



Schwieterman Update

Update for the morning of February 5, 2019

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Corn

Trends – March Contract

Short Term: **Up**

Long Term: **Down**

Overnight Trade: H Flat @7:30 AM

Estimated Fund Position

Net Long Futures and Options: 87000

Change: +7000

Well, it should come as no surprise that it looks like we are going to have yet another day of sideways action in the corn. We are one day closer to the February supply and demand report, and hopefully one day closer to something happening in the market.

Wheat

Trends – March Contract

Short Term: **Up**

Long Term: **Down**

Overnight Trade: Chicago: H Flat KC: H Flat @7:30 AM

Estimated Fund Position

Net Long Futures and Options: -9000

Change: +4000

Wheat posted some nice gains for a while yesterday, but as is typical of a sideways market, the gains did not hold. Key resistance in the March KW will be at the \$5.15 - \$5.17 level today and there is a good chance that the market tests that level at some point today. There is also a very good chance that the resistance holds and that the pattern remains sideways for a few more days.

Soybeans

Trends – March Contract

Short Term: **Up**

Long Term: **Up**

Overnight Trade: H Flat @7:30 AM

Estimated Fund Position

Net Long Futures and Options: 9000

Change: +3000

The bean market is pretty much directionless as well, but I do want to say that perhaps the charts look a bit more bullish than anything else. The March beans have had an upward bias since September, and if we can just get a spark, the March contract could easily move to \$9.70. Hopefully the February supply and demand report gives us that spark.

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Live Cattle

Trend

Short Term: Up

Long Term: Up

Opening Calls: Mixed

Live cattle futures closed moderately higher to start the week, after trading sharply higher through midsession. Support stemmed from stronger cash trade on Friday, with further support from a strong weekly comprehensive beef report on Monday. Deferred beef sales were especially impressive, along with overseas sales the highest in more than 5 months. Cutout values are off to a good start this week, with choice up a whopping 3.39 and select a modest .26 for the day. The April contract has nearly a 2.00 separation from the 50 day moving average of 125.12.

Feeder Cattle

Trends

Short Term: Down

Long Term: Down

Opening Call: 10-30 Lower

Feeder cattle futures posted triple digit gains to start the week, with the lead March contract gaining 1.70 by the close. Strength in corn futures and lower cash index levels did little to defer the board strength on Monday. Overnight corn values are steady to slightly higher. The index fell to 141.01, the lowest quote since the first half of June. Feedlot conditions are showing steady improvement, but temps are falling well below expectations for the first half of this week.

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

Weekly Stocks Report for Week Ending

01/25/19

	Change	DOE			API		
		01/25/19	01/18/19	01/26/18	01/25/19		
Crude	+ 900K	445.90	445.00	418.40	+ 1.10		
Gasoline	-2.20	257.40	259.60	242.10	+ 2.20		
Distillates	- 1.10	141.30	142.40	137.90	+ 211K		
Rates	- 2.8 %	90.10	92.90				
Imports	-1.11	7.08	8.19				
Nat Gas	-163	2.370	2.533	2.337	% Above/Below Lst Yr + 1.4	5 Yr Avg 2.675	% A/B -11.4

Analysts Estimates for Week Ending 01/25/19

		5 Yr Avg
Crude	+ 3.20	na
Gasoline	+ 1.90	na
Distillates	-1.40	na

Analysts Estimates for Week Ending 01/25/19

	Avg	5 Yr Avg
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Nat Gas

	Crude Oil	Unleaded	Heating Oil	Natural Gas
Short Term Trend	UP	UP	UP	DOWN
Long Term Trend	UP	UP	UP	DOWN
O/N Trade @ 6:45 am	-0.16	-0.0093	+ .0002	+ .009

Commentary:

The spot month crude oil market may be showing early signs that it has slipped into another consolidation for a moment. The previous 2 sessions have seen a bullish outside day up on Friday with a new 2 ½ month high posted followed by an opening week session yesterday that was a typically bearish outside day down. Today's overnight and early trade today has seen trade on both sides of unchanged so far staying within yesterday's trading range. Headline sentiment should still favor the uptrend which likely means that consolidation support above \$ 53.00 will continue to see good buying support. Production data shows that OPEC+ is not only disciplined in making production cuts pursuant to their production cut agreement reached in December but will likely over comply thanks to US sanctions on Venezuelan production. One reason consolidation could develop is the void in US/China trade talks this week as more meetings are scheduled in a few weeks with an important meeting between the Presidents by late month. Another reason to push the pause button on aggressive buying could come from US supply and demand data set to be released over the next 2 sessions. US data should only provide another good buying opportunity as the market is much more interested in global production cuts.

	MAR	MAR	MAR
	Crude Oil	Unleaded	Heating Oil
Resistance	55.55/59.30	1.4850/1.5175	1.9445/2.0000
Support	53.05/51.35	1.4060/1.3735	1.8380/1.7760

[LM XB403](#)

DAILY ESTIMATED CUTOUT VALUES

	<u>Choice</u>	<u>Select</u>	Choice/Select Spread
	<u>600-900#</u>	<u>600-900#</u>	
Cutout Values	217.65	213.41	4.24
Change from Prior Day	3.39	0.26	
Primal Rib	355.95	335.92	
Primal Chuck	176.51	173.96	
Primal Round	175.00	176.88	
Primal Loin	288.96	281.87	
Primal Brisket	188.31	186.65	
Primal Short Plate	158.20	158.20	
Primal Flank	111.58	110.86	

Load Count:

Total	81
Choice	39
Select	24
Trimming	9
Grinds	9

Fresh 50% Trimmings 9 Loads @ 62.18

[NW LS441](#)

USDA BY-PRODUCT DROP VALUE (STEER) - DAILY

9.01 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	29,732	1,434	123.87
Live Heifer	17,664	1,293	123.83
Dressed Steer	14,037	920	198.34
Dressed Heifer	6,990	852	198.17

[SJ LS710](#)

ESTIMATED DAILY CATTLE SLAUGHTER

Today (est)	118,000		
Week Ago (est)	118,000		
Year Ago (act)	112,000		
Week to Date			
Same Period Last Week			
Same Period Last Year			
Previous Day Estimated		Friday	Saturday
	Steer and Heifer	82,000	23,000
	Cow and Bull	22,000	3,000

[SJ LS712](#)

BEEF PRODUCTION	(Estimate)	Last Week	Last Year
Slaughter	593,000	610,000	613,000
Live Weights	1375	1376	1378
Dressed Weights	830	832	828
Beef Production (millions of pounds)	492.2	507.0	506.6

[NW LS410](#)

USDA BEEF CARCASS PRICE EQUIVALENT INDEX VALUE

	<u>Choice</u>	<u>Select</u>	<u>Dressing percent:</u>	
	<u>600-900#</u>	<u>600-900#</u>	<u>Steer</u>	<u>Heifer</u>
	196.74	190.49	63.24	63.20
Change	1.87	0.67		

[LM XB405](#)

USDA NATIONAL CUTTER COW CARCASS CUTOUT

161.38 0.41 **90% lean:** 207.31

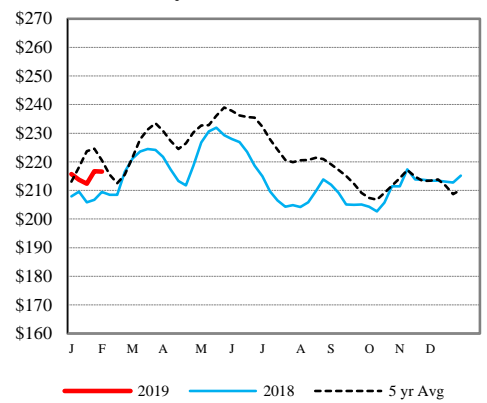
[CME LIVE CATTLE](#)

	<u>High</u>	<u>Low</u>	<u>Close</u>	<u>Change</u>
FEB	126.65	125.50	125.73	0.27
APR	127.73	126.25	127.00	0.72
JUN	117.75	116.40	117.00	0.85

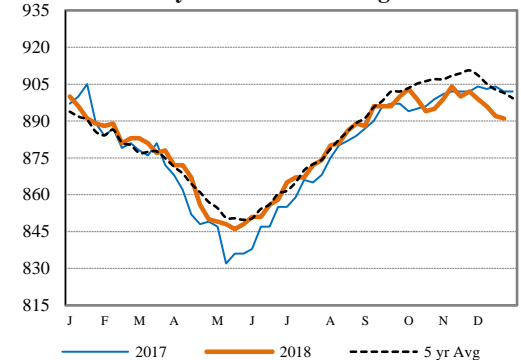
[CME FEEDER CATTLE](#)

	<u>High</u>	<u>Low</u>	<u>Close</u>	<u>Change</u>
MAR	145.28	142.53	144.23	1.70
APR	146.33	143.95	145.83	1.82
MAY	146.78	144.50	146.38	1.77

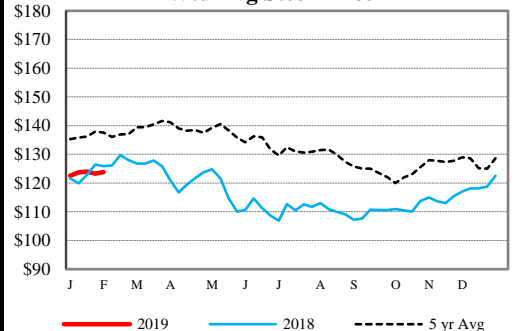
Weekly Choice Cutout



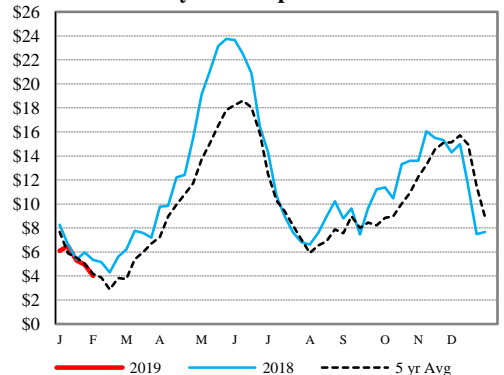
Weekly Steer Dressed Weights



5 Area Weekly Wtd Avg Steer Price



Weekly Ch/Se Spread



USDA Livestock Poultry Grain Market News

Des Moines, Iowa

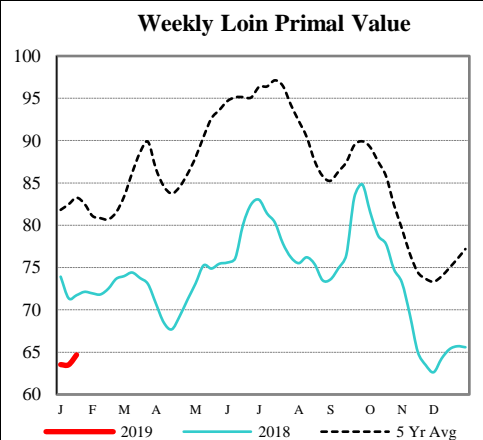
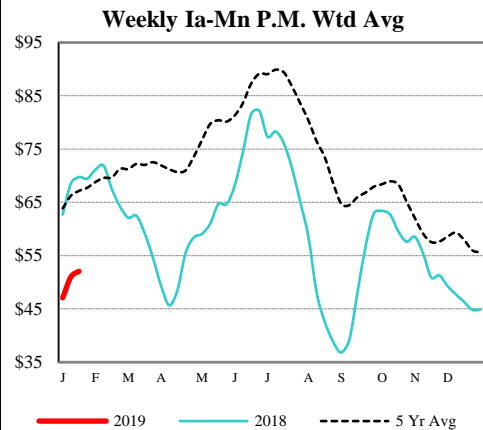
Phone: 515-284-4460

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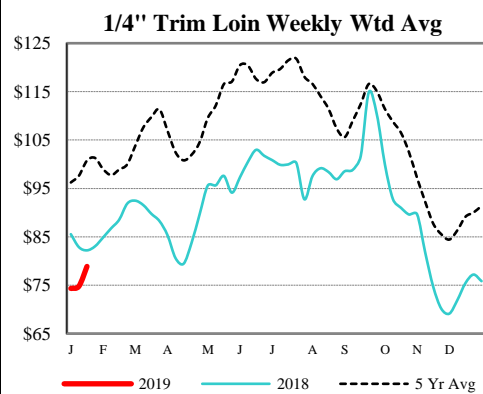
DAILY DIRECT HOGS PLANT DELIVERED as of 1:30 PM

Negotiated Barrow and Gilts:	Carcass Base Price	Live Price
<u>NATIONAL - LM_HG203:</u>		
Range:	\$46.00 - \$51.28	\$37.00 - \$42.00
Weighted Average:	\$50.59	\$40.35
Change from Prior Day:	0.21 higher	0.42 higher
Receipts:	5,972	1,013
<u>IOWA/MINNESOTA - LM_HG206:</u>		
Range:	\$47.25 - \$51.00	N/A - N/A
Weighted Average:	\$49.85	N/A
Change from Prior Day:	0.39 lower	N/A
Receipts:	2,849	635
<u>WESTERN CORNBELT - LM_HG212:</u>		
Range:	\$46.00 - \$51.00	N/A - N/A
Weighted Average:	\$49.84	N/A
Change from Prior Day:	0.38 lower	N/A
Receipts:	2,857	635
<u>EASTERN CORNBELT - LM_HG210:</u>		
Range:	N/A - N/A	\$37.25 - \$42.00
Weighted Average:	N/A	\$40.74
Change from Prior Day:	N/A	0.73 higher
Receipts:	3,115	378



NATIONAL DAILY PORK REPORT FOB PLANT- LM_PK602:

Carcass Cutout Values		Change:
Primal Loin	68.12	1.13
Primal Butt	69.65	1.80
Primal Picnic	72.10	(-0.95)
Primal Rib	39.61	1.12
Primal Ham	124.58	2.87
Primal Belly	48.34	0.36
Total Loads	116.25	4.02
Pork Cuts	257.84	
Trim/Process Pork	223.64	
	34.2 Lds	



DAILY EST. HOG SLAUGHTER UNDER FIS - SJ_LS710

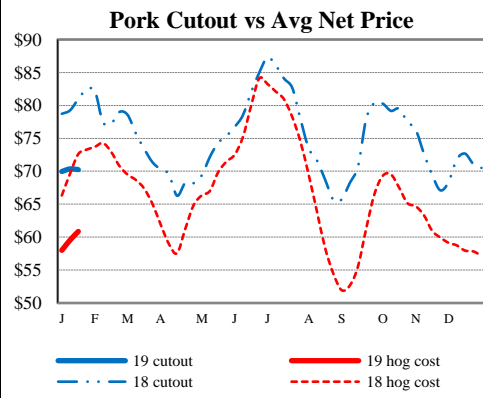
Today (est)	478,000
Week Ago (est)	470,000
Year Ago (act)	461,000

CME Lean Hog CLOSE	High	Low	Settle	Change
FEB	57.70	56.15	57.38	1.02
APR	63.13	59.65	63.05	2.92
MAY	70.05	67.30	69.83	2.17
JUN	77.95	75.43	77.68	1.62

CME Lean Hog Delayed Futures

ESTIMATED WEEKLY PORK PRODUCTION UNDER FIS - SJ_LS712

Week Ending	Hog Slaughter	Million Pounds	Live Weight	Dressed Weight
02/02/19	2,387,000	509.3	286	213
01/26/19	2,501,000	533.7	286	213
2018 YTD	11,812,000	2520.2		
2017 YTD	11,691,000	2501.7		

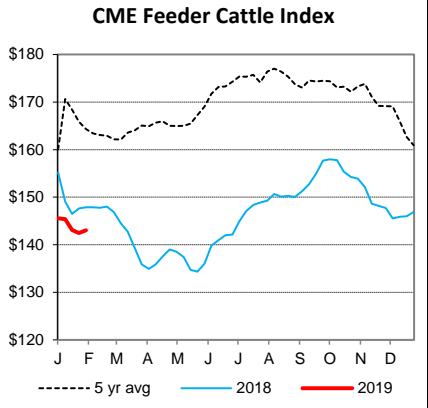


National Daily Feeder and Stocker Cattle AM Summary
St. Joseph, Missouri **Monday, February 04, 2019**

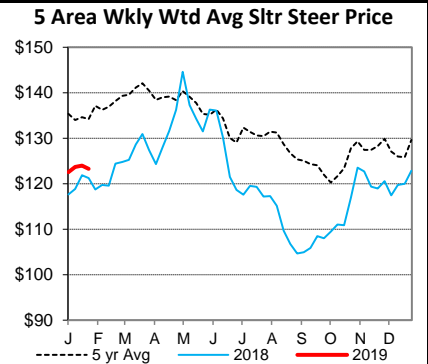
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AUCTION SUMMARY

WH_LS758		4,065		Friday	
ERICSON LIVESTOCK AUCTION					
Ericson, NE					
Feeder Steers	400-500 lbs	185.00-193.00	Feeder Heifers	300-400 lbs	168.00-170.00
Medium &	500-600 lbs	185.00-189.00	Medium &	400-500 lbs	168.00-172.00
Large #1	600-700 lbs	157.00-174.00	Large #1	500-600 lbs	156.00-166.75
	700-800 lbs	145.00-154.50		600-700 lbs	140.00-150.25
	800-900 lbs	145.10-150.00		700-800 lbs	133.00-136.60

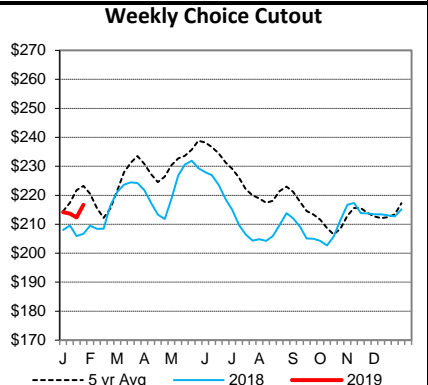


WH_LS751		2,739		Friday	
LEXINGTON LIVESTOCK MARKET					
Lexington, NE					
Feeder Steers	400-500 lbs	186.00	Feeder Heifers	400-500 lbs	163.00-169.00
Medium &	500-600 lbs	170.00-183.50	Medium &	500-600 lbs	150.00-165.00
Large #1	600-700 lbs	150.75-170.00	Large #1	600-700 lbs	138.00-151.00
	700-800 lbs	150.00-154.50		700-800 lbs	130.00-137.00
	800-900 lbs	140.00-147.10		800-900 lbs	135.50



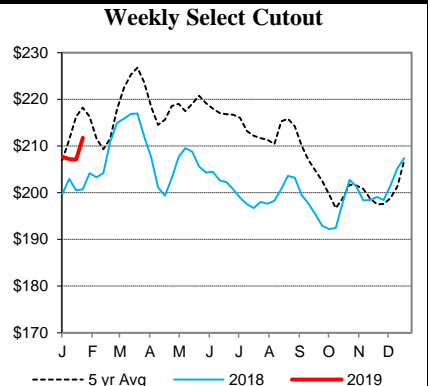
SF_LS760		2,182		Friday	
HERREID LIVESTOCK MARKET					
Herreid, SD					
Feeder Steers	400-500 lbs	177.50-190.50	Feeder Heifers	400-500 lbs	164.50-169.50
Medium &	500-600 lbs	168.50-178.50	Medium &	500-600 lbs	137.50-160.00
Large #1	600-700 lbs	149.00-173.25	Large #1	600-700 lbs	133.50-152.00
	700-800 lbs	138.25-151.25		700-800 lbs	135.25-136.75
	800-900 lbs	19.25-142.00			

Live Cattle Settlements		Feeder Cattle Settlements		Monday	
CHICAGO MERCANTILE EXCHANGE LIVESTOCK FUTURES SETTLEMENT					
Live Cattle	Change	Feeder Cattle	Change		
Feb	125.73	0.28	Mar	144.23	1.70
Apr	127.00	0.73	Apr	145.83	1.83
Jun	117.00	0.85	May	146.38	1.78



Corn Settlements		Soybean Settlements		Monday	
CHICAGO MERCANTILE EXCHANGE LIVESTOCK FUTURES SETTLEMENT					
Live Cattle	Change	Feeder Cattle	Change		
Feb	125.45	0.65	Mar	142.52	(0.02)
Apr	126.27	(0.02)	Apr	144.00	(0.27)
Jun	116.15	0.20	May	144.60	(0.20)

Corn Settlements		Soybean Settlements		Monday	
CHICAGO BOARD OF TRADE GRAIN FUTURES SETTLEMENT					
Corn	Change	Soybeans	Change		
Mar	3.7925	0.0100	Mar	9.1850	0.0075
May	3.8750	0.0050	May	9.3250	0.0100
Jly	3.9525	0.0050	Jly	9.4500	0.0075



KC Wheat		Wheat		Monday	
KANSAS CITY BOARD OF TRADE					
		Mar	5.1050	0.0175	
		May	5.1825	0.0100	
		Jly	5.2650	0.0050	

LM_CT100		Friday	
5 AREA WKLY ACCUMULATED WTD AVG SLAUGHTER CATTLE PRICE			
	Head Count	Avg Weight	Avg Price
Live Steer	29,732	1,434	123.87
Live Heifer	17,664	1,293	123.83
Dressed Steer	14,037	920	198.34
Dressed Heifer	6,990	852	198.17

LM_XB403		Monday	
DAILY ESTIMATED BOXED BEEF CUTOUT VALUES			
Choice	Select	Choice Cuts	39 loads
600-900#	600-900#	Select Cuts	24 loads
217.65	213.41	Trimming	9 loads
3.39	0.26	Grinds	9 loads

USDA Livestock, Poultry & Grain Market News

St. Joseph, Missouri
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<http://www.ams.usda.gov/LSMarketNews>

SJ_LS710		TO_LS140	
ESTD DAILY CATTLE SLAUGHTER		SLAUGHTER COW MARKET	
Monday	118,000	Torrington Livestock Commission	
Week Ago (est)	118,000	Thursday	Pct Lean Price
Year Ago (act)	112,000	Breaking	70-80 54.50-69.00
Wk to date (est)	118,000	Boning	80-85 52.00-60.00
Last Week (est)	118,000	Lean	85-90 51.00-58.00
Last Year (act)	112,000	Friday	Saturday
Previous Day Estimated:	Steer and Heifer	82,000	23,000
	Cow and Bull	22,000	3,000



Schwieterman Update

Schwieterman, Inc.

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