



Schwieterman Update

Update for the morning of November 24, 2021

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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 +3 @7:30 AM

Estimated Fund Position

Net Long Futures and Options: 350000

Change: +6000

The front months of the corn reached the highest level since November 2nd, which means the market is close to reaching the highest level since mid-August. The bulls are regaining control of this market and we really have to look at the potential for the March contract to eventually test the contract high. It is all up to our demand numbers from here forward. Ethanol production should be good again today and export sales are delayed until Friday.

Wheat

Trends – December Contract

Short Term: Up

Long Term: Up

Overnight Trade: Chicago: Z -1 KC: Z +3 @7:30 AM

Estimated Fund Position

Net Long Futures and Options: 44000

Change: +7000

Kansas City, Chicago, and Paris wheat futures made new contract highs overnight. With the December KW closing above the \$8.72 resistance, it is now time to look for the March contract to test the round number resistance at \$9.00 and then \$9.91. It would be nice to see some big export sales numbers to help justify the strength, but the thought is that they are coming at some point.

Soybeans

Trends – January Contract

Short Term: Up

Long Term: Up

Overnight Trade: F +3 @7:30 AM

Estimated Fund Position

Net Long Futures and Options: 46000

Change: -2000

The soybean oil has taken back the upside leadership role in the soybean complex. The January soybeans were firmer overnight and it looks a bit like the market is working on a bull flag formation. Taking out last week's high in the beans would likely kick off another leg higher in the market. Like the corn, price movement is going to be determined by demand, so we need to see the Chinese in the market on a regular basis.

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Live Cattle

Trend

Short Term: Up

Long Term: Up

Opening Calls: Mixed

Live cattle futures scored new highs for the move on Tuesday, supported by strong cash trade. Cash trade averages were \$136 on Tuesday, with highs of \$137. Northern beef trade ranged from \$213-\$215. Cutouts were moderately lower, with choice -.61 and select -1.06. Outside markets look less supportive, with lower equities and a higher Dollar. Technical indicators are becoming very overbought heading into the Thanksgiving break.

Feeder Cattle

Trends

Short Term: Up

Long Term: Up

Opening Call: Mixed

Feeder cattle futures finished with new two and a half month highs on Tuesday, with January gaining 2.67 for the session. Cash index levels were markedly higher as well but lost more ground to the surging futures market. Strength in overnight corn values, (up 4 cents) could put some pause into the feeder rally. Feeders are not as overbought as the fats.

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Weekly Stocks Report for Week Ending

11/12/21

	Change	DOE			API	
		11/12/21	11/05/21	11/12/20	11/19/21	
Crude	- 2.10	433.00	435.10	489.50	+ 2.30	
Gasoline	- 700K	212.00	212.70	228.00	+ 600K	
Distillates	- 800K	123.70	124.50	144.10	-1.50	
Rates	+1.20%	87.90	86.70			
Imports	-.08K	6.19	6.11			
Nat Gas	+ 7	3.618	3.611	3.926	% Above/Below Lst Yr -7.6	5 Yr Avg % A/B 3.737 -3.2

Analysts Estimates for Week Ending 11/19/21

		5 Yr Avg
Crude	- 500K	- 60K
Gasoline	- 500K	+ 2.50
Distillates	-1.00	+ 980K
Rates		

Analysts Estimates for Week Ending 11/19/21

	Range			
Nat Gas	-26	-16		
		<u>Crude Oil</u>	<u>Unleaded</u>	<u>Heating Oil</u>
Short Term Trend		DOWN	DOWN	DOWN
Long Term Trend		DOWN	DOWN	DOWN
O/N Trade @ 6:45 am		-0.10	-0.0243	-0.0021
				+ .006

Commentary:

The crude oil market sent a clear sign to how it felt about President Bidens plan to reduce high fuel prices that are cutting into US consumers. After announcing the US along with other oil consuming nations would release crude oil from their strategic reserves, spot month crude oil promptly bottomed and rallied \$ 3.50 from its early morning low after the announcement was made. This shows that the reserve release is highly insignificant yet President Biden wasted no time in giving himself credit. He stated that "I told you before that we're going to take action on these problems. That's exactly what we're doing". This shows how ineffective current policies are at countering the US's own energy policies and excessive stimulus programs that have contributed greatly to the current high prices. The next big market moving headline could be next weeks OPEC+ meeting. They have stated that they would stay the course on their monthly output increases at 400 kbd which could give the market another boost since the current market environment seems to be politically driven at the moment. Yesterday's rally in spot month crude oil is being challenged by the important 50 day moving average as that technical resistance level stopped yesterday's aggressive rally and has held again in early trade today.

	JAN	DEC	DEC
	Crude Oil	Unleaded	Heating Oil
Resistance	79.20/81.80	2.3450/2.3675	2.4155/2.4445
Support	74.35/73.60	2.2875/2.1835	2.2940/2.2595



Schwieterman Update

Financial Market Analysis for the morning of November 24th, 2021

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U.S. Stock Futures

The equities finished mixed as holiday trade started to creep into financial markets across the U.S. The Dow finished up 194 points, the S&P was up 7 points, and the Nasdaq fell 79 points. This morning's premarket futures are all down with the Dow down 149, the S&P down 17, and the Nasdaq 75 points. Austria announced last week that they will be going into another national lockdown. This has many stressed that we are in for another tough winter. Uncertainty comes in China as it prepares fresh stimulus to combat inflation and an aggressive rise in prices.

Stock to Watch: HP Inc. is up 5.62% premarket as their CEO relates his call to have everyone back in office to be the reason they beat earnings expectations.

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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 15.97
Current Cutout Values:	278.64	262.67	
Change from prior day:	(-0.61)	(-1.06)	
Primal Rib	476.43	420.34	Load Count: Total 193 Choice 118 Select 26 Trimming 11 Grinds 38
Primal Chuck	227.28	220.96	
Primal Round	235.28	232.39	
Primal Loin	339.22	306.78	
Primal Brisket	289.92	288.28	
Primal Short Plate	184.34	184.34	
Primal Flank	147.24	144.96	

Fresh 50% Trimmings 11 Loads @ 97.52

[AMS 2829/NW_LS441](#)

USDA BY-PRODUCT DROP VALUE (STEER) - DAILY

15.02 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	66	1,600	134.00
Live Heifer	400	1,225	135.00
Dressed Steer	494	961	212.00
Dressed Heifer			

[AMS 3208/SJ_LS710](#)

DAILY CATTLE SLAUGHTER

Today	122,000
Week Ago	122,000
Year Ago (act)	121,000
Week to Date	244,000
Same Period Last Week	243,000
Same Period Last Year	241,000
Previous Day	Steer and Heifer 97,000 Cow and Bull 25,000

[AMS 3209/SJ_LS712](#)

BEEF PRODUCTION

	11/20/2021 (Estimate)	Last Week (Estimate)	Last Year (Actual)
Slaughter	677,000	655,000	657,000
Live Weights	1378	1379	1387
Dressed Weights	832	833	839
Beef Production (millions of pounds)	562.0	544.5	557.7

[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	(-0.28)	(-0.51)	63.02	63.00

[AMS 2455/LM_XB405](#)

USDA NATIONAL CUTTER COW CARCASS CUTOUT

230.17 0.64 **90% lean:** 277.47

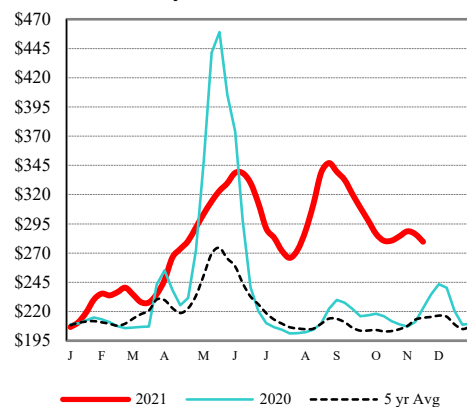
[CME LIVE CATTLE](#)

	High	Low	Change	Settle
DEC	135.58	134.23	0.98	135.40
FEB	139.65	138.78	0.45	139.43
APR	142.95	142.00	0.53	142.80

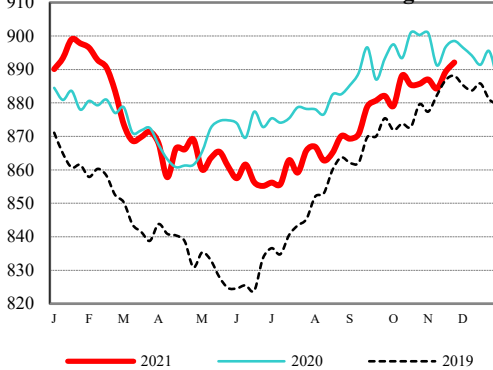
[CME FEEDER CATTLE](#)

	High	Low	Change	Settle
JAN	164.75	161.85	2.68	164.38
MAR	166.05	164.00	1.58	165.68
APR	168.43	166.60	1.33	168.03

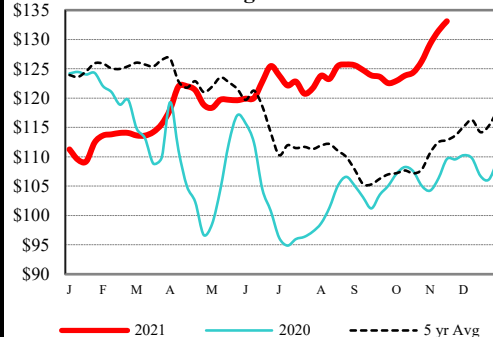
Weekly Choice Cutout



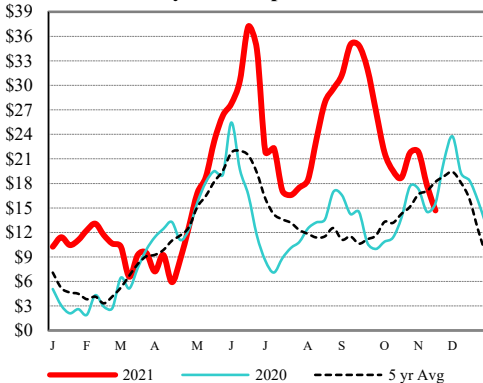
LMR Steer/Heifer Dressed Weights



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:	\$54.00 - \$57.00	\$38.75 - \$44.85
Weighted Average:	\$55.41	\$42.88
Change from Prior Day:	0.50 higher	1.03 lower
Receipts:	7,227	946

IOWA/MINNESOTA - AMS 2675/LM HG206:

Weighted Average:	\$56.00	*Price not reported due to confidentiality*
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WESTERN CORNBELT - AMS 2675/LM HG212:

Weighted Average:	\$55.87	*Price not reported due to confidentiality*
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EASTERN CORNBELT - AMS 2675/LM HG210:

Weighted Average:	*Price not reported due to confidentiality*	*Price not reported due to confidentiality*
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NATIONAL DAILY PORK REPORT FOB PLANT- AMS 2498/LM PK602:

Carcass Cutout Values	84.92	Change:	(-1.33)
Primal Loin	78.01		(-8.14)
Primal Butt	94.38		(-2.39)
Primal Picnic	59.52		(-10.16)
Primal Rib	136.61		(-0.76)
Primal Ham	76.41		3.76
Primal Belly	123.42		7.18
Total Loads	325.27		
Pork Cuts	269.87	Lds	
Trim/Process Pork	55.40	Lds	

DAILY HOG SLAUGHTER UNDER FIS - AMS 3208/SJ LS710

Today (est)	480,000
Week Ago (est)	484,000
Year Ago (act)	496,000
Week to Date (est)	955,000
Same Period Last Week (est)	964,000
Same Period Last Year (act)	997,000

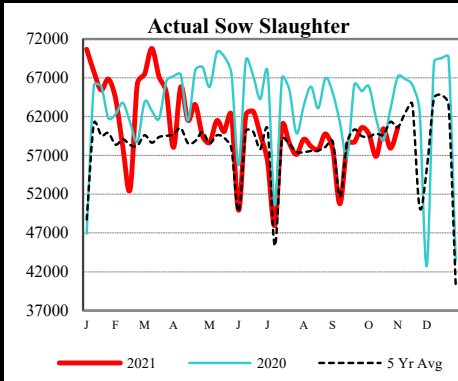
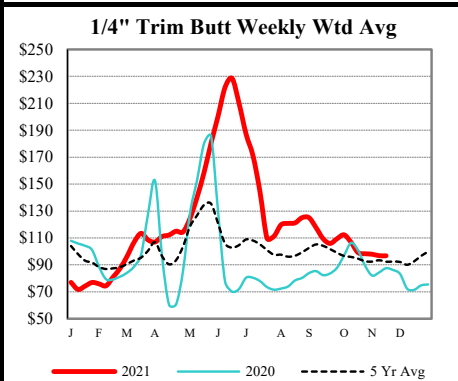
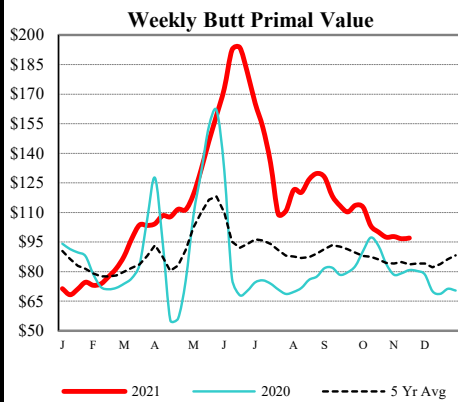
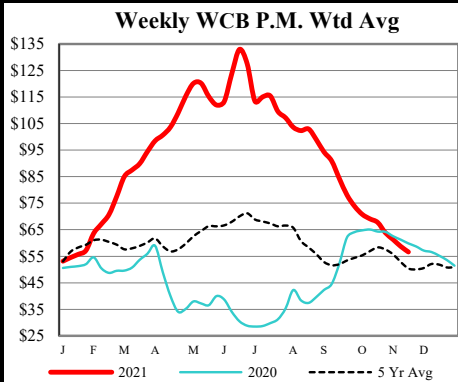
CME Lean Hog Close	High	Low	Change	Settle
DEC	74.70	73.90	(0.50)	74.15
FEB	83.50	82.33	0.25	83.28
APR	88.10	87.13	0.20	87.95
MAY	92.50	92.15	(0.03)	92.48

CME Lean Hog Delayed Futures

NATIONAL WEEKLY DIRECT HOGS NON-CARCASS MERIT PREMIUM - AMS 2701

For w/e Nov 20, 2021	Value Range	Average
Volume	0.00 - 0.00	0.00
Transportation	*** - ***	***
Delivery Time	0.25 - 5.00	1.19
Breed	0.00 - 0.00	0.00
Pork Quality Assurance	0.00 - 0.00	0.00
Beta Agonist Free	*** - ***	***

*** Price not reported due to confidentiality.



USDA Livestock, Poultry & Grain Market News

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

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

AUCTION SUMMARY

AMS 1245		12,811		Monday	
Joplin Regional Stockyards Carthage, MO					
Feeder Steers	500-600 lbs	161.00-181.00	Feeder Heifers	400-500 lbs	144.00-162.00
Medium &	600-700 lbs	155.00-173.00	Medium &	500-600 lbs	142.00-156.00
Large #1	700-800 lbs	156.00-171.00	Large #1	600-700 lbs	144.00-155.00
	800-900 lbs	155.00-169.00		700-800 lbs	144.00-157.75
	900-1000 lbs	151.00-162.00		800-900 lbs	136.00-155.00

AMS 1280		10,000		Monday	
Oklahoma National Stockyards Oklahoma City, OK					
Feeder Steers	400-500 lbs	182.00-213.00	Feeder Heifers	400-500 lbs	144.00-177.00
Medium &	500-600 lbs	169.00-194.00	Medium &	500-600 lbs	143.50-164.00
Large #1	600-700 lbs	140.00-172.50	Large #1	600-700 lbs	142.00-158.25
	700-800 lbs	161.75-171.00		700-800 lbs	138.00-161.00
	800-900 lbs	145.00-170.00		800-900 lbs	141.00-150.00

AMS 2159		3,219		Monday	
Russell Livestock Feeder Cattle Russell, IA					
Feeder Steers	500-600 lbs	165.50-183.00	Feeder Heifers	400-500 lbs	154.00-174.00
Medium &	600-700 lbs	157.00-172.25	Medium &	500-600 lbs	150.00-169.50
Large #1	700-800 lbs	156.50-172.50	Large #1	600-700 lbs	136.00-155.00
	800-900 lbs	N/A		700-800 lbs	139.50-152.75
	900-1000 lbs	151.00-152.50		800-900 lbs	130.00

CHICAGO MERCANTILE EXCHANGE LIVESTOCK FUTURES SETTLEMENT Tuesday

Live Cattle			Feeder Cattle		
		Change			Change
Dec	135.400	0.975	Jan	164.370	2.675
Feb	139.420	0.450	Mar	135.670	1.575
Apr	142.800	0.525	Apr	168.020	1.325

CHICAGO BOARD OF TRADE GRAIN FUTURES SETTLEMENTS Tuesday

Corn			Soybeans		
		Change			Change
Dec	5.8050	0.0375	Jan	12.7300	(0.0125)
Mar	5.8825	0.0400	Mar	12.8450	(0.0175)
May	5.9275	0.0400	May	12.9375	(0.0175)

KANSAS CITY BOARD OF TRADE		Wheat		Change	
		Dec	8.7875		0.1700
		Mar	8.8400		0.1750
		May	8.8375		0.1750

AMS 2466 Tuesday

5 AREA WKLY ACCUMULATED WTD AVG SLAUGHTER CATTLE PRICE

	Head Count	Avg Weight	Avg Price
Live Steer	66	1,600	134.00
Live Heifer	400	1,225	135.00
Dressed Steer	494	961	212.00
Dressed Heifer	0	N/A	N/A

AMS 2453 Tuesday

DAILY ESTIMATED BOXED BEEF CUTOUT VALUES

Choice	Select	Choice Cuts	118 loads
600-900#	600-900#	Select Cuts	26 loads
278.64	262.67	Trimming	11 loads
(0.61)	(1.06)	Grinds	38 loads

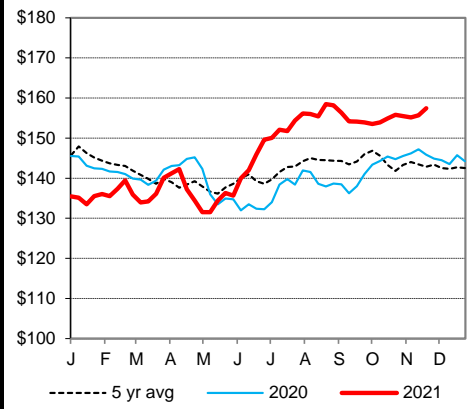
SJ LS710 Monday

ESTD DAILY CATTLE SLAUGHTER	
Tuesday	122,000
Week Ago (est)	122,000
Year Ago (act)	121,000
Wk to date (est)	244,000
Last Week (est)	243,000
Last Year (act)	241,000
Previous Day Estimated:	Steer and Heifer 97,000
	Cow and Bull 25,000

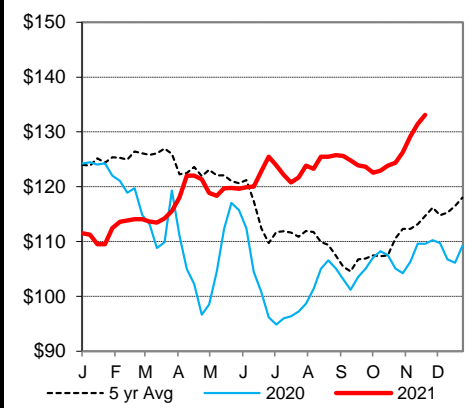
AMS 1788 Monday

Springfield Livestock Marketing Center		
	Pct Lean	Avg Dressing Price
Breaking	75-80	51.50-63.50
Boning	80-85	46.50-61.00
Lean	85-90	40.00-51.00

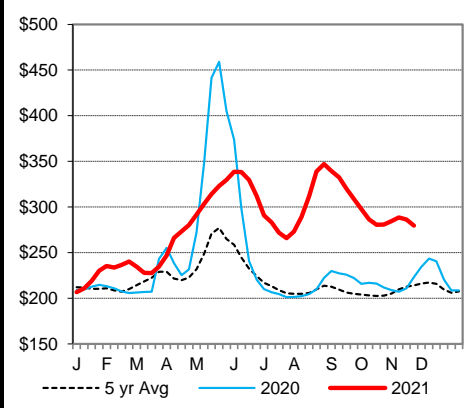
CME Feeder Cattle Index



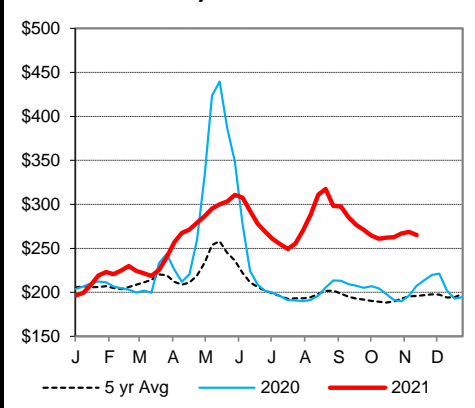
5 Area Wkly Wtd Avg Sltr Steer Price



Weekly Choice Cutout



Weekly Select Cutout





Schwieterman Update

Schwieterman, Inc.

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