



Schwieterman Update

Update for the morning of December 6, 2018

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Corn

Trends – March Contract

Short Term: Up

Long Term: Up

Overnight Trade: H -1 @7:30 AM

Estimated Fund Position

Net Long Futures and Options: 18000

Change: -4000

March corn made a new high for the move yesterday, but failed to hold gains. The market is still progressing towards the \$3.90 level, but it is progressing slowly. Export sales are delayed until tomorrow due to the national day of mourning, so today will be light on fresh news. Mostly likely the market trades both sides of unchanged today and a positive close is likely.

Wheat

Trends – March Contract

Short Term: Up

Long Term: Down

Overnight Trade: Chicago: H -3 KC: H -3 @7:30 AM

Estimated Fund Position

Net Long Futures and Options: -30000

Change: -3000

The wheat market is struggling right now. We don't have any wheat specific supportive news and if the corn and beans are weaker, the wheat doesn't stand much chance. It looks like the March KW is gearing up for a move down to the recent lows unless we get a friendly surprise very soon. Maybe we will get some wheat sold to Egypt, who is tendering again despite credit concerns.

Soybeans

Trends – January Contract

Short Term: Up

Long Term: Up

Overnight Trade: F -9 @7:30 AM

Estimated Fund Position

Net Long Futures and Options: -31000

Change: +2000

Soybeans were the downside leader overnight and for the most part we can blame the weakness in the stock market and continued uncertainty in regards to trade with China. The January soybeans are still above Tuesday's low, so we are not doing any chart damage to speak of, but at the same time it is pretty obvious that the Sunday night rally was overdone since we haven't been close to retesting that. As soon as a sale to China shows up this market will move, but we are still waiting.

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Live Cattle

Trend

Short Term: Up

Long Term: Down

Opening Calls: Mixed

Live cattle futures made new highs for the move on Wednesday, with the February up .70 for the day and near the daily highs. It was the highest close since the 1st of November. Cutout values were moderately lower, with choice down .60 and select off .65 for the day. Limited cash trade was seen at the \$118 level, with most feedlots holding for better money at this time. Overnight equities and the Dollar are weaker, with the Down nearly 400 lower as we write.

Feeder Cattle

Trends

Short Term: Down

Long Term: Down

Opening Call: 20-40 Lower

Feeder cattle futures posted triple digit gains on Wednesday, with March gaining 1.20 for the session. The cash index continues to work lower, falling .33 to 146.39 on Wednesday. Corn values were modestly higher on Wednesday but are off 1-2 cents in overnight trade. Trade concerns continue to be the lead topic in most of the commodity discussions.

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	Change	DOE			API		
		11/23/18	11/16/18	11/24/17	11/30/18		
Crude	+3.60	450.50	446.90	453.70	+ 5.40		
Gasoline	- 800K	224.60	225.30	214.10	+ 3.60		
Distillates	+2.60	121.80	119.20	127.80	+ 4.30		
Rates	+ 2.90 %	95.60	92.70				
Imports	+.61K	8.16	7.55				
Nat Gas	-59	3.054	3.113	% Above/Below Lst Yr	5 Yr Avg	% A/B	
				3.698	-17.4	3.774	-19.1

Analysts Estimates for Week Ending 11/30/18

		5 Yr Avg
Crude	-2.30	-2.90
Gasoline	+ 1.30	+ 2.60
Distillates	+ 1.60	+ 3.20

Rates

Analysts Estimates for Week Ending 11/30/18

	Avg	5 Yr Avg
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Nat Gas

	Crude Oil	Unleaded	Heating Oil	Natural Gas
Short Term Trend	DOWN	DOWN	DOWN	UP
Long Term Trend	DOWN	DOWN	DOWN	UP
O/N Trade @ 7:35 am	-1.67	-0.0416	-0.0371	-0.081

Commentary:

The crude oil market is showing its fragility this morning as it is trading sharply lower on a day in which production cuts are expected to be announced by OPEC+ members. All week the group was giving indications that production cuts would range between 1.0 and 1.4 mbd with some comments from group members that a cut of 1.3 mbd were likely. This morning however Saudi Arabia oil minister said the group would be happy with a cut of 1.0 mbd as he was heading into the meeting. In addition it appears there may be some dissention with Russia which could foil the cuts entirely. The Russian oil minister left Vienna, where the group is assembled for the meeting, and has flown back to Russia to meet with Russian President Putin. The group has stated in recent days that it would need to be a unanimous decision on cuts or none would be made. Negative pressure is also mounting on the complex as global equity markets are sharply lower once again today. US equity futures are nearly 400 points lower in pre-opening trade which is again showing fears of economic slowdowns which has now prompted some to forecast a recession. This is counter to the optimism that last weekend's indication that US/China trade relations were thawing. It could be an environment for wildly volatile trade today swinging on up to the minute headlines.

	JAN	JAN	JAN
	Crude Oil	Unleaded	Heating Oil
Resistance	55.85/58.00	1.5255/1.6000	2.0065/2.0910
Support	49.15/47.00	1.3515/1.2680	1.8425/1.7835

[LM XB403](#)

DAILY ESTIMATED CUTOUT VALUES

	<u>Choice</u>	<u>Select</u>	Choice/Select Spread
	<u>600-900#</u>	<u>600-900#</u>	
Cutout Values	213.86	197.51	16.35
Change from Prior Day	0.78	(1.67)	
Primal Rib	422.73	323.05	
Primal Chuck	164.91	163.54	
Primal Round	158.66	160.07	
Primal Loin	273.56	250.62	
Primal Brisket	186.93	185.11	
Primal Short Plate	147.81	147.81	
Primal Flank	104.72	106.64	

Load Count:	
Total	165
Choice	97
Select	33
Trimming	9
Grinds	27

Fresh 50% Trimmings 9 Loads @ 71.14

[NW LS441](#)

USDA BY-PRODUCT DROP VALUE (STEER) - DAILY

9.03 Change: (0.03)

[LM CT100](#)

5 AREA WEEKLY ACCUMULATED WEIGHTED AVG CATTLE PRICE

<i>As of 10:00 am</i>	<u>Head Count</u>	<u>Avg Weight</u>	<u>Avg Price</u>
Live Steer	218	1,488	115.88
Live Heifer	0		
Dressed Steer	270	967	182.74
Dressed Heifer	0		

[SJ LS710](#)

ESTIMATED DAILY CATTLE SLAUGHTER

Today (est)	121,000
Week Ago (est)	121,000
Year Ago (act)	118,000
Week to Date	240,000
Same Period Last Week	236,000
Same Period Last Year	238,000
Previous Day Estimated	
	Steer and Heifer 94,000
	Cow and Bull 25,000

[SJ LS712](#)

BEEF PRODUCTION	12/1/2018	Last Week	Last Year
	(Estimate)	(Estimate)	(Actual)
Slaughter	643,000	573,000	643,000
Live Weights	1368	1366	1381
Dressed Weights	828	826	836
Beef Production (millions of pounds)	531	472.2	536.3

[NW LS410](#)

USDA BEEF CARCASS PRICE EQUIVALENT INDEX VALUE

	<u>Choice</u>	<u>Select</u>	<u>Dressing percent:</u>	
	<u>600-900#</u>	<u>600-900#</u>	<u>Steer</u>	<u>Heifer</u>
Change	189.42	173.74	63.24	63.25
	0.41	(0.81)		

[LM XB405](#)

USDA NATIONAL CUTTER COW CARCASS CUTOUT

154.40 (1.30) 90% lean: 192.94

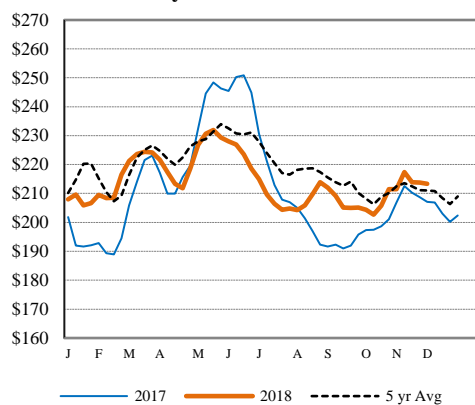
CME LIVE CATTLE

	<u>High</u>	<u>Low</u>	<u>Close</u>	<u>Change</u>
DEC	117.95	116.75	117.78	0.90
FEB	121.75	119.98	121.65	1.47
APR	122.98	121.45	122.90	1.27

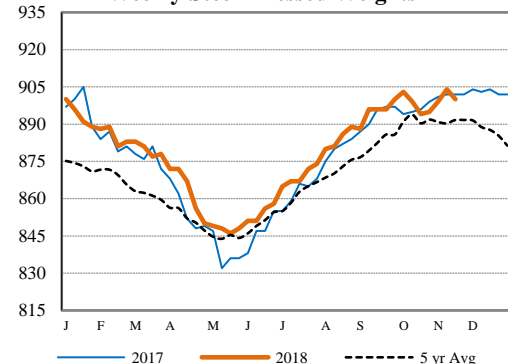
CME FEEDER CATTLE

	<u>High</u>	<u>Low</u>	<u>Close</u>	<u>Change</u>
JAN	145.33	143.13	144.40	(-0.10)
MAR	142.45	140.35	141.85	0.40
APR	143.45	141.30	142.90	0.55

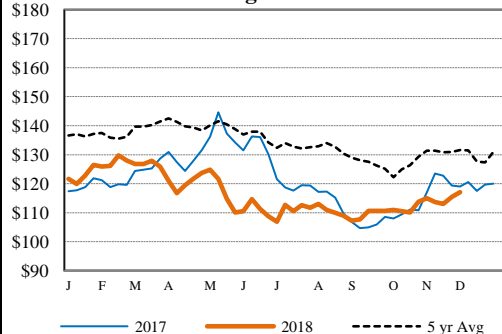
Weekly Choice Cutout



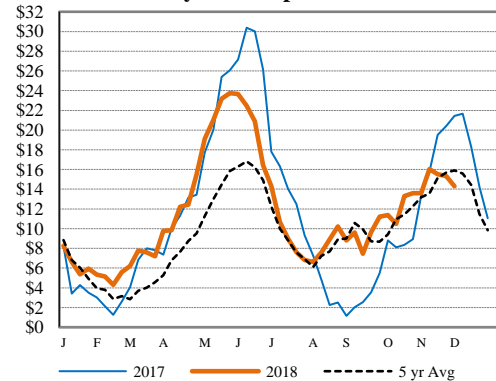
Weekly Steer Dressed Weights



5 Area Weekly Wtd Avg Steer Price



Weekly Ch/Se Spread



USDA Livestock Poultry Grain Market News

Des Moines, Iowa
Phone: 515-284-4460
Email: desm.lpgmn@ams.usda.gov
[USDA AMS Livestock, Poultry & Grain Market News Portal](#)

DAILY DIRECT HOGS PLANT DELIVERED as of 1:30 PM

Negotiated Barrow and Gilt:	Carcass Base Price	Live Price
NATIONAL - LM_HG203:		
Range:	\$45.00 - \$49.87	\$35.00 - \$40.75
Weighted Average:	\$48.68	\$39.05
Change from Prior Day:	0.85 lower	0.20 lower
Receipts:	11,736	815

IOWA/MINNESOTA - LM_HG206:		
Range:	\$46.50 - \$49.00	\$35.00 - \$38.50
Weighted Average:	\$48.45	\$37.65
Change from Prior Day:	0.42 lower	no comparison
Receipts:	9,045	198

WESTERN CORNBELT - LM_HG212:		
Range:	\$45.00 - \$49.00	\$35.00 - \$38.50
Weighted Average:	\$48.43	\$37.28
Change from Prior Day:	0.42 lower	no comparison
Receipts:	9,106	230

EASTERN CORNBELT - LM_HG210:		
Range:	N/A - N/A	\$38.50 - \$40.75
Weighted Average:	N/A	\$39.74
Change from Prior Day:	N/A	0.23 higher
Receipts:	2,630	585

[NATIONAL DAILY PORK REPORT FOB PLANT- LM_PK602:](#)

Carcass Cutout Values	70.88	Change:	0.23
Primal Loin	64.80		1.66
Primal Butt	84.95		(-2.01)
Primal Picnic	45.75		(-3.09)
Primal Rib	116.48		(-0.22)
Primal Ham	53.75		(-0.24)
Primal Belly	120.98		2.81
Total Loads	419.13		
Pork Cuts	360.40	Lds	
Trim/Process Pork	58.74	Lds	

[DAILY EST. HOG SLAUGHTER UNDER FIS - SJ_LS710](#)

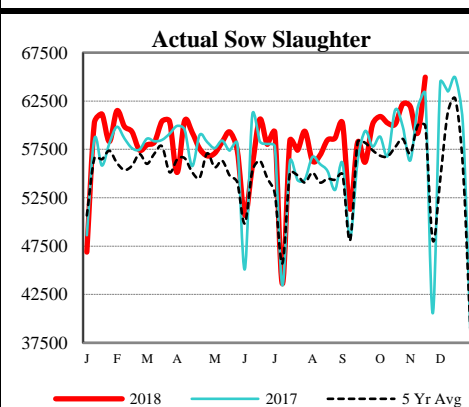
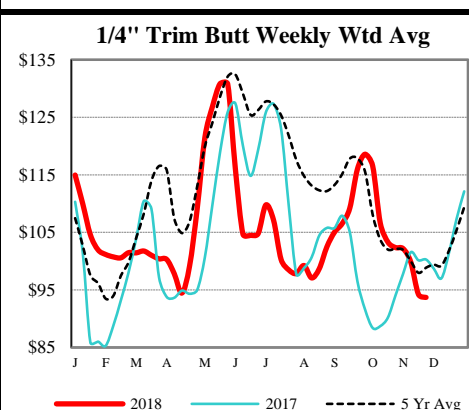
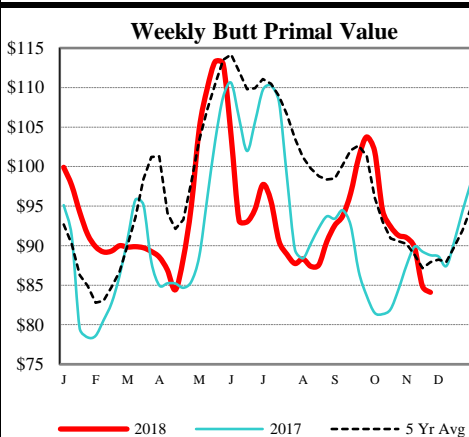
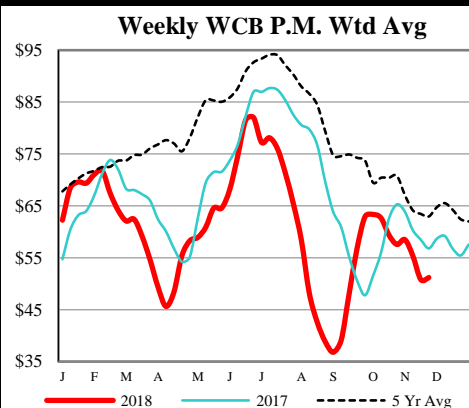
Today (est)	478,000
Week Ago (est)	469,000
Year Ago (act)	465,000
Week to Date (est)	945,000
Same Period Last Week (est)	915,000
Same Period Last Year (act)	932,000

CME Lean Hog Close	High	Low	Settle	Change
DEC	57.90	56.70	56.88	(-1.15)
FEB	67.25	65.53	66.05	(-0.85)
APR	71.73	70.15	70.75	(-0.47)
MAY	76.30	75.50	75.88	(-0.25)

[CME Lean Hog Delayed Futures](#)

[NATIONAL WEEKLY DIRECT HOGS NON-CARCASS MERIT PREMIUM](#)

For Week ending	Dec 01, 2018	Average
Volume	0.00 - 0.00	0.00
Transportation	0.35 - 3.13	1.46
Delivery Time	0.25 - 3.15	0.82
Breed	0.00 - 0.00	0.00
Pork Quality Assurance	0.00 - 0.00	0.00
Beta Agonist Free	0.30 - 1.50	0.66



AUCTION SUMMARY

KO_LS750	12,000 hd		Monday
OKLAHOMA NATIONAL STOCKYARDS	Oklahoma City, OK		
Feeder Steers 400-500 lbs	178.00-190.00	Feeder Heifers 400-500 lbs	148.00-160.00
Medium & 500-600 lbs	153.00-176.00	Medium & 500-600 lbs	131.00-149.00
Large #1 600-700 lbs	139.00-150.00	Large #1 600-700 lbs	130.00-142.00
700-800 lbs	129.75-146.00	700-800 lbs	132.50-143.00
800-900 lbs	139.00-145.50	800-900 lbs	122.00-142.00

JC_LS758	9,672 hd		Monday
JOPLIN REGIONAL STOCKYARDS	Carthage, MO		
Feeder Steers 400-500 lbs	151.00-180.00	Feeder Heifers 400-500 lbs	130.00-150.00
Medium & 500-600 lbs	145.00-178.00	Medium & 500-600 lbs	126.00-142.00
Large #1 600-700 lbs	139.00-154.00	Large #1 600-700 lbs	127.00-140.50
700-800 lbs	135.00-150.00	700-800 lbs	132.00-143.00
800-900 lbs	137.50-152.25	800-900 lbs	132.00-141.00

NW_LS751	4,070 hd		Monday
RUSSELL LIVESTOCK AUCTION	Russell, IA		
Feeder Steers 400-500 lbs	165.00-177.00	Feeder Heifers 400-500 lbs	132.00-149.00
Medium & 500-600 lbs	146.00-171.00	Medium & 500-600 lbs	127.00-145.25
Large #1 600-700 lbs	142.00-164.50	Large #1 600-700 lbs	124.00-146.75
700-800 lbs	137.00-150.50	700-800 lbs	142.50-148.00
800-900 lbs	140.00-149.35	800-900 lbs	132.50-138.50

[Live Cattle Settlements](#) [Feeder Cattle Settlements](#) Tuesday

CHICAGO MERCANTILE EXCHANGE LIVESTOCK FUTURES SETTLEMENT

Live Cattle	Change	Feeder Cattle	Change
Dec	117.77	Jan	144.40
Feb	121.65	Mar	141.85
Apr	122.90	Apr	142.90

[Corn Settlements](#) [Soybean Settlements](#) Tuesday

CHICAGO BOARD OF TRADE GRAIN FUTURES SETTLEMENT

Corn	Change	Soybeans	Change
Dec	3.7425	Jan	9.1175
Mar	3.8475	Mar	9.2375
May	3.9150	May	9.3700

[KC Wheat](#) [Wheat](#) Change

KANSAS CITY BOARD OF TRADE	Wheat	Change
	Dec	4.8375
	Mar	5.0525
	May	5.1700

[LM_CT100](#) Tuesday

5 AREA WKLY ACCUMULATED WTD AVG SLAUGHTER CATTLE PRICE

	Head Count	Avg Weight	Avg Price
Live Steer	218	1,488	115.88
Live Heifer	0	N/A	N/A
Dressed Steer	270	967	182.74
Dressed Heifer	0	N/A	N/A

[LM_XB403](#) Tuesday

DAILY ESTIMATED BOXED BEEF CUTOUT VALUES

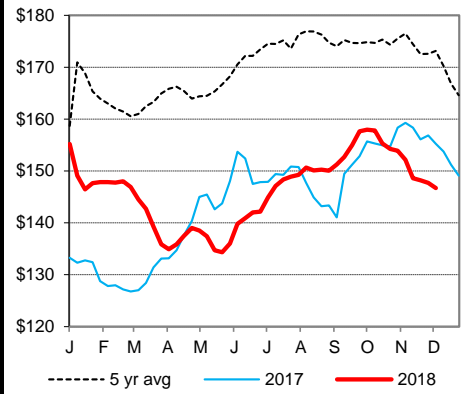
Choice	Select	Choice Cuts	97	loads
600-900#	600-900#	Select Cuts	33	loads
213.86	197.51	Trimming	9	loads
0.78	(1.67)	Grinds	27	loads

[SJ_LS710](#) [JC_LS140](#) Tuesday

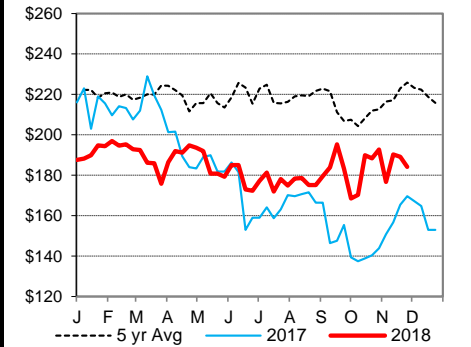
ESTD DAILY CATTLE SLAUGHTER

Tuesday	121,000	SLAUGHTER COW MARKET
Week Ago (est)	121,000	Springfield Livestock Marketing Center
Year Ago (act)	118,000	Monday
Wk to date (est)	240,000	Pct Lean
Last Week (est)	236,000	Price
Last Year (act)	238,000	Breaking
Previous Day Estimated:	Steer and Heifer	Boning
	Cow and Bull	Lean
		Monday
		94,000
		25,000

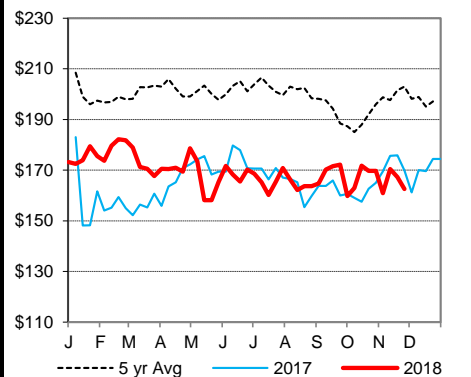
CME Feeder Cattle Index



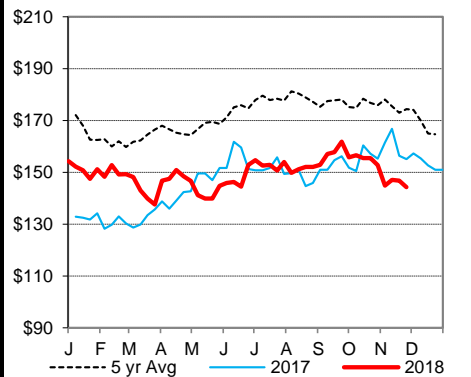
Oklahoma City 400-500 lb Steer Price



Oklahoma City 500-600 lb Steer Price



Oklahoma City 700-800 lb Steer Price





Schwieterman Update

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