



Schwieterman Update

Update for the morning of February 28, 2019

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Grain: Bret Crotts bret@swbell.net Cattle: Mark Green mgreen@swbell.net Energy: Rob Charles robertcharles@swbell.net

Corn

Trends – July Contract

Short Term: **Down**

Long Term: **Down**

Overnight Trade: N Flat @7:30 AM

Estimated Fund Position

Net Long Futures and Options: -110000

Change: -22000

Funds keep selling corn and the July contract took out the November low yesterday, so the charts are beginning to suggest that the corn market is going to go the way of the wheat. The September low in the July contract is \$3.70, so that is our next major downside target. Export sales were good at 1.24 MMT for the old crop and 120,500 MT for the new crop. Hopefully the solid demand keeps the market supported, but right now money flow to the short side is driving the market.

Wheat

Trends – July Contract

Short Term: **Down**

Long Term: **Down**

Overnight Trade: Chicago: **N +1** KC: **N +2** @7:30 AM

Estimated Fund Position

Net Long Futures and Options: -64000

Change: -3000

The July KW has gone a couple of days without a new low, but that is about the only positive thing to say. Export sales were ok at 476,300 MT for the old crop and 61,000 MT for the new crop. This is not nearly enough to draw stocks levels down or encouraging speculative buying. Maybe the combination of lower prices and a weaker Dollar will help next week's report.

Soybeans

Trends – July Contract

Short Term: **Down**

Long Term: **Down**

Overnight Trade: **N -2** @7:30 AM

Estimated Fund Position

Net Long Futures and Options: -30000

Change: -6000

Soybean export sales were good at 2.196 MMT, with China being the big buyer. That is still well short of the 10 MMT everyone has been talking about, but maybe that shows up in future reports. The beans are the only market that isn't pushing lower, but one has to wonder when the funds are going to start getting aggressive in the soy complex? A move below \$9.20 in the July contract would be very negative.

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Live Cattle

Trend

Short Term: Up

Long Term: Up

Opening Calls: Mixed

Live cattle futures continued to carve out new contract highs on Wednesday, on anticipation of better cash trade. Boxed beef prices were softer, with choice off .21 and select falling .94 for the day. Cash trade remains quiet, with asking prices of \$128+ and bids yet to establish. Outside markets are mixed, with the Dollar and equities lower overnight.

Feeder Cattle

Trends

Short Term: Down

Long Term: Down

Opening Call: Mixed

Feeder cattle futures posted moderate gains on Wednesday, continuing to show some strength in spite of the weak cash index. Weaker corn values continue to provide support for the feeders. Overnight corn values are steady to slightly weaker, after breaking support on Wednesday. The index was modestly higher, but remains more than 3.00 discount to the spot futures.

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

Weekly Stocks Report for Week Ending

02/22/19

	Change	DOE			API		
		02/22/19	02/15/19	02/23/18	02/22/19		
Crude	-8.60	445.90	454.50	423.50	-4.20		
Gasoline	-1.9	254.90	256.80	251.80	-3.90		
Distillates	-0.30	138.40	138.70	138.00	+ 394K		
Rates	+1.2%	87.10	85.90				
Imports	-1.60	5.92	7.52				
Nat Gas	-177	1.705	1.882	1.778	% Above/Below Lst Yr	5 Yr Avg	% A/B
					-4.1	2.067	-17.5

Analysts Estimates for Week Ending 02/22/19

		5 Yr Avg
Crude	+ 2.80	+ 3.30
Gasoline	-1.70	-1.20
Distillates	-2.00	-1.20

Rates

Analysts Estimates for Week Ending 02/22/19

	Avg	5 Yr Avg
--	-----	----------

Nat Gas

	Crude Oil	Unleaded	Heating Oil	Natural Gas
Short Term Trend	UP	UP	UP	UP
Long Term Trend	UP	UP	UP	UP
O/N Trade @ 6:45 am	-0.02	-0.0019	+ .0021	+ .022

Commentary:

The regular energy complex repaired most of its technical damage inflicted from a reversal lower on Monday after a strong showing the past 2 sessions. Spot month crude oil was able to recover enough to challenge last week's high which is also the high for the year. It may be difficult to violate those highs however which could lead to some consolidation. While a surprise decline in crude oil supplies reported by the Dept of Energy yesterday helped the complex rally there were some other interesting data points that could be countervailing. Bearish ideas also caught some momentum as US crude oil production reached a new all-time record for the 2nd week in a row. That was countered however by a drop in US crude oil imports that reached a more than 20 year low. Declining imports have resulted in crude supplies gaining only 6.2 mb this year compared to an average of 24.4 mb. If this trend persists it could continue to tighten US supplies despite rising US output. Forecasts for a slowing global economy in 2019 could also keep spot month crude oil from moving above last week's highs as Chinese data overnight showed factory activity slowed for the 3rd straight month. Suffice it to say that a US/China trade deal is still likely the lead factor influencing energy market action as a deal could revive a sluggish global economy.

	APR	APR	APR
	Crude Oil	Unleaded	Heating Oil
Resistance	57.80/59.60	1.7620/1.7780	2.0445/2.0775
Support	55.00/54.30	1.6690/1.6095	1.9685/1.9305



Schwieterman Update

Financial Market Analysis for the morning of February 28, 2019

Eric Relph Garden City, KS 800-972-9131 620-275-4100 ericrelph@sbcglobal.net

Markets are set for a lower opening this morning as the Dow is set to open 7 lower and the S&P down 4 after closing lower for the second straight day yesterday. This following news that Trump walked away from his summit with Kim Jong Un, without sealing a deal. 4th quarter GDP data showed an increase of 2.6%, exceeding market estimates. This week's jobless claims report showed an increase of 8,000 claims, matching estimates. Several quarterly earnings are set for this morning, headlined by Keurig Dr. Pepper, Nielsen Holdings, and PG&E.

Stock to watch: Box (BOX) reported quarterly profits of 3 times initial estimates.

Dow (mini)



FUTURES

Index Close Cur Future Change

25985.16 25976.0 -32.00

FUTURES FAIR VALUE (-24.84)

Fair Val Close Cur Future Implied Open

25983.16 25976.0 -7.16

Last Updated: Thu, 28 Feb '19 | 8:16 AM ET

S&P 500 (Mini)



FUTURES

Index Close Cur Future Change

2792.38 2788.25 -6.75

FUTURES FAIR VALUE (-2.37)

Fair Val Close Cur Future Implied Open

2792.63 2788.25 -4.38

Last Updated: Thu, 28 Feb '19 | 8:16 AM ET

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[LM XB403](#)

DAILY ESTIMATED CUTOUT VALUES

	Choice <u>600-900#</u>	Select <u>600-900#</u>	Choice/Select Spread
Cutout Values	219.67	213.73	5.94
Change from Prior Day	0.12	(0.84)	
Primal Rib	365.60	333.56	
Primal Chuck	173.84	172.21	
Primal Round	177.62	180.51	
Primal Loin	292.93	281.59	
Primal Brisket	188.26	189.50	
Primal Short Plate	159.72	159.72	
Primal Flank	116.95	114.08	

Load Count:	
Total	134
Choice	82
Select	27
Trimming	9
Grinds	15

Fresh 50% Trimmings 9 Loads @ 71.49

[NW LS441](#)

USDA BY-PRODUCT DROP VALUE (STEER) - DAILY

8.99 Change: unchanged

[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	0		
Live Heifer	208	1,500	126.00
Dressed Steer	40	940	203.00
Dressed Heifer	0		

[SJ LS710](#)

ESTIMATED DAILY CATTLE SLAUGHTER

Today (est)	118,000
Week Ago (est)	114,000
Year Ago (act)	118,000
Week to Date	232,000
Same Period Last Week	214,000
Same Period Last Year	234,000
Previous Day Estimated	
	Steer and Heifer 91,000
	Cow and Bull 23,000

[SJ LS712](#)

BEEF PRODUCTION	2/23/2019 (Estimate)	Last Week (Estimate)	Last Year (Actual)
Slaughter	577,000	596,000	575,000
Live Weights	1368	1373	1366
Dressed Weights	822	824	823
Beef Production (millions of pounds)	474.6	492.2	471.9

[NW LS410](#)

USDA BEEF CARCASS PRICE EQUIVALENT INDEX VALUE

	Choice <u>600-900#</u>	Select <u>600-900#</u>	Dressing percent:	
			<u>Steer</u>	<u>Heifer</u>
	199.31	192.07	63.59	63.55
Change	0.07	(0.41)		

[LM XB405](#)

USDA NATIONAL CUTTER COW CARCASS CUTOUT

165.35 (0.49) 90% lean: 212.43

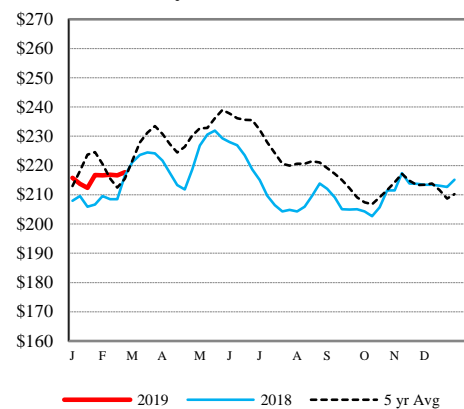
[CME LIVE CATTLE](#)

	<u>High</u>	<u>Low</u>	<u>Close</u>	<u>Change</u>
FEB	129.83	128.78	129.58	1.02
APR	130.00	129.03	129.93	0.70
JUN	120.13	119.38	120.05	0.45

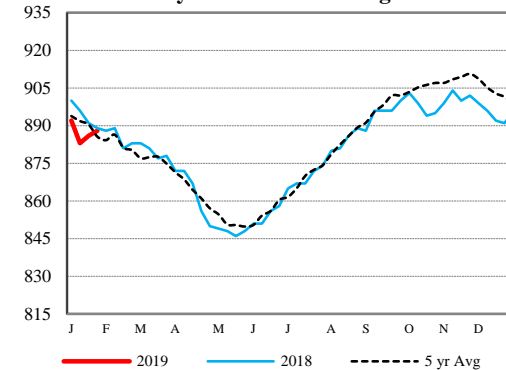
[CME FEEDER CATTLE](#)

	<u>High</u>	<u>Low</u>	<u>Close</u>	<u>Change</u>
MAR	143.50	142.20	143.45	0.95
APR	146.93	145.25	146.78	1.12
MAY	147.95	146.55	147.90	0.87

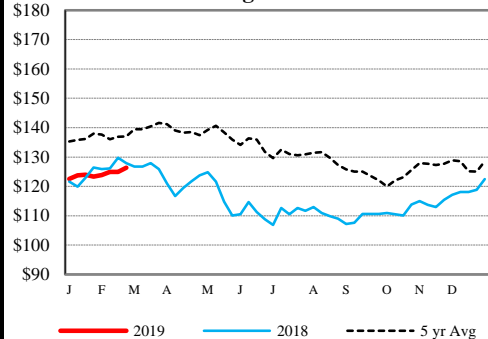
Weekly Choice Cutout



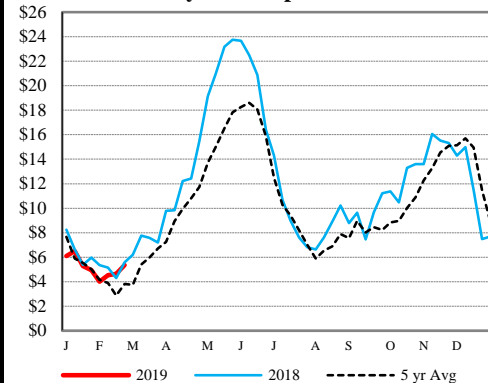
Weekly Steer Dressed Weights



5 Area Weekly Wtd Avg Steer Price



Weekly Ch/Se Spread



USDA Livestock Poultry Grain Market News

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[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:	\$42.50 - \$46.00	\$33.00 - \$40.50
Weighted Average:	\$45.27	\$36.44
Change from Prior Day:	0.04 higher	0.02 lower
Receipts:	20,620	667

<u>IOWA/MINNESOTA - LM_HG206:</u>		
Range:	\$42.50 - \$46.00	\$35.50 - \$37.00
Weighted Average:	\$45.38	\$36.29
Change from Prior Day:	0.07 lower	0.16 higher
Receipts:	14,625	300

<u>WESTERN CORNBELT - LM_HG212:</u>		
Range:	\$42.50 - \$46.00	\$33.00 - \$37.00
Weighted Average:	\$45.28	\$35.88
Change from Prior Day:	0.04 higher	0.20 lower
Receipts:	15,500	362

<u>EASTERN CORNBELT - LM_HG210:</u>		
Range:	\$44.00 - \$45.50	\$33.77 - \$40.50
Weighted Average:	\$45.25	\$37.11
Change from Prior Day:	0.86 lower	0.26 higher
Receipts:	4,930	305

NATIONAL DAILY PORK REPORT FOB PLANT- LM_PK602:

Carcass Cutout Values	59.57	Change:	(-1.39)
Primal Loin	57.98		(-3.44)
Primal Butt	66.48		(-0.52)
Primal Picnic	34.76		2.01
Primal Rib	110.69		(-4.74)
Primal Ham	45.24		1.19
Primal Belly	97.67		(-4.10)
Total Loads	353.31		
Pork Cuts	312.00	Lds	
Trim/Process Pork	41.31	Lds	

DAILY EST. HOG SLAUGHTER UNDER FIS - SJ_LS710

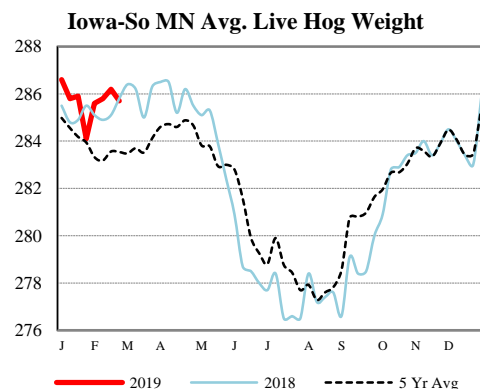
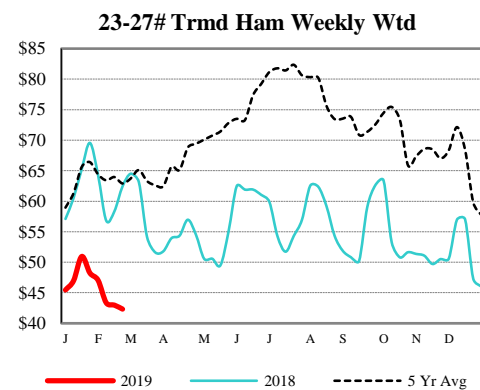
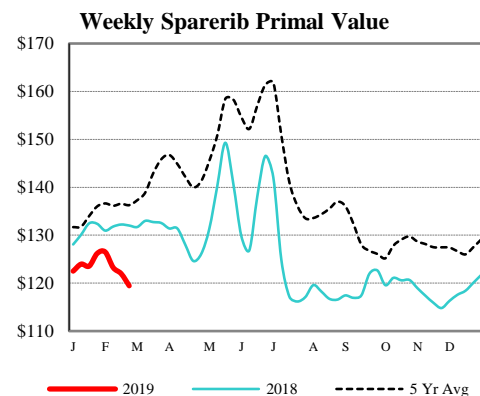
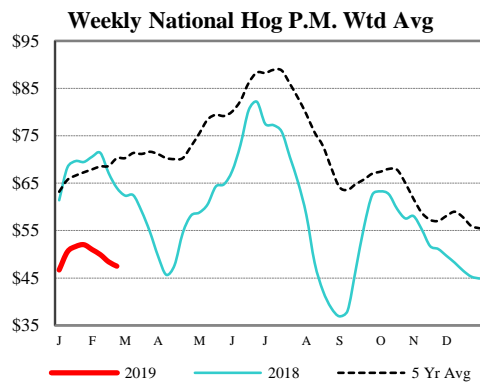
Today (est)	476,000
Week Ago (est)	463,000
Year Ago (act)	465,000
Week to Date (est)	1,310,000
Same Period Last Week (est)	1,415,000
Same Period Last Year (act)	1,374,000

CME Lean Hog Close	High	Low	Settle	Change
APR	56.88	54.23	55.60	(-0.12)
MAY	66.20	64.20	65.60	0.27
JUN	76.70	74.43	75.83	0.27
JLY	78.85	77.05	78.20	0.32

CME Lean Hog Delayed Futures

IOWA-SOUTHERN MINNESOTA WEEKLY AVERAGE WEIGHT - NW_LS720

For Week Ending Sat,	Head	Average
23-Feb-19	Count	Weight
	2/23/2019	788,000 285.7
Week Ago:	2/16/2019	791,000 286.2
Year Ago:	2/24/2018	785,000 285.8



USDA Livestock, Poultry & Grain Market News
 Des Moines, Iowa
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National Daily Feeder and Stocker Cattle PM Summary
St. Joseph, Missouri **Wednesday, February 27, 2019**

USDA Livestock, Poultry & Grain Market News

AUCTION SUMMARY

JC_LS763		4,528		Tuesday	
OZARKS REGIONAL STOCKYARDS					
West Plains, MO					
Feeder Steers	300-400 lbs	193.00-208.00	Feeder Heifers	300-400 lbs	152.50-162.50
Medium &	400-500 lbs	177.50-200.00	Medium &	400-500 lbs	145.00-165.00
Large #1	500-600 lbs	156.00-188.00	Large #1	500-600 lbs	135.00-154.00
	600-700 lbs	144.00-161.00		600-700 lbs	130.00-143.00
	700-800 lbs	135.00-148.00		700-800 lbs	122.00-135.00

SF_LS759		3,652		Tuesday	
PHILIP LIVESTOCK AUCTION					
Philip, SD					
Feeder Steers	400-500 lbs	193.00-194.00	Feeder Heifers	400-500 lbs	163.00-166.00
Medium &	500-600 lbs	172.00-182.00	Medium &	500-600 lbs	150.00-163.75
Large #1	600-700 lbs	154.00-170.00	Large #1	600-700 lbs	139.50-151.50
	700-800 lbs	141.75-153.50		700-800 lbs	132.00-143.00
	800-900 lbs	131.50-145.00		800-900 lbs	

GL_LS752		1,453		Tuesday	
WINTER LIVESTOCK INC.					
La Junta, CO					
Feeder Steers	400-500 lbs	196.00-207.50	Feeder Heifers	400-500 lbs	163.00-175.00
Medium &	500-600 lbs	173.50-188.00	Medium &	500-600 lbs	144.00-160.00
Large #1	600-700 lbs	163.00-169.00	Large #1	600-700 lbs	135.00-144.00
	700-800 lbs	136.50-146.00		700-800 lbs	133.00-135.00
	800-900 lbs	132.50-135.00		800-900 lbs	127.00

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

CHICAGO MERCANTILE EXCHANGE LIVESTOCK FUTURES SETTLEMENT

Live Cattle			Feeder Cattle		
	Price	Change		Price	Change
Feb	129.40	(0.17)	Mar	143.87	0.42
Apr	129.92	Unch	Apr	147.22	0.45
Jun	120.15	0.10	May	148.27	0.37

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

CHICAGO BOARD OF TRADE GRAIN FUTURES SETTLEMENT

Corn			Soybeans		
	Price	Change		Price	Change
Mar	3.6375	(0.0250)	Mar	9.0350	(0.0025)
May	3.7375	(0.0225)	May	9.1675	(0.0025)
Jly	3.8225	(0.0225)	Jly	9.3050	Unch

[KC Wheat](#) [Wheat](#) Change

KANSAS CITY BOARD OF TRADE			Wheat		
	Price	Change		Price	Change
Mar	4.3875	0.0300	Mar	4.3875	0.0300
May	4.4550	0.0125	May	4.4550	0.0125
Jly	4.5525	0.0025	Jly	4.5525	0.0025

[LM_CT100](#) Wednesday

5 AREA WKLY ACCUMULATED WTD AVG SLAUGHTER CATTLE PRICE

	Head Count	Avg Weight	Avg Price
Live Steer	0	N/A	N/A
Live Heifer	208	1,500	126.00
Dressed Steer	40	940	203.00
Dressed Heifer	0	N/A	N/A

[LM_XB403](#) Wednesday

DAILY ESTIMATED BOXED BEEF CUTOUT VALUES

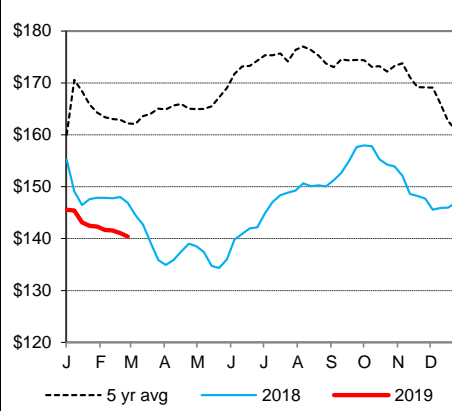
Choice	Select	Choice Cuts	78	loads
600-900#	600-900#	Select Cuts	19	loads
219.46	212.79	Trimming	11	loads
(0.21)	(0.94)	Grinds	21	loads

[SJ_LS710](#) [KO_LS151](#)

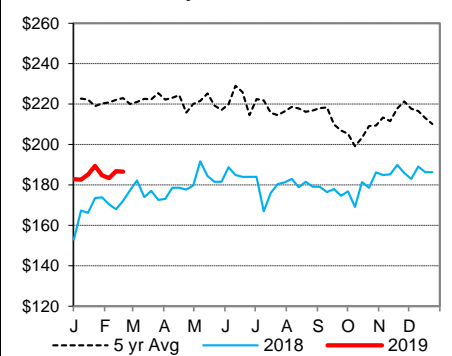
ESTD DAILY CATTLE SLAUGHTER **SLAUGHTER COW MARKET**

Wednesday	119,000	Oklahoma National Stockyards		
Week Ago (est)	108,000	Tuesday	Pct Lean	Price
Year Ago (act)	117,000	Breaking	70-80	61.50-67.00
Wk to date (est)	351,000	Boning	80-85	60.00-66.50
Last Week (est)	322,000	Lean	85-90	59.00-65.50
Last Year (act)	351,000	Tuesday		
Previous Day Estimated:	Steer and Heifer	92,000		
	Cow and Bull	26,000		

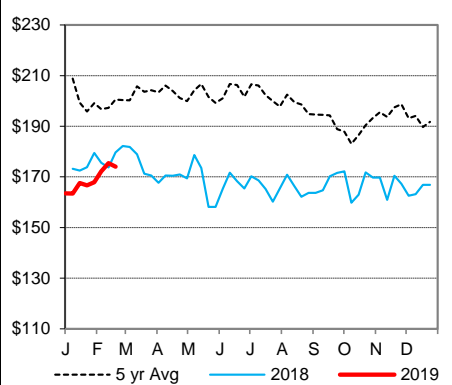
CME Feeder Cattle Index



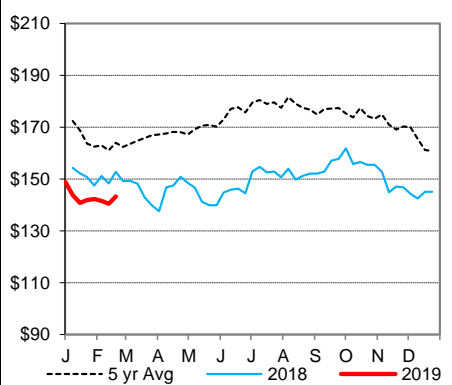
Oklahoma City 400-500 lb Steer Price



Oklahoma City 500-600 lb Steer Price



Oklahoma City 700-800 lb Steer Price



USDA Livestock, Poultry & Grain Market News

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Schwieterman Update

Schwieterman, Inc.

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