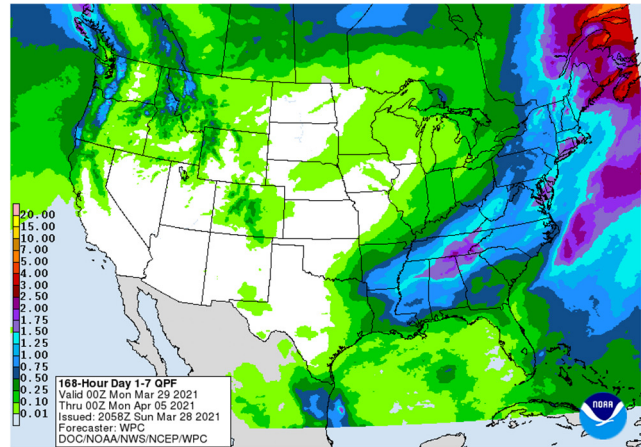


### Weather

Some additional significant precipitation in the southeastern US over the next 72 hours, but aside from that activity we don't have much on tap for the US this week. We should see some uptick in rainfall chances in the Corn Belt for the 11-15 day period, but nothing huge. Temps should average above normal.



### Crops

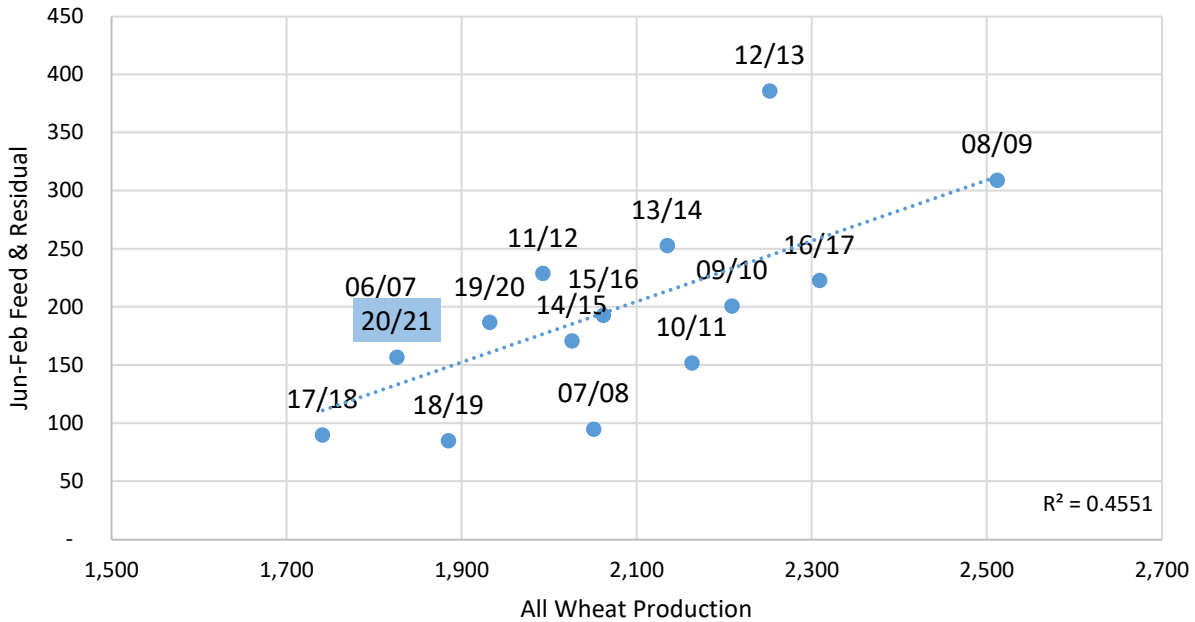
We'll wrap up our look at expectations for the quarterly stocks figures today by looking at wheat. The usual disclaimers apply...quarterly stocks estimates are nothing better than best-effort guesses.

Below is my breakdown of the Dec-Feb quarterly for all-wheat supply and demand. You can see that my guess for quarterly stocks is slightly higher than the newswire average, but it is pretty close and nothing to get worked up about.

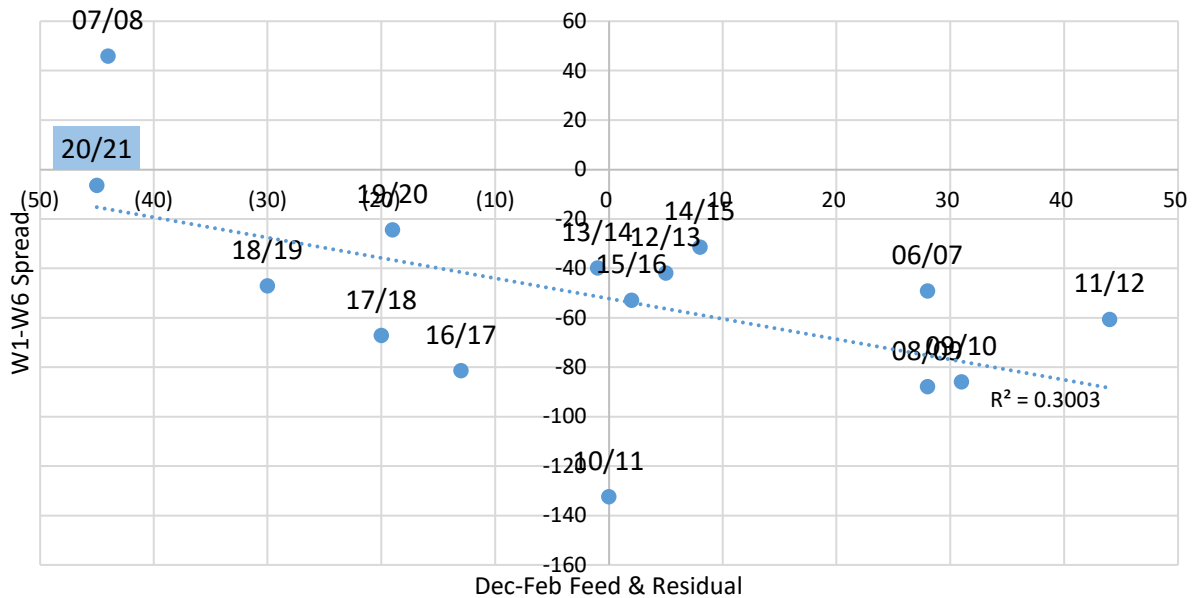
| US All-Wheat Quarterly Supply and Demand |       |       |       |       |       |       |       |       |              |
|--|-------|-------|-------|-------|-------|-------|-------|-------|--------------|
|  | 12/13 | 13/14 | 14/15 | 15/16 | 16/17 | 17/18 | 18/19 | 19/20 | 20/21        |
| Stocks (Dec 1)                           | 1,671 | 1,475 | 1,530 | 1,746 | 2,079 | 1,874 | 2,009 | 1,841 | 1,674        |
| <b>Dec-Feb</b>                           |       |       |       |       |       |       |       |       |              |
| Imports                                  | 35    | 42    | 37    | 34    | 25    | 38    | 32    | 28    | <b>23</b>    |
| Food                                     | 229   | 231   | 231   | 230   | 228   | 233   | 229   | 236   | <b>235</b>   |
| Seed                                     | 1     | 2     | 2     | 2     | 1     | 2     | 3     | 2     | <b>3</b>     |
| Feed & Residual                          | 5     | (1)   | 8     | 2     | (13)  | (20)  | (30)  | (19)  | <b>(45)</b>  |
| Exports                                  | 235   | 228   | 185   | 175   | 229   | 201   | 246   | 235   | <b>217</b>   |
| Total Use                                | 470   | 460   | 426   | 409   | 445   | 416   | 448   | 454   | <b>410</b>   |
| Stocks (Mar 1)                           | 1,235 | 1,057 | 1,140 | 1,372 | 1,659 | 1,495 | 1,593 | 1,415 | <b>1,287</b> |

Food use is usually pretty consistent so nothing to worry about on that. Imports and exports are rough estimates based on incomplete Census data, but we should be pretty close. The key is feed and residual, as always. I've got two charts below to attempt to justify my guess on F&R. The first chart looks at cumulative F&R from Jun-Feb vs. total all-wheat production. It should be reasonable to expect that larger production should lead to larger F&R. The highlighted 20/21 figure is my estimate as shown above. The second chart plots the Dec-Feb F&R against the old/new crop spread. While there are some notable outliers, you can see there is a fairly good tendency for this to line up. My F&R estimate is highlighted.

**Total Jun-Feb Feed & Residual vs. Total Production**



**Dec-Feb Wheat Feed & Residual vs. Futures Spread**

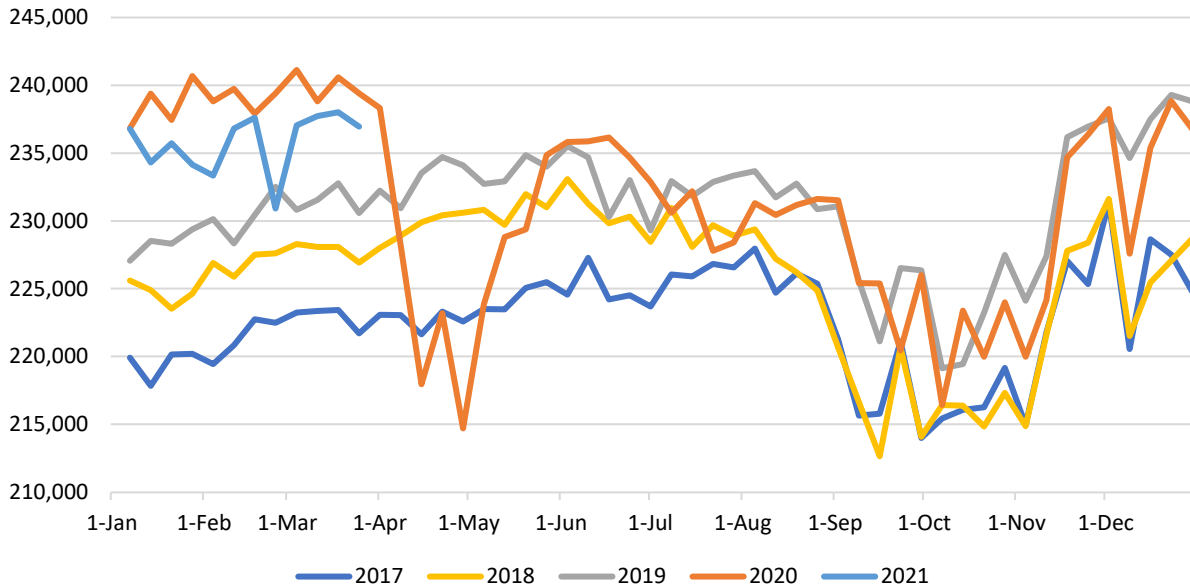


**Livestock**

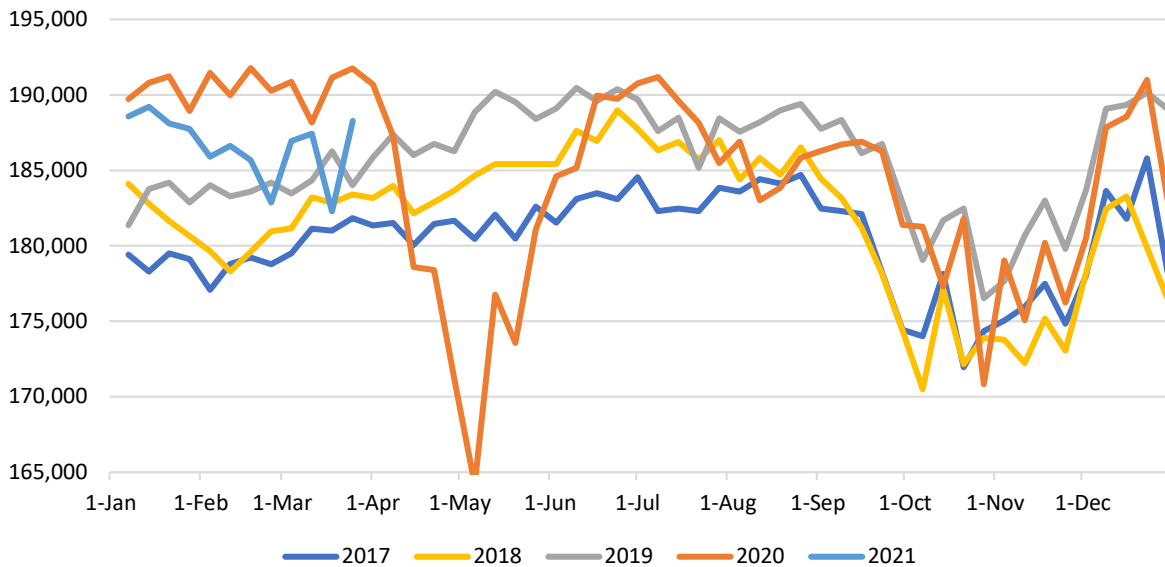
Not market-moving, but I thought we'd take a quick look at the broiler numbers for the first time in a while this morning. The charts on eggs set and chick placements follow on the next page. You can see that eggs set are currently running below year ago levels. Chick placements are off even more than eggs set as poor hatchability

remains a problem for the industry. Obviously YOY comparisons will get thrown out the window soon, but it seems expectations are for both eggs set and chick placements to total near to slightly above 2019 levels. Not shown here, but broiler carcass weights are historically large.

### USDA Broiler Eggs Set



### USDA Chick Placements



**Financials**

This is a chart we haven't looked at in a while, but I think it is worth a quick mention this morning. This shows the combined managed money net positions across most major FX futures markets. When the reading is positive, it implies a short dollar bias and vice versa. You can see that lately we've held a very significant short-dollar bias which should go without saying. However, notice the big move we've seen lately. We've seen a big unwind of this short-dollar bias. While the market is still leaning dollar short, it is nearly as one-sided as it was to start the year. I'd call the market relatively "clean" right now, which makes the test of the 200-day moving average in spot DX a very interesting situation. With a lot of the short-covering already done, what is going to keep pushing the dollar higher here?

**Managed Money Combined FX Net Positioning  
 EC, JY, SF, BP, CD, AD**



**Energy**

Some halfway decent news from Suez. The stuck boat has been "partially refloated", which is good news of course but that doesn't change the fact that the boat remains stuck and continues to block traffic. The work on removing the boat is probably done for the day with the salvage crews needed to wait for high tide again before resuming work.

**Today's Calendar (all times Central)**

- Export Inspections – 10:00am

Thanks for reading.

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