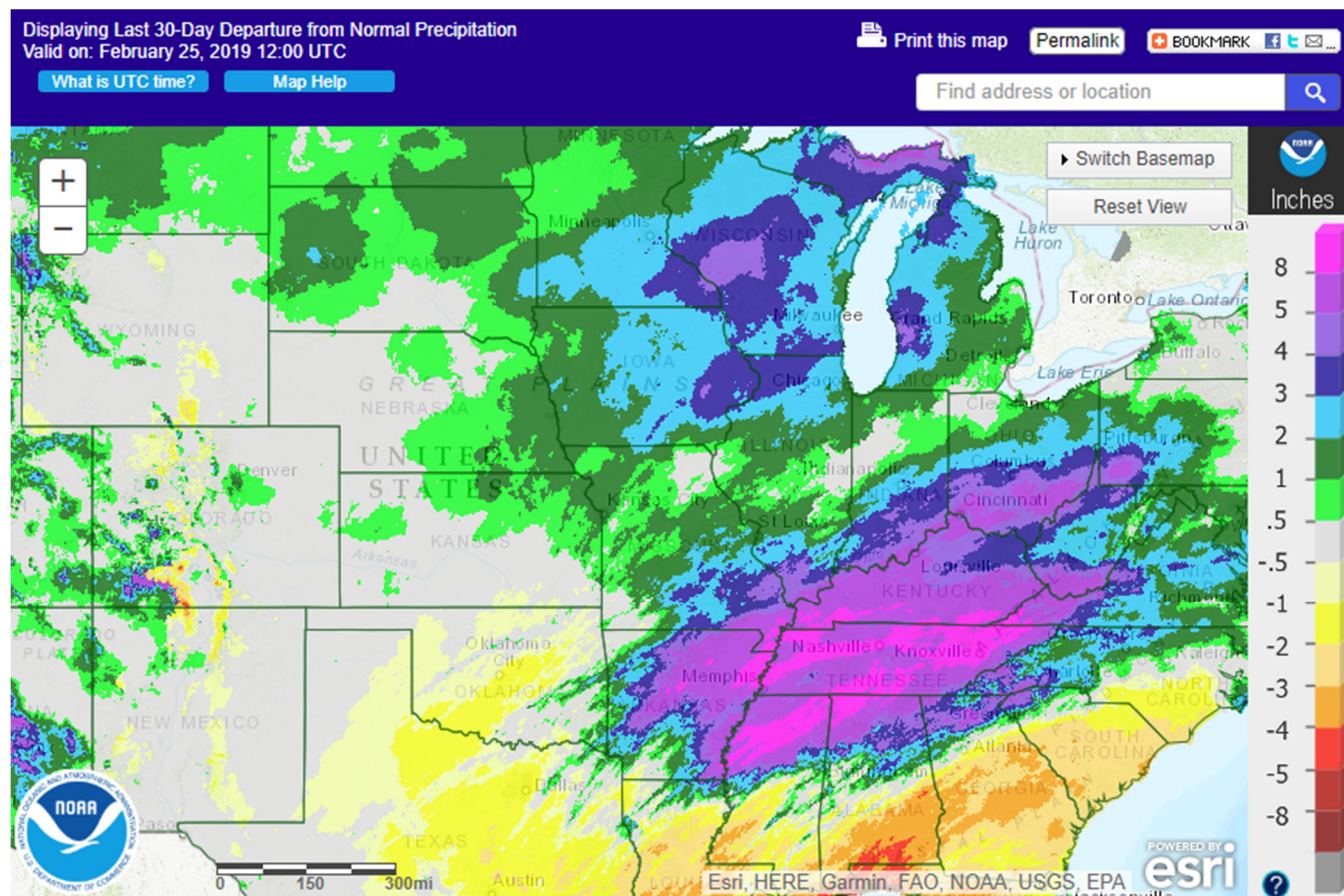


Weather

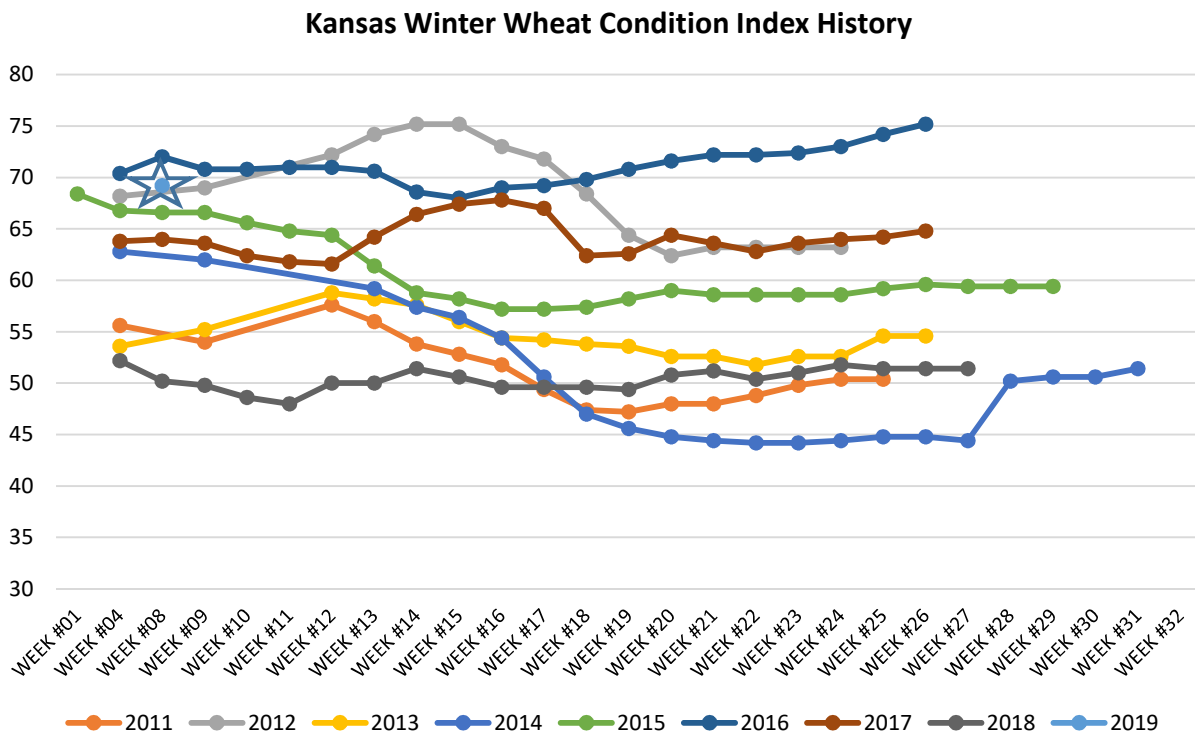
Rather than simply go over the forecast this morning, I thought it might be helpful to look at the recent precipitation in the US. We've all seen the percent of normal precipitation maps but I thought this morning maybe it might be helpful to look at the *departure* from normal precipitation map. Though precipitation has been AN through a large portion of the US over the past 30 days, you can see here on the map that the area that has really seen "excessive" amounts of rainfall stretches mainly from AR, TN, KY, and surrounding areas. A lot of this area has seen 8"+ more than normal over the past 30 days. There is also a portion of WI, northern IL, northeastern IA, and surrounding areas that has seen precipitation totals run well above normal.



If we looked at simply the percent of normal rainfall map, you'd see most of the Northern Plains and western Corn Belt at well AN precipitation totals, but I suppose given the time of year it really doesn't take much precipitation to reach AN levels in those areas. I think this map above shows the real area of concern for flooding right now, especially considering the forecast indicates additional rains in the same area ahead. I'm also not trying to imply we won't have flooding issues elsewhere...we've got to see what happens with snowmelt later this spring as well. Thoughts appreciated...

Crops

The state of KS finally got around to issuing its first update on winter wheat conditions after the government shutdown yesterday. The crop was rated as 51% G/E compared to just 12% at this time last year. This also marks an improvement from conditions seen earlier in the spring where we left off early December rated as 45% G/E. The chart below shows a history of calculated winter wheat condition index scores over the past several years. This year's initial estimate is denoted by the star. You can see that this would appear to be a very good start for KS wheat, though obviously we've got a long way to go.

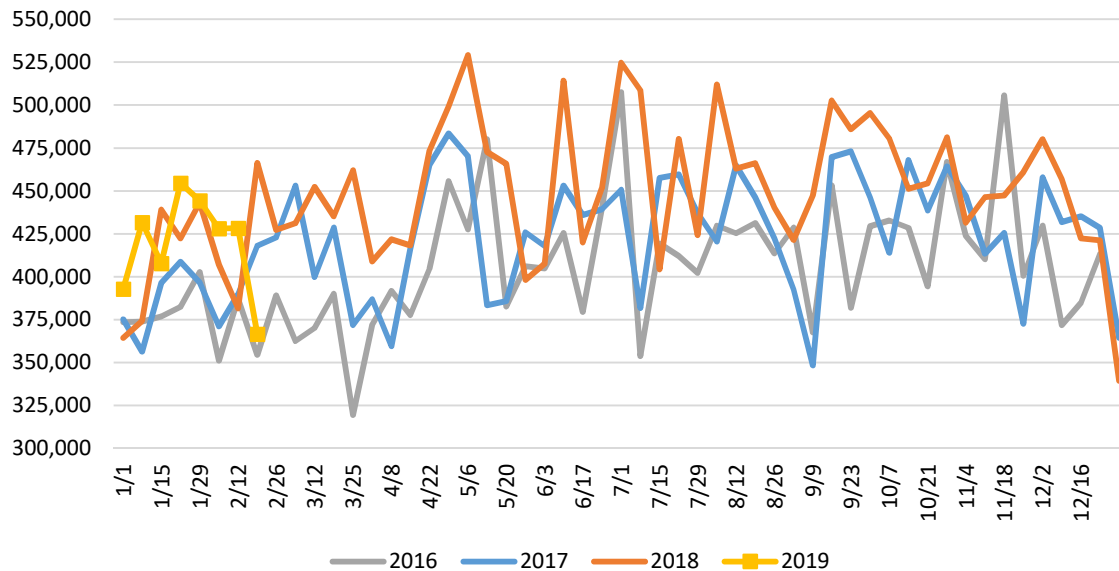


TX has been releasing weekly updates for a while now (the KS weekly updates begin 3/4). The TX reports shows winter wheat rated 38% G/E this week marking an impressive improvement from 30% in the prior week. At the same time last year the crop was rated just 4% G/E. OK winter wheat is rated 38% G/E in their first monthly update of the year. OK's crop at this point last year was rated only 4% G/E. Overall, it appears the HRW crop is in pretty good shape early this year.

Livestock

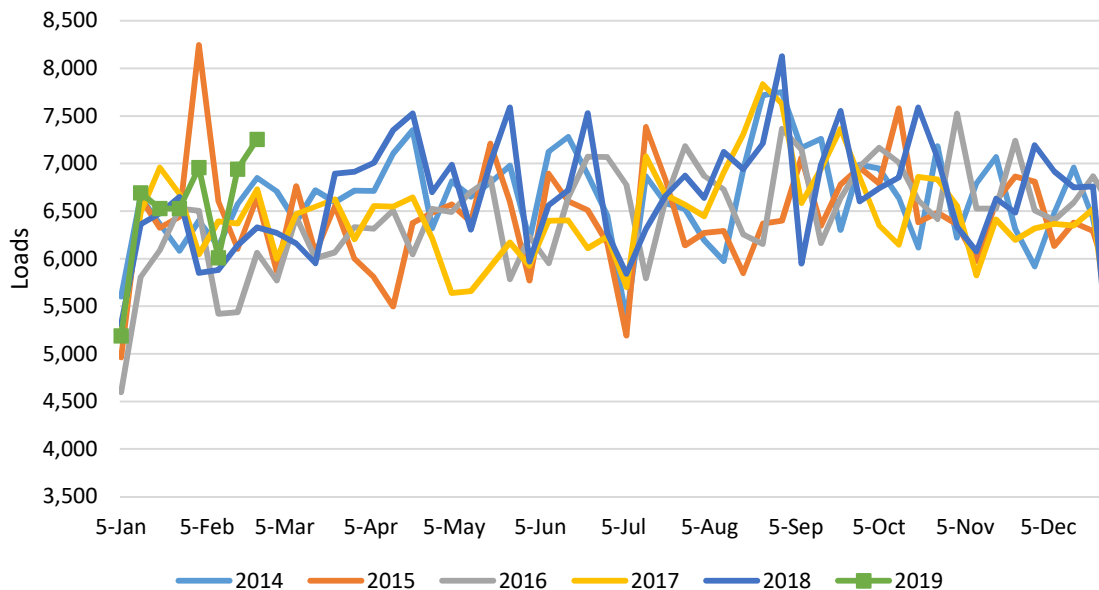
An interesting difference developed yesterday in the weekly data from AMS. In terms of cash cattle trade last week, volume was especially small. You can see in the total MPR figures below that trade was very light and this was on the back of mostly formula cattle as negotiated trade was basically nothing.

Total MPR Volume
Formula, Grid, Forward, Negotiated

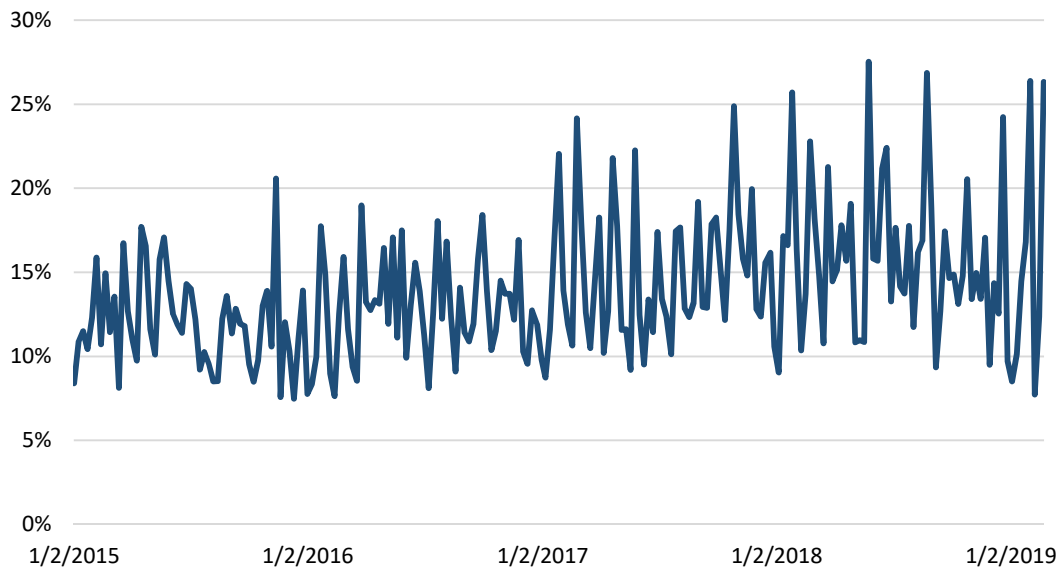


But as slow as cash cattle activity was last week, beef trade did its part to create some excitement. The comprehensive beef report showed another very strong sales total last week, as shown below. Last week's sales were strong influenced by export demand, as I'd call domestic sales fairly average.

National Comprehensive Boxed Beef Report
Total Sales



Total Beef Export Sales as % of Domestic Sales

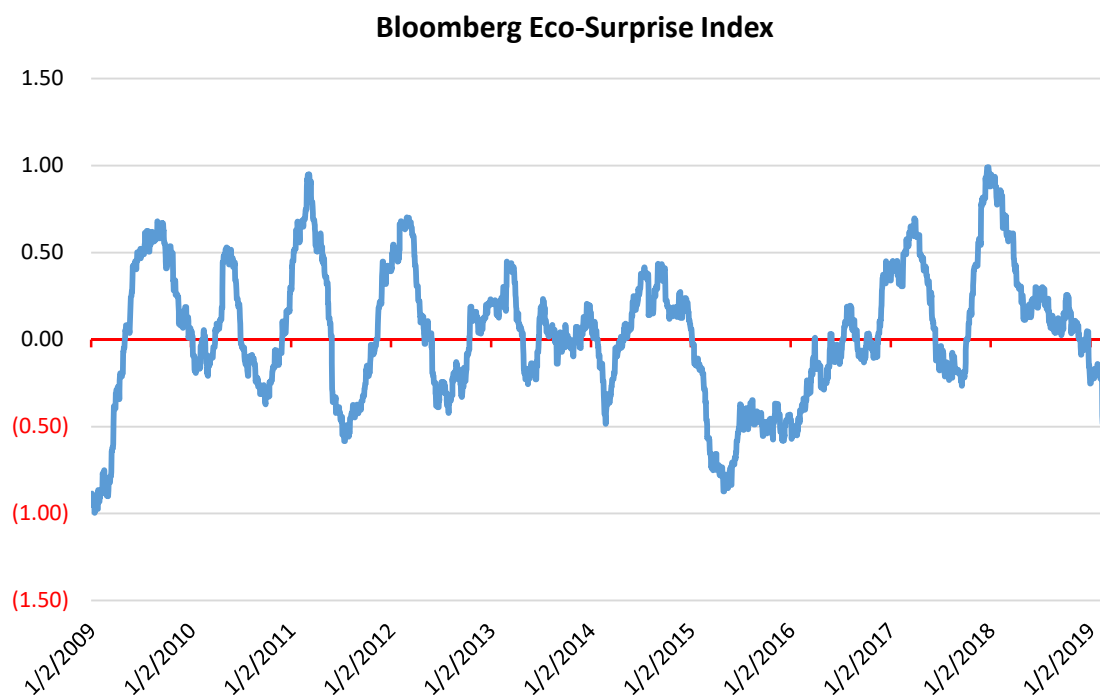


Financials

An interesting look the to ES chart, stalling yesterday at the same spot we've already stalled thrice before. Equity markets are weaker yet again this morning, though I don't have any major market-moving news to pass along right now.



Fed Chair Powell will give his semi-annual testimony to Congress starting this morning. Technically the testimony begins around 8:45am but his prepared remarks should hit the wires well before that. We also have some interesting economic data to watch this morning including Housing Starts, Richmond Fed index, and Consumer Confidence. Economic data really hasn't seen a ton of attention lately as the stock market has been ripping higher, but the data hasn't been very good at all. The chart below shows the Bloomberg calculated economic surprise index, which basically measures how data compares to expectations. You can see the index has recently turned negative noting that data has been weaker than expected.



In other news, of course we have President Trump arriving in Vietnam today for the “summit” with North Korea’s Kim Jong Un. It remains to be seen what will actually be accomplished. Nothing new on Brexit, but it appears both sides are discussing the possibility of a delay to the March 29 Brexit date. This is an interesting development as both sides have been trying to wait to the last second to force some concessions. Tensions between India and Pakistan have suddenly rekindled overnight following an Indian air strike inside Pakistan on an alleged terrorist training camp.

Energy

A relatively quiet session for oil this morning after the Trump-tweet fireworks yesterday. An interesting point I didn't think to make yesterday...President Trump now has major sanctions on two of OPEC's oil producers but yet he's asking OPEC to produce more? Obviously that sounds a bit hypocritical, though clearly the Saudis have the spare capacity to appease him. The question is whether they're really interested in doing what he asks this time around? On that question there is a wide range of opinions and for now, nobody truly knows. We do have a partial OPEC meeting on tap for March 18 to discuss compliance with the production cut agreement. The next actual OPEC full meeting will take place in April.

Today's Calendar (all times Central)

- Housing Starts – 7:30am
- Powell Testimony – 8:45am
- Richmond Fed Index – 9:00am
- Consumer Confidence – 9:00am

Thanks for reading.

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