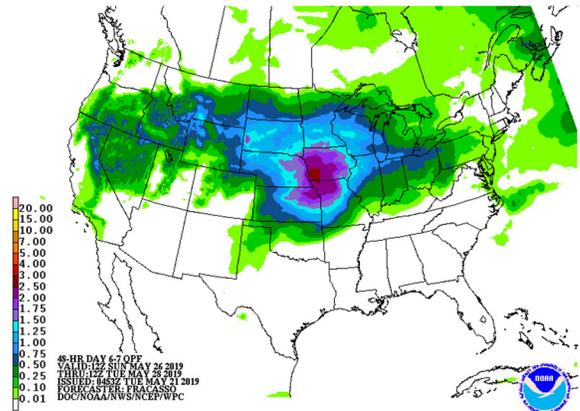
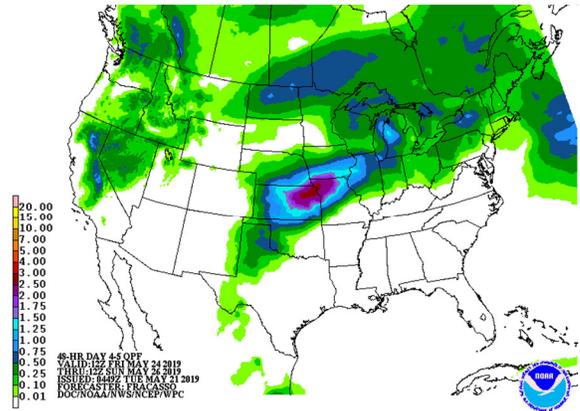
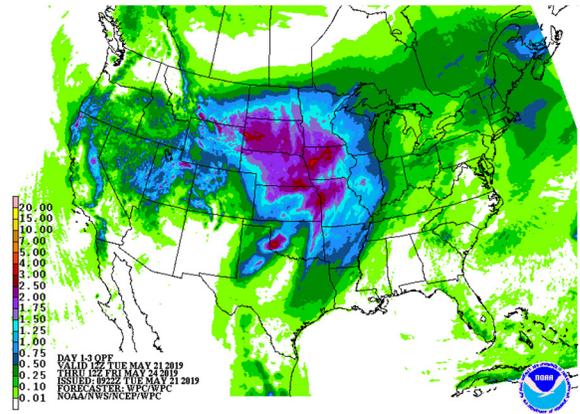
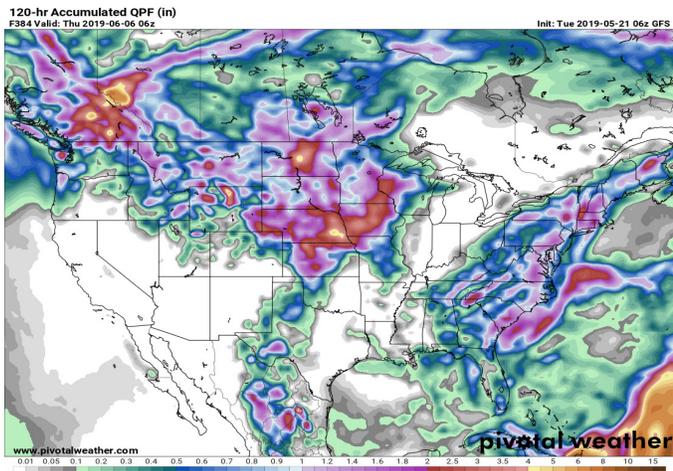


Weather

Maps at right show: Days 1-3, 4-5, and 6-7

No major changes to the forecast this morning. You can see a lot of rain moving across the country on radar this morning and you can see from the progression of maps to the right we're still looking at several rounds of rainfall moving through as the week progresses. The overall generalization for rainfall amounts is for 3-6" totals through much of SD, ND, KS, northern MO, and northern IL through mid next week. Areas outside of those will still see significant rainfall.

The forecast continues to call for less precipitation in the 11-15 day period, but I want to show the GFS's most recent 11-15 day precipitation total below. While this is certainly less rainfall than we've seen and are going to see, this is a long way from "dry" in my opinion. Of course this GFS model is certainly doing the ECB a favor with mostly dry conditions in that timeframe.



The outlook on temps is a little warmer. We'll have some areas with highs only in the 40s and 50s over the next few days but we should start to gradually warm up. There aren't any more sub-freezing lows in the forecast for the Northern Plains right now.

Crops

A few quick corn planting progress tidbits this morning. At only 49% complete, and as I'm sure you know by now, this year's current planting progress is the slowest since at least 1990 for Week #20 of the year. The prior slowest was 1995 with 56% complete during this week. I was asked yesterday afternoon what was the record

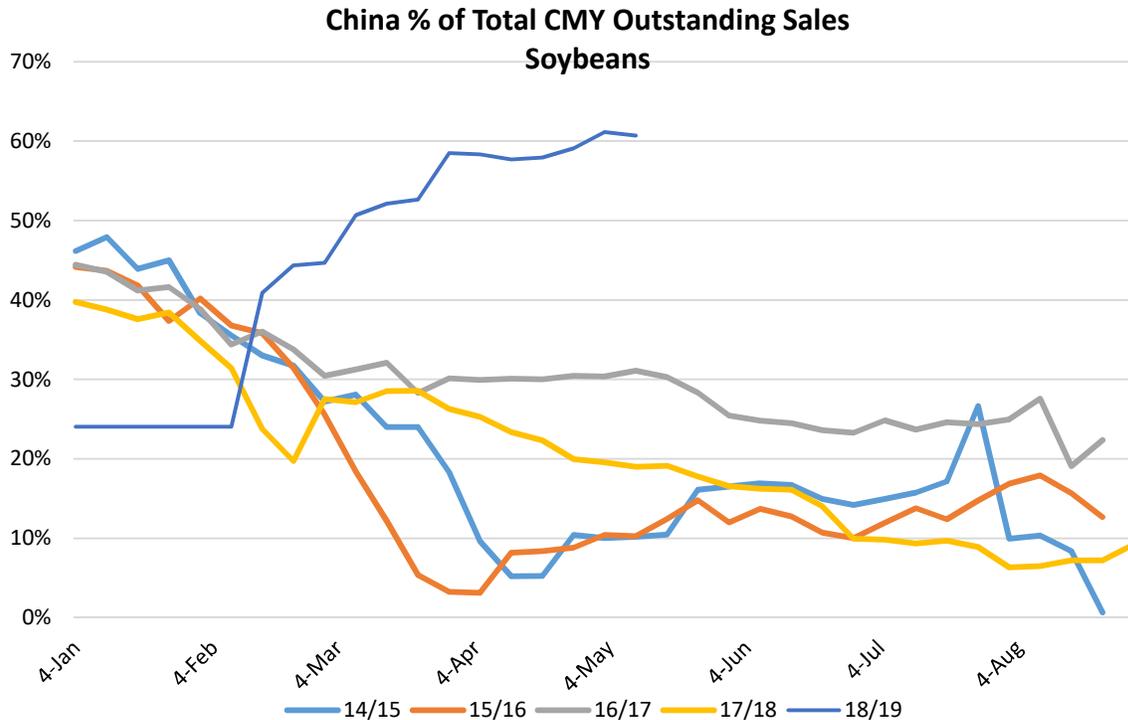
largest weekly percentage gain? Again, looking at data since 1990 it looks to me that the biggest weekly gain was 43 percentage points which happened twice. First in the Week #19 period of 1992 and then again in the Week #20 period of 2013. Simply looking at percentage points doesn't really tell the whole story of course, so I went a step further to see how much "actual" acreage was planted in one week. For this I took a year's final planted area estimate and multiplied by the percentage point gain in that week. It should probably come as no surprise that the biggest was that same Week #20 period in 2013 where roughly 41 million acres of corn were planted in one week. Worth nothing, perhaps, that none of the "big" weeks of planting progress for corn came after this week in the year. All the really big weeks of planting progress came before Week #20. Of course that would make intuitive sense considering the average progress for Week #20 since 1990 is 81.5% complete...not leaving a lot of room for big advancement. Still, considering we're already this far behind and that this week's progress is unlikely to make big advancements...I think the market concerns are definitely justified.

I wanted to give the soybean shipment pace a quick look this morning following the discussion on corn yesterday. The breakdown below is essentially the same thing I did for corn yesterday. This shows a breakdown of monthly Census export figures over the past several years, with my assumptions for Apr/May this year highlighted in yellow (based on inspections figures). At the bottom of the breakdown I've got end-May outstanding sales compared against JJA shipments. Here we come up with an average over the years that JJA shipments are roughly 106% of the end-May outstanding sales. If you add that figure to the end-May shipment assumption we'd wind up with roughly 1,786 mil bu in exports. Coincidentally, this is right near where WASDE sits as of last week.

	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19
Sep	62	34	39	68	48	97	55	78	86	137	171	119
Oct	139	179	198	296	193	268	288	335	363	412	347	205
Nov	127	173	299	258	184	253	334	412	342	377	332	186
Dec	146	171	226	196	151	185	255	302	249	293	237	151
Jan	146	153	226	185	175	195	265	258	218	273	212	177
Feb	139	159	170	169	153	146	200	169	207	162	155	168
Mar	115	102	131	126	116	68	117	91	96	115	119	136
Apr	73	82	55	66	74	35	44	50	52	89	80	90
May	56	60	32	35	67	22	32	44	34	53	110	90
Sep-May	1,003	1,113	1,377	1,399	1,161	1,269	1,589	1,738	1,648	1,912	1,761	1,323
Jun	59	61	28	32	54	19	22	32	37	66	120	
Jul	51	50	37	30	74	14	19	40	98	83	126	
Aug	46	55	56	44	76	17	16	43	153	113	124	
JJA	156	166	122	105	204	50	57	115	288	262	369	
Out Sales	132	163	80	156	192	64	75	128	172	268	332	436
JJA vs. Sales	118%	102%	153%	68%	106%	79%	76%	90%	167%	98%	111%	
										Average	106%	463
												1,786

Then again, I'm not quite ready to just assume WASDE has this one right for a change. As shown below, we have a giant red flag in the CMY outstanding sales. China represents an unusually large percentage of CMY outstanding sales at this point in the season. Don't get me wrong – I'm not suggesting that I expect a lot of

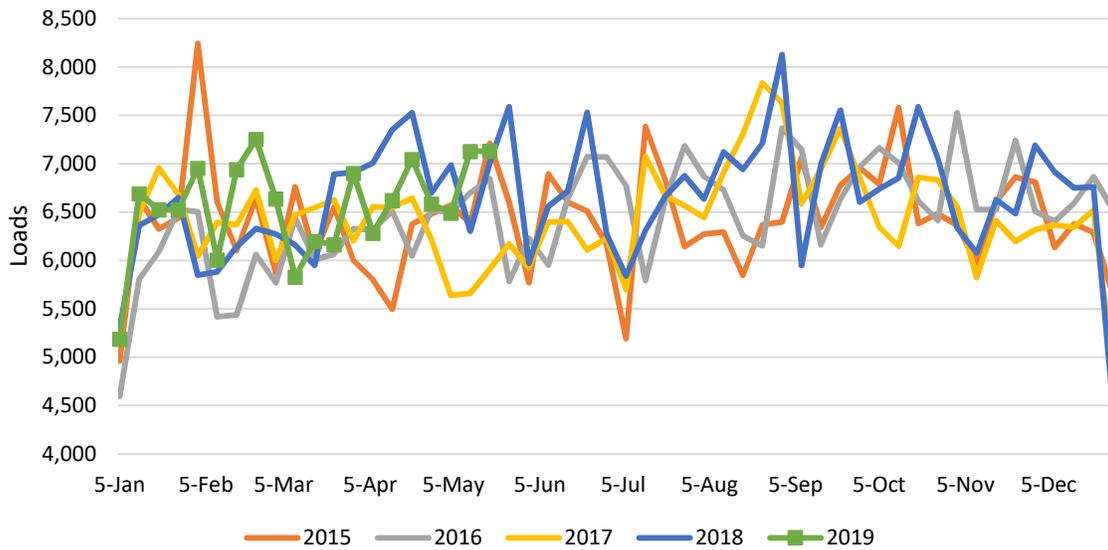
cancellations here. I'm sure there might be some, but we have to remember that these are real companies with real contracts...these things just aren't as easy to cancel as many seem to like to believe. Instead, I'm of the opinion that most of these sales were never going to ship as old crop anyway. I could be wrong on that, but the breakdown in negotiations only strengthens my opinion on this. With that in mind, I'm still on the side of taking the under vs. the current WASDE 18/19 export projection in soybeans. Thoughts appreciated.



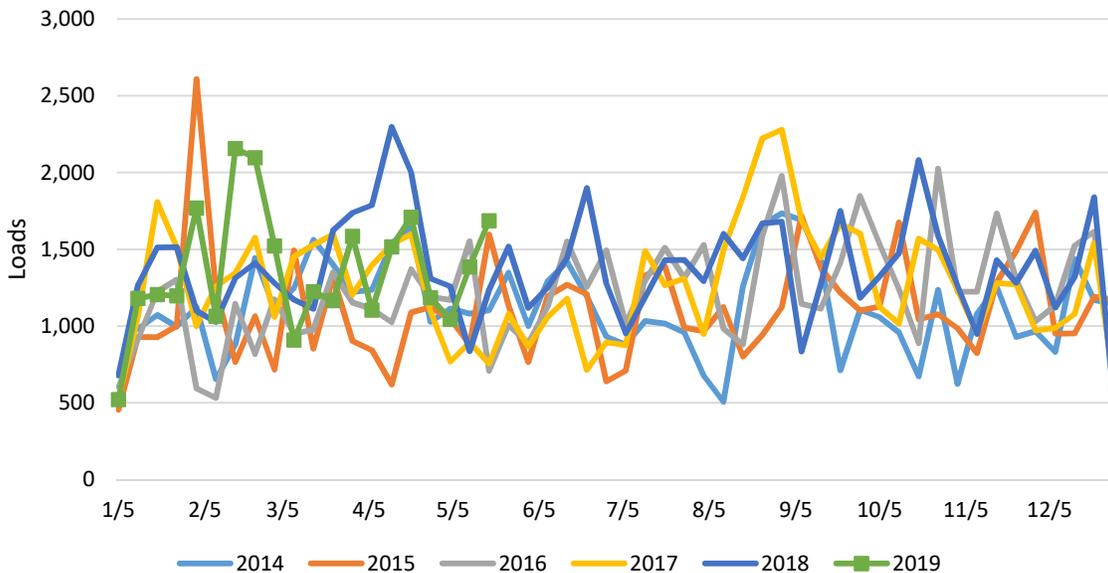
Livestock

Nothing particularly surprising in the weekly MPR and beef data from yesterday. Sales volume on the comprehensive beef report was up from the past few weeks and on the high end of the range for this time of year, which is an encouraging sign. I also find it a bit encouraging to see forward sales (22+ day) increasing a bit in the past week. Both charts are shown below. The one thing that isn't necessarily impressive from the report is that the export numbers seem to be down a bit...but that is probably nothing more than week-to-week volatility. It is also coming off a few weeks of pretty solid export numbers. I won't include a chart on MPR trade volume from last week, but it should come as no surprise that volume was down considerably from the prior few weeks.

National Comprehensive Boxed Beef Report Total Sales



Combined 22+ Day Forward Beef Sales



Financials

Nothing particularly new to point out this morning. World equity markets are mostly higher overnight, though I don't have any "special" news to point out in support of that price action. Fed Chair Powell gave a speech last night, but for the most part it seems he stuck with the usual script so nothing to point out there. The Reserve Bank of Australia's minutes from its last meeting noted that a potential interest rate cut could be looming and

the AD is trading lower this morning following the news. South Korean trade data was disappointing with exports down almost 12%...still equity markets seem to be shrugging it off for now. The other typical storylines never seem to go away. Trade tensions remain negative between US and China. There is clearly no improvement there and it only seems to be worsening.

Keep an eye on the DX futures chart. On the verge of a potential upside breakout. Maybe of more importance... I'm not sure... take a look at the Fed's trade-weighted dollar index. It appears to be breaking out already. I think this is definitely something that we have to keep in mind here.



Energy

Crude oil futures are slightly higher this morning, though no major new information to pass along. The headlines I'm seeing this morning are almost all repeats of what we've seen since the weekend, noting that OPEC+ is determined to "stay the course" with their production caps. A pipeline in Nigeria has been closed temporarily due to a fire nearby...it sounds like this should be a very temporary issue and is probably not an influence on price action.

Today's Calendar (all times Central)

- Existing Home Sales – 9:00am

Thanks for reading.

David Zelinski
dzelsinki@nesvick.com
901-766-4684
Trillian IM: dzelsinki@nesvick.com
Bloomberg IB: dzelsinki2@bloomberg.net

DISCLAIMER:

This communication is a solicitation for entering into derivatives transactions. It is for clients, affiliates, and associates of Nesvick Trading Group, LLC only. The information contained herein has been taken from trade and statistical services and other sources we believe are reliable. Opinions expressed reflect judgments at this date and are subject to change without notice. These materials represent the opinions and viewpoints of the author and do not necessarily reflect the opinions or trading strategies of Nesvick Trading Group LLC and its subsidiaries. Nesvick Trading Group, LLC does not guarantee that such information is accurate or complete and it should not be relied upon as such.

Officers, employees, and affiliates of Nesvick Trading Group, LLC may or may not, from time to time, have long or short positions in, and buy or sell, the securities and derivatives (for their own account or others), if any, referred to in this commentary.

There is risk of loss in trading futures and options and it is not suitable for all investors. PAST RESULTS ARE NOT NECESSARILY INDICATIVE OF FUTURE RETURNS. Nesvick Trading Group LLC is not responsible for any redistribution of this material by third parties or any trading decision taken by persons not intended to view this material.