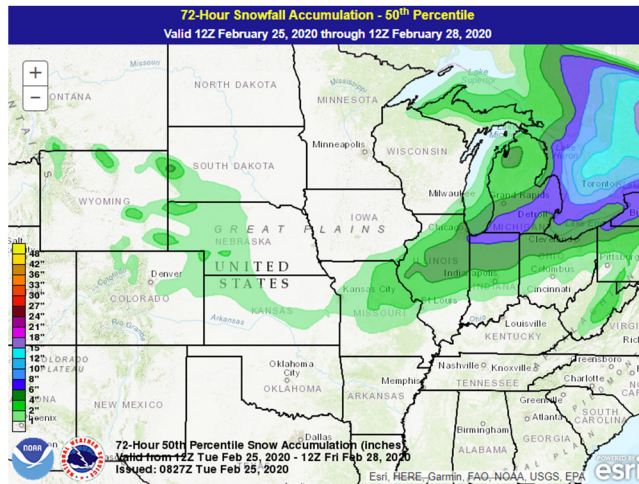
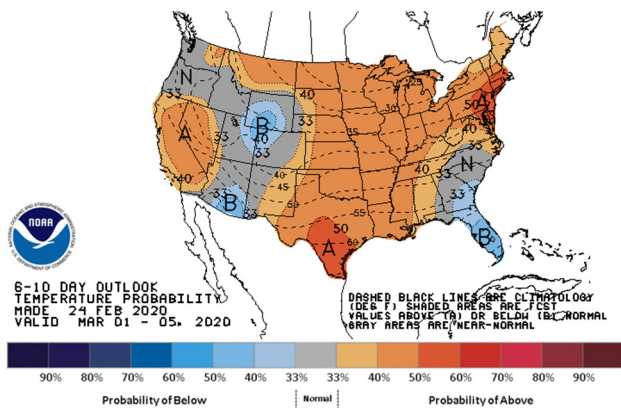
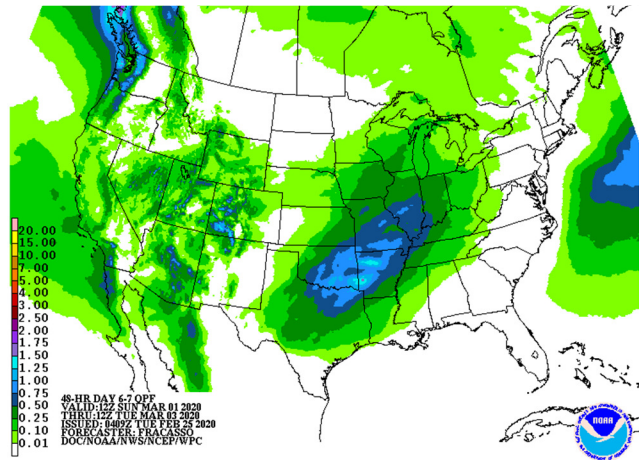
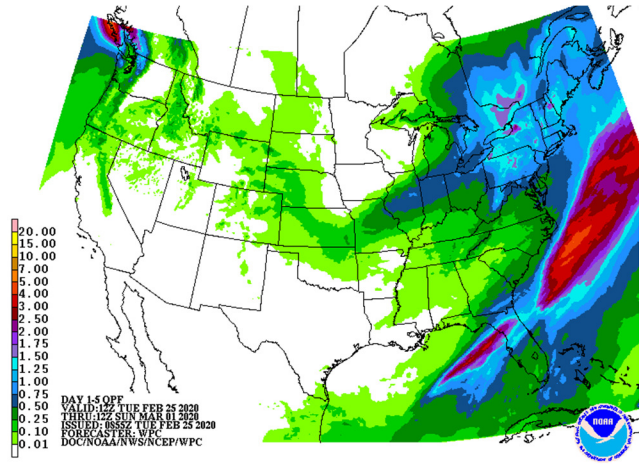


Weather

No huge changes to the forecast in South America. Regular rainfall in northern Brazil over the next two weeks with rainfall totals ranging from 4-8". Rainfall in southern Brazil should be below normal with the driest conditions in RGDS. The recent rains in RGDS have been a bit of a disappointment but there will be some additional chances today and tonight before a drier pattern is expected to set in. Argentina should see two week rainfall totals run easily below normal with amounts ranging from .5-1.0". Temps will be mostly below normal, but we should see some briefly warmer weather later this week.

No major changes in the forecast for the US either. We've got the near term snowfall event through the ECB over the next 24+ hours. This should be most of the expected precipitation seen in most of the country over the next 5 days. Other than that event, look for a lot of clear weather or only light precipitation chances. You can see in the map at the middle that another precipitation event will be seen early next week and this will gradually spread eastward as the week progresses. We're still looking at some relatively cool conditions over the next few days, but as shown below we're looking for gradually warmer conditions in the extended forecast.



Crops

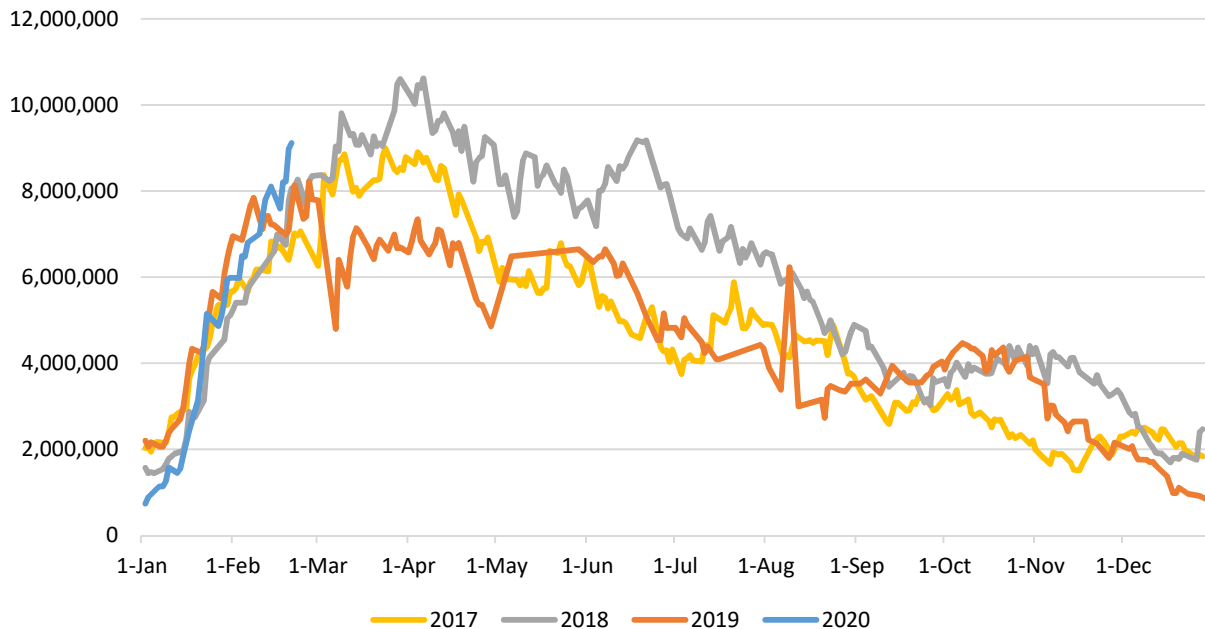
Anyone who has been paying attention lately knows I think WASDE went the wrong direction with their *increase* to the 19/20 soybean export projection earlier this month. Yesterday's export inspections release, showing a very lackluster soybean shipment total, only reinforced my thoughts. Consider the table below. This shows

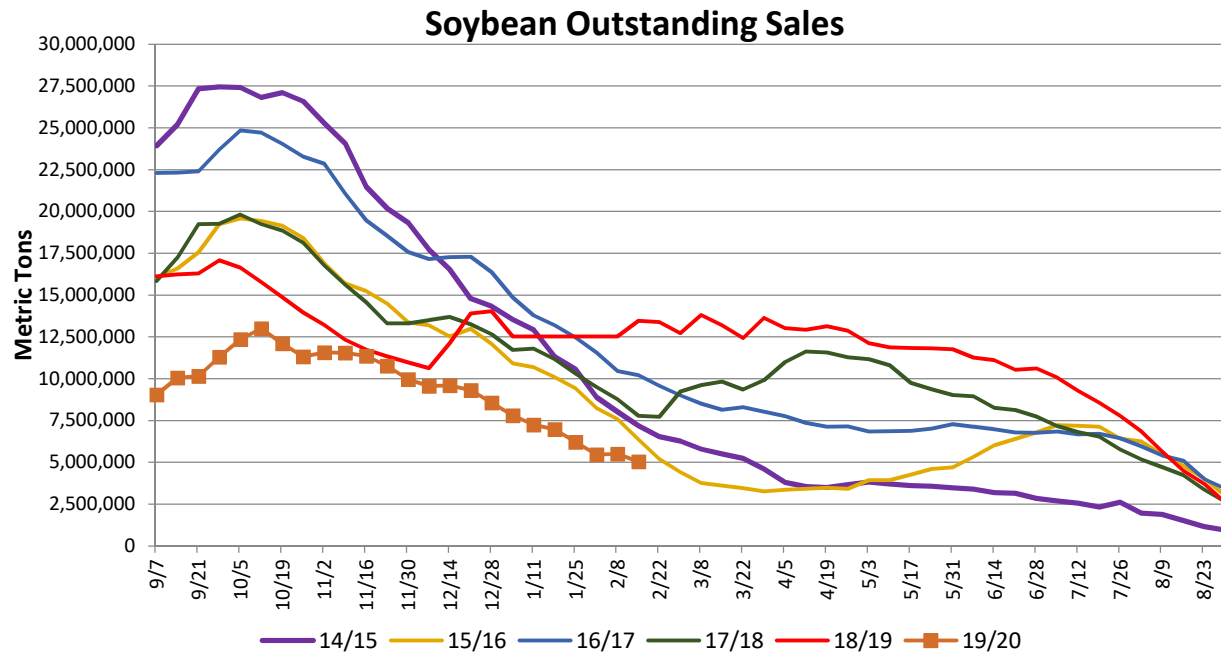
monthly Census trade numbers over the past several years. I have estimates for Jan/Feb this year based on inspections totals. You can see the MYTD total would be bigger than last year but hardly anything impressive. More importantly, note that the February shipment total is likely to be the smallest of all the years shown. I'm sure if I went back far enough I'd find something smaller, but over the past 12 years nothing has been smaller in Feb than this year.

Monthly Census Soybean Exports													
	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20
Sep	62	34	39	68	48	97	55	78	86	137	171	123	143
Oct	139	179	198	296	193	268	288	335	363	412	347	201	218
Nov	127	173	299	258	184	253	334	412	342	377	332	179	257
Dec	146	171	226	196	151	185	255	302	249	293	237	148	205
Jan	146	153	226	185	175	195	265	258	218	273	212	177	195
Feb	139	159	170	169	153	146	200	169	207	162	155	168	120
MYTD	759	870	1,158	1,173	904	1,144	1,397	1,553	1,466	1,654	1,453	995	1,138

Now let's look at the next few charts to see if the outlook for soybean shipment pace is going to improve any time soon. First up, you can see the export line-up to ship soybeans out of Brazil is seasonally pushing higher. This should make certain that Brazil is THE source of global soybean shipments over the coming months. In the second chart you can see US outstanding sales as of last week. Simply put – no bueno. WASDE can claim all they want that stronger Chinese demand will support 19/20 exports, but there is no evidence to back up that claim at the moment. And don't get me started on my thoughts for Brazil's crop size (let's just say I'm thinking bigger than WASDE).

Brazil Soybean Line-Up - Total Tonnage





The pace of shipments, and probably sales, will continue to look disappointing relative to the WASDE projection. When might they care? I wish I knew...

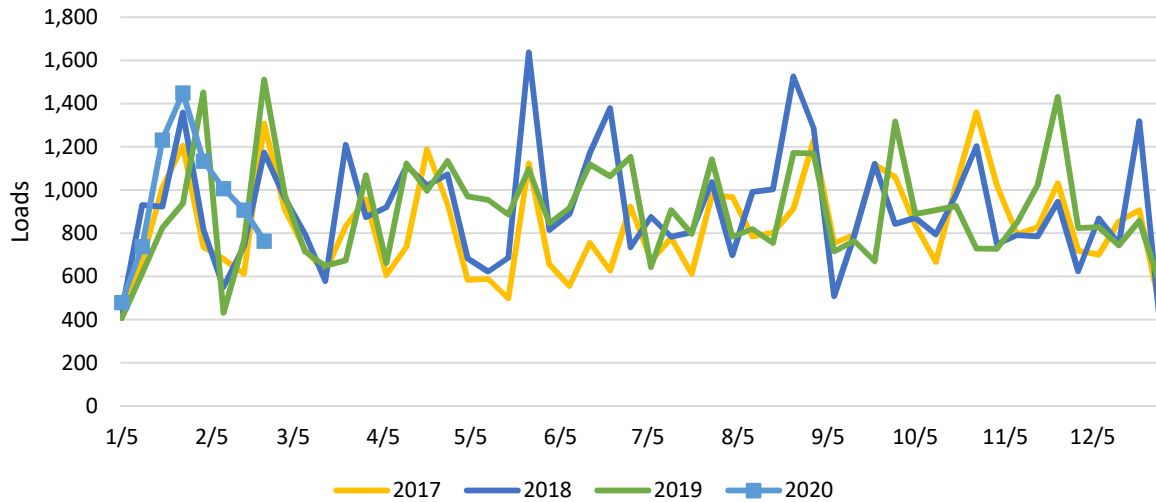
Livestock

A little surprised to see some cash cattle trade yesterday. Trade was reported at 116 in IA with virtually nothing else seen. I don't know if that truly sets the tone for the week or not. Obviously a lot has to do with how the board responds after yesterday's risk-off meltdown, but obviously 116 is not a wide basis so any big movement on the board will likely produce a corresponding big move in cash. Note that price limits for both fats (450) and feeders (675) have been expanded today.

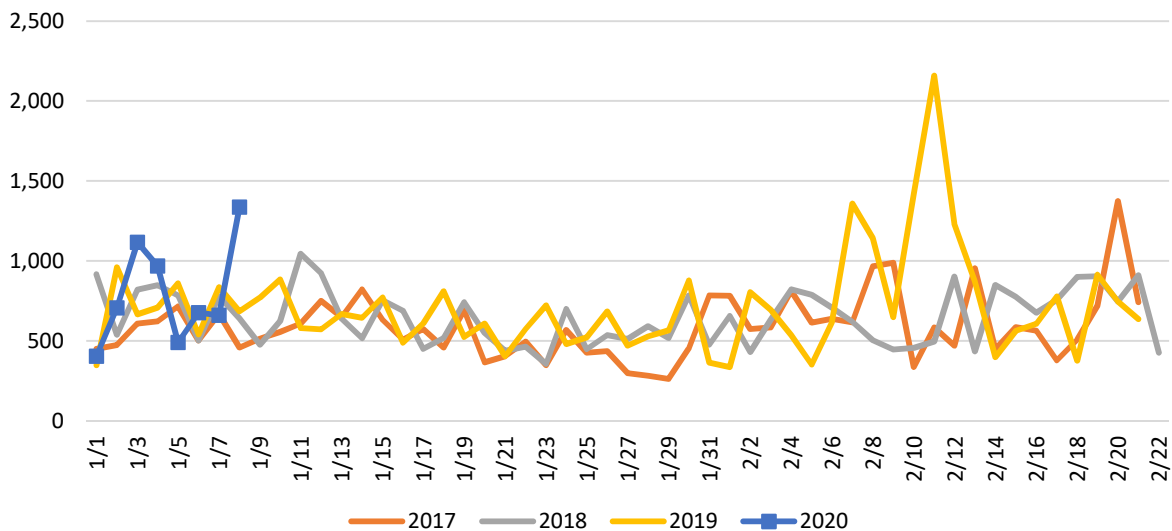
A few interesting charts on export data in the various USDA/AMS releases yesterday. First up from the Comprehensive Beef report, the first chart on the following page shows the recent history of total loads sold for exports. You can see there is typically an up and down nature of beef export sales throughout the year, but last week's export sales number was seemingly disappointing. Admittedly this is coming off some weeks of decent numbers and it might just be a one-week blip that is quickly offset by a good number next week, but this got my attention. With the problems present in China at the moment, we think they're basically out of the market right now which means there is probably a lot of export beef out there looking for a home.

That being said, the weekly pork FOB export report showed pretty strong numbers. The second chart on the following page shows that recent history, and you can easily see this past week's reported sales are exceptionally strong. That being said, we also know that this won't necessarily translate to a big export sales number from the FAS on Thursday, though it might. We've also seen big export numbers before with minimal impact on the cutout. Still, this is a strong number and should be noted.

Comprehensive Beef Report Loads Sold for Export



National Weekly Pork FOB Plant Report Loads Sold For Export



Financials

The coronavirus remains THE topic of markets this morning. Iran is now reporting 15 deaths from the coronavirus. Italy is reporting infections have risen to 283 from 229 yesterday. South Korea reported 84 new infections for a total of 977, making it the country with the most cases outside of China. On the positive side, China is reporting that there could be clinical trials of a drug starting in April. Meanwhile you have President

Trump on Twitter yesterday afternoon making statements as shown to the right. As we have learned by now, this administration views everything from the standpoint of the equity market. President Trump is saying here in no uncertain terms that they are not interested in “letting” the equity market move lower. That should be noted by us all.



Gold and silver are both getting beaten like a billionaire at a Bernie Sanders rally overnight. Obviously both have had a pretty impressive run lately so some profit-taking should not come as a huge surprise. One thing that stood out to me yesterday, even before the break, is the level of gold vs. silver. Gold has rarely been valued this highly against silver. There was a temporary higher gold/silver ratio briefly last year, but before that you'd have to go back to the early 90s to see another instance where gold was so highly valued against silver. Somewhat surprising, to me anyway, is that gold is still gaining on silver despite this correction in both markets overnight.



Energy

Nothing new on energy markets overnight. The Saudi energy minister has once again hit the wires overnight to say that no agreement has been reached on further production cuts among the OPEC+ group. Recall that a committee within OPEC has recommended cutting another 600k bpd of oil production, but for now the Russians (and probably some others) have not signed on to the idea. The group will be meeting next week in Vienna to discuss the policy.

Today's Calendar (all times Central)

- Consumer Confidence – 9:00am
- Richmond Fed Index – 9:00am

Thanks for reading.

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