



Schwieterman Update

Update for the morning of November 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 +2 @7:30 AM

Estimated Fund Position

Net Long Futures and Options: 291000

Change: +10000

Corn was firm overnight, but not quite strong enough for the December contract to take out Friday's high. A close above Friday's high would suggest that the correction in the corn is already over, and with last week's supply and demand numbers, that is a strong possibility. It has been awhile since we have seen a big daily sales announcement, and that is probably the biggest negative factor the corn market faces today.

Wheat

Trends – December Contract

Short Term: Down

Long Term: Up

Overnight Trade: Chicago: Z -1 KC: Z -2 @7:30 AM

Estimated Fund Position

Net Long Futures and Options: 38000

Change: +4000

The wheat posted a strong recovery Friday, but neither the strength on Friday, nor the action overnight, suggest that our short term down trend has ended. The charts are still looking a bit negative so we will have to see some follow through strength soon to change that. Fundamentally, the wheat doesn't have any fresh bullish news to work with, so gains in the corn and beans would be very helpful.

Soybeans

Trends – March Contract

Short Term: Up

Long Term: Up

Overnight Trade: H +6 @7:30 AM

Estimated Fund Position

Net Long Futures and Options: 276000

Change: +10000

It's been a couple days since the soybeans made new contract highs, but the March contract is on the verge of that happening. It is still very likely that we see the front month of the beans head for the \$12.00 area at some point, so be very careful trying to pick a top. Like the corn, the lack of recent big sales is a concern, and that could be a trigger for a sell off if we have a couple of poor export sales reports.

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: Up

Long Term: Up

Opening Calls: Mixed

Live cattle futures closed sharply lower on Friday, with the February dropping 2.55 for the session. For the week, Feb was up .075, taking back nearly all of the weeks' solid gains. Cutouts were mixed on Friday, with choice -.52 and select +1.22. Cash trade was active, with more than 38,000 head moving at an average price of near \$110 and \$172 in the beef. Overnight equities are sharply higher and the Dollar modestly lower.

Feeder Cattle

Trends

Short Term: Up

Long Term: Up

Opening Call: Mixed

Feeder cattle futures closed sharply lower on Friday the 13th, with January off 2.80 for the session. For the week January was up right at 2.00 and remains in a positive chart pattern. Corn prices are a couple cents firmer in overnight trade and the cash index climbed to 137.47 on Friday.

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 can be 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.

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

Weekly Stocks Report for Week Ending

11/06/20

	Change	DOE			API	
		11/06/20	10/30/20	11/08/19	11/06/20	
Crude	+4.30	488.70	484.40	449.00	-5.10	
Gasoline	-2.30	225.40	227.70	219.10	-3.30	
Distillates	-5.40	149.30	154.60	116.70	-5.60	
Rates	-.8 %	74.50	75.30			
Imports	+47K	5.50	5.03			
Nat Gas	-36	3.919	3.955	% Above/Below Lst Yr	5 Yr Avg	% A/B
				3.709	5.4	3.718 5.4

Analysts Estimates for Week Ending 11/06/20

		5 Yr Avg
Crude	- 913K	+ 4.16
Gasoline	- 263K	- 700K
Distillates	-1.90	-1.70

Rates

Analysts Estimates for Week Ending 11/06/20

Nat Gas	Range			
	Crude Oil	Unleaded	Heating Oil	Natural Gas
Short Term Trend	UP	UP	UP	DOWN
Long Term Trend	UP	UP	UP	DOWN
O/N Trade @ 6:45 am	+ 1.78	+ .0425	+ .0455	-0.135

Commentary:

Energy markets are starting the week with De'ja' vu all over again similar to a week ago. Last week started with a spike to new all-time highs in US equity markets thanks to a vaccine announcement and the same looks to be true this week. Moderna announced this morning that their Coronavirus vaccine has proved to be 94.5% effective in trials. Last Monday Pfizer made a similar announcement that shot the DJIA to a new record high at 30,000. Moderna's announcement returned the DJIA to 29,998 early this morning before settling back 100 points from that challenge of record highs. Last week seen a more than 1200-point decline from the spike higher within 3 hours after claims that it would take a while before the vaccine was ready for the masses. The virus itself seems to thumb its nose at the vaccine news as it has ratcheted up significantly in a short period. The US has hit the 11 million mark in cases just over a week since reaching 10 million total cases. The rapid rise in cases has US states imposing new limitations on lockdowns and gatherings which could ratchet back up demand fears short term. The energy complex followed equity markets higher off the news as well but lagged behind as spot month crude oil has not challenged last week's high yet by early trade today. Volatility could remain high.

	DEC	DEC	DEC
	Crude Oil	Unleaded	Heating Oil
Resistance	42.20/43.80	1.1850/1.2340	1.2535/1.2980
Support	39.50/37.00	1.1300/1.0745	1.2000/1.1600



Schwieterman Update

Financial Market Analysis for the morning of November 16, 2020

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

Alan Clark – alanjclark@swbell.net

U.S. Stock Futures

After a close in the Dow just below record highs it looks prepared to make a new high once again, trading up 1.5% premarket. The Nasdaq closed just above the 1% mark on Friday, but is trading down in the premarket. Moderna has now announce a vaccine that is 94.5% effective. The problem is that these vaccines might not be as effective through a tough winter. Economically the vaccine would make waves as fourth quarter global growth slowed tremendously. Predictions have it at around 0.7% while third quarter growth was 7%. While many continue to slow recover economically China increased industrial production and retail sales by a little more than 4%. PNC bank of Pittsburg is buying the American part of Spanish financial group BBVA for 11.6 Billion. PNC will now the fifth largest US bank by assets.

Stock to Watch: SL Green a realty company out of New York City specifically focused on Manhattan commercial real estate is up 11.66% premarket.

↑ S&P +36.50 / +1.02%

Level	3,618.50
Fair Value	3,580.68
Difference	37.82

Data as of 7:53am ET

↓ Nasdaq -11.50 / -0.10%

Level	11,922.00
Fair Value	11,931.65
Difference	-9.65

Data as of 7:53am ET

↑ Dow +466.00 / +1.58%

Level	29,876.00
-------	-----------

Data as of 7:53am ET

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 can be 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.

[AMS 2453/LM_XB403](#)

DAILY ESTIMATED CUTOUT VALUES

	Choice <u>600-900#</u>	Select <u>600-900#</u>	Choice/Select Spread
Current Cutout Values:	225.98	209.46	16.52
Change from prior day:	(-0.52)	1.22	
			Load Count:
Primal Rib	424.98	357.00	Total 171
Primal Chuck	188.98	183.42	Choice 123
Primal Round	188.58	188.04	Select 11
Primal Loin	279.69	248.18	Trimming 27
Primal Brisket	152.15	148.26	Grinds 9
Primal Short Plate	125.84	125.84	
Primal Flank	105.65	102.18	

Fresh 50% Trimmings 29 Loads @ 39.69

[AMS 2829/NW_LS441](#)

USDA BY-PRODUCT DROP VALUE (STEER) - DAILY

8.58 Change: unchanged

[AMS 2466/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	27,761	1,516	109.46
Live Heifer	7,420	1,340	109.42
Dressed Steer	10,643	982	171.88
Dressed Heifer	2,532	862	171.90

[AMS 3208/SJ_LS710](#)

DAILY CATTLE SLAUGHTER

		Saturday
Today	118,000	63,000
Week Ago	109,000	59,000
Year Ago (act)	119,000	73,000
Week to Date	590,000	653,000
Same Period Last Week	588,000	647,000
Same Period Last Year	591,000	663,000
Previous Day	Steer and Heifer 95,000	
	Cow and Bull 25,000	

[AMS 3209/SJ_LS712](#)

BEEF PRODUCTION

	11/14/2020 (Estimate)	Last Week (Estimate)	Last Year (Actual)
Slaughter	653,000	647,000	653,000
Live Weights	1389	1388	1377
Dressed Weights	844	844	832
Beef Production (millions of pounds)	549.8	545.1	550.5

[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	\$188.53	\$171.54	63.98	63.97
	1.65	2.52		

[AMS 2455/LM_XB405](#)

USDA NATIONAL CUTTER COW CARCASS CUTOUT

164.71 **(-0.81)** **90% lean:** 198.70

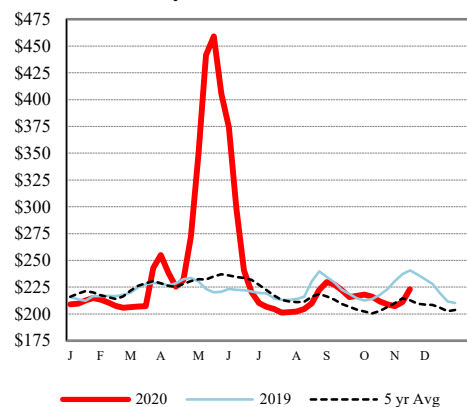
[CME LIVE CATTLE](#)

	High	Low	Change	Settle
DEC	112.03	109.78	(-2.05)	109.93
FEB	114.70	112.05	(-2.58)	112.23
APR	118.13	116.08	(-2.15)	116.20

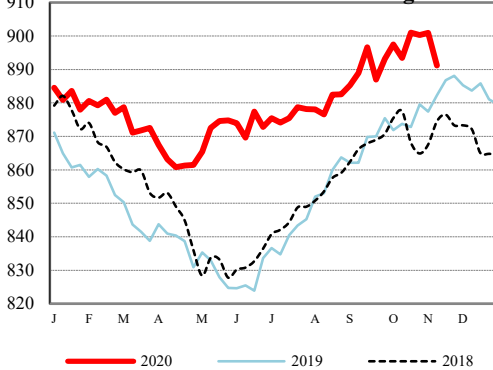
[CME FEEDER CATTLE](#)

	High	Low	Change	Settle
NOV	140.00	137.35	(-2.60)	137.48
JAN	140.30	137.63	(-2.85)	137.88
MAR	139.40	136.68	(-2.55)	137.15

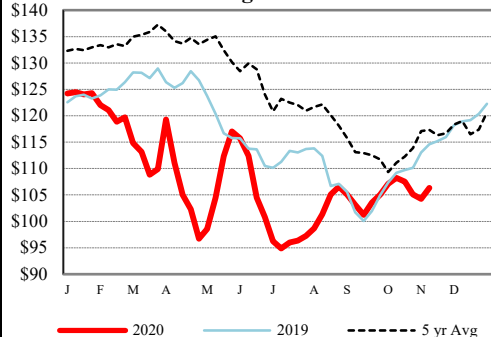
Weekly Choice Cutout



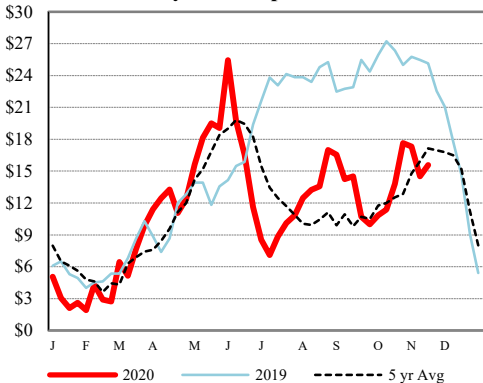
LMR Steer/Heifer Dressed Weights



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

NATIONAL - AMS 2513/LM HG203:

Range:	\$53.00 - \$62.33	
Weighted Average:	\$59.59	*Price not reported due to confidentiality*
Change from Prior Day:	0.33 lower	
Receipts:	5,632	

IOWA/MINNESOTA - AMS 2516/LM HG206:

Weighted Average:	\$59.23	*Price not reported due to confidentiality*
Change from Prior Day:	0.52 higher	

WESTERN CORNBELT - AMS 2522/LM HG212:

Weighted Average:	\$59.11	*Price not reported due to confidentiality*
Change from Prior Day:	0.38 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	80.14	Change:	(-2.94)
Primal Loin	72.94		(-2.31)
Primal Butt	79.81		(-1.93)
Primal Picnic	74.18		3.82
Primal Rib	130.79		(-3.32)
Primal Ham	79.78		(-4.49)
Primal Belly	95.19		(-8.50)
Total Loads	354.83		
Pork Cuts	314.72	lds.	
Trim/Process Pork	40.11	lds.	

Weekly USDA By-Product Drop Value (Hog): 4.36 unchanged

DAILY HOG SLAUGHTER UNDER FIS - AMS 3208/SJ LS710

Today (est)	477,000	Saturday:	288,000
Week Ago (est)	488,000		260,000
Year Ago (act)	485,000		355,000
Week to Date (est)	2,400,000		2,688,000
Same Period Last Week (est)	2,453,000		2,713,000
Same Period Last Year (act)	2,406,000		2,761,000

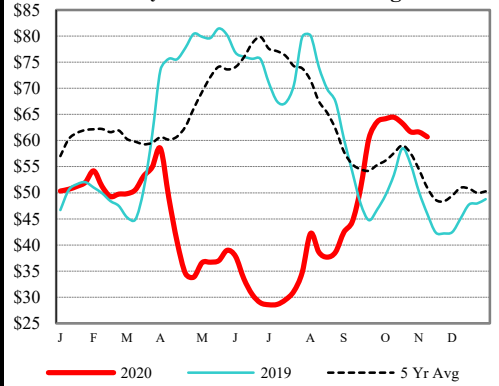
CME Lean Hog Close	High	Low	Change	Settle
DEC	66.03	64.18	(-0.90)	64.90
FEB	66.60	64.43	(-2.15)	64.58
APR	70.15	67.75	(-2.33)	68.03
MAY	74.23	73.35	(-1.80)	73.45

CME Lean Hog Delayed Futures

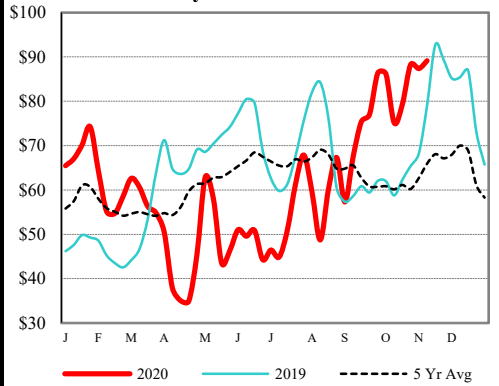
US Direct Delivered Feeder Pig Summary for Weekending 13-Nov-20

Formula, Cash, & Composite Wtd Avg Prices				
		Formula	Cash	Composite
SEW	10-12 lb Basis	39.24	37.56	38.01
Feeder Pigs	40 lb Basis		48.24	48.24

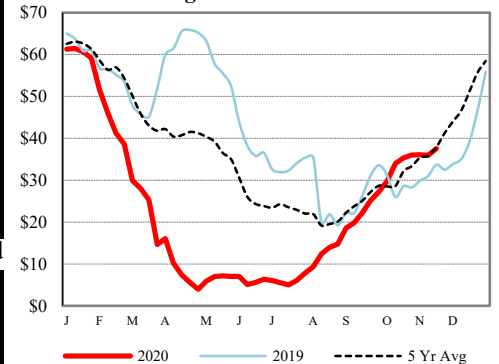
Weekly National P.M. Wtd Avg



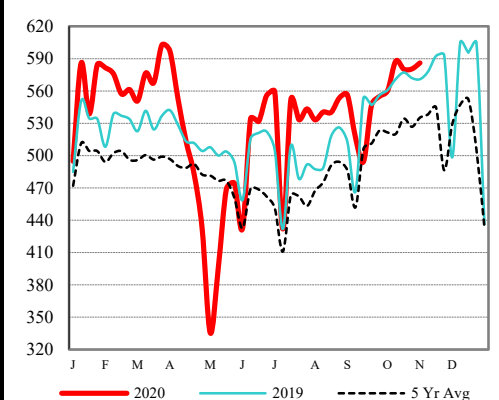
Weekly Ham Primal Value



SEW Pigs - 10# Basis - Delivered



Pork Production

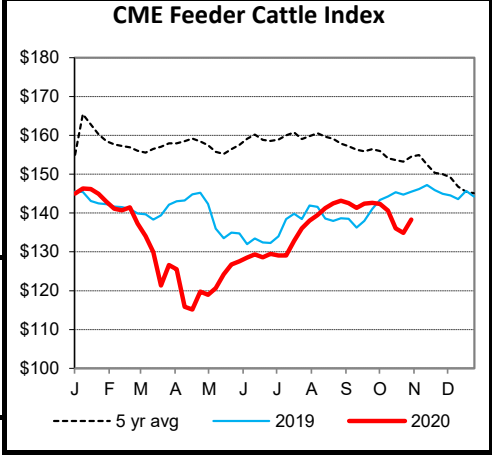
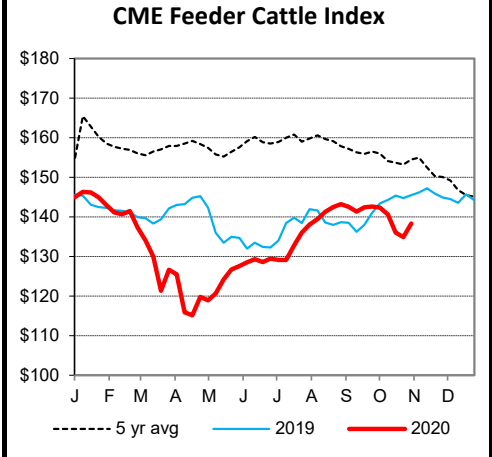


[National Feeder & Stocker Cattle Summary Current Report](#)

NATIONAL FEEDER & STOCKER CATTLE SUMMARY - Week Ending 00/00/20

Receipts: This Week: 305,300 Last Week: 222,900 Year Ago: 299,000

Compared to last week, steers and heifers sold 2.00 to 5.00 higher, with instances of some individual livestock auctions being reported 7.00 to 10.00 higher. Those auctions would not have been privy to the full increase from last week's higher trend. Demand was good for steer and heifer calves as well as true yearlings after the strong run-up early week in the CME Cattle Complex. The Cattle Complex started off with a bang on Monday with the Feeder Cattle contracts being 4.00 or more higher on the day. Weakness was evident midweek, being only 1.00 side of even Tuesday through Thursday. After a disappointing fed cattle trade, a drawback occurred on Friday as the Cattle Complex realized triple digit losses on the day with many contracts being over 2.00 lower. Calf movement in the Northern Plains is in full swing as drought conditions have brought cattle to town earlier than normal. With the earlier time period of marketing their calves, those drought-stricken ranchers are selling less pounds which will lead to less dollars in the bank account. Most buyers continue to seek calves with fall pre-condition shots as health is usually better after all the stress of leaving momma's side and getting to their new home. Feed supplies seem to be plentiful in the heart of the country, however feedstuff prices have seen sharp increases in the past 3 months as a counter-cyclical increase in grain prices has occurred as harvest moves toward completion. The December Soybean Meal contract has increased over 100.00 per ton in the last three months and the December corn contract has gained over 70 cents in the same time period.



CHICAGO MERCANTILE EXCHANGE LIVESTOCK FUTURES SETTLEMENTS Friday

<u>Live Cattle</u>		<u>Change</u>	<u>Feeder Cattle</u>		<u>Change</u>
Dec	109.93	(2.05)	Nov	137.48	(2.60)
Feb	112.23	(2.58)	Jan	137.88	(2.85)
Apr	116.20	(2.15)	Mar	137.15	(2.55)

CHICAGO BOARD OF TRADE GRAIN FUTURES SETTLEMENTS Friday

<u>Corn</u>		<u>Change</u>	<u>Soybeans</u>		<u>Change</u>
Dec	4.1050	0.0225	Nov	11.4150	0.0450
Mar	4.1950	0.0125	Jan	11.4800	0.0250
May	4.2400	0.0100	Mar	11.4800	0.0325

KANSAS CITY BOARD OF TRADE

<u>Wheat</u>		<u>Change</u>
Dec	5.5200	0.0800
Mar	5.6050	0.0775
May	5.6675	0.0775

[AMS 2466](#) Friday

5 AREA WKLY ACCUMULATED WTD AVG SLAUGHTER CATTLE PRICE

	<u>Head Count</u>	<u>Avg Weight</u>	<u>Avg Price</u>
Live Steer	27,761	1,516	109.46
Live Heifer	7,420	1,340	109.42
Dressed Steer	10,643	982	171.88
Dressed Heifer	2,532	862	171.90

[AMS 2453](#) Friday

DAILY ESTIMATED BOXED BEEF CUTOUT VALUES

<u>Choice</u>	<u>Select</u>	<u>Choice Cuts</u>		
600-900#	600-900#	<u>Select Cuts</u>	11	loads
225.98	209.46	<u>Trimming</u>	27	loads
(0.52)	1.22	<u>Grinds</u>	9	loads

[SJ LS710](#) Thursday

ESTD DAILY CATTLE SLAUGHTER

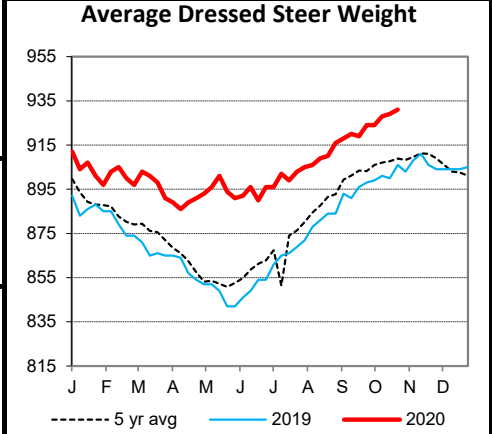
	Friday	Sat. 63,000
Week Ago (est)	109,000	59,000
Year Ago (act)	119,000	73,000
Wk to date (est)	590,000	653,000
Last Week (est)	588,000	647,000
Last Year (act)	591,000	663,000

[AMS 1843](#) Thursday

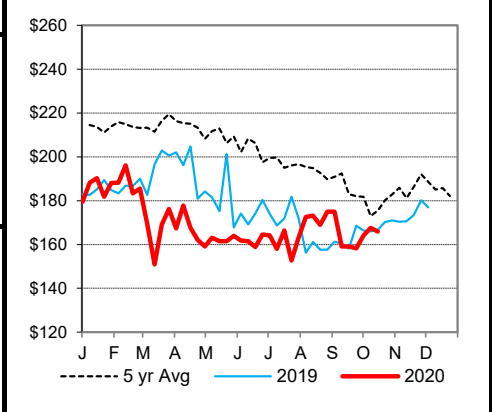
SLAUGHTER COW MARKET

Southern Oklahoma Livestock		
	<u>Pct Lean</u>	<u>Price</u>
Breaking	75-80	50.00-57.00
Boning	80-85	48.00-55.00
Lean	85-90	46.00-53.00

Thursday
 Previous Day Estimated: Steer and Heifer 95,000
 Cow and Bull 25,000



Oklahoma City 400-500 lb Steer Price





Schwieterman Update

Schwieterman, Inc.

620-275-4100

800-272-9131

This material has been prepared by a sales or trading employee or agent of Schwieterman, Inc. and is, or is in the nature of, a solicitation. This material is not a research report prepared by Schwieterman, Inc. Research Department. By accepting this communication, you agree that you are an experienced user of the futures markets, capable of making independent trading decisions, and agree that you are not, and will not, rely solely on this communication in making trading decisions.

DISTRIBUTION IN SOME JURISDICTIONS MAY BE PROHIBITED OR RESTRICTED BY LAW. PERSONS IN POSSESSION OF THIS COMMUNICATION INDIRECTLY SHOULD INFORM THEMSELVES ABOUT AND OBSERVE ANY SUCH PROHIBITION OR RESTRICTIONS. TO THE EXTENT THAT YOU HAVE RECEIVED THIS COMMUNICATION INDIRECTLY AND SOLICITATIONS ARE PROHIBITED IN YOUR JURISDICTION WITHOUT REGISTRATION, THE MARKET COMMENTARY IN THIS COMMUNICATION SHOULD NOT BE CONSIDERED A SOLICITATION.

The risk of loss in trading futures and/or options is substantial and each investor and/or trader must consider whether this is a suitable investment. Past performance, whether actual or indicated by simulated historical tests of strategies, is not indicative of future results. Trading advice is based on information taken from trades and statistical services and other sources that Schwieterman, Inc. believes are reliable. We do not guarantee that such information is accurate or complete and it should not be relied upon as such. Trading advice reflects our good faith judgment at a specific time and is subject to change without notice. There is no guarantee that the advice we give will result in profitable trades.