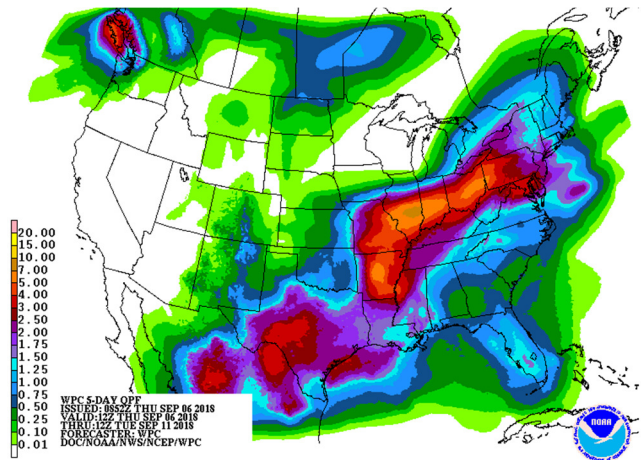


Weather

No significant change to the forecast today. As you can see, there is still a lot of precipitation to work through in southern and eastern portions of the Corn Belt through the weekend with the remnants of Gordon moving through. You can see that the northwestern portion of the Belt is starting to dry out and that drier weather will spread through the rest of the Corn Belt during the 6-10 day period. A return of rainfall is likely during the 11-15 day period, with the biggest rains likely to focus on northwestern areas. We're looking for mostly near to above normal temps over the next two weeks.



Crops

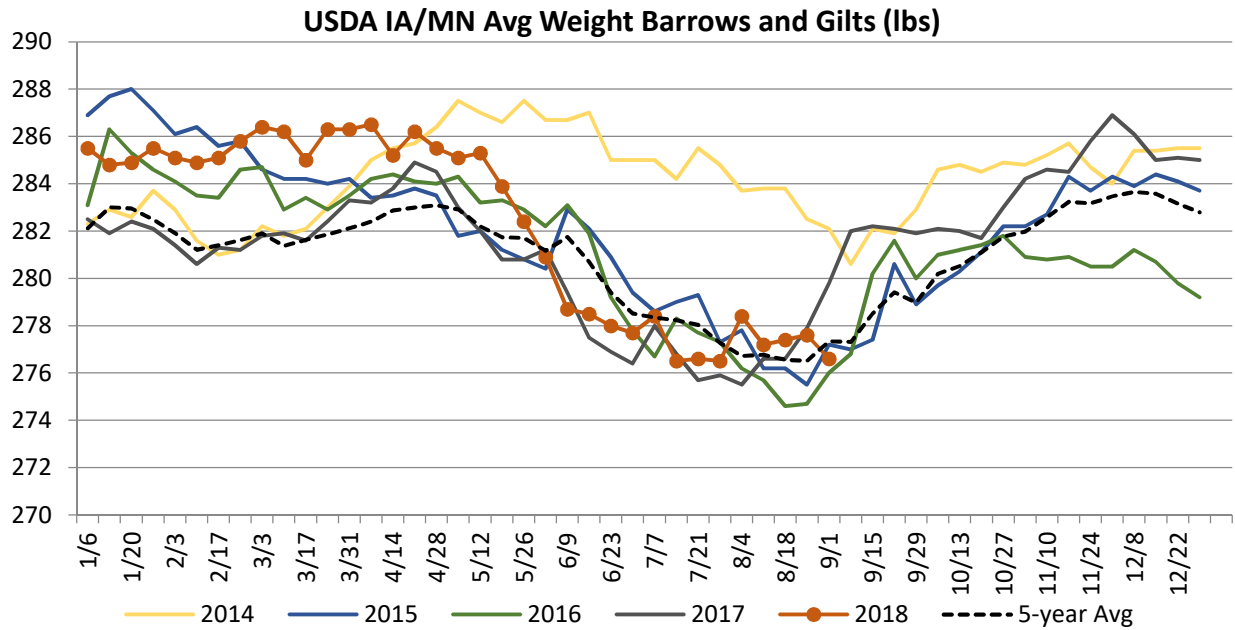
July Census trade data was released yesterday and with the 17/18 marketing year now wrapped up for corn and soybeans, I thought I'd take a moment to update where things stand. Obviously we don't have official numbers for August yet, but we have the weekly inspections numbers and that should get us pretty close. Below you'll see a breakdown of the monthly totals so far this marketing year and my guess on a Census August number based on inspections. You can see that in both corn and soybeans it would appear that WASDE will need to up their forecasts for 17/18 exports next week. Recall WASDE's latest estimates are 2,400 mil bu and 2,110 mil bu, respectively.

In the case of wheat, if Q1 exports do indeed total just under 200 mil bu it will be the lowest Q1 figure since 9/10 when JJA exports totaled roughly 192 mil bu. In 09/10 the marketing year total finished at only 850 mil bu. WASDE is optimistically shooting for 1,025 mil bu in total wheat exports for 18/19. If that number were to be eventually realized, it would mean Q1 exports only were 19% of the marketing year total. Going back to the 07/08 season, the Q1 average of the total is 27% and amount was 20% in 10/11. I would think that WASDE might take a look at lowering their wheat export projection this month, but with potential further downside in EU, Canadian, and Australian crops...maybe not.

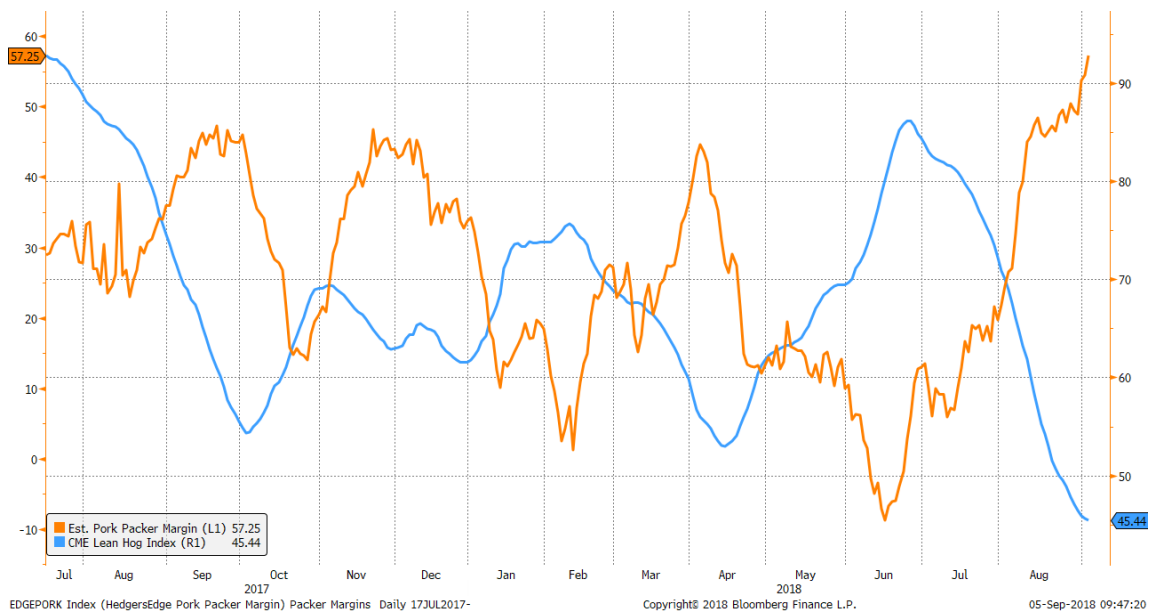
MYTD Export Update				
	Corn	Soybeans		Wheat
Sep	138.6	170.5	Jun	56.2
Oct	107.3	346.9	Jul	64.9
Nov	102.1	331.9	Aug	78.0
Dec	140.3	237.1	Sep	
Jan	151.2	211.7	Oct	
Feb	148.4	154.8	Nov	
Mar	255.5	119.0	Dec	
Apr	303.6	79.6	Jan	
May	309.8	109.9	Feb	
Jun	280.2	119.6	Mar	
Jul	266.4	125.9	Apr	
Aug	220.0	120.0	May	
Total	2,423	2,127	Total	199.1

Livestock

I was perhaps a bit premature in my call last week that the seasonal lows in hog weights were in. As shown below, last week posted a decline in IA/MN weights back down to the prior lows in weights. Obviously we should start move higher very soon, but a repeat of last year's very quick gains now seems less likely.



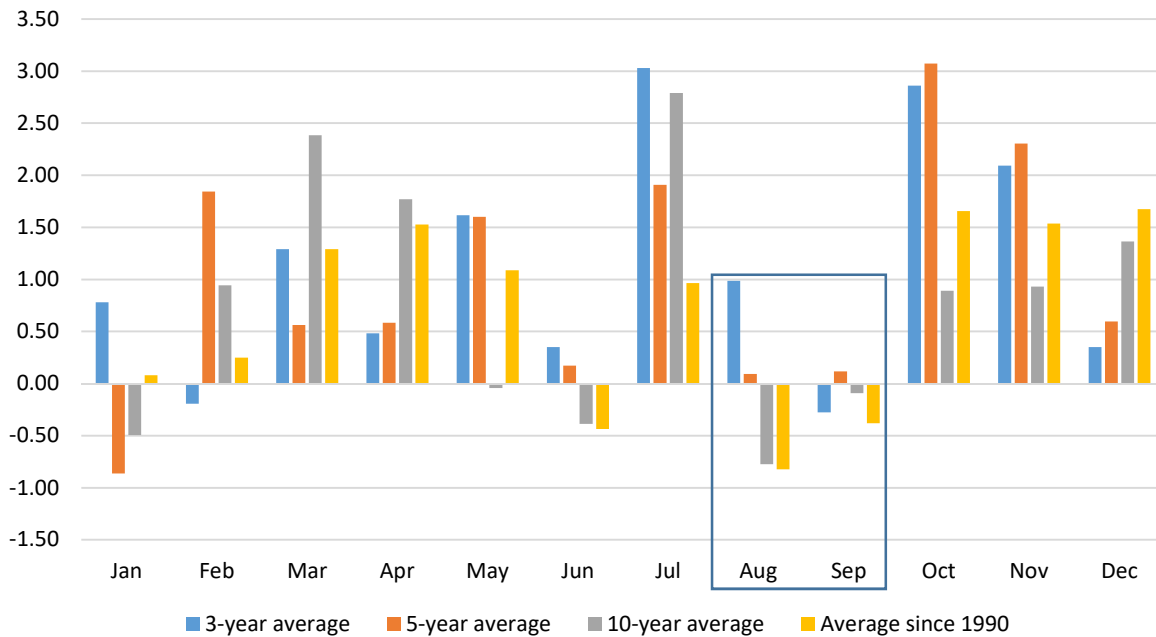
Interesting to see that pork prices have bounced a bit here recently. The carcass value is still well below what we've become accustomed to at this time of year, but hey, it's *something*. The lean hog index continues to sink, however, so combined with the higher pork prices we've seen estimated packer margins move into new highs for the recent move. Can this surge in packer margins can provide some modest support to cash hogs here?



Financials

I came across a chart similar to what I show below on Twitter a few days ago. I thought it was worth a quick look so I've reproduced some of the data here this morning. This shows the average S&P 500 rate of return for each month for various periods (Jan-Aug includes 2018 performance in the calcs). What I think it worth pointing out this morning is that we "should be" in the one of the toughest seasonal stretches of the year for equity performance. Highlighted in the blue box you see that Aug and Sep, on average, don't produce very good results for the S&P 500. This year, however, we posted a ~3% gain for August. So far in September, at the time of writing, we're looking at a very minor so far but that can obviously change quickly. Keep in mind that the remainder of the calendar for 2018 beyond Sept should, seasonally speaking, feature very strong equity market performance.

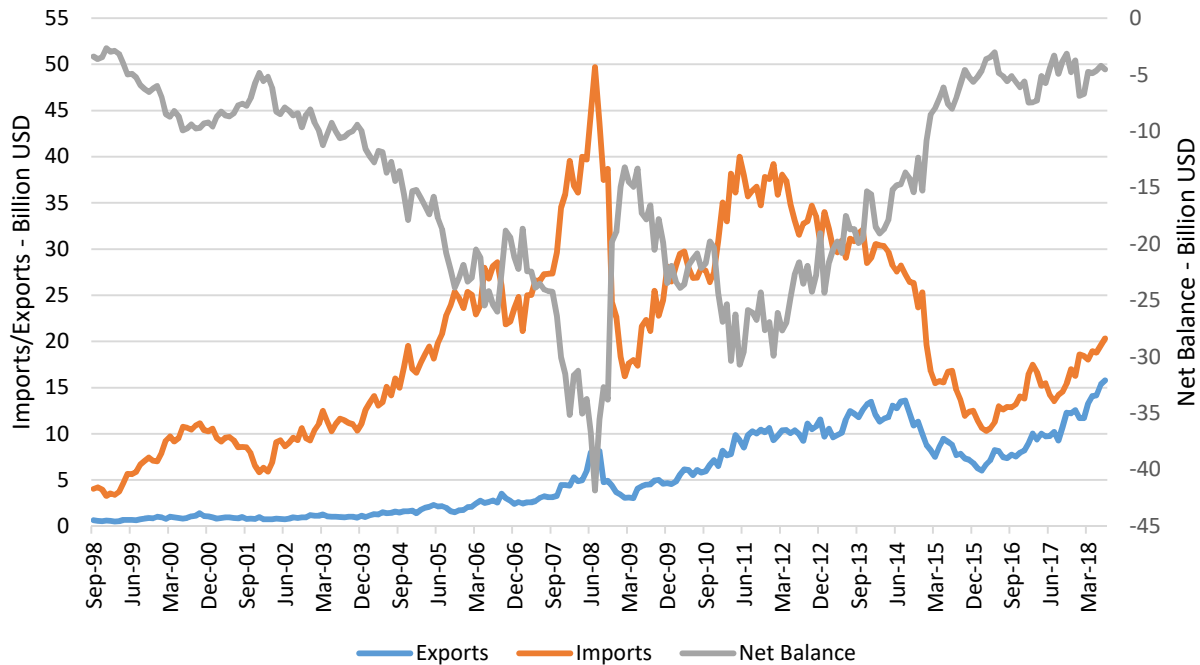
Average Monthly S&P 500 Returns



Energy

Census trade data for July was out yesterday and I thought it would be worth a quick look to see just how close the US is becoming to "energy independence". The chart below is a little busy, but I wanted to show all the components here. The blue and orange lines shows the USD value of imports/exports of petroleum products. You can see that we set a new record in terms of value of US petroleum product exports in July. The value of imports is also rising, however, due to the increases in the cost of oil. The gray line shows the net difference between the two. As you can see, we've closed the gap dramatically in the past few years and you can almost *feel* the US becoming a net exporter at some point soon.

US Petroleum Product Imports/Exports (Census)



Today's Calendar (all times Central)

- 7:15am – ADP Employment Change
- 7:30am - Jobless Claims
- 9:00am - ISM Services Index
- 9:00am - Durable Goods
- 9:30am - EIA Natural Gas Storage
- 10:00am – EIA Petroleum Inventories

Thanks for reading.

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