



Schwieterman Update

Update for the morning of September 5, 2024

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Corn

Trends – December Contract

Short Term: **Up**

Long Term: **Up**

Overnight Trade: **Z -3** @7:30 AM

Estimated Fund Position

Net Long Futures and Options: -188000

Change: +20000

The December corn was a little lower overnight, but is still holding above the 50-day moving average. The market has been on a good run and may be running out of steam. We won't have export sales data out until tomorrow, and fresh news is limited. The forecasts are still dry to finish out the growing season, and the Dollar Index has made a big push lower the past two sessions, which could be supportive. The \$4.20 area is still a reasonable upside objective for the December contract.

Wheat

Trends – December Contract

Short Term: **Up**

Long Term: **Up**

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

Estimated Fund Position

Net Long Futures and Options: -40000

Change: +4000

The December KW posted its best close since mid-July yesterday, but did not see any follow through buying overnight. The \$5.95 area is now the critical technical hurdle for the market and a close over that level would suggest we are going to see a move up to \$6.20. Hopefully there is something in tomorrow's export sales data to keep this short covering going.

Soybeans

Trends – December Contract

Short Term: **Up**

Long Term: **Down**

Overnight Trade: **X -9** @7:30 AM

Estimated Fund Position

Net Long Futures and Options: -129000

Change: +12000

November soybeans had a strong close yesterday, but like the other markets, did not see any follow through buying overnight. The November contract has gone a couple of days without a new high, which suggests the market is stalling out. The weather remains dry, which is supportive, but there has not been much fresh demand news. Keep one eye on the crude oil. Another push lower in that market will have a negative impact on the bean oil, just like yesterday.

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Live Cattle

Trend

Short Term: Up

Long Term: Down

Opening Calls: Mixed

Live cattle futures traded both sides of unchanged and settled mixed on Wednesday, with December modestly higher and most of the complex a bit lower for the session. Cutouts were mixed, with choice +.93 and select -.72. Cash was limited to 1,600 head reported out of Kansas for \$180. Macros look mixed the morning, with lower equities and a lower Dollar.

Feeder Cattle

Trends

Short Term: Up

Long Term: Down

Opening Call: Mixed

Feeder cattle futures posted triple digit losses on Wednesday, with September falling 1.80 for the session, to 239.60. That total is in line with the steady drop in the cash index, reaching 239.53 on Wednesday. Corn was strong again on Wednesday, providing additional pressure to the feeders. Overnight corn values have fallen 3 cents, as we write.

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Weekly Stocks Report for Week Ending

08/23/24

	Change	DOE			API	
		08/23/24	08/16/24	08/25/23	08/30/24	
Crude	- 800K	425.20	426.00	422.90	-7.43	
Gasoline	-2.20	218.40	220.60	217.40	- 336K	
Distillates	+ 300K	123.10	122.80	117.90	- 406K	
Rates	+1.00%	93.30	92.30	91.00		
Imports	-0.09K	6.56	6.65	5.55		
				% Above/Below Lst Yr	5 Yr Avg	% A/B
Nat Gas	+ 35	3.334	3.299	3.106	+ 7.3	2.973 + 12.1

Analysts Estimates for Week Ending 08/30/24

		5 Yr Avg	
Crude	-1.00	-6.32	
Gasoline	- 700K	-2.06	
Distillates	+ 500K	+ 1.48	

Rates

Analysts Estimates for Week Ending 08/23/24

	Range	Avg	Lst Yr	5 Yr Avg
Nat Gas	28 55	+ 39	+ 29	+ 43

	<u>Crude Oil</u>	<u>Unleaded</u>	<u>Heating Oil</u>	<u>Natural Gas</u>
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Short Term Trend	DOWN	DOWN	DOWN	DOWN
Long Term Trend	DOWN	DOWN	DOWN	DOWN
O/N Trade @ 6:45 am	+ .27	-0.0047	+ .0190	+ .025

Commentary:

Spot month crude oil stabilized overnight after posting a new low for the year during yesterdays trade. The market was able to trade mostly higher overnight trading up just over \$ 1.00 at one point. While the market is short-term oversold after falling more than \$ 8.00 in the previous 3 sessions, the overnight recovery was less than impressive. For any type of bounce to occur yesterday's low for the year will have to provide support to spark some short covering. Not even a significant decline in US inventories was enough to provide much buying interest last night. Private industry data showed US crude supplies fell 7.43 mb, much more than the 1.0 mb decline expected. Gasoline and diesel fuel stocks were down 336 kb and 406 kb respectfully as well. Even a possible flip flop in the OPEC+ decision on production increases has been a disappointment to bullish oil traders overnight. After confirming that the group would stick with their plan to start cutting back on the 2.2 mb voluntary production cuts just last Friday, now rumors are that the group is "mulling over" the possibility of delaying the increase in production set for next month. The 2 month break of nearly \$ 16 leaves the market vulnerable to daily speculation on what the OPEC+ decision will be. This could open the door for increased volatility the next 2 sessions.

	Oct	Oct	Oct
	Crude Oil	Unleaded	Heating Oil
Resistance	74.50/77.90	2.0050/2.0300	2.2285/2.2435
Support	67.60/63.60	1.9455/1.8800	2.1460/2.0100



Schwieterman Update

Financial Market Analysis for the morning of Thursday, September 5, 2024

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U.S. Stock Futures

The equities closed mixed as the Dow gained 38, the S&P lost 8, and the Nasdaq lost 52. This morning's futures are lower as the Dow is down 2, the S&P down 7, and the Nasdaq down 74. US manufacturing contracted in August showed yet another slowdown. Only 47.2% reported expansion during August, which is below the 50% threshold that indicates activity in the sector. The reading is also below the consensus estimate of 47.9%. Nvidia fell 10% yesterday removing \$279 billion from its market cap. Other key names plunged as well with Intel and AMD losing as much as 8%. Starlink is officially blocking X in Brazil in order to continue operations in the country without risking its license. This comes after Brazilian supreme court justices voted unanimously to uphold orders blocking the social media app nationwide.

Stock to Watch: Exxon Mobil is trading up 0.52% premarket.

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AMS 2453/LM XB403

DAILY ESTIMATED CUTOUT VALUES

	Choice <u>600-900#</u>	Select <u>600-900#</u>	Choice/Select Spread
Current Cutout Values:	311.60	299.39	12.21
Change from prior day:	0.93	(-0.72)	
Primal Rib	481.25	441.32	
Primal Chuck	276.48	272.19	
Primal Round	274.23	274.65	
Primal Loin	373.45	344.03	
Primal Brisket	254.41	245.06	
Primal Short Plate	223.21	223.21	
Primal Flank	173.19	180.01	
			Load Count:
			Total 169
			Choice 99
			Select 30
			Trimming 14
			Grinds 26

Fresh 50% Trimmings 14 Loads @ 135.27

AMS 2829/NW LS441

USDA BY-PRODUCT DROP VALUE (STEER) - DAILY

11.34 Change: UNCH

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	80	1,475	185.00
Live Heifer			
Dressed Steer			
Dressed Heifer			

AMS 3208/SJ LS710

DAILY CATTLE SLAUGHTER

Today	125,000	
Week Ago	120,000	
Year Ago (act)	128,519	
Week to Date	252,000	
Same Period Last Week	354,000	
Same Period Last Year	258,554	
Previous Day	Steer and Heifer	101,000
	Cow and Bull	24,000

AMS 3209/SJ LS712

BEEF PRODUCTION

	8/31/2024 (Estimate)	Last Week (Estimate)	Last Year (Actual)
Slaughter	611,000	608,000	631,000
Live Weights	1388	1385	1356
Dressed Weights	849	847	825
Beef Production (millions of pounds)	517.8	513.9	518.9

AMS 2825/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	0.47	(-0.36)	63.84	63.81

AMS 2455/LM XB405

USDA NATIONAL CUTTER COW CARCASS CUTOUT

293.82 0.18 90% lean: 376.62

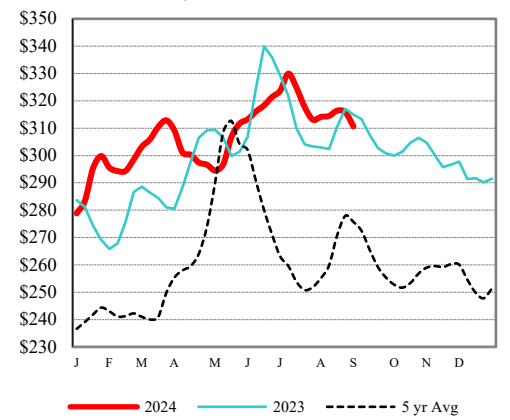
CME LIVE CATTLE

	High	Low	Change	Settle
APR	N/A			
JUN	N/A			
AUG	N/A			

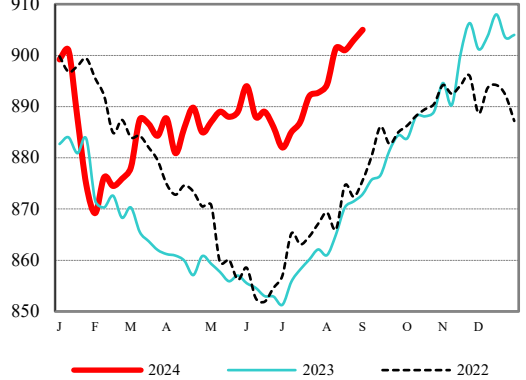
CME FEEDER CATTLE

	High	Low	Change	Settle
APR	N/A			
MAY	N/A			
AUG	N/A			

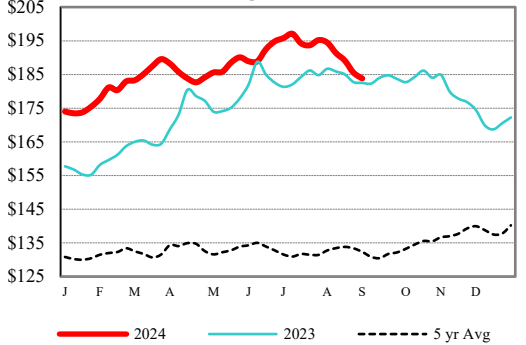
Weekly Choice Cutout



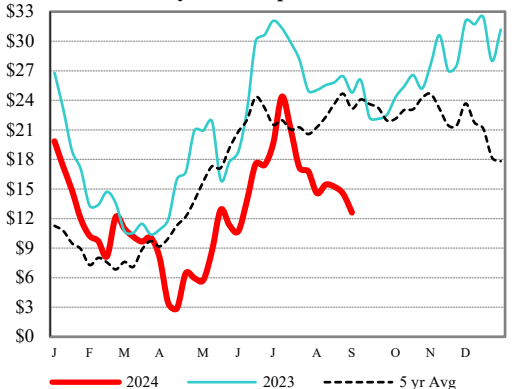
LMR Steer/Heifer Dressed Weights



5 Area Weekly Wtd Avg Steer Price



Weekly Ch/Se Spread



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:	\$70.00	\$80.50	\$52.75	\$75.00
Weighted Average:	\$78.67		\$58.48	
Change from Prior Day:	(-\$0.23)		*	
Head Count:	15,462		726	
<u>IOWA/MINNESOTA - AMS 2675/LM_HG206:</u>				
Weighted Average:	\$77.76		*	
Change from Prior Day:	(-\$1.25)		*	
<u>WESTERN CORNBELT - AMS 2675/LM_HG212:</u>				
Weighted Average:	\$78.66		*	
Change from Prior Day:	(-\$0.34)		*	
<u>EASTERN CORNBELT - AMS 2675/LM_HG210:</u>				
Weighted Average:	\$78.82		\$59.76	
Change from Prior Day:	*		*	

*Price not reported due to confidentiality.

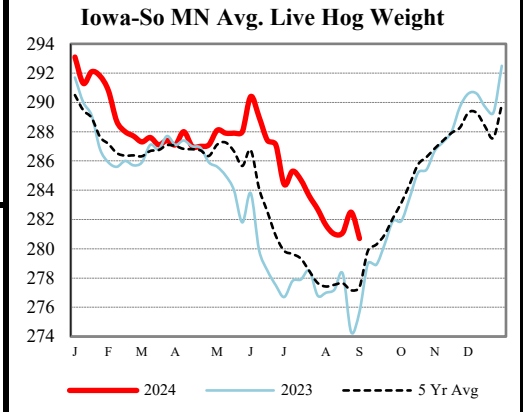
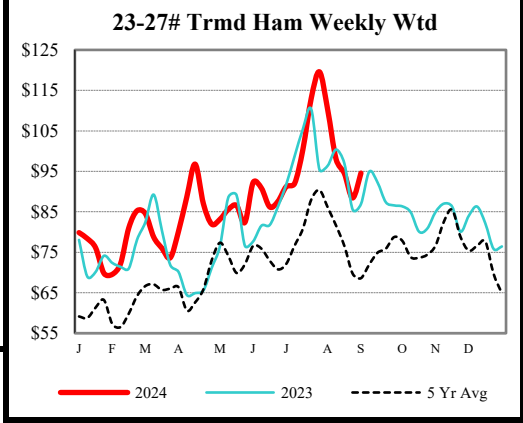
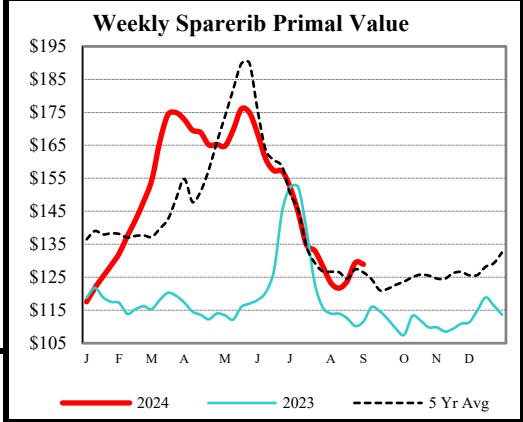
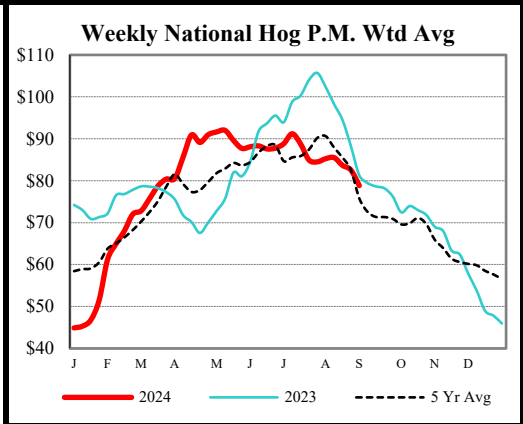
<u>NATIONAL DAILY PORK REPORT FOB PLANT - AMS 2498/LM_PK602:</u>			
Carcass Cutout Values	95.29	Change:	(-3.53)
Primal Loin	90.85		(-5.02)
Primal Butt	106.28		(-1.67)
Primal Picnic	78.47		(-1.20)
Primal Rib	129.48		0.25
Primal Ham	93.49		(-1.79)
Primal Belly	121.59		(-10.05)
Total Loads	345.48		
Pork Cuts	304.90	Lds	
Trim/Process Pork	40.58	Lds	

<u>DAILY HOG SLAUGHTER UNDER FIS - AMS 3208/SJ_LS710</u>	
Today (est)	485,000
Week Ago (est)	473,000
Year Ago (act)	479,231
Week to Date (est)	971,000
Same Period Last Week (est)	1,431,000
Same Period Last Year (act)	954,843

<u>National Daily Direct Hog Prior Day Report - Slaughtered Swine/LM_HG201</u>					
Producer Sold:	NEG	OMF	SPMF	OPA	Total
Head Count	3,081	28,348	129,342	73,546	234,523
Carcass Base Price	77.46	81.69	84.59	86.02	84.67
Average Net Price	82.19	84.49	86.49	88.10	86.75

Negotiated Formula included in total *Price not reported due to confidentiality.

<u>IOWA-SOUTHERN MINNESOTA WEEKLY AVERAGE WEIGHT - AMS 2840/NW_LS720</u>				
For Week Ending Sat,				
Aug 31, 2024	<u>Ending</u>	<u>Count</u>	<u>Average</u>	<u>Weight</u>
	8/31/2024	772,000		280.7
Week Ago:	8/24/2024	813,000		282.5
Year Ago:	9/2/2023	776,000		275.7



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](https://www.usda.gov)

AUCTION SUMMARY

AMS 3794		2,979	Tuesday	
Beaver Livestock Auction				
Beaver, OK				
Feeder Steers	500-600 lbs	278.00-289.00	Feeder Heifers	500-600 lbs 252.00-263.00
Medium &	600-700 lbs	263.00-270.00	Medium &	600-700 lbs 241.00-253.60
Large #1	700-800 lbs	248.00-251.50	Large #1	700-800 lbs 233.50-246.25
	800-900 lbs	239.50-245.50		800-900 lbs 221.00-227.60
	900-1000 lbs	239.75		900-1000 lbs

AMS 1249		2,027	Tuesday	
Ozarks Regional Stockyards				
West Plains, MO				
Feeder Steers	400-500 lbs	300.00-322.50	Feeder Heifers	300-400 lbs 282.50-312.00
Medium &	500-600 lbs	268.00-304.00	Medium &	400-500 lbs 275.00-310.00
Large #1	600-700 lbs	250.00-285.00	Large #1	500-600 lbs 245.00-272.00
	700-800 lbs	235.50-250.00		600-700 lbs 234.00-251.00
	800-900 lbs	227.00-243.00		700-800 lbs 229.50-239.75

AMS 2104		1,095	Tuesday	
Winter Livestock Auction				
Riverton, WY				
Feeder Steers	500-600 lbs	244.50-279.00	Feeder Heifers	500-600 lbs 240.00
Medium &	600-700 lbs	251.75-273.20	Medium &	600-700 lbs
Large #1	700-800 lbs	249.50-260.00	Large #1	700-800 lbs 234.50
	800-900 lbs	232.50-245.75		800-900 lbs
	900-1000 lbs	214.00		900-1000 lbs

CHICAGO MERCANTILE EXCHANGE LIVESTOCK FUTURES SETTLEMENT Wednesday

<u>Live Cattle</u>			<u>Feeder Cattle</u>		
		<u>Change</u>			<u>Change</u>
Oct	179.225	(0.050)	Sep	239.625	(1.750)
Dec	178.900	0.050	Oct	237.450	(1.875)
Feb	179.500	(0.075)	Nov	235.175	(1.450)

CHICAGO BOARD OF TRADE GRAIN FUTURES SETTLEMENTS Wednesday

<u>Corn</u>			<u>Soybeans</u>		
		<u>Change</u>			<u>Change</u>
Sep	3.9050	0.0400	Sep	10.0600	0.0900
Dec	4.1275	0.0350	Nov	10.2150	0.0950
Mar	4.3100	0.0375	Jan	10.3925	0.0975

KANSAS CITY BOARD OF TRADE		<u>Wheat</u>		<u>Change</u>
		Sep	5.8525	0.1875
		Dec	5.9300	0.1675
		Mar	6.0650	0.1675

[AMS 2466](#) Wednesday

5 AREA WKLY ACCUMULATED WTD AVG SLAUGHTER CATTLE PRICE

	<u>Head Count</u>	<u>Avg Weight</u>	<u>Avg Price</u>
Live Steer	80	1,475	185.00
Live Heifer			
Dressed Steer			
Dressed Heifer			

[AMS 2453](#) Wednesday

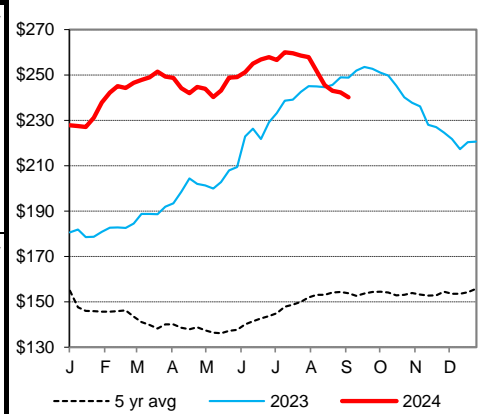
DAILY ESTIMATED BOXED BEEF CUTOUT VALUES

<u>Choice</u>	<u>Select</u>	<u>Choice Cuts</u>	
<u>600-900#</u>	<u>600-900#</u>	<u>Select Cuts</u>	
311.60	299.39	Trimming	14 loads
0.93	(0.72)	Grinds	26 loads

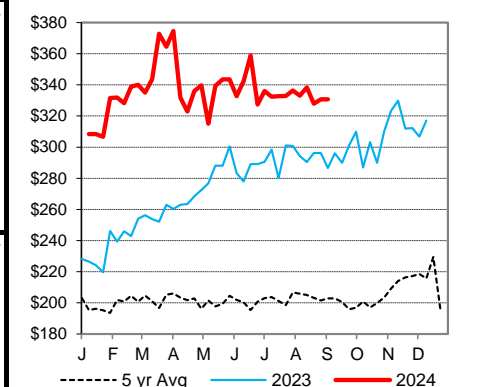
[AMS 3208](#) [AMS 1823](#) Tuesday

ESTD DAILY CATTLE SLAUGHTER		Oklahoma National Stckyrds	
Wednesday	125,000	Oklahoma City, OK	
Week Ago (est)	120,000	Avg Dressing	
Year Ago (act)	129,000		
Wk to date (est)	252,000	<u>Pct Lean</u>	<u>Price</u>
Last Week (est)	354,000	Breaking	75-80 142.00-147.00
Last Year (est)	259,000	Boning	80-85 137.00-146.00
Previous Day Estimated:	Steer and Heifer	Lean	85-90 127.00-135.00
	Cow and Bull	Tuesday	
		101,000	
		24,000	

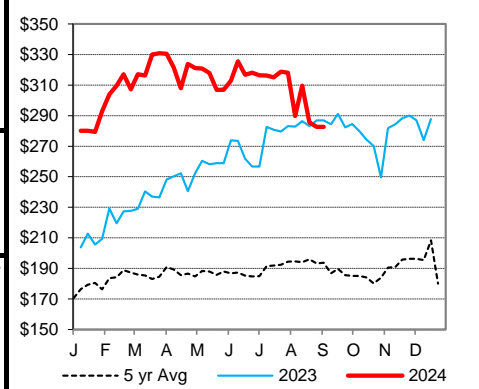
CME Feeder Cattle Index



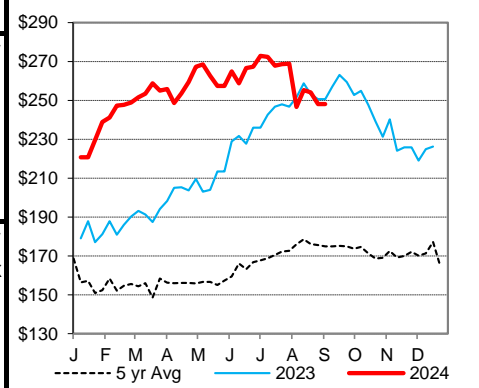
Oklahoma City 400-500 lb Steer Price



Oklahoma City 500-600 lb Steer Price



Oklahoma City 700-800 lb Steer Price



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



Schwieterman Update

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