



Schwieterman Update

Update for the morning of March 17, 2020

Garden City 1-800-272-9131 or 620-275-4100 fax 620-275-1841 e-mail upthelimitupdate@wbsnet.org
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: -87000

Change: -3000

Corn made new contract lows overnight, but the market was relatively stable. There have been some private estimates lowering Brazilian corn production, but obviously that isn't the focus of the market right now. \$3.30 is still the next major objective for the spot month on the continuation charts.

Wheat

Trends – July Contract

Short Term: **Down**

Long Term: **Down**

Overnight Trade: Chicago: N Flat KC: N +I @7:30 AM

Estimated Fund Position

Net Long Futures and Options: 7000

Change:

July KW still hasn't made a new contract low and didn't even take out yesterday's low in overnight trade. The market hasn't taken out yesterday's high either, so the bears are still firmly in control and there doesn't appear to be any indication that we won't reach the contract low eventually.

Soybeans

Trends – July Contract

Short Term: **Down**

Long Term: **Down**

Overnight Trade: N +4 @7:30 AM

Estimated Fund Position

Net Long Futures and Options: -62000

Change: -9000

Soybeans were the weak link yesterday and the overnight bounce was feeble. It seems like more analysts are suggesting we will see a test of the \$7.80 continuation chart low. Such a drop doesn't seem necessary with the recent demand we have seen, but we are not dealing with rationality at the moment. The bears are in control and there is no indication of a change in trend so far.

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: Down

Long Term: Down

Opening Calls: Mixed

Live cattle futures opened limit lower on Monday, traded to near limit up and closed at or near the lows of the day. The wild session included some better than expected cash trade on a Monday, and sharply higher cutouts. Choice cuts were up 16.22 and select jumped 14.73 for the day. The large jump in grocery store demand is fueling rise. Overnight equities are modestly higher, with the Dollar sharply higher. There was 30,000 head traded, with top prices in Kansas of \$110.

Feeder Cattle

Trends

Short Term: Down

Long Term: Down

Opening Call: Mixed

Feeder cattle futures saw the maximum daily trading range on Monday, with April trading limit lower to limit higher and back again. Cash index levels fell to 124.67, with more to come, while March futures finished at more than a 16.00 discount of 108.50. Corn prices are modestly higher overnight, but continue to have downward momentum.

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

Weekly Stocks Report for Week Ending

02/28/20

| | Change | DOE | | | API | |
|-------------|--------|----------|----------|----------------------|----------|------------|
| | | 02/28/20 | 02/21/14 | 2/29/2019 | 03/06/20 | |
| Crude | + 800K | 444.10 | 443.30 | 452.90 | + 6.40 | |
| Gasoline | - 4.30 | 252.00 | 256.40 | 250.70 | -3.10 | |
| Distillates | - 4.00 | 134.50 | 138.50 | 136.00 | -4.70 | |
| Rates | 0.0 % | 87.90 | 87.90 | | | |
| Imports | -.02K | 6.24 | 6.22 | | | |
| Nat Gas | -48 | 2.043 | 2.091 | % Above/Below Lst Yr | 5 Yr Avg | % A/B |
| | | | | 1.247 | 63.8 | 1.816 12.5 |

Analysts Estimates for Week Ending 03/06/20

| | | 5 Yr Avg |
|-------------|--------|----------|
| Crude | + 2.30 | + 2.07 |
| Gasoline | -2.50 | -3.70 |
| Distillates | -1.90 | -1.34 |

Rates

Analysts Estimates for Week Ending 03/06/20

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

Nat Gas

| | Crude Oil | Unleaded | Heating Oil | Natural Gas |
|---------------------|-----------|----------|-------------|-------------|
| Short Term Trend | DOWN | DOWN | DOWN | DOWN |
| Long Term Trend | DOWN | DOWN | DOWN | DOWN |
| O/N Trade @ 6:45 am | + .41 | + .0577 | + .0081 | -0.030 |

Commentary:

Many markets have pushed the pause button in overnight trade today after US equity markets posted one of the most negative days in decades yesterday with the DJIA closing nearly 3000 points lower. Continued panic of just how far the shut down's will go remains high. Each day brings new shut downs and with ideas of more as time passes. This continues to paint a bleak picture for oil demand. Spot month crude oil has spent most of the past week however attempting to stabilize. The past 6 sessions have been spent in a consolidation pattern stuck between 36.35 and last Mondays reactionary low of 27.34. There is little to get excited about for crude oil bulls other than being at value levels that recent history proves to be a rare. Only one other period in the past 16 years have speculators been able to establish long positions below \$ 30.00. Not even the global financial crisis of 2008 was able to push spot month crude oil below \$ 30.00. Talking heads are telling us that the lows in US equity markets have not been seen yet and that a recession is enivatable. While this is likely at the moment thanks to the increasing shut in's around the world, the crude market consolidation is perhaps a signal that panic may only drive commodity markets into deep value zones while they wait for the panic to subside.

| | APR | APR | APR |
|------------|-------------|---------------|---------------|
| | Crude Oil | Unleaded | Heating Oil |
| Resistance | 34.00/36.40 | 1.0000/1.2350 | 1.2085/1.3025 |
| Support | 27.30/26.05 | .7000/.6000 | 1.0000/.8480 |



Schwieterman Update

Financial Market Analysis for the morning of March 17, 2020

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

U.S. stock market futures are pointed to a slightly higher opening today, following a massive sell-off on Monday that saw markets seize trading seconds after the opening as the circuit breaker was tripped for the 3rd time in 6 sessions. Near the close, markets were pushing very close to the daily limit of 13%, which would have halted trading for the remainder of the day. The Dow finished 3,000 points lower with the S&P 500 close by at over 12% lower for the session. The recent moves have set a new record for volatility levels, higher than the crash of 1929 or 1987. Some investors are being quite vocal in their desire to see the markets close for a period of time, in order to “let the dust settle”, but New York Stock Exchange President Stacey Cunningham says that could “only further compound the current market anxiety”. US retail sales figures for February were released this morning, showing a decrease of 0.5% vs estimates of a 0.2% increase. Industrial production figures will be released at 8:15am CT. FedEx reports quarterly earnings after the closing bell.

Stock to Watch: Amazon (AMZN) shares are trading 4% higher in premarket after announcing that they are looking to fill 100,000 full and part time positions within the company, due to a dramatic spike in online shopping as people are staying home amid the spread of the coronavirus.

U.S. Stock Futures

↑ S&P **+12.75 / +0.53%**

| | |
|------------|----------|
| Level | 2,429.00 |
| Fair Value | 2,370.67 |
| Difference | 58.33 |

Data as of 7:36am ET

↑ Nasdaq **+75.75 / +1.07%**

| | |
|------------|----------|
| Level | 7,133.25 |
| Fair Value | 6,997.28 |
| Difference | 135.97 |

Data as of 7:36am ET

↑ Dow **+92.00 / +0.45%**

| | |
|-------|-----------|
| Level | 20,491.00 |
|-------|-----------|

Data as of 7:36am ET

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LM XB403

DAILY ESTIMATED CUTOUT VALUES

| | Choice <u>600-900#</u> | Select <u>600-900#</u> | Choice/Select Spread |
|------------------------|----------------------------------|----------------------------------|-----------------------------|
| Current Cutout Values: | 224.36 | 216.71 | 7.65 |
| Change from prior day: | 16.22 | 14.73 | |
| Primal Rib | 350.18 | 308.23 | |
| Primal Chuck | 189.80 | 190.51 | |
| Primal Round | 202.86 | 202.03 | |
| Primal Loin | 283.75 | 268.90 | |
| Primal Brisket | 165.84 | 170.02 | |
| Primal Short Plate | 148.60 | 148.60 | |
| Primal Flank | 115.29 | 116.90 | |

| Load Count: | |
|--------------------|-----|
| Total | 298 |
| Choice | 195 |
| Select | 33 |
| Trimming | 23 |
| Grinds | 47 |

Fresh 50% Trimmings 23 Loads @ 59.75

NW LS441

USDA BY-PRODUCT DROP VALUE (STEER) - DAILY

8.51 Change: unchanged

LM CT100

5 AREA WEEKLY ACCUMULATED WEIGHTED AVG CATTLE PRICE

| <i>As of 10:00 am</i> | Head Count | Avg Weight | Avg Price |
|-----------------------|-------------------|-------------------|------------------|
| Live Steer | 37,502 | 1,431 | 108.84 |
| Live Heifer | 21,208 | 1,307 | 109.43 |
| Dressed Steer | 20,306 | 924 | 174.05 |
| Dressed Heifer | 9,989 | 861 | 172.68 |

SJ LS710

ESTIMATED DAILY CATTLE SLAUGHTER

| | | | |
|-------------------------------|-------------------------|---------------|-----------------|
| Today (est) | 116,000 | | |
| Week Ago (est) | 122,000 | | |
| Year Ago (act) | 118,000 | | |
| Week to Date | | | |
| Same Period Last Week | | | |
| Same Period Last Year | | | |
| Previous Day Estimated | | Friday | Saturday |
| | Steer and Heifer | 77,000 | 41,000 |
| | Cow and Bull | 24,000 | 6,000 |

SJ LS712

| BEEF PRODUCTION | 3/14/2020 (Estimate) | Last Week (Estimate) | Last Year (Actual) |
|--------------------------------------|--------------------------------|--------------------------------|------------------------------|
| Slaughter | 630,000 | 647,000 | 608,000 |
| Live Weights | 1378 | 1379 | 1336 |
| Dressed Weights | 832 | 831 | 801 |
| Beef Production (millions of pounds) | 522.5 | 536.6 | 485.5 |

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> |
| Change | \$188.50 | \$181.08 | 63.27 | 63.28 |
| | 7.61 | 6.66 | | |

LM XB405

USDA NATIONAL CUTTER COW CARCASS CUTOUT

174.60 (-0.05) 90% lean: 223.58

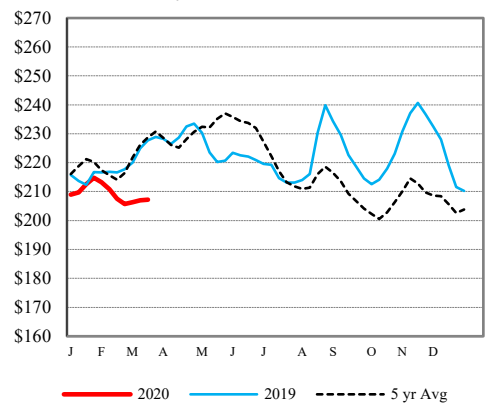
CME LIVE CATTLE

| | High | Low | Change | Settle |
|-----|-------------|------------|---------------|---------------|
| APR | 99.98 | 91.08 | (3.73) | 91.85 |
| JUN | 93.45 | 85.25 | (4.50) | 85.25 |
| AUG | 93.05 | 84.68 | (4.10) | 85.08 |

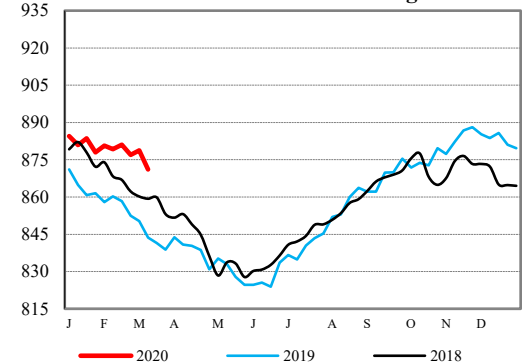
CME FEEDER CATTLE

| | High | Low | Change | Settle |
|-----|-------------|------------|---------------|---------------|
| MAR | 116.78 | 108.50 | (4.50) | 108.50 |
| APR | 117.10 | 108.10 | (4.50) | 108.10 |
| MAY | 118.70 | 109.98 | (4.50) | 109.98 |

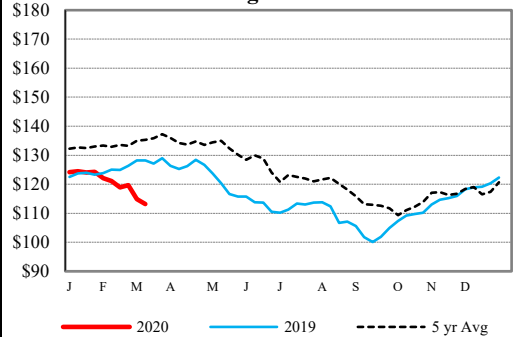
Weekly Choice Cutout



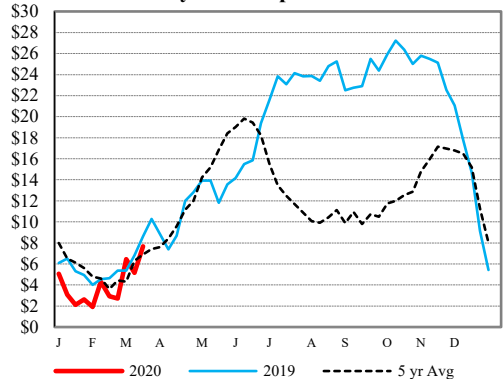
LMR Steer/Heifer Dressed Weights



5 Area Weekly Wtd Avg Steer Price



Weekly Ch/Se Spread



USDA Livestock, Poultry & Grain Market News

Des Moines, Iowa | PH 515-284-4460

Email: Desm.LPGMN@ams.usda.gov

<https://mymarketnews.ams.usda.gov/viewReport/2870>

[USDA AMS Livestock, Poultry & Grain Market News](#)

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: | \$48.00 - \$56.00 | \$31.75 - \$43.50 |
| Weighted Average: | \$53.50 | \$41.20 |
| Change from Prior Day: | 0.59 lower | 0.04 lower |
| Receipts: | 14,937 | 1,170 |

IOWA/MINNESOTA - LM HG206:

| | | |
|------------------------|------------|---------------|
| Weighted Average: | \$53.73 | \$42.42 |
| Change from Prior Day: | 0.52 lower | no comparison |

WESTERN CORNBELT - LM HG212:

| | | |
|------------------------|------------|---------------|
| Weighted Average: | \$53.73 | \$42.42 |
| Change from Prior Day: | 0.50 lower | no comparison |

EASTERN CORNBELT - LM HG210:

| | | |
|------------------------|---------------|---|
| Weighted Average: | \$53.10 | *Price not reported due to confidentiality* |
| Change from Prior Day: | no comparison | |

NATIONAL DAILY PORK REPORT FOB PLANT- LM PK602:

| | | |
|-----------------------|------------|------|
| Carcass Cutout Values | 73.38 | 3.54 |
| Primal Loin | 76.34 | 2.55 |
| Primal Butt | 92.27 | 7.52 |
| Primal Picnic | 57.49 | 5.68 |
| Primal Rib | 142.64 | 3.92 |
| Primal Ham | 56.38 | 0.58 |
| Primal Belly | 93.11 | 6.88 |
| Total Loads | 433.38 | |
| Pork Cuts | 414.32 Lds | |
| Trim/Process Pork | 19.05 Lds | |

DAILY EST. HOG SLAUGHTER UNDER FIS - SJ_LS710

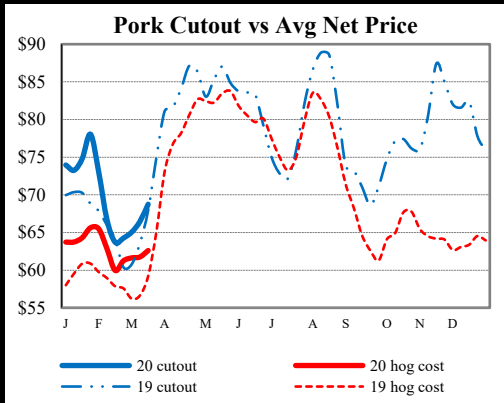
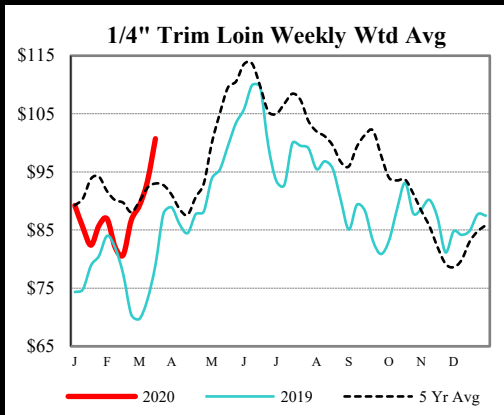
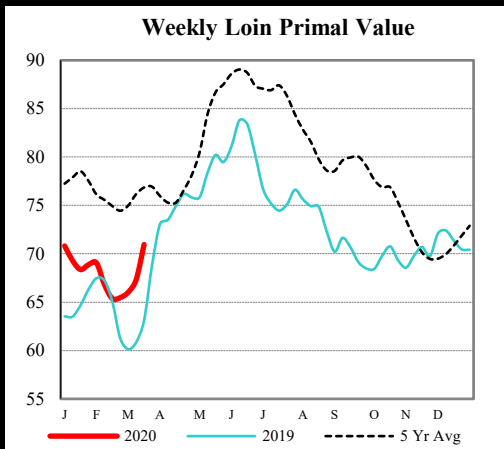
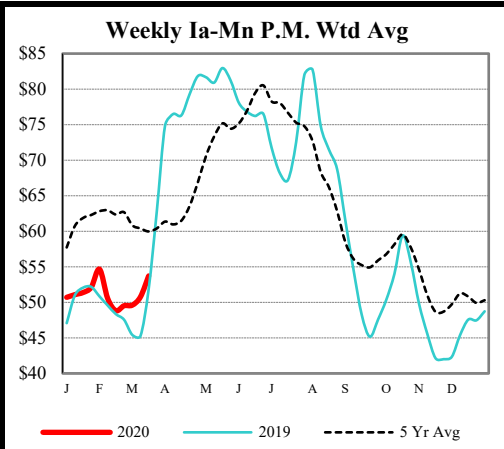
| | |
|----------------|---------|
| Today (est) | 497,000 |
| Week Ago (est) | 491,000 |
| Year Ago (act) | 465,000 |

| | | | | |
|---------------------------|-------------|------------|---------------|---------------|
| CME Lean Hog CLOSE | High | Low | Change | Settle |
| APR | 56.58 | 52.13 | (-2.40) | 53.98 |
| MAY | 60.48 | 58.20 | (-4.50) | 58.20 |
| JUN | 69.38 | 66.80 | (-4.50) | 66.80 |
| JLY | 70.78 | 68.00 | (-4.48) | 68.03 |

CME Lean Hog Delayed Futures

ESTIMATED WEEKLY PORK PRODUCTION UNDER FIS - SJ_LS712

| | | | | |
|--------------------|----------------------|-----------------------|--------------------|-----------------------|
| Week Ending | Hog Slaughter | Million Pounds | Live Weight | Dressed Weight |
| 03/14/20 | 2,648,000 | 569.5 | 288 | 215 |
| 03/07/20 | 2,680,000 | 576.8 | 288 | 215 |
| 2020 YTD | 27,755,000 | 5983.7 | | |
| 2019 YTD | 26,669,000 | 5725.3 | | |



AUCTION SUMMARY

| | | | | | |
|---------------------------------|-------------|---------------|----------------|-------------|---------------|
| AMS 1853 | | 2,212 | | Saturday | |
| Ericson Livestock Market | | | | | |
| Feeder Steers | 300-400 lbs | 180.00-185.00 | Feeder Heifers | 300-400 lbs | 169.00 |
| Medium & | 400-500 lbs | 160.00-171.00 | Medium & | 400-500 lbs | 149.00-158.00 |
| Large #1 | 500-600 lbs | 164.00-179.00 | Large #1 | 500-600 lbs | 131.50-147.50 |
| | 600-700 lbs | 138.00-149.00 | | 600-700 lbs | 125.75-131.50 |
| | 700-800 lbs | 140.50 | | 700-800 lbs | 121.75 |

| | | | | | |
|-----------------------------------|-------------|---------------|----------------|-------------|---------------|
| AMS 1849 | | 2,065 | | Friday | |
| Lexington Livestock Market | | | | | |
| Feeder Steers | 400-500 lbs | 178.50 | Feeder Heifers | 400-500 lbs | 154.00-160.00 |
| Medium & | 500-600 lbs | 157.00-170.00 | Medium & | 500-600 lbs | 135.00-145.00 |
| Large #1 | 600-700 lbs | 162.00 | Large #1 | 600-700 lbs | 124.50-141.00 |
| | 700-800 lbs | 120.00-137.75 | | 700-800 lbs | 120.50 |
| | 800-900 lbs | 116.00 | | 800-900 lbs | |

| | | | | | |
|-------------------------------------|-------------|---------------|----------------|-------------|---------------|
| AMS 2021 | | 1,531 | | Friday | |
| Ft. Pierre Livestock Auction | | | | | |
| Feeder Steers | 400-500 lbs | 166.00-175.50 | Feeder Heifers | 400-500 lbs | 145.00-150.00 |
| Medium & | 500-600 lbs | 153.00-171.50 | Medium & | 500-600 lbs | 138.00-145.00 |
| Large #1 | 600-700 lbs | 141.00-158.00 | Large #1 | 600-700 lbs | 121.50-143.00 |
| | 700-800 lbs | 128.00-139.00 | | 700-800 lbs | 132.00 |
| | 800-900 lbs | 121.50-134.00 | | 800-900 lbs | |

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

| CHICAGO MERCANTILE EXCHANGE LIVESTOCK FUTURES SETTLEMENT | | | CHICAGO MERCANTILE EXCHANGE LIVESTOCK FUTURES SETTLEMENT | | |
|--|-------|--------|--|--------|--------|
| Live Cattle | | Change | Feeder Cattle | | Change |
| Apr | 91.85 | (3.72) | Mar | 108.50 | (4.50) |
| Jun | 85.25 | (4.50) | Apr | 108.10 | (4.50) |
| Aug | 85.07 | (4.10) | May | 109.97 | (4.50) |

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

| CHICAGO BOARD OF TRADE GRAIN FUTURES SETTLEMENT | | | CHICAGO BOARD OF TRADE GRAIN FUTURES SETTLEMENT | | |
|---|--------|----------|---|--------|----------|
| Corn | | Change | Soybeans | | Change |
| Mar | 3.5475 | (0.1100) | Mar | 8.2175 | (0.2700) |
| May | 3.5850 | (0.1000) | May | 8.3050 | (0.2550) |
| Jul | 3.6100 | (0.0675) | Jul | 8.3525 | (0.2425) |

| | | | | | |
|----------------------------|--|-----------------------|-----|------------------------|----------|
| KC Wheat | | Wheat | | Change | |
| KANSAS CITY BOARD OF TRADE | | | | | |
| | | | Mar | 4.2375 | (0.0760) |
| | | | May | 4.3100 | (0.0750) |
| | | | Jul | 4.4050 | (0.0700) |

[LM CT100](#) Monday

| 5 AREA WKLY ACCUMULATED WTD AVG SLAUGHTER CATTLE PRICE | | | |
|--|------------|------------|-----------|
| | Head Count | Avg Weight | Avg Price |
| Live Steer | 37,502 | 1,431 | 108.84 |
| Live Heifer | 21,208 | 1,307 | 109.43 |
| Dressed Steer | 20,306 | 924 | 174.05 |
| Dressed Heifer | 9,989 | 861 | 172.68 |

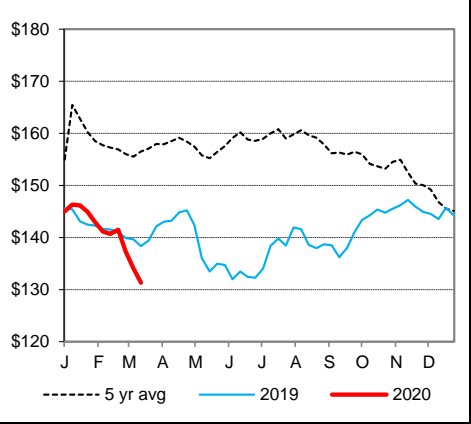
[LM XB403](#) Monday

| DAILY ESTIMATED BOXED BEEF CUTOUT VALUES | | | | | |
|--|-----------------|-------------|-----|-------|--|
| Choice | Select | Choice Cuts | 195 | loads | |
| 600-900# | 600-900# | Select Cuts | 33 | loads | |
| 224.36 | 216.71 | Trimming | 23 | loads | |
| 16.22 | 14.73 | Grinds | 47 | loads | |

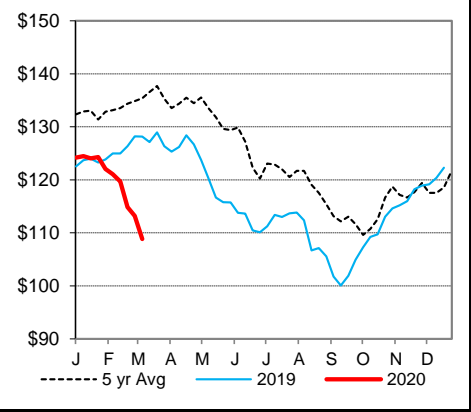
[SJ LS710](#) [AMS 2106](#) Monday

| | | | | | |
|------------------------------------|------------------|--------------------------------------|-----------------|--------------|--|
| ESTD DAILY CATTLE SLAUGHTER | | SLAUGHTER COW MARKET | | | |
| Monday | 116,000 | Wyoming Weekly Cattle Auction | | | |
| Week Ago (est) | 122,000 | Friday | <u>Pct Lean</u> | <u>Price</u> | |
| Year Ago (act) | 118,000 | Breaking | 75-80 | 48.00-66.50 | |
| Wk to date (est) | 116,000 | Boning | 80-85 | 51.00-66.50 | |
| Last Week (est) | 122,000 | Lean | 85-90 | 50.00-58.00 | |
| Last Year (act) | 118,000 | Friday | Saturday | | |
| Previous Day Estimated: | Steer and Heifer | 77,000 | 41,000 | | |
| | Cow and Bull | 24,000 | 6,000 | | |

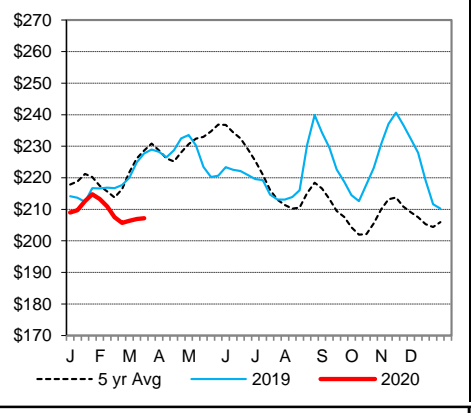
CME Feeder Cattle Index



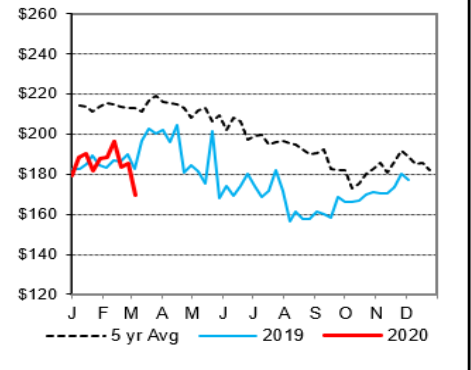
5 Area Wkly Wtd Avg Sltr Steer Price



Weekly Choice Cutout



Oklahoma City 400-500 lb Steer Price





Schwieterman Update

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