



Schwieterman Update

Update for the morning of October 16, 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 – December Contract

Short Term: Up

Long Term: Up

Overnight Trade: Z +4 @7:30 AM

Estimated Fund Position

Net Long Futures and Options: 192000

Change: +25000

December corn made a new multi-month high again overnight and now appears to be making a run at the contract high. Export sales were a bit light at 655,200 MT, but we know that they will be bigger next week. Overall, demand is strong and there is still concern that we may see a lower production estimate in the November supply and demand report, and there is also still some concern about dryness in Russia and Brazil.

Wheat

Trends – December Contract

Short Term: Up

Long Term: Up

Overnight Trade: Chicago: Z +6 KC: Z +1 @7:30 AM

Estimated Fund Position

Net Long Futures and Options: 50000

Change: +20000

Yesterday the December KW blew through the 62% retracement resistance and then saw follow through buying overnight. The next upside target for the December KW is now the \$5.80 area. Export sales were solid again at 528,500 MT for the old crop and 71,200 MT for the new crop. Sales at this level keep a bid under the market and increase the likelihood of an increase in the export estimate in a future supply and demand report.

Soybeans

Trends – November Contract

Short Term: Up

Long Term: Up

Overnight Trade: X +4 @7:30 AM

Estimated Fund Position

Net Long Futures and Options: 253000

Change: +8000

Soybeans are lagging a little bit. The November soybeans were higher yesterday and again overnight, but have not taken out last week's high. However, a move to a new high is beginning to look inevitable. Export sales were, as expected, outstanding at 2.63 MMT. Shipments have been huge as well, so the beans are leaving the country, which decreases the likelihood of cancellations.

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Live Cattle

Trend

Short Term: Down

Long Term: Down

Opening Calls: 10-30 Lower

Live cattle futures closed below support levels on Thursday in the December contract, with only the spot October holding above weekly lows. Cutouts were lower, with choice -.66 and select -2.77. Packer margins are narrowing, but remain historically wide. Outside markets look more favorable this morning, with higher equities and a weaker Dollar. Cash remained active again on Thursday, with most of the trade near \$108.

Feeder Cattle

Trends

Short Term: Down

Long Term: Down

Opening Call: 20-40 Lower

Feeder cattle futures finished modestly higher in the lead contracts on Thursday, with deferred contracts suffering from the continued strength in the corn market. Corn is posting new highs in overnight trade. Cash index levels were flat on Thursday, but expect to see additional weakness into next week. The decline in fat futures this week will add to the weight on the feeders.

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

Weekly Stocks Report for Week Ending

10/09/20

	Change	DOE			API	
		10/09/20	10/02/20	10/11/20	10/09/20	
Crude	-3.8	489.10	492.90	434.90	+ 951K	
Gasoline	-1.60	225.10	226.70	226.20	- 867K	
Distillates	-7.20	164.60	171.80	123.50	-1.00	
Rates	-2.0 %	75.10	77.10			
Imports	-44K	5.29	5.73			
Nat Gas	+ 46	3.877	3.831	3.489	% Above/Below Lst Yr 11.1	5 Yr Avg % A/B 3.524 10.0

Analysts Estimates for Week Ending 10/09/20

		5 Yr Avg
Crude	-2.80	+ 4.48
Gasoline	-1.60	-1.64
Distillates	-2.10	-1.90

Rates

Analysts Estimates for Week Ending 10/09/20

Range

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	-0.30	-0.0155	-0.0107	+ .020

Commentary:

The crude oil market looks set for another day of consolidation after yesterday's solid recovery gave way to lower trade to start the day today. As mentioned yesterday a "mini consolidation" has developed in the past 8 sessions within a broader sideways range seen over the last 6 weeks. New lockdowns in Europe sparked spot month crude oil to push to the lower end of the mini consolidation at 39.00 early yesterday before recovering throughout the rest of the session closing near the top of the consolidation just below 41.50. The market could continue to trade technically and try to stay within this newly defined range until a fresh headline is able to spark a breakout. At the moment a downside breakout would be the most likely thanks to the growing fears of demand from new global lockdowns. European countries are reviving curfews and lockdowns thanks to the surge in new cases. It appears that most forecasts are bearish thanks to those growing demand concerns. The US dollar has also tried to recovery this week which puts an additional bearish slant towards commodities including crude oil. The US dollar is set to post the strongest week in the last 3 today. A breakout of the new sideways range would take a move above 41.50 on a closing basis or a settlement below 39.00. Until then technical consolidative trade is expected.

	NOV Crude Oil	NOV Unleaded	NOV Heating Oil
Resistance	41.85/43.50/	1.2000/1.2400	1.1930/1.2215
Support	39.00/38.40	1.1410/1.1235	1.1440/1.1315



Schwieterman Update

Financial Market Analysis for the morning of October 16, 2020

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

Alan Clark – alanjclark@swbell.net

U.S. Stock Futures

After what looked to be a significant fall the equities recovered nicely and only fell by double digits. More positive news is that they look quite strong in the premarket with everything up. People are spending on luxury goods once again which may or may not be a good sign. LVMH released very positive earnings last quarter and they own the companies Louis Vuitton, Fendi, and Dior. This tells us and LVMH that people are once again becoming comfortable buying big ticket items. Typically sales of such items is tied with tourism, which has not yet returned to normal. So, LVMH has increased revenue by 12% compared to last year without tourists. Keep an eye out for them as the economy continues to recover. Amazon prime “days” was it’s most successful yet to date and while it is not luxury it does show that buying is still there and increasing.

Stock to watch: Boeing is up 4.09% this morning, but there earnings grow over even the last five years looks grim and down 240%

 **S&P** **+8.50 / +0.24%**

Level	3,484.00
Fair Value	3,474.99
Difference	9.01

Data as of 7:56am ET

 **Nasdaq** **+60.00 / +0.51%**

Level	11,934.00
Fair Value	11,886.44
Difference	47.56

Data as of 7:56am ET

 **Dow** **+72.00 / +0.25%**

Level	28,458.00
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Data as of 7:56am ET

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[AMS 2453/LM XB403](#)

DAILY ESTIMATED CUTOUT VALUES

	Choice 600-900#	Select 600-900#	Choice/Select Spread
Current Cutout Values:	210.48	196.50	13.98
Change from prior day:	(-0.66)	(-2.77)	
Primal Rib	388.12	342.01	
Primal Chuck	171.21	165.83	
Primal Round	166.56	166.23	
Primal Loin	274.30	242.61	
Primal Brisket	152.87	148.61	
Primal Short Plate	128.13	128.13	
Primal Flank	100.57	97.29	
			Load Count:
			Total 236
			Choice 139
			Select 60
			Trimming 10
			Grinds 27

Fresh 50% Trimmings 12 Loads @ 47.97

[AMS 2829/NW LS441](#)

USDA BY-PRODUCT DROP VALUE (STEER) - DAILY

8.39 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	26,534	1,465	107.67
Live Heifer	10,236	1,290	107.91
Dressed Steer	10,136	979	168.82
Dressed Heifer	3,088	850	168.70

[AMS 3208/SJ LS710](#)

DAILY CATTLE SLAUGHTER

Today	120,000	
Week Ago	117,000	
Year Ago (act)	111,000	
Week to Date	476,000	
Same Period Last Week	472,000	
Same Period Last Year	462,000	Wednesday
Previous Day	Steer and Heifer 93,000	Cow and Bull 26,000

[AMS 3209/SJ LS712](#)

	10/10/2020	Last Week	Last Year
BEEF PRODUCTION	(Estimate)	(Estimate)	(Actual)
Slaughter	637,000	665,000	648,000
Live Weights	1383	1379	1362
Dressed Weights	843	841	824
Beef Production (millions of pounds)	535.3	558.1	533.1

[AMS 2825/NW LS410](#)

USDA BEEF CARCASS PRICE EQUIVALENT INDEX VALUE

	Choice 600-900#	Select 600-900#	Dressing percent:	
			Steer	Heifer
Change	(-0.51)	(-1.56)	63.89	63.91

[AMS 2455/LM XB405](#)

USDA NATIONAL CUTTER COW CARCASS CUTOUT

165.17 0.11 **90% lean:** 198.70

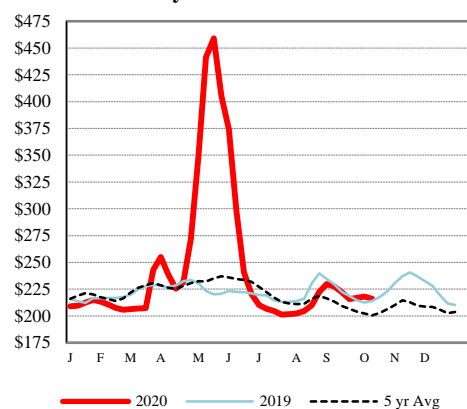
[CME LIVE CATTLE](#)

	High	Low	Change	Settle
OCT	108.35	107.60	(-0.60)	107.78
DEC	110.33	109.40	(-0.72)	109.55
FEB	113.23	112.28	(-0.80)	112.43

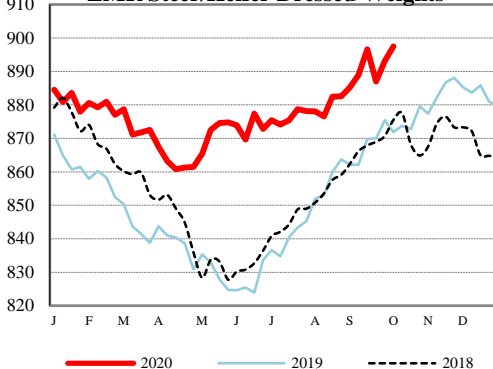
[CME FEEDER CATTLE](#)

	High	Low	Change	Settle
OCT	139.05	138.00	0.55	138.93
NOV	137.18	135.75	0.15	136.48
JAN	133.80	131.85	(-1.23)	132.10

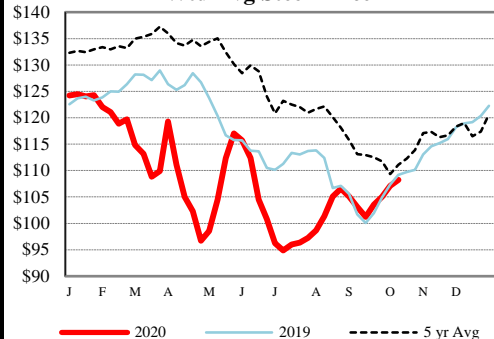
Weekly Choice Cutout



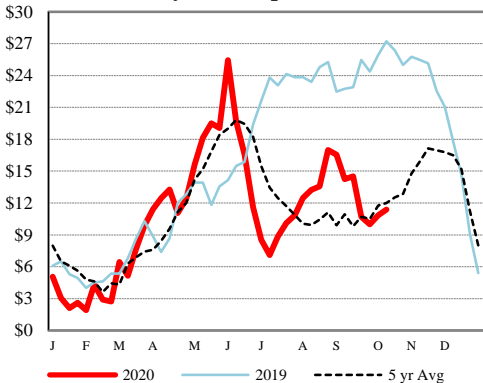
LMR Steer/Heifer Dressed Weights



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 2513/LM_HG203:</u>		
Range:	\$56.00 - \$67.00	\$47.35 - \$58.50
Weighted Average:	\$63.63	\$50.76
Change from Prior Day:	0.65 higher	2.93 lower
Receipts:	10,287	425

IOWA/MINNESOTA - AMS 2516/LM_HG206:

Weighted Average:	\$64.45	*Price not reported due to confidentiality*
Change from Prior Day:	1.51 higher	

WESTERN CORNBELT - AMS 2522/LM_HG212:

Weighted Average:	\$64.43	*Price not reported due to confidentiality*
Change from Prior Day:	0.39 higher	

EASTERN CORNBELT - AMS 2520/LM_HG210:

Weighted Average:	*Price not reported due to confidentiality*	*Price not reported due to confidentiality*
Change from Prior Day:		

NATIONAL DAILY PORK REPORT FOB PLANT - AMS 2498/LM_PK602:

Carcass Cutout Values	101.42	Change:	4.85
Primal Loin	88.99		1.86
Primal Butt	91.66		0.04
Primal Picnic	64.91		(-0.49)
Primal Rib	149.28		(-4.56)
Primal Ham	93.14		13.65
Primal Belly	173.89		7.74
Total Loads	323.79		
Pork Cuts	288.69	Lds	
Trim/Process Pork	35.10	Lds	

DAILY EST. HOG SLAUGHTER UNDER FIS - AMS 3208/SJ_LS710

Today (est)	490,000
Week Ago (est)	489,000
Year Ago (act)	492,000
Week to Date (est)	1,945,000
Same Period Last Week (est)	1,954,000
Same Period Last Year (act)	1,959,000

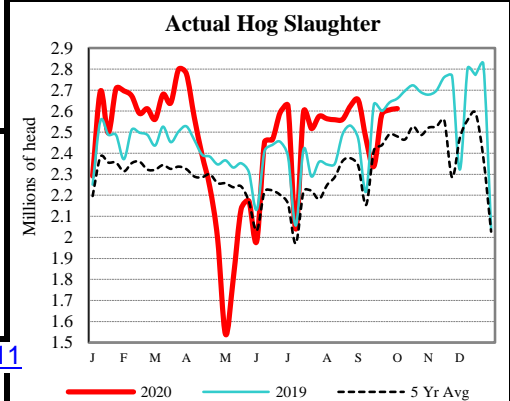
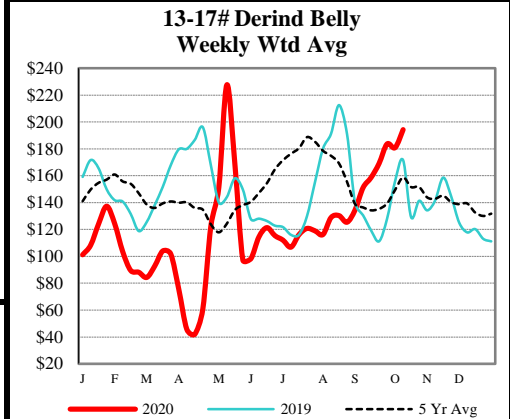
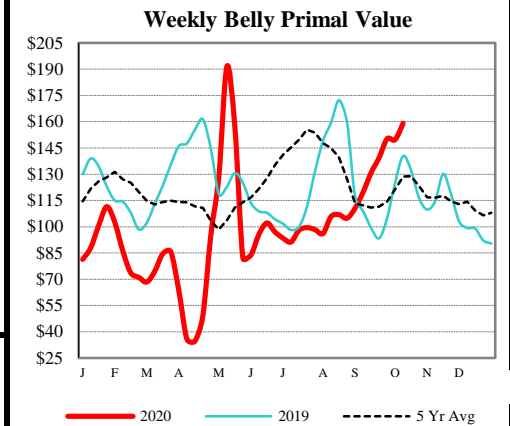
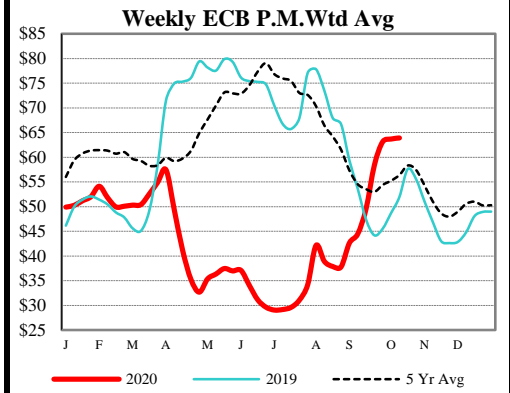
CME Lean Hog Close	High	Low	Change	Settle
OCT	69.93	68.03	1.45	69.88
DEC	71.85	70.65	0.33	71.43
FEB	75.10	74.05	(-0.28)	74.45
APR	79.10	78.10	(-0.15)	78.55

CME Lean Hog Delayed Futures

ACTUAL HOG SLAUGHTER UNDER FEDERAL INSPECTION - AMS 3206/SJ_LS711

For Week ending Saturday, **10/3/2020**

	Head	Percent of Total	Live Weight	Dressed Weight
Total Hogs	2,612,297		288	215
Barrows/Gilts	2,540,380	97.2		212
Sows	65,892	2.5		306
Stage/Boars	6,025	0.2		194



AUCTION SUMMARY

<u>AMS 2020</u>				6,138	Wednesday
Hub City Livestock Auction Aberdeen, SD					
Feeder Steers	500-600 lbs	146.00-162.25	Feeder Heifers	500-600 lbs	145.00-150.50
Medium &	600-700 lbs	151.25-157.00	Medium &	600-700 lbs	139.00-141.00
Large #1	700-800 lbs	153.25-156.25	Large #1	700-800 lbs	132.50-146.00
	800-900 lbs	138.00-148.00		800-900 lbs	130.00-140.25
	900-1000 lbs	134.00-145.25		900-1000 lbs	126.00-134.75

<u>AMS 1281</u>				5,728	Wednesday
OKC West Livestock Auction El Reno, OK					
Feeder Steers	500-600 lbs	149.00-157.50	Feeder Heifers	500-600 lbs	126.50-133.00
Medium &	600-700 lbs	136.00-147.50	Medium &	600-700 lbs	128.00-133.00
Large #1	700-800 lbs	131.00-146.75	Large #1	700-800 lbs	122.00-129.50
	800-900 lbs	129.75-143.50		800-900 lbs	121.00-126.00
	900-1000 lbs	135.00-136.75		900-1000 lbs	

<u>AMS 2103</u>				4,167	Wednesday
Winter Livestock Auction Riverton, WY					
Feeder Steers	400-500 lbs	165.00-179.00	Feeder Heifers	400-500 lbs	140.50-155.00
Medium &	500-600 lbs	146.75-167.00	Medium &	500-600 lbs	134.00-143.00
Large #1	600-700 lbs	140.00-158.50	Large #1	600-700 lbs	139.50-144.50
	700-800 lbs	146.25-149.25		700-800 lbs	137.25-143.00
	800-900 lbs	138.50-147.25		800-900 lbs	135.00-137.25

CHICAGO MERCANTILE EXCHANGE LIVESTOCK FUTURES SETTLEMENTS Thursday

<u>Live Cattle</u>			<u>Feeder Cattle</u>		
		<u>Change</u>			<u>Change</u>
Oct	107.77	(0.60)	Oct	138.92	0.55
Dec	109.55	(0.72)	Nov	136.47	0.15
Feb	112.42	(0.80)	Jan	132.10	(1.22)

CHICAGO BOARD OF TRADE GRAIN FUTURES SETTLEMENTS Thursday

<u>Corn</u>			<u>Soybeans</u>		
		<u>Change</u>			<u>Change</u>
Dec	4.0375	0.0725	Nov	10.6225	0.0600
Mar	4.0800	0.0550	Jan	10.6200	0.0475
May	4.0925	0.0425	Mar	10.4550	0.0300

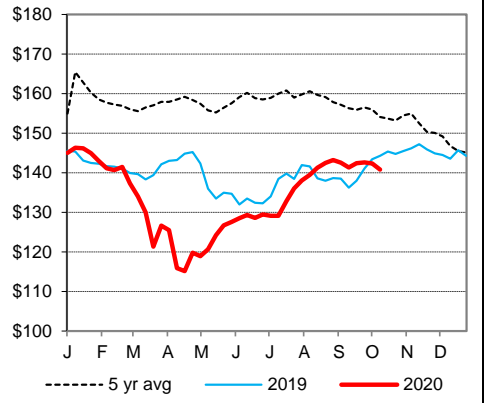
KANSAS CITY BOARD OF TRADE			<u>Wheat</u>		
		<u>Change</u>			<u>Change</u>
	Dec	5.5800		0.2275	
	Mar	5.6625		0.2200	
	May	5.7225		0.2150	

<u>AMS 2466</u>				Thursday
5 AREA WKLY ACCUMULATED WTD AVG SLAUGHTER CATTLE PRICE				
	<u>Head Count</u>	<u>Avg Weight</u>	<u>Avg Price</u>	
Live Steer	26,534	1,465	107.67	
Live Heifer	10,236	1,290	107.91	
Dressed Steer	10,136	979	168.82	
Dressed Heifer	3,088	850	168.10	

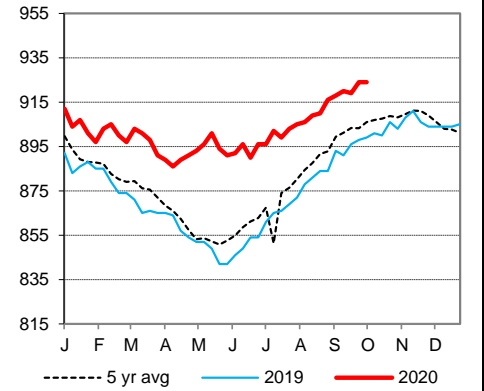
<u>AMS 2453</u>				Thursday
DAILY ESTIMATED BOXED BEEF CUTOUT VALUES				
<u>Choice</u>	<u>Select</u>	<u>Choice Cuts</u>		
<u>600-900#</u>	<u>600-900#</u>	<u>Select Cuts</u>	139	loads
210.48	196.50	<u>Trimmings</u>	60	loads
(0.66)	(2.77)	<u>Grinds</u>	10	loads
			27	loads

<u>SJ LS710</u>		<u>AMS 1797</u>		Wednesday
ESTD DAILY CATTLE SLAUGHTER				
Thursday	120,000	SLAUGHTER COW MARKET		
Week Ago (est)	117,000	Joplin Regional Stockyards		
Year Ago (act)	111,000		<u>Pct Lean</u>	<u>Price</u>
Wk to date (est)	476,000	Breaking	75-80	55.00-62.00
Last Week (est)	472,000	Boning	80-85	48.50-55.00
Last Year (act)	462,000	Lean	85-90	35.00-44.00
Previous Day Estimated:	Steer and Heifer	93,000		
	Cow and Bull	26,000		

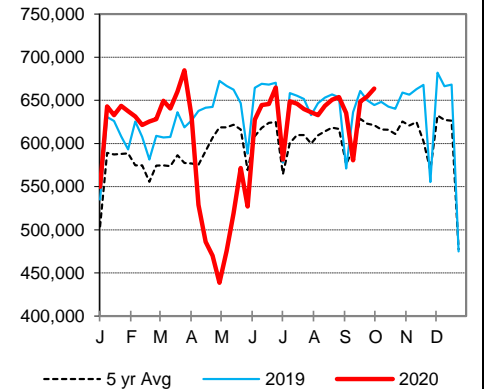
CME Feeder Cattle Index



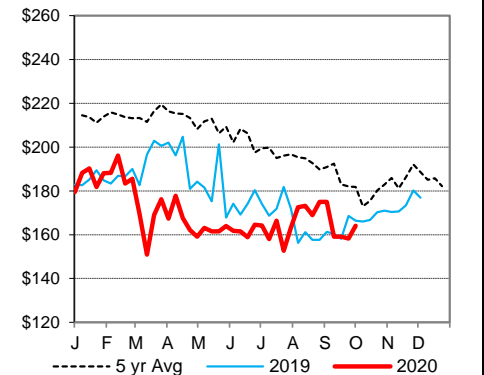
Average Dressed Steer Weight



Weekly Cattle Slaughter



Oklahoma City 400-500 lb Steer Price





Schwieterman Update

Schwieterman, Inc.

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