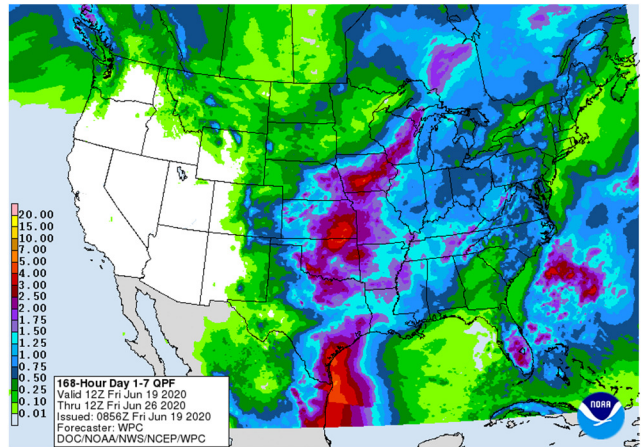


Weather

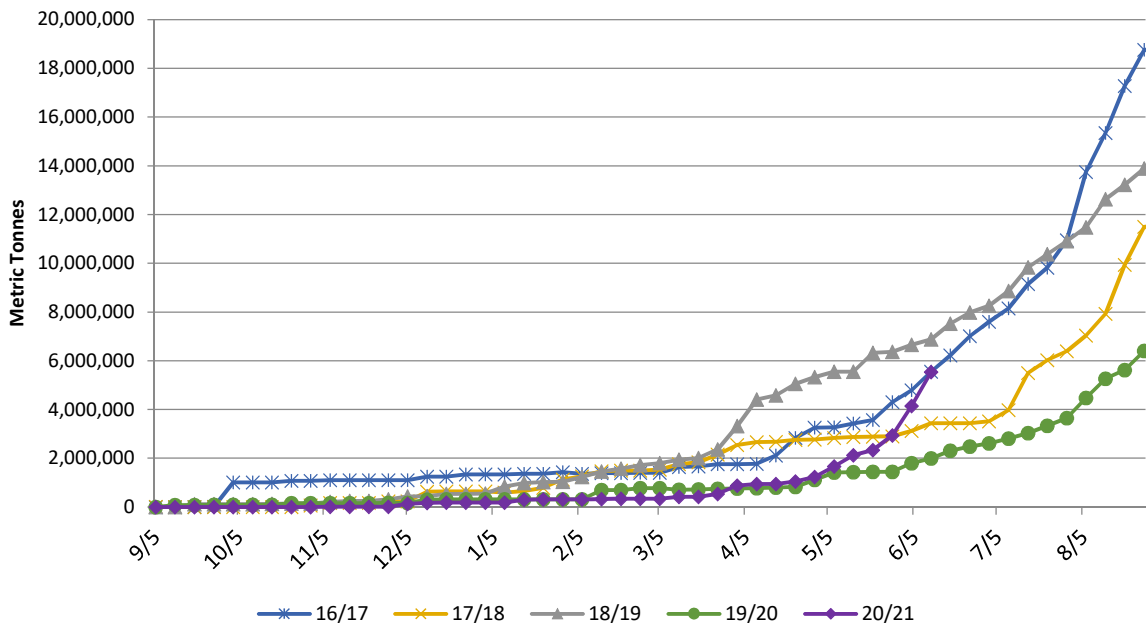
No big changes to the forecast. The Corn Belt will see a daily threat of rainfall through at least Monday, with the best amounts and coverage in the WCB. There could be some lingering rain in portions of the ECB into Tuesday. Note also at the bottom of the map it looks like we should start to see some tropical-influenced rains into the TX/LA are which should move north into the Delta and surrounding areas. Beyond the next week or so, the forecast gets very difficult to call with a lot of computer model differences. It seems safe to say there will be “some” rainfall in Week 2, but how much and exactly where would be a total guess right now. Below normal temps should be seen starting today and potentially lasting through most of next week. Above normal temp should return for the 11-15 day period.



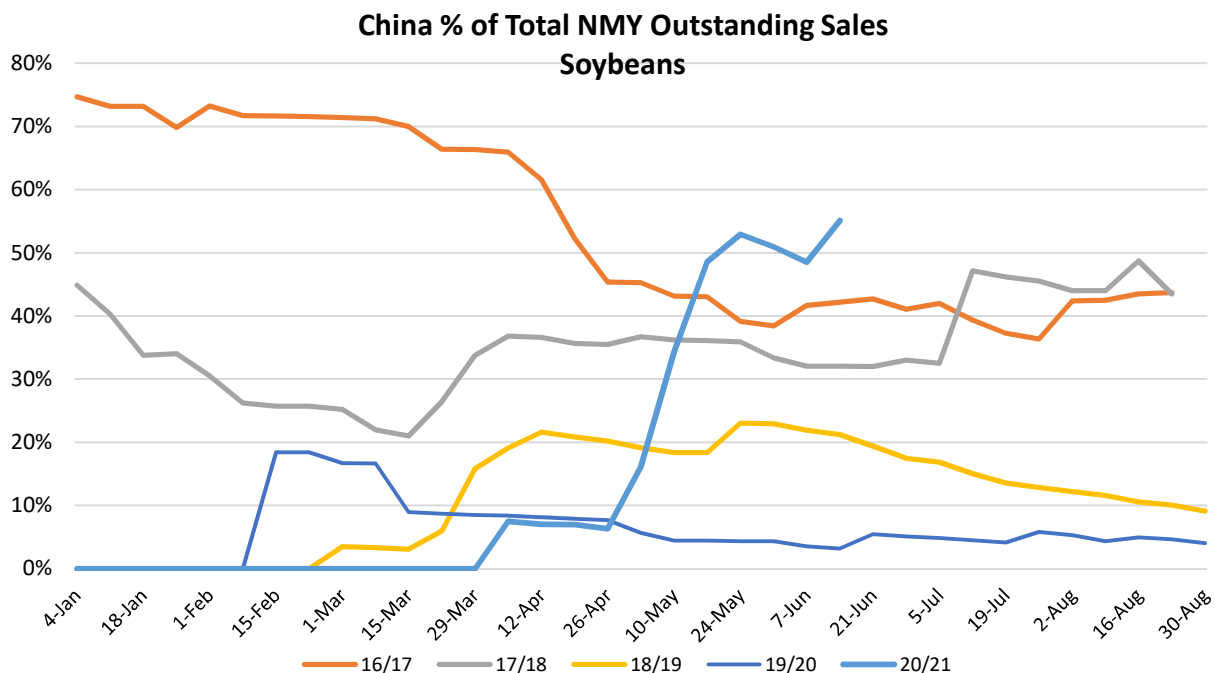
Crops

Just a few more looks at soybean export sales this morning and I’ll shut up about it for a few days (maybe). We’ll keep this short and to the point so we can relax into the weekend. The chart below shows a history of NMY outstanding sales. You can see the recent surge in soybean business with the 20/21 line. I fully anticipate that a brisk pace of sales will continue in the weeks ahead and we might even test those strong levels last seen in 16/17 if our discussions from earlier this week are accurate.

Next Marketing Year Outstanding Sales - Soybeans



This is an interesting chart showing that China represents a larger than usual portion of NMY outstanding sales at this point in time. Obviously this is a big change from the past two years and a good sign of things returning somewhat back to normal. However, one thing I wonder when looking at this chart is whether the rest of the world ex-China is exposed uncovered on their import needs? I don't know the answer to that, but with Brazil basically tapped out (we think) then all global demand should be pointed to the US and the rest of the world might have some catching up to do on securing their needs. As we have discussed this week, that should be mostly directed to the US. I think WASDE is in a good spot on their projections right now (for a change) but I wonder if the market has forgotten what a demand pull feels like?



Livestock

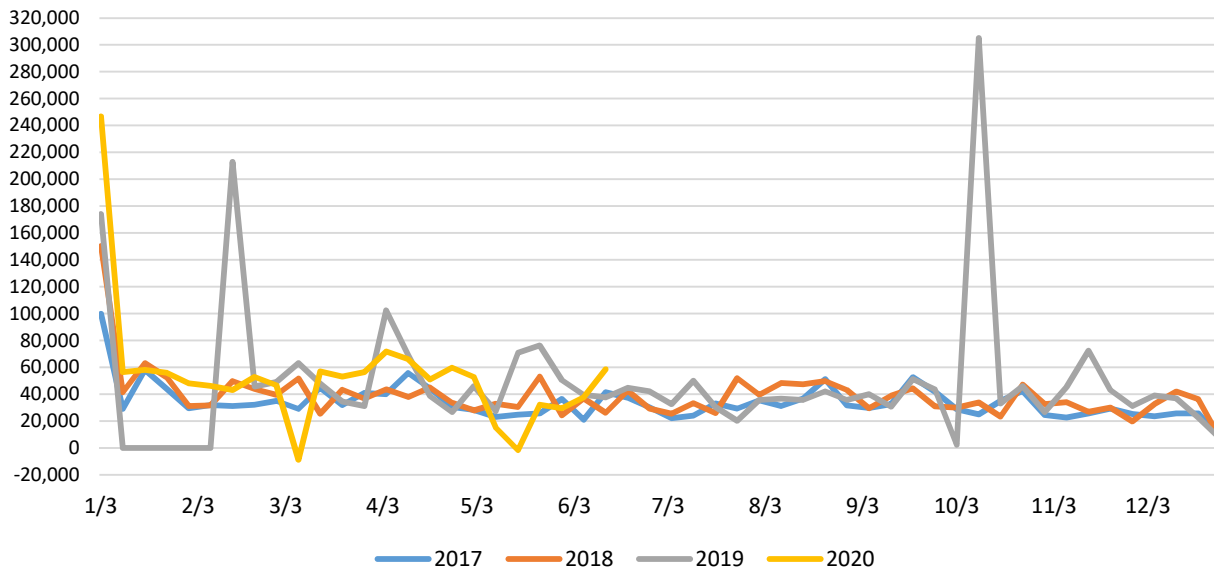
COF report is this afternoon. At the right I've copied the Bloomberg survey results. There is a big range of expectations on placements, but that has just become the norm over the past several months. I think it is worth noting that our friend Mike Sands is taking the under on placements. He is looking for a roughly 9% drop.

	Survey Results			
Survey Summary:	Average	Median	Low	High
Cattle On Feed (June 1)	-1.1%	-0.8%	-4.5%	0.0%
Placements (May)	-3.1%	-0.5%	-18.8%	2.2%
Marketings (May)	-26.2%	-26.8%	-27.3%	-23.2%

While on the subject of export sales, the numbers we got on beef and pork yesterday were pretty solid. A chart showing weekly combined net sales is shown below. Obviously this isn't any sort of record sales level we saw last week, but I find it enormously encouraging that the sales pace is picking up again as prices have normalized. I expect that export sales for both beef and pork will continue to pace over levels seen in the past several years.

We have to remember that US prices are competitive, especially into Southeast Asia. As noted previously, Australian beef production and exports are down sharply. We'll look at that again next week, but the point is that should support US beef exports to Japan, HK, and maybe even China. The spread between Chinese pork and US pork prices is as wide as ever. All these factors should support ongoing strong export demand and even with problematic domestic foodservice demand, I think this could provide support to the cutouts going forward.

Combined Beef & Pork World Total CMY Net Export Sales



Financials

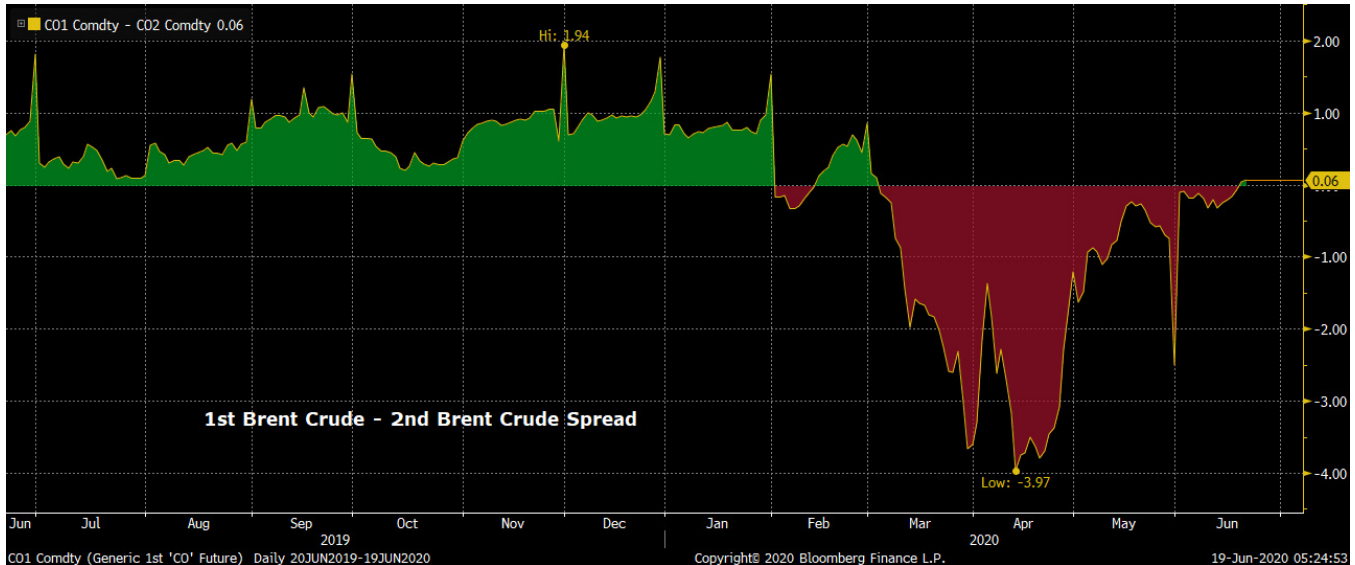
US equity futures are trading higher at the time of writing this morning. Part of the strength can probably be tied to stories suggesting Chinese officials have vowed to make good on their Phase 1 trade deal agreements. As we noted earlier this week, that will be a tough task to accomplish...but we'll see. In Europe, the European Commission will have a video conference today in an effort to pass the €750B stimulus package that Germany and France have been pushing. This is getting some considerable pushback from a few countries, and remember that all EU decisions have to be unanimous. Headlines related to these negotiations could certainly influence FX and bond markets today.

Otherwise, I can't think of much else to pass along this morning. Because newsflow is so slow, you'll hear a lot of talk of "quadruple witching", but I've always viewed that as more hype than actual market influence. In addition to the European news, we'll all also need to continue to watch the various Covid headlines around the US as the markets always seem to get jumpy as those are released.

Energy

I can't remember how long ago it was when President Trump tweeted "oil is back", but so far he hasn't been wrong. Spot WTI is back near the \$40 level. What I find more interesting is that Brent oil is now inverted once again. Note the chart below, showing the spread between the spot contract vs. the 2nd contract. It isn't

anything huge, but you can see spot is now inverted. WTI is not quite there yet, but even that curve has flattened considerably over the past month. An inverted Brent oil market is a good sign that oil demand has caught up against supply here.



Today's Calendar (all times Central)

- Baker Hughes Rig Count – 12:00pm
- Cattle on Feed – 2:00pm

Thanks for reading.

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