



## Schwieterman Update

Update for the morning of May 13, 2022

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### Corn

Trends – July Contract

Short Term: **Up**

Long Term: **Up**

Overnight Trade: **N +1** @7:30 AM

### Estimated Fund Position

Net Long Futures and Options: 324000

Change: +1500

Yesterday's report was very, very interesting. There were no changes to the US old crop supply and demand numbers, but USDA did use a sub-trend line yield, for only the 5<sup>th</sup> time, of 177 bu/ac. We also ended up seeing a big sale of corn to China announce yesterday, which is supportive. The corn market has taken a back seat to the action in the wheat market, but we did see a new contract high in the December corn overnight, so obviously the trend in that market is up.

### Wheat

Trends – July Contract

Short Term: **Up**

Long Term: **Up**

Overnight Trade: Chicago: **N -6** KC: **N Flat** @7:30 AM

### Estimated Fund Position

Net Long Futures and Options: 77000

Change: +25000

We saw limit higher moves in US wheat yesterday and new contract high in the US and Europe again overnight. The July KW gave up its overnight gains and finished the overnight session lower, which is an indication that things have gotten a bit overdone, but don't be surprised if we see good buying interest on breaks today.

### Soybeans

Trends – July Contract

Short Term: **Up**

Long Term: **Down**

Overnight Trade: **N +10** @7:30 AM

### Estimated Fund Position

Net Long Futures and Options: 158000

Change: +5000

Yesterday's USDA numbers were supportive due to the expected cut in old crop ending stocks and the tighter than expected old crop world stocks. The July soybeans made another new high for the move overnight, but the market is still well below the 50-day moving average, and is stuck in a long term sideways pattern. We finally saw a large sale of beans to China announced this morning, which will help the bull camps confidence.

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## Live Cattle

### *Trend*

*Short Term: **Down***

*Long Term: **Down***

*Opening Calls: **Mixed***

Live cattle futures closed nearly 2.00 lower on Thursday, posting multi month lows in all but the lead June contract. Cutouts were strong, with choice +2.12 and select +2.18. Cash trade saw about 6,000 head confirmed between \$138 and \$146 on Thursday. Kansas trade hasn't seen any action since some modest \$140 trade on Tuesday. Equities are trying to recover overnight, and the Dollar is modestly lower.

## Feeder Cattle

### *Trends*

*Short Term: **Down***

*Long Term: **Down***

*Opening Call: **Mixed***

Feeder cattle futures closed sharply lower on Thursday, with the active August contract moving within .075 of contract lows. Cash index level rose to 156.61 on Thursday. Corn prices are up nearly 35 cents this week in the new crop but only a dime in the old crop. Overnight corn values are modestly firmer.

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

Weekly Stocks Report for Week Ending

05/06/22

	Change	DOE			API	
		05/06/22	04/29/22	05/07/21	05/06/22	
Crude	+8.50	424.20	415.70	484.70	+ 1.60	
Gasoline	-3.60	225.00	228.60	236.20	+ 823K	
Distillates	- 900K	104.00	104.90	134.40	+ 662K	
Rates	+1.6%	90.00	88.40			
Imports	-0.06	6.27	6.33			
				% Above/Below Lst Yr	5 Yr Avg	% A/B
Nat Gas	+ 40	1.490	1.450	1.896	-21.4	1.795 -17.0

Analysts Estimates for Week Ending 05/06/22

		5 Yr Avg
Crude	- 500K	+ 3.90
Gasoline	-1.60	+ 600K
Distillates	-1.30	+ 1.22
Rates		

Analysts Estimates for Week Ending 05/06/22

	Range			
Nat Gas	Crude Oil	Unleaded	Heating Oil	Natural Gas
Short Term Trend	UP	UP	DOWN	UP
Long Term Trend	UP	UP	UP	UP
O/N Trade @ 6:45 am	+ 1.69	+ .0943	+ .0215	+ .134

Commentary:

The crude oil market traded higher in overnight and early trade today posting a 4 session high however, it looks difficult to stave off the first lower close in 3 weeks. The week started out under severe selling pressure as recession worries and continued Chinese demand concerns pushed the market to a \$ 12.00 loss in the first 2 sessions of the week. Since then, the market has recovered on hopes that the European Union is close to an agreement to ban Russian crude oil. This may just be political rhetoric however, as the group has some determined holdouts. Inflation/recession fears can easily take back over trade sentiment at any time. Another likely bad political decision could be in the works as the Biden administration is making noises about capping rising gasoline prices. This could lead to another disaster similar to what is developing with US crude supplies due to the 1 mbd SPR release Biden announced a little more than a month ago. SPR reserves fell to the lowest level in 22 years this week and will likely fall to 35 year lows within the next few weeks. He also announced last week that they would start to refill the reserves soon but now those reserves will be filled with \$ 100.00 plus crude oil when those reserves were filled to the current levels with \$ 9 - \$ 32 crude oil. Makes perfect sense in this era of excessive governmental spending.

	Jun	Jun	Jun
	Crude Oil	Unleaded	Heating Oil
Resistance	111.50/116.50	3.9000/4.0000	4.0600/4.1000
Support	100.25/95.50	3.7960/3.6100	3.7630/3.5295



## *Schwieterman Update*

*Financial Market Analysis for the morning of May 13, 2022*

*Garden City, KS 800-972-9131 620-275-4100*

*Alan Clark – alanjclark@swbell.net*

### **U.S. Stock Futures**

The equities finished mixed on Thursday amidst a breakdown we haven't seen in quite some time. The Dow fell 103 points, the S&P lost 5, and the Nasdaq gained 6 points. This morning's futures are off to a higher start with the Dow up 307, the S&P up 53, and the Nasdaq up 241 points. Many companies that were expected to release IPO's are having second thoughts. PitchBook said that they don't feel they should enter this market climate and expect it to remain this way throughout the year. This is also apparent with the startup investing we've seen over the last two years. SoftBank's recent earnings call was not pretty. They stated that after pouring billions of dollars into startups over the last two years they have lost more than \$27 billion in tech startups alone. The recent break has been huge whether people realize it or not. The combined loss in blue-chip stocks is more than \$7 trillion.

Stock to Watch: Ford Motor Co is up 3.38% premarket as supply chain stress eases.

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[AMS 2453/LM\\_XB403](#)

DAILY ESTIMATED CUTOUT VALUES

	Choice 600-900#	Select 600-900#	Choice/Select Spread	
Current Cutout Values:	257.20	244.36	12.84	
Change from prior day:	2.12	2.18		
Primal Rib	399.47	348.81		
Primal Chuck	201.34	197.68		
Primal Round	207.97	207.94		
Primal Loin	357.93	332.54		
Primal Brisket	206.93	200.85		
Primal Short Plate	199.20	199.20		
Primal Flank	152.87	144.78		
			Load Count:	
			Total	137
			Choice	94
			Select	19
			Trimming	8
			Grinds	15

Fresh 50% Trimmings 8 Loads @ 104.44

[AMS 2829/NW\\_LS441](#)

USDA BY-PRODUCT DROP VALUE (STEER) - DAILY

13.63 Change: unchanged

[AMS 2466/LM\\_CT100](#)

5 AREA WEEKLY ACCUMULATED WEIGHTED AVG CATTLE PRICE

As of 10:00 am	Head Count	Avg Weight	Avg Price
Live Steer	24,743	1,427	142.17
Live Heifer	13,074	1,296	141.48
Dressed Steer	13,571	921	229.21
Dressed Heifer	3,504	836	229.72

[AMS 3208/SJ\\_LS710](#)

DAILY CATTLE SLAUGHTER

Today	124,000
Week Ago	124,000
Year Ago (act)	115,000
Week to Date	495,000
Same Period Last Week	487,000
Same Period Last Year	466,000
Previous Day	Steer and Heifer 96,000 Cow and Bull 29,000

[AMS 3209/SJ\\_LS712](#)

	5/7/2022 (Estimate)	Last Week (Estimate)	Last Year (Actual)
BEEF PRODUCTION			
Slaughter	657,000	649,000	639,000
Live Weights	1377	1378	1368
Dressed Weights	832	833	826
Beef Production (millions of pounds)	545.5	539.2	526.7

[AMS 2825/NW\\_LS410](#)

USDA BEEF CARCASS PRICE EQUIVALENT INDEX VALUE

	Choice 600-900#	Select 600-900#	Dressing percent:	
			Steer	Heifer
Change	0.78	0.81	62.99	62.80

[AMS 2455/LM\\_XB405](#)

USDA NATIONAL CUTTER COW CARCASS CUTOUT

217.95 (-2.22) 90% lean: 270.57

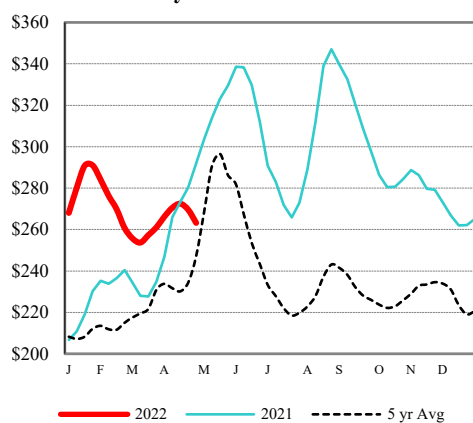
[CME LIVE CATTLE](#)

	High	Low	Change	Settle
JUN	133.68	131.43	(-1.93)	131.65
AUG	134.65	132.50	(-1.88)	132.78
OCT	141.93	139.63	(-2.08)	139.85

[CME FEEDER CATTLE](#)

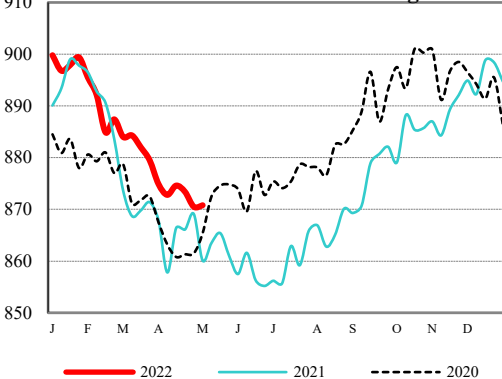
	High	Low	Change	Settle
MAY	158.35	156.65	(-1.28)	156.88
AUG	170.03	166.15	(-3.48)	166.53
SEP	173.13	169.38	(-3.50)	169.68

Weekly Choice Cutout



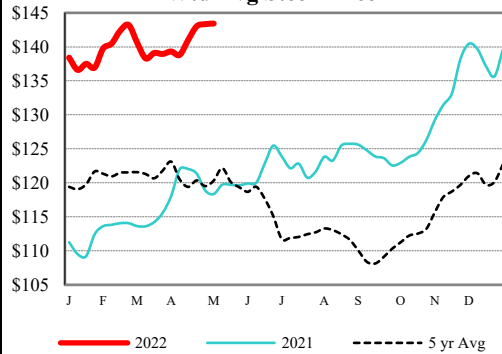
— 2022 — 2021 - - - - 5 yr Avg

LMR Steer/Heifer Dressed Weights



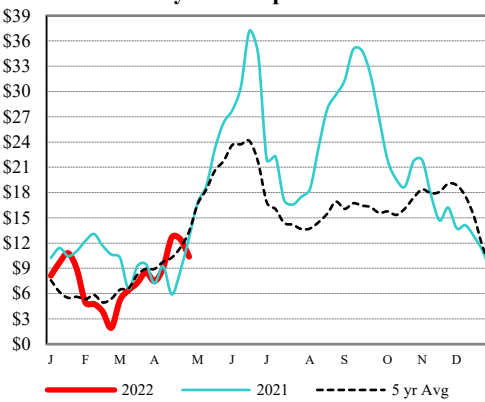
— 2022 — 2021 - - - - 2020

5 Area Weekly Wtd Avg Steer Price



— 2022 — 2021 - - - - 5 yr Avg

Weekly Ch/Se Spread



— 2022 — 2021 - - - - 5 yr Avg

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

Negotiated Barrow and Gilt:	Carcass Base Price		Live Price	
<u>NATIONAL - AMS 2675/LM_HG203:</u>				
Range:	\$101.00	\$116.00	\$74.25	\$85.25
Weighted Average:	\$106.36		\$80.67	
Change from Prior Day:	(-1.93)		*	
Head Count:	5,014		549	

IOWA/MINNESOTA - AMS 2675/LM\_HG206:

Weighted Average:	113.14		*
Change from Prior Day:	1.62		*

WESTERN CORNBELT - AMS 2675/LM\_HG212:

Weighted Average:	\$112.75		*
Change from Prior Day:	0.14		*

EASTERN CORNBELT - AMS 2675/LM\_HG210:

Weighted Average:	*		*
Change from Prior Day:	*		*

\*Price not reported due to confidentiality.

NATIONAL DAILY PORK REPORT FOB PLANT - AMS 2498/LM\_PK602:

Carcass Cutout Values	98.60	Change:	(-0.89)
Primal Loin	101.56		2.57
Primal Butt	106.80		(-4.04)
Primal Picnic	68.34		0.79
Primal Rib	194.87		(-5.38)
Primal Ham	80.56		(-2.83)
Primal Belly	134.15		(-1.49)
Total Loads	336.97		
Pork Cuts	323.14	Lds	
Trim/Process Pork	13.83	Lds	

DAILY HOG SLAUGHTER UNDER FIS - AMS 3208/SJ\_LS710

Today (est)	477,000
Week Ago (est)	478,000
Year Ago (act)	481,000
Week to Date (est)	1,894,000
Same Period Last Week (est)	1,922,000
Same Period Last Year (act)	1,911,000

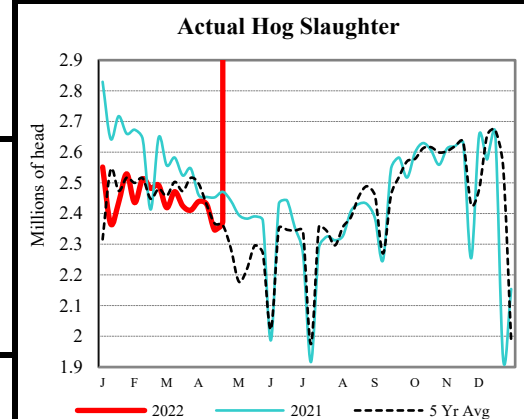
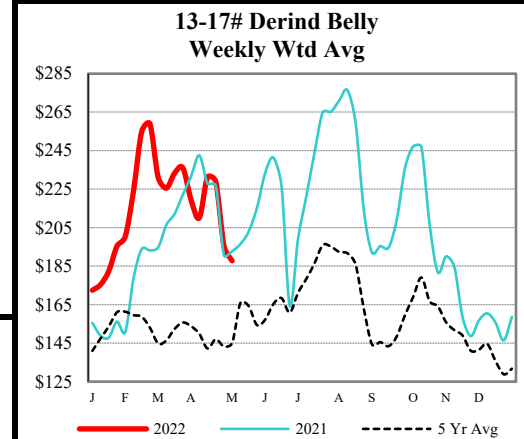
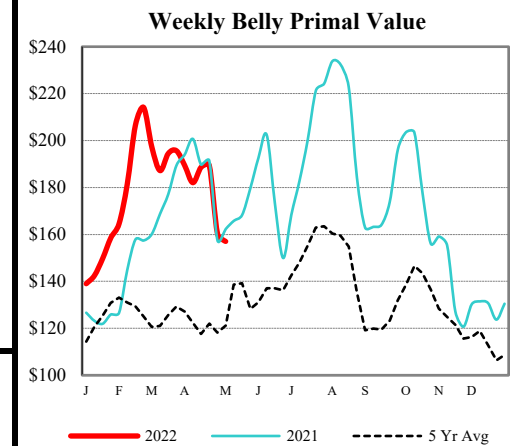
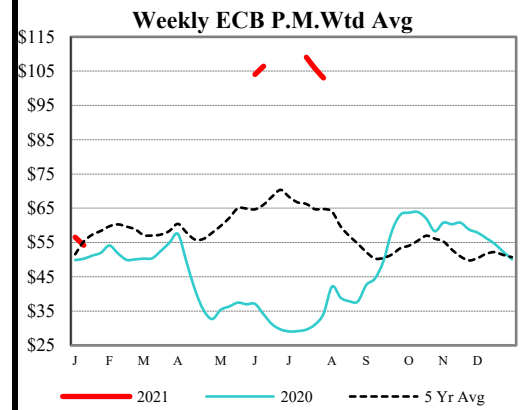
<b>CME Lean Hog Close</b>	<u>High</u>	<u>Low</u>	<u>Change</u>	<u>Settle</u>
<b>MAY</b>	100.50	99.88	(-0.83)	100.10
<b>JUN</b>	100.85	97.10	(-3.38)	97.48
<b>JLY</b>	101.43	97.38	(-3.70)	97.85
<b>AUG</b>	101.88	98.65	(-2.98)	98.98

CME Lean Hog Delayed Futures

ACTUAL HOG SLAUGHTER UNDER FEDERAL INSPECTION - AMS 3206/SJ\_LS711

For Week ending Saturday, 4/30/2022

	<u>Head</u>	<u>Percent of Total</u>	<u>Live Weight</u>	<u>Dressed Weight</u>
<b>Total Hogs</b>	2,366,784		293	219
<b>Barrows/Gilts</b>	2,303,791	97.3		217
<b>Sows</b>	57,412	2.4		298
<b>Stage/Boars</b>	5,581	0.2		193



USDA Livestock, Poultry & Grain Market News  
 Des Moines, Iowa | PH 515-284-4460  
 Email: Desm.LPGMN@usda.gov

<https://mymarketnews.ams.usda.gov/viewReport/2872>

USDA AMS Livestock, Poultry & Grain Market News

**AUCTION SUMMARY**

<b>AMS 1281</b>		8,942		Wednesday	
<b>OKC West Livestock Auction</b> El Reno, OK					
Feeder Steers	600-700 lbs	161.00-177.00	Feeder Heifers	500-600 lbs	156.00-167.00
Medium &	700-800 lbs	157.00-170.00	Medium &	600-700 lbs	148.25-165.00
Large #1	800-900 lbs	145.50-155.00	Large #1	700-800 lbs	140.00-153.25
	900-1000 lbs	134.00-146.00		800-900 lbs	132.00-141.80
	1000-1100 lbs	130.00-138.50		900-1000 lbs	127.00-135.50

<b>AMS 2020</b>		4,113		Wednesday	
<b>Hub City Livestock Auction</b> Aberdeen, SD					
Feeder Steers	500-600 lbs	183.00-213.00	Feeder Heifers	500-600 lbs	161.50-175.00
Medium &	600-700 lbs	170.50-186.25	Medium &	600-700 lbs	151.00-169.50
Large #1	700-800 lbs	163.00-180.00	Large #1	700-800 lbs	140.00-155.00
	800-900 lbs	146.50-162.00		800-900 lbs	134.00-146.00
	900-1000 lbs	141.75-156.25		900-1000 lbs	129.00-137.50

<b>AMS 1848</b>		3,600		Wednesday	
<b>Huss Livestock Market</b> Kearney, NE					
Feeder Steers	500-600 lbs	200.75	Feeder Heifers	500-600 lbs	165.50-177
Medium &	600-700 lbs	180.50-192.00	Medium &	600-700 lbs	153.50-165.00
Large #1	700-800 lbs	167.50-167.50	Large #1	700-800 lbs	153.25-157.25
	800-900 lbs	159.50-168.75		800-900 lbs	142.00
	900-1000 lbs	148.00-157.75		900-1000 lbs	131.50

**CHICAGO MERCANTILE EXCHANGE LIVESTOCK FUTURES SETTLEMENT** Thursday

<b>Live Cattle</b>		<b>Change</b>	<b>Feeder Cattle</b>		<b>Change</b>
Jun	131.650	(1.925)	May	156.875	(1.275)
Aug	132.775	(1.875)	Aug	166.525	(3.475)
Oct	139.850	(2.750)	Sep	169.675	(3.500)

**CHICAGO BOARD OF TRADE GRAIN FUTURES SETTLEMENTS** Thursday

<b>Corn</b>		<b>Change</b>	<b>Soybeans</b>		<b>Change</b>
May	8.1350	0.1125	May	16.6025	0.1000
July	7.9150	0.0300	July	16.1375	0.0700
Sep	7.6375	0.1175	Aug	15.6925	0.0700

<b>KANSAS CITY BOARD OF TRADE</b>		<b>Wheat</b>		<b>Change</b>
		May	12.5400	0.6775
		July	12.7000	0.6950
		Sep	12.7150	0.6850

**AMS 2466** Thursday

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

	Head Count	Avg Weight	Avg Price
Live Steer	24,743	1,427	142.17
Live Heifer	13,074	1,296	141.48
Dressed Steer	13,571	921	229.21
Dressed Heifer	3,504	836	229.72

**AMS 2453** Thursday

**DAILY ESTIMATED BOXED BEEF CUTOUT VALUES**

<b>Choice</b>	<b>Select</b>	<b>Choice Cuts</b>	94 loads
<b>600-900#</b>	<b>600-900#</b>	<b>Select Cuts</b>	19 loads
257.20	244.36	<b>Trimming</b>	8 loads
2.12	2.18	<b>Grinds</b>	15 loads

**SJ LS710** Wednesday

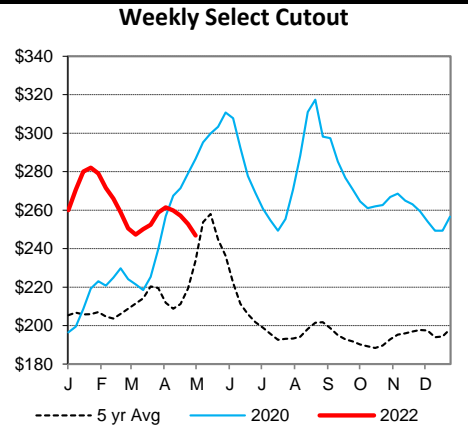
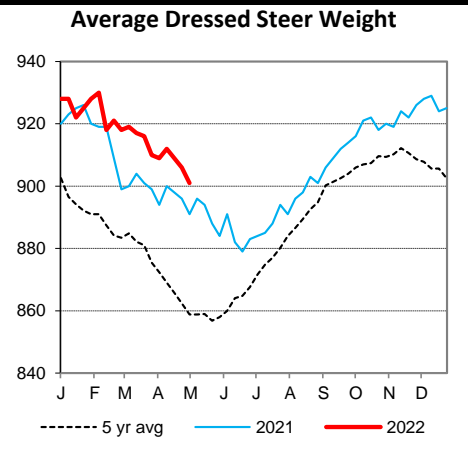
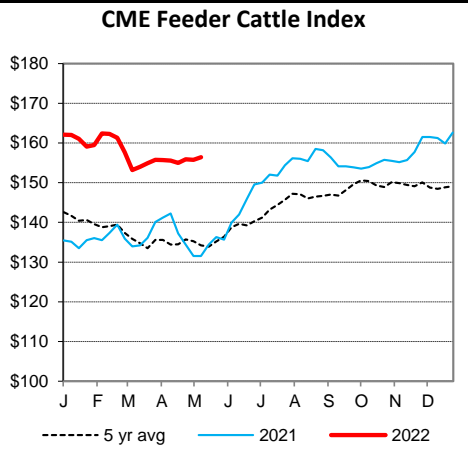
**ESTD DAILY CATTLE SLAUGHTER**

Thursday	124,000
Week Ago (est)	124,000
Year Ago (act)	115,000
Wk to date (est)	495,000
Last Week (est)	487,000
Last Year (act)	466,000
<b>Previous Day Estimated:</b>	<b>Steer and Heifer</b> 96,000
	<b>Cow and Bull</b> 29,000

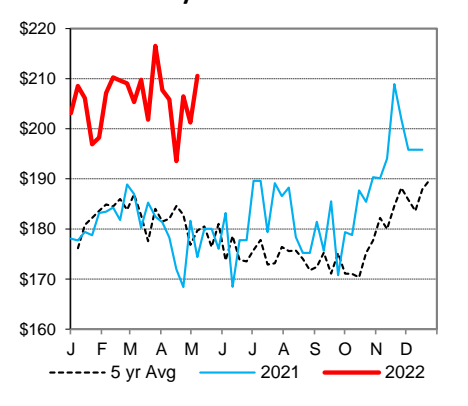
**AMS 1797** Wednesday

**Joplin Regional Stockyards**

	<b>Pct Lean</b>	<b>Avg Dressing Price</b>
<b>Breaking</b>	75-80	74.00-81.50
<b>Boning</b>	80-85	71.00-79.50
<b>Lean</b>	85-90	62.50-74.00



**Oklahoma City 400-500 lb Steer Price**



St. Joseph, Missouri  
Phone: 816-676-7000  
Email: stjoe.lpgmn@usda.gov  
<http://www.ams.usda.gov/LSMarketNews>



## *Schwieterman Update*

*Schwieterman, Inc.*  
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