



Schwieterman Update

Update for the morning of December 13, 2024

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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: 130000

Change: -18000

Wednesday's failure to hold gains turned into a sell off on Thursday. The overnight low of \$4.41 ³/₄ in the March contract eliminated all of the post supply and demand report gains, which is a good indication that we need some fresh news. The other possibility is that we need to get closer to the January supply and demand report so we can start talking about potential changes in the numbers. Basically, it looks like the market is going to slip back into range bound trade, so look for the March contract to slip back towards \$4.33.

Wheat

Trends – March Contract

Short Term: **Up**

Long Term: **Down**

Overnight Trade: Chicago: **H -1** KC: **H Flat** @7:30 AM

Estimated Fund Position

Net Long Futures and Options: -61000

Change: -3000

Wheat traded both sides of unchanged overnight and there isn't much fresh news to move the market. There is still the hope that we end up seeing better export sales, but that has been a hope for a very long time. The charts do suggest, and especially the French Milling Wheat chart, that the wheat is forming a longer term bottom. If we see the March KW close above \$5.77, it would be very bullish.

Soybeans

Trends – January Contract

Short Term: **Up**

Long Term: **Down**

Overnight Trade: **F -5** @7:30 AM

Estimated Fund Position

Net Long Futures and Options: -35000

Change: +2000

Soybeans are still trading sideways. Traders call it a picket fence formation. Economists would say we have reached equilibrium. Demand is very good, but supplies are excessive, so there just isn't much reason to go anywhere. The best advice at the moment is to plan on more sideways action and the keep trading the range. Or, if you like options, sell some.

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Live Cattle

Trend

Short Term: Up

Long Term: Up

Opening Calls: Mixed

Live cattle futures posted new highs for the move in early trade on Thursday, before reversing to close steady to moderately lower for the session. Cutouts were higher to sharply higher, with choice +4.01 and select +2.37. Cash trade saw moderate activity on Thursday, with more than 18,000 confirmed Between 4192.50 and \$196 cash and mostly \$306 in the beef. Equities are firm this morning and the Dollar is moderately lower.

Feeder Cattle

Trends

Short Term: Up

Long Term: Up

Opening Call: Mixed

Feeder cattle futures reversed their higher open to finish moderately lower on Thursday, with the far deferred seeing the most weakness. 4-5 cent lower corn values and a sharply higher cash index couldn't provide enough support for the feeders. The index rose 1.61 to 263.07 and is now nearly 5.00 premium to spot futures. Overnight corn values are very modestly lower.

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Weekly Stocks Report for Week Ending

12/06/24

| | Change | DOE | | | API | | |
|-------------|--------|----------|----------|----------------------|----------|-------|-------|
| | | 12/06/24 | 11/29/24 | 12/06/23 | 12/06/24 | | |
| Crude | -1.40 | 422.00 | 423.40 | 440.80 | + 499K | | |
| Gasoline | + 5.10 | 219.70 | 214.60 | 224.00 | + 2.85 | | |
| Distillates | + 3.20 | 121.30 | 118.10 | 113.50 | + 2.45 | | |
| Rates | -90% | 92.40 | 93.30 | 90.50 | | | |
| Imports | -1.31 | 5.98 | 7.29 | 7.51 | | | |
| | | | | % Above/Below Lst Yr | 5 Yr Avg | % A/B | |
| Nat Gas | -190 | 3.747 | 3.937 | 3.680 | + 1.8 | 3.582 | + 4.6 |

Analysts Estimates for Week Ending 12/06/24

| | | 5 Yr Avg |
|-------------|--------|----------|
| Crude | - 900K | + 4.36 |
| Gasoline | + 1.70 | + 3.70 |
| Distillates | na | + 2.98 |

Rates

Analysts Estimates for Week Ending 12/06/24

| | Range | Avg | Lst Yr | 5 Yr Avg |
|---------|----------|------|--------|----------|
| Nat Gas | -49 -187 | -138 | -72 | -71 |

| | Crude Oil | Unleaded | Heating Oil | Natural Gas |
|--|-----------|----------|-------------|-------------|
|--|-----------|----------|-------------|-------------|

| | | | | |
|---------------------|-------|---------|---------|--------|
| Short Term Trend | UP | UP | UP | UP |
| Long Term Trend | DOWN | DOWN | DOWN | UP |
| O/N Trade @ 6:30 am | + .47 | + .0128 | + .0132 | -0.048 |

Commentary:

A buy the break mentality looks to have set into the regular energy complex as spot month crude oil has posted a 14 session high in overnight trade. This also completes a full week of the crude market posting higher daily highs and daily lows. This certainly falls into the buy the break mentality. Yesterdays session appeared to remain in the same rangebound trade as a brief move above moving average resistance that had defined the top of a trading range for the past 2 weeks, resulting in a more than \$ 1.00 lower trade at mid-session. However, spot month crude oil reversed back higher and captured all the losses of the session before drifting back slightly lower on the day at the closing bell. It appears that spot month crude oil will post the first weekly gain in 3 weeks. There is still solid resistance in the \$ 71.50-73.00 range that will become the next test. Above that, and the market could easily post another \$ 5.00 in gains. Sanction talk has gained traction the past few days as the EU has ramped up sanctions on Russia targeting its "shadow fleet" of tankers. The US is making noises about joining in. The EU also is looking at returning sanctions against Iran. These headlines come at a time when the market typically sees a rally in the second half of December which is making it easy to flush out buying interest on marginal headlines.

| | Jan | Jan | Jan |
|------------|-------------|---------------|---------------|
| | Crude Oil | Unleaded | Heating Oil |
| Resistance | 71.60/73.00 | 2.0400/2.0645 | 2.2700/2.3045 |
| Support | 69.80/68.90 | 1.9800/1.9550 | 2.2300/2.2000 |



Schwieterman Update

Financial Market Analysis for the morning of Friday, December 13, 2024

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U.S. Stock Futures

The equities closed lower as the Dow lost 234, the S&P lost 32, and the Nasdaq lost 132. This morning's futures are all higher with the Dow up 67, the S&P up 23, and the Nasdaq up 189. President-elect Trump rang the opening bell at NYSE on Thursday, joined by JD Vance and Melania Trump. He spoke on tariffs, and his meetings with CEO's along with his expectations for the stock market. Wholesaler Costco said Thursday e-commerce sales during its most recent quarter were up 13% from the same period a year ago. They beat Wall Street's estimates on both top and bottom lines. FAA head Michael Whitaker will step down from his post on January 20th. This comes at a time of heightened FAA oversight of aircraft manufacturer Boeing.

Stock to Watch: Broadcom is up 16.63% premarket.

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