



Morning October 27, 2020 Livestock Report

by Chris Lehner | 312.242.7942 | chris.lehner@admis.com

CATTLE

USDA FEDERAL SLAUGHTER

OCTOBER 26, 2020	118,000
WEEK AGO	118,000
YEAR AGO	116,000

=====

	CHOICE	SELECT
BOXED BEEF FINAL	207.83	188.49
CHANGE FROM PRIOR DAY	0.34	(2.91)
CHOICE/SELECT SPREAD:		19.34
TOTAL LOAD COUNT		135
5 DAY SIMPLE AVERAGE:	209.03	191.38

=====

Based on negotiated prices and volume of boxed beef cuts delivered within 0-21 days and on average industry cutting yields. Values reflect U.S. dollars per 100 pounds

FINAL OCTOBER 26, 2020

Primal Rib	377.56	311.85
Primal Chuck	170.68	158.51
Primal Round	167.33	166.45
Primal Loin	271.56	236.14
Primal Brisket	149.56	138.77
Primal Short Plate	119.78	119.78
Primal Flank	96.86	97.25

FINAL OCTOBER 23, 2020

Primal Rib	382.06	333.75
Primal Chuck	169.41	159.75
Primal Round	168.00	165.32
Primal Loin	268.92	236.06
Primal Brisket	145.93	144.22
Primal Short Plate	121.35	121.35
Primal Flank	97.01	95.24



=====

LOAD COUNT AND CUTOFF VALUE SUMMARY FOR PRIOR 5 DAYS

Date	Choice	Select	Trim	Grinds	Total	CHOICE 600-900	SELECT 600-900
10/23	84	11	35	18	148	207.49	191.40
10/22	91	36	19	15	160	208.86	191.08
10/21	104	34	31	38	207	208.47	190.91
10/20	125	33	22	9	190	210.60	191.67
10/19	52	30	12	20	114	209.74	191.84

=====

NATIONAL BOXED BEEF CUTS - NEGOTIATED SALES FOB Plant basis negotiated sales for delivery within 0-21-day period. Prior days sales after 1:30pm are included.
CURRENT VOLUME - (one load equals 40,000 pounds)

Choice Cuts	60.80 loads	2,432,018 pounds
Select Cuts	44.49 loads	1,779,577 pounds
Trimming	18.59 loads	743,455 pounds
Ground Beef	11.49 loads	459,741 pounds

=====

USDA BY-PRODUCT DROP VALUE (STEER) FOB CENTRAL U.S.
[HTTPS://WWW.AMS.USDA.GOV/MNREPORTS/NW_LS441.TXT](https://www.ams.usda.gov/mnreports/nw_ls441.txt)

Friday, October 30, 2020 is the last trading day for October Live Cattle

=====

DELIVERY NOTICE SERVED – OCTOBER 2020 - LIVE CATTLE
SETTLEMENT: OCTOBER 26, 2020 - \$103.97
OLDEST LONG: 02/28/20 SETTLEMENT AT \$107.52
0 DELIVERIES

=====

USDA POSTED CATTLE PRICES ON 10/26/2020
IA/MN – CASH 250 HEAD AT 103.00 - Average weight 1,500 DRESSED No Reportable Trade
NE - CASH – No Reportable Trade. DRESSED: 162.00 ON 80 HEAD MIXED STEERS AND HEIFERS
KS – CASH No Reportable Trade DRESSED No Reportable Trade.
TX/OK/NM – No Reportable Trade
CO – Information not available due to confidentiality



*****National Daily Direct Cattle October 26, 2020
(5 day accumulated weighted avg)**

	Weight	Price	Head
Live Steer:	1472	\$105.31	37,522
Live Heifer:	1407	\$105.13	16,335
Dressed Steer:	970	\$164.24	14,277
Dressed Heifer:	864	\$164.46	4,350

=====
Packers are short bought into this week and it may have been planned. Next week, packers can pull their own cattle and contracted cattle before moving into the showlists. Market needs to see packers fighting over the available lighter weight cattle.

Select beef was knocked down Monday. Combine too many Select cattle available at this time with too many heavy Choice and it isn't bullish. Unless packers must fill previously contracted orders with specific Choice beef weights, cattle could have a hard time putting in much of a rally until Selects and heavy Choice are cleaned up.

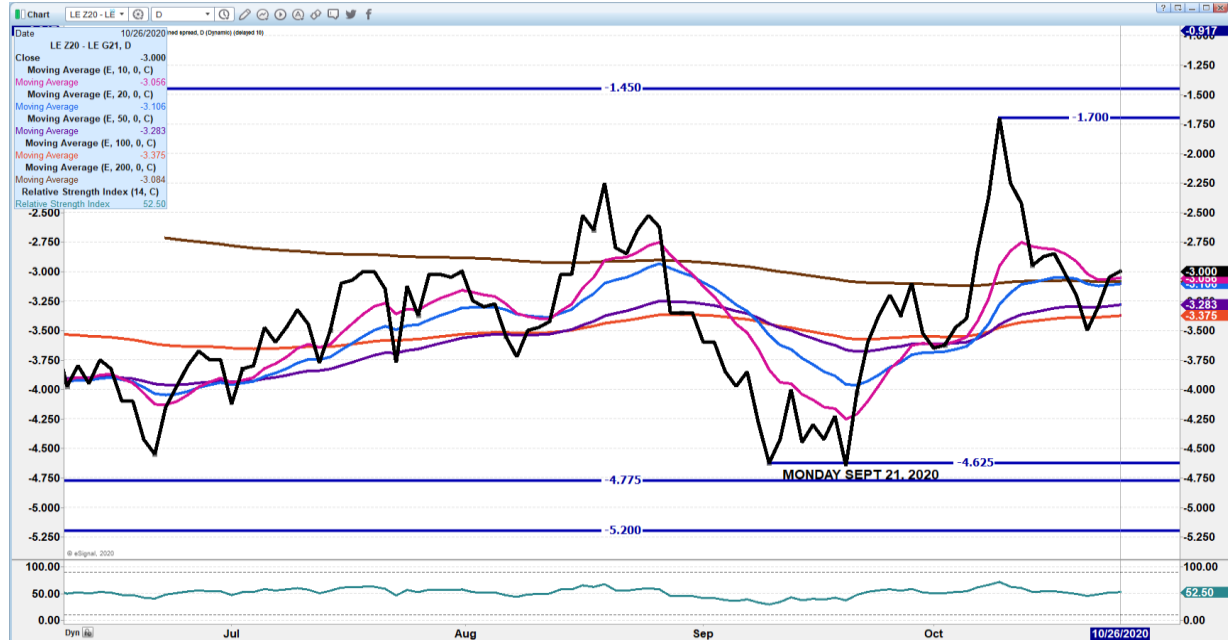
It was obvious funds were bull spreading and last week spreads bottomed. Moving into November look for specs to do the opposite on spreads. Moving forward look for funds to sell the front months and buy the 2021 months

=====
Packers are aggressively trying to forward contract cattle. Packer basis is plus \$1.00 over futures December 2020 through April 2021 and plus \$4.00 over futures from May throughout the summer of 2021.

=====
As of October 20th, dressed steer and heifer weights were 901.0 compared to previous week at 893.4 up 7.6 pounds from week ago and 28 pounds over a year ago. Grading percent was 81.7% compared to previous week at 81.7%.



DECEMBER 2020/FEBRUARY 2021 LIVE CATTLE SPREAD - AT THIS TIME SPREAD IS IN NORMAL RANGE. GOING FORWARD TO SEE WATCH IF IT CONTRACTS OR WIDENS FOR INDICATOR FOR MARKET MOVE



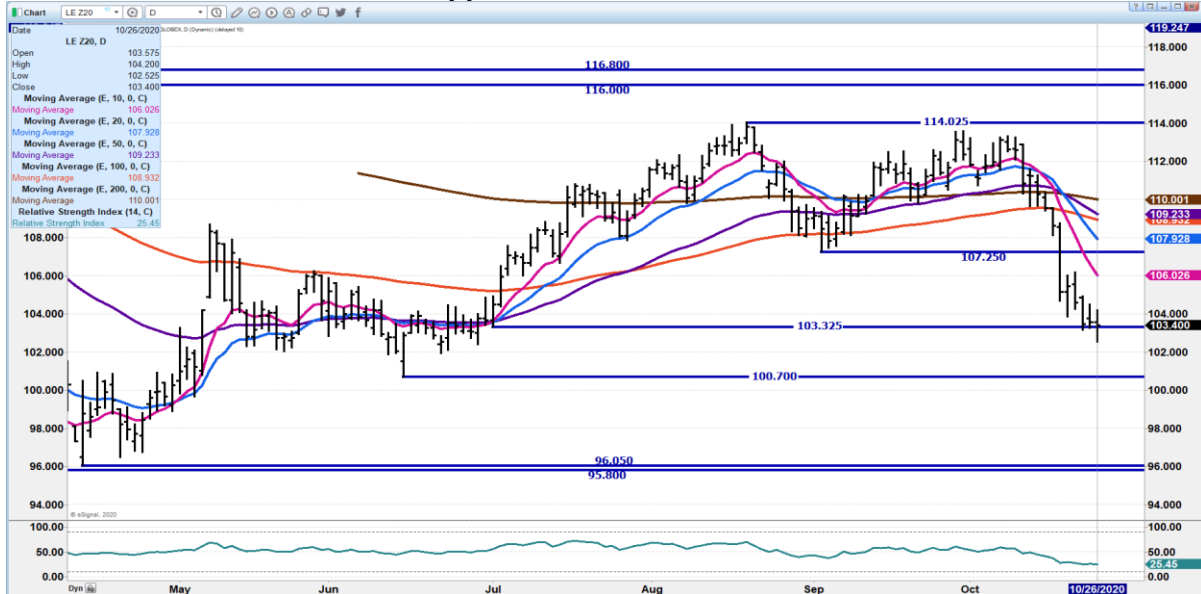
OCTOBER 2020 LIVE CATTLE – Open interest is 1276 and no sign of deliveries. Resistance at 105.00 to 106.75 Support at 102.65



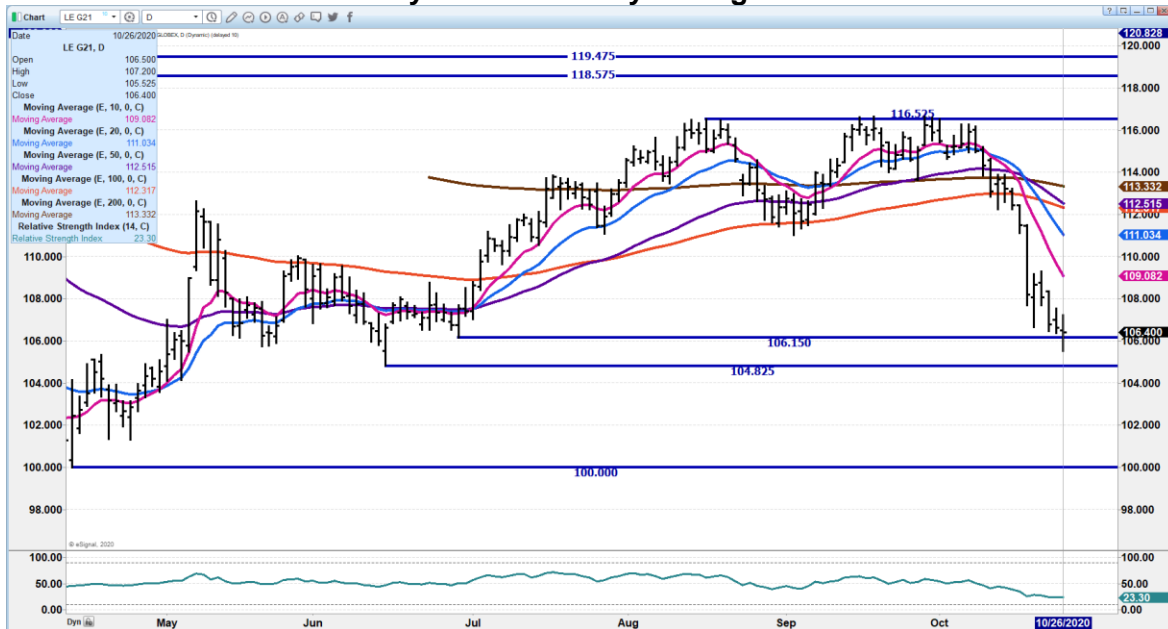
ADMIS.com | 312.242.7000 | Chicago | New York | London | Hong Kong | Singapore | Taipei | Shanghai



DECEMBER 2020 LIVE CATTLE – Volume Monday was 26,129 RSI at 25 is due for a pop but isn't technical oversold. Support at 103.35 to 100.70 Resistance is 106.02 to 107.92



FEBRUARY 2021 LIVE CATTLE - Support at 106.00 to 104.82 Resistance is 109.10 to 111.05 RSI at 23 Could easily move to 10 day average



ADMIS.com | 312.242.7000 | Chicago | New York | London | Hong Kong | Singapore | Taipei | Shanghai

The information and comments contained herein is provided by ADM Investor Services, Inc. ("ADMIS") and NOT ADM. Futures and options trading involve significant risk of loss and may not be suitable for everyone. Therefore, carefully consider whether such trading is suitable for you in light of your financial condition. This report includes information from sources believed to be reliable and accurate as of the date of this publication, but no independent verification has been made and we do not guarantee its accuracy or completeness. Research analyst does not currently maintain positions or have financial interest in the commodities specified within this report. Any reproduction or retransmission of this report without the express written consent of ADM Investor Services, Inc. is strictly prohibited. Again, the information and comments contained herein is provided by ADMIS and in no way should be construed to be information provided by ADM. Copyright © ADM Investor Services, Inc.



Feeder Cattle

**THE CME FEEDER INDEX ON 10/23/2020 WAS 133.70 DOWN .31 FROM PREVIOUS DAY
OCTOBER 2020 FEEDER CATTLE SETTLED ON OCTOBER 26, 2020 AT \$133.70**

NATIONAL FEEDER & STOCKER SUMMARY - WEEK ENDING 10/23/2020

RECEIPTS:	Auctions	Direct	Video/Internet	Total
This Week:	248,500	27,100	26,600	312,200
Last Week:	243,900	15,300	8,400	267,600
Year Ago:	290,200	33,700	32,700	356,600

Compared to last week, steers and heifers sold 4.00 to 8.00 lower. Buyers continue to stress the importance of a fall preconditioning program. This weeks lack of robust demand was two-fold. Too many calves coming off the cow coupled with a sharply lower CME Cattle Complex made for a tough situation when it came to the sale ring at local livestock auctions. Top quality cattle with eye appeal will make the buyers shrug a little and put their hand in the air to acquire them; they know that those reputation producers sell one time a year and this is the only time to get those high quality genetics. The nearby cattle contracts tried to weather the storm this week as numbers of open interest waned.

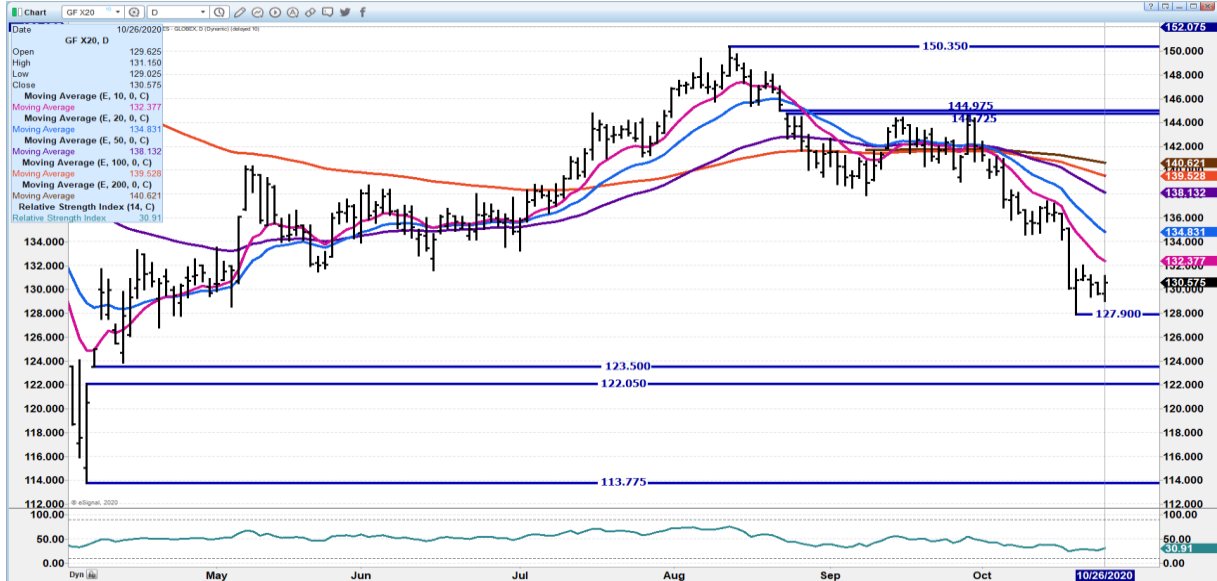
=====

JANUARY 2021/MARCH 2021 FEEDER CATTLE SPREAD – SREAD IS TOGHT. SHOULD START TO SEE SPRING 2021 CONTRACTS GAIN OVER FRONT MONTHS

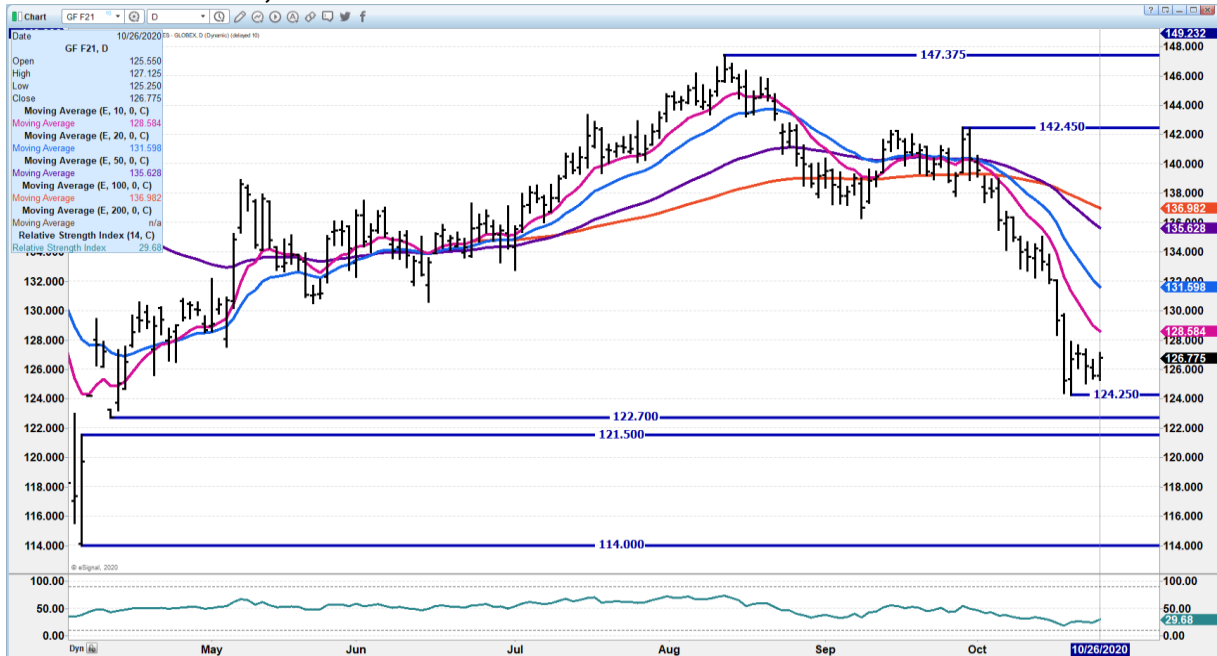




**NOVEMBER 2020 FEEDER CATTLE - VOLUME AT 1238 AND OPEN INTEREST AT 6736
SUPPORT AT 128.00 RESISTANCE AT 132.37 NEAR THE CME INDEX TO 134.85**



**JANUARY 2021 FEEDER CATTLE – Support at 124.25 to down gap to 121.50 Resistance
at 128.60 to 131.60, both below Index.**



ADMIS.com | 312.242.7000 | Chicago | New York | London | Hong Kong | Singapore | Taipei | Shanghai

The information and comments contained herein is provided by ADM Investor Services, Inc. (“ADMIS”) and NOT ADM. Futures and options trading involve significant risk of loss and may not be suitable for everyone. Therefore, carefully consider whether such trading is suitable for you in light of your financial condition. This report includes information from sources believed to be reliable and accurate as of the date of this publication, but no independent verification has been made and we do not guarantee its accuracy or completeness. Research analyst does not currently maintain positions or have financial interest in the commodities specified within this report. Any reproduction or retransmission of this report without the express written consent of ADM Investor Services, Inc. is strictly prohibited. Again, the information and comments contained herein is provided by ADMIS and in no way should be construed to be information provided by ADM. Copyright © ADM Investor Services, Inc.



LEAN HOGS

USDA ESTIMATED FEDERAL HOG SLAUGHTER

OCTOBER 26, 2020	492,000
WEEK AGO	472,000
YEAR AGO	491,000

****REVISED SATURDAY HOG SLAUGHTER..237,000 PREVIOUS ESTIMATE 244,000**

=====
CME CASH HOG INDEX 10/22/2020 AT 78.54 DOWN 6 CENTS FROM PREVIOUS DAY

CME CASH PORK CUTOUT INDEX 10/23/2020 AT 96.99 DOWN 1.12 FROM PREVIOUS DAY.

CME CASH FRESH BACON INDEX ON 10/23/2020 WAS 222.45 COMPARED TO 10/16/2020 WAS 214.50

=====
Pork cutout started out Monday up 2.99 on extremely light volume but by the afternoon cutout was down 1.39. Hams were up 6.84, but loins dropped 4.94. Bellies were down 13.17. Loins are dragging down the cutout. Over the past year, the cutout has benefited when China buys large tonnage but with increasing hogs in China and inventories expanding across the globe, it appears China is not going to be the big buyer it has been and it is very hard to see they will buy any amounts similar to record purchases the first quarter of 2020. In fact, they have said inventories for the largest purchase time, the New Year Festival in early 2021 are up 30% from last year. Mexico,, the most consistent buyer could pull back any time and the ham and belly markets would suffer. COVID 19 is surging in Mexico as it is in all countries and like a year ago, countries are starting to shut down. With global expectations of COVID increasing in the northern hemisphere and with the increasing global hog inventories, the recent move up could turn around as fast as it went up.

Funds moved spreads on the October/December spread to over \$13.00. They could easily in November do the opposite to the December/February spread especially if it follows what took place in 2018.

=====
Weights keep creeping higher on hogs which isn't usually a positive indicator.



Pork Cutout Futures and Options Fact Card

<https://www.cmegroup.com/education/articles-and-reports/pork-cutout-futures-and-options-fact-card.html>

USDA MARKET NEWS

Based on negotiated prices and volume of pork cuts delivered within 14 days and on average industry cutting yields.

Calculations for 215 lb Pork Carcass. 55-56% lean, 0.55"-0.70" BF Last Rib

NATIONAL DAILY PORK REPORT FOB PLANT - NEGOTIATED SALES

OCTOBER 26, 2020

LOADS OF PORK CUTS: 271.02

LOADS TRIM/PROCESSED PORK: 34.14

FINAL

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
10/26/2020	305.16	91.86	78.87	82.05	63.10	143.09	91.27	144.15
CHANGE :		-1.39	-4.94	0.68	1.83	-0.27	6.84	-13.17
Five Day Average --		95.80	82.99	82.69	61.94	145.41	89.37	164.74

FINAL

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
10/23/2020	345.34	93.25	83.81	81.37	61.27	143.36	84.43	157.32
CHANGE :		-5.59	0.74	1.96	0.75	-2.63	-12.71	-17.02
Five Day Average --		97.05	84.24	83.92	61.67	146.90	88.28	171.24

NATIONAL DAILY DIRECT HOG PRIOR DAY REPORT - SLAUGHTERED SWINE

SLAUGHTER DATA FOR OCTOBER 23 AND 24, 2020

Average live weight - 286.50

Average carcass weight - 214.46

DAILY DIRECT HOGS PLANT DELIVERED AS OF 1:30 PM October 22, 2020

NATIONAL NEGOTIATED PURCHASE BASE CARCASS PRICES

Carcass Base Price: \$59.00 - \$64.50

Weighted Average: \$62.30

Change from Prior Day: 3.59 higher

HOGS SOLD: 5,008



SWINE OR PORK MARKET FORMULA PURCHASE (Including Packer Sold)

PRICE RANGE: \$59.55 - \$90.95

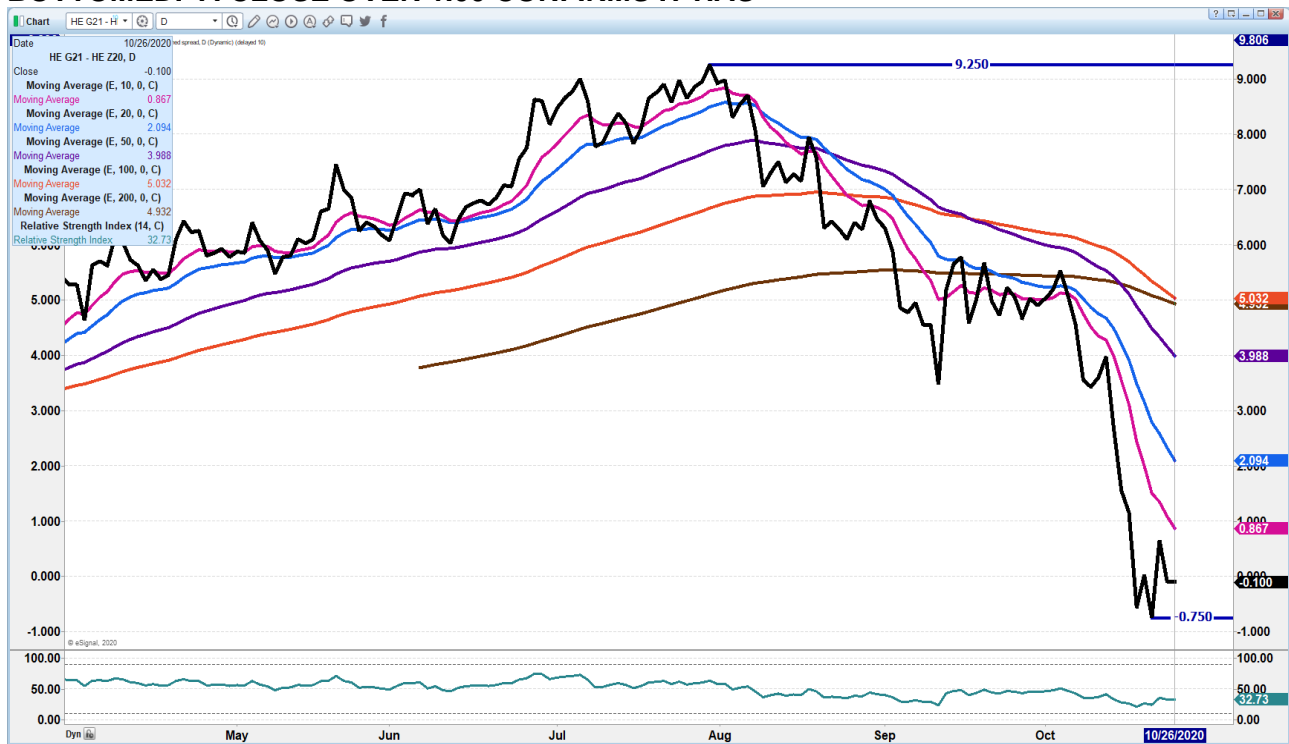
Weighted Average: \$76.14

Previous Day: \$76.99

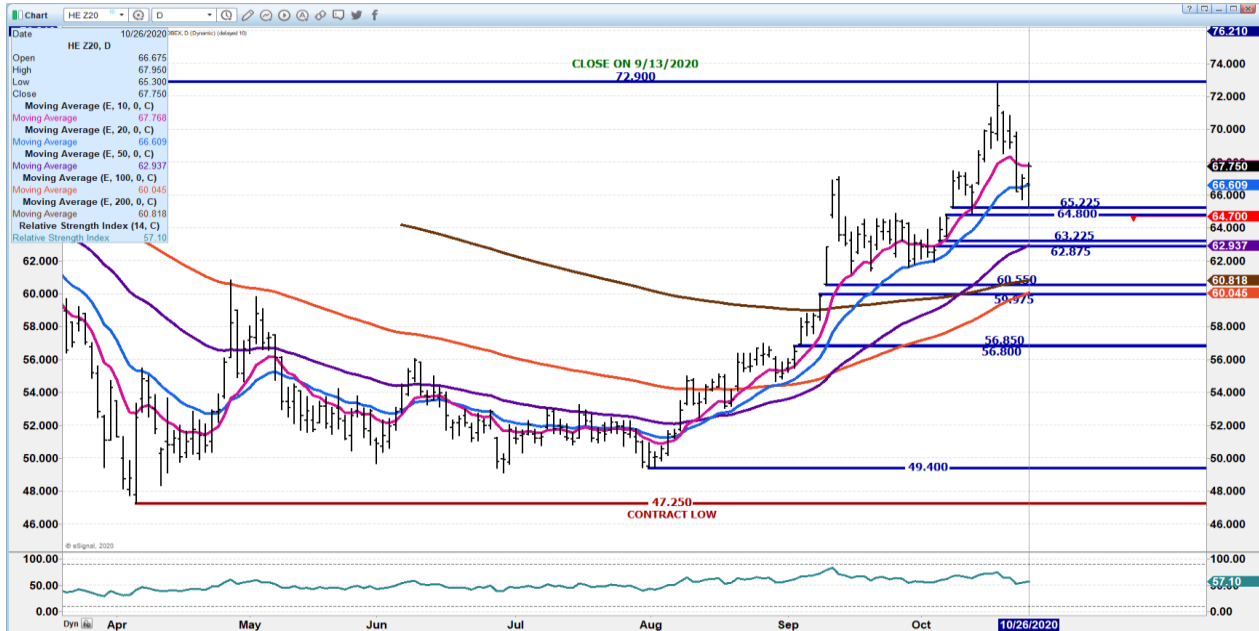
HOGS SOLD: 208,731

https://www.ams.usda.gov/mnreports/lm_hq203.txt

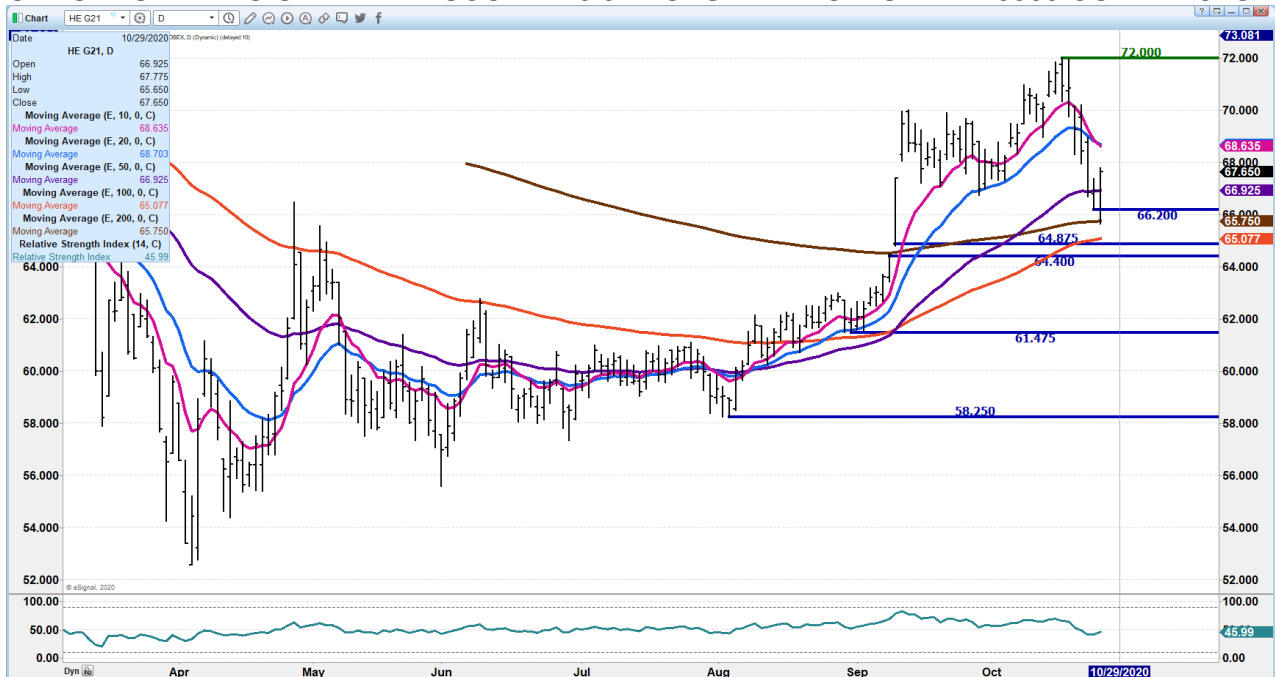
FEBRUARY 2021/DECEMBER 2020 LEAN HOG SPREAD - APPEARS TO HAVE BOTTOMED. A CLOSE OVER 1.00 CONFIRMS IT HAS



DECEMBER 2020 LEAN HOGS – MOVED TO RESISTANCE MONDAY AT 67. 80 NEXT RESISTANCE IS 70.05 SUPPORT 64.80 TO 62.92 RSI AT 57 IS NEUTRAL TO SLIGHTLY FRIENDLY. VOLUME 18,178



FEBRUARY 2021 LEAN HOGS – SUPPORT AT 65.75 TO 65.07 RESISTANCE 68.65 AND OPPORTUNITY TO SELL WITH SCO AT 70.37 VOLUME WAS LIGHT AT 8505 CONTRACTS

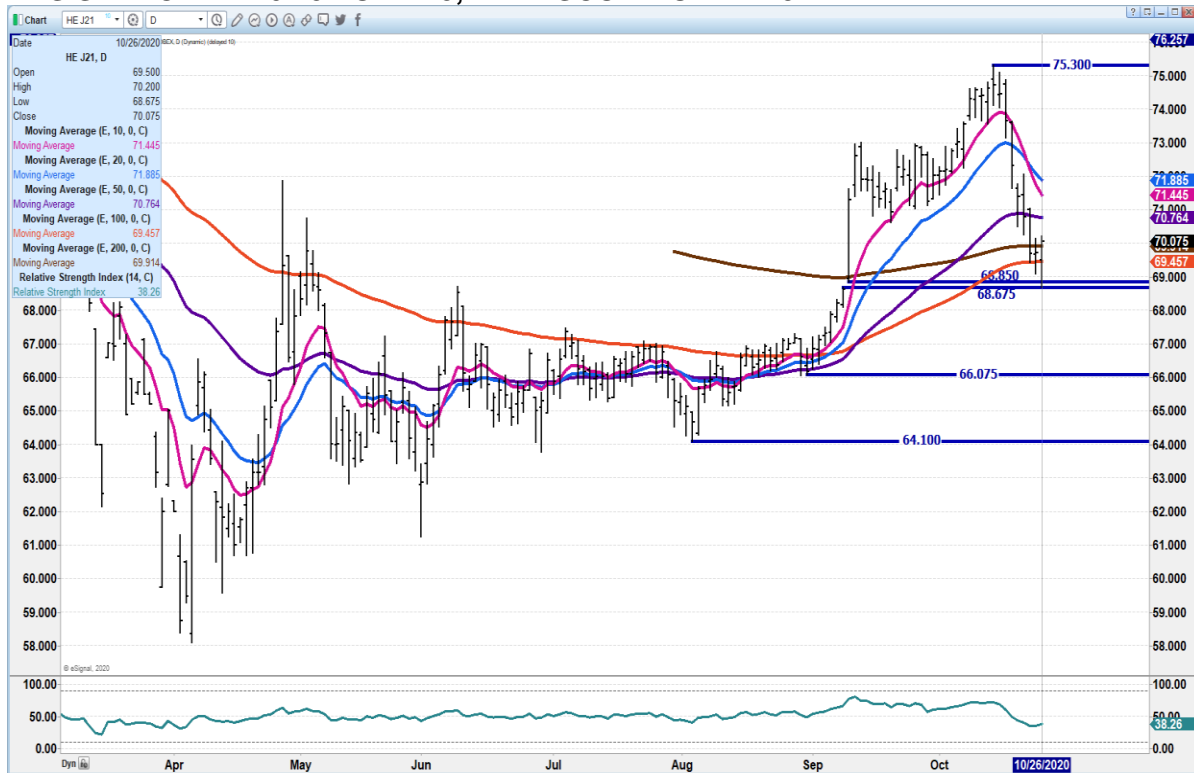


ADMIS.com | 312.242.7000 | Chicago | New York | London | Hong Kong | Singapore | Taipei | Shanghai

The information and comments contained herein is provided by ADM Investor Services, Inc. ("ADMIS") and NOT ADM. Futures and options trading involve significant risk of loss and may not be suitable for everyone. Therefore, carefully consider whether such trading is suitable for you in light of your financial condition. This report includes information from sources believed to be reliable and accurate as of the date of this publication, but no independent verification has been made and we do not guarantee its accuracy or completeness. Research analyst does not currently maintain positions or have financial interest in the commodities specified within this report. Any reproduction or retransmission of this report without the express written consent of ADM Investor Services, Inc. is strictly prohibited. Again, the information and comments contained herein is provided by ADMIS and in no way should be construed to be information provided by ADM. Copyright © ADM Investor Services, Inc.



**APRIL 2021 LEAN HOGS – 68.67 SUPPORT HELD MONDAY.. NEXT SUPPORT AT 62.30
 RESISTANCE AT 70.75 TO 71.45, WITH SCO ABOVE 72.37**



CHARTS FROM ESIGNAL INTERACTIVE, INC.

Chris.Lehner@admis.com

312 242 7942

913.787.6804