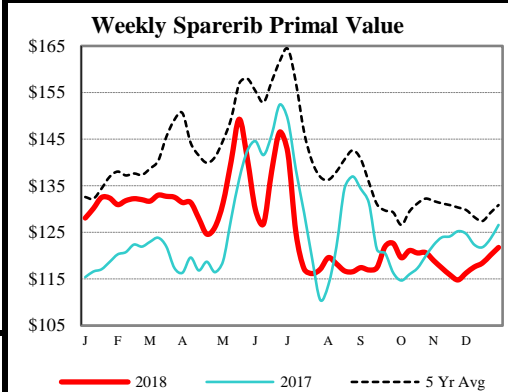
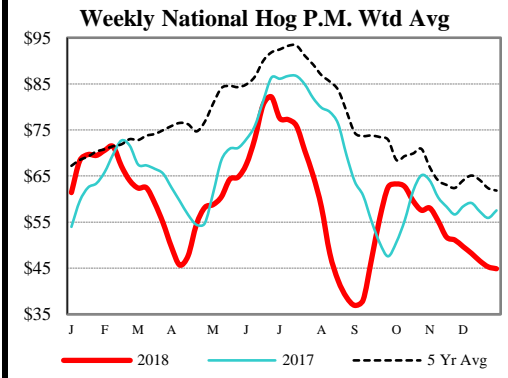
<u>DAILY EST. HOG SLAUGHTER UNDER FIS - SJ_LS710</u>	
Today (est)	469,000
Week Ago (est)	480,000
Year Ago (act)	457,000
Week to Date (est)	1,423,000
Same Period Last Week (est)	882,000
Same Period Last Year (act)	1,369,000

<b>CME Lean Hog Close</b>	<b>High</b>	<b>Low</b>	<b>Settle</b>	<b>Change</b>
FEB	64.10	62.38	63.78	1.18
APR	67.88	66.28	67.55	1.53
MAY	74.25	73.25	74.20	1.25
JUN	82.30	81.35	82.00	0.88

CME Lean Hog Delayed Futures

IOWA-SOUTHERN MINNESOTA WEEKLY AVERAGE WEIGHT - NW\_LS720

<b>For Week Ending Sat,</b>	<b>Head</b>	<b>Average</b>
<b>5-Jan-19</b>	<b>Count</b>	<b>Weight</b>
	1/5/2019	706,000 286.6
Week Ago:	12/29/2018	622,000 285.9
Year Ago:	1/6/2018	724,000 285.5



USDA Livestock, Poultry & Grain Market News  
Des Moines, Iowa  
Phone: 515-284-4460  
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[USDA AMS Livestock, Poultry & Grain Market News Portal](http://USDAAMS.gov)

**AUCTION SUMMARY**

<a href="#">TO LS751</a>		5,386	Tuesday	
<b>RIVERTON LIVESTOCK AUCTION</b>				
Riverton, WY				
Feeder Steers	300-400 lbs	210.00-224.00	Feeder Heifers	300-400 lbs 164.50-181.00
Medium &	400-500 lbs	187.50-215.00	Medium &	400-500 lbs 163.00-175.00
Large #1	500-600 lbs	167.50-194.00	Large #1	500-600 lbs 142.50-161.50
	600-700 lbs	148.00-175.00		600-700 lbs 131.00-141.00
	700-800 lbs	148.25-151.50		700-800 lbs 136.50-141.00

<a href="#">JC LS763</a>		5,002	Tuesday	
<b>OZARKS REGIONAL STOCKYARDS</b>				
West Plains, MO				
Feeder Steers	400-500 lbs	172.00-189.00	Feeder Heifers	400-500 lbs 139.00-151.00
Medium &	500-600 lbs	157.00-185.00	Medium &	500-600 lbs 130.00-144.00
Large #1	600-700 lbs	138.00-159.00	Large #1	600-700 lbs 129.00-138.00
	700-800 lbs	135.00-140.50		700-800 lbs 126.50-135.00
	800-900 lbs	133.00-140.50		800-900 lbs 125.00-128.00

<a href="#">GL LS752</a>		4,252	Tuesday	
<b>WINTER LIVESTOCK INC.</b>				
La Junta, CO				
Feeder Steers	400-500 lbs	186.00-200.00	Feeder Heifers	400-500 lbs 153.00-161.00
Medium &	500-600 lbs	165.00-187.00	Medium &	500-600 lbs 149.00-159.00
Large #1	600-700 lbs	149.00-159.50	Large #1	600-700 lbs 142.00-148.00
	700-800 lbs	143.50-148.00		700-800 lbs 136.50-137.00
	800-900 lbs	141.50-143.00		800-900 lbs 130.00

[Live Cattle Settlements](#) [Feeder Cattle Settlements](#) Wednesday

**CHICAGO MERCANTILE EXCHANGE LIVESTOCK FUTURES SETTLEMENT**

<u>Live Cattle</u>			<u>Feeder Cattle</u>		
		<u>Change</u>			<u>Change</u>
Feb	124.80	(0.50)	Jan	146.82	(0.80)
Apr	125.80	(0.35)	Mar	144.90	(0.55)
Jun	117.25	(0.22)	Apr	145.47	(0.62)

[Corn Settlements](#) [Soybean Settlements](#) Wednesday

**CHICAGO BOARD OF TRADE GRAIN FUTURES SETTLEMENT**

<u>Corn</u>			<u>Soybeans</u>		
		<u>Change</u>			<u>Change</u>
Mar	3.8200	0.0200	Jan	9.1150	0.0525
May	3.9000	0.0200	Mar	9.2400	0.0550
Jul	3.9750	0.0175	May	9.3725	0.0550

[KC Wheat](#) Wheat Change

<u>KANSAS CITY BOARD OF TRADE</u>				<u>Change</u>
Mar	5.0550			0.0050
May	5.1725			0.0050
Jul	5.2700			Unch

[LM CT100](#) Wednesday

**5 AREA WKLY ACCUMULATED WTD AVG SLAUGHTER CATTLE PRICE**

	<u>Head Count</u>	<u>Avg Weight</u>	<u>Avg Price</u>
Live Steer	671	1,247	122.50
Live Heifer	36	1,110	122.50
Dressed Steer	0	N/A	N/A
Dressed Heifer	0	N/A	N/A

[LM XB403](#) Wednesday

**DAILY ESTIMATED BOXED BEEF CUTOUT VALUES**

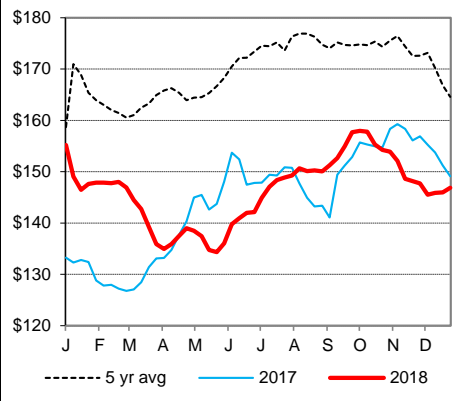
<u>Choice</u>	<u>Select</u>	<u>Choice Cuts</u>		
<u>600-900#</u>	<u>600-900#</u>	<u>Select Cuts</u>		
213.84	206.47	Trimming	10	loads
(0.14)	(0.79)	Grinds	29	loads

[SJ LS710](#) [KO LS151](#) Wednesday

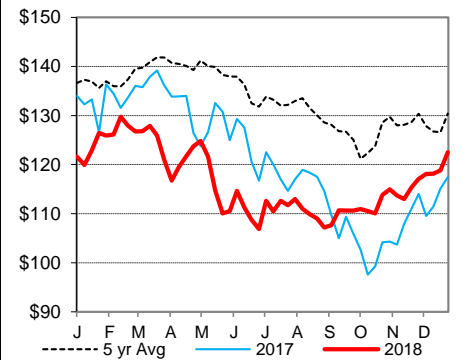
**ESTD DAILY CATTLE SLAUGHTER**

Wednesday	120,000	<b>SLAUGHTER COW MARKET</b>		
Week Ago (est)	117,000	Oklahoma National Stockyards		
Year Ago (act)	118,000	Tuesday	<u>Pct Lean</u>	<u>Price</u>
Wk to date (est)	357,000	Breaking	70-80	51.00-53.00
Last Week (est)	188,000	Boning	80-85	50.00-52.00
Last Year (act)	353,000	Lean	85-90	47.00-50.50
Previous Day Estimated:	Steer and Heifer 94,000	Tuesday		
	Cow and Bull 25,000			

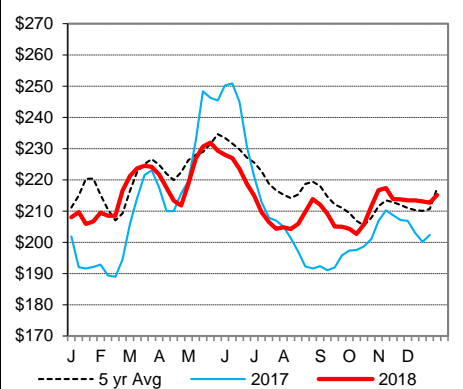
**CME Feeder Cattle Index**



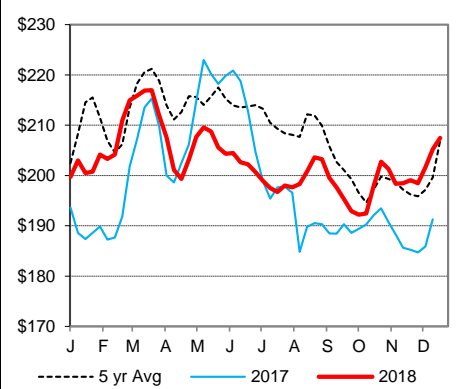
**5 Area Wkly Wtd Avg Sltr Steer Price**



**Weekly Choice Cutout**



**Weekly Select Cutout**





## *Schwieterman Update*

*Schwieterman, Inc.*  
*620-275-4100*  
*800-272-9131*

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