

Weather

No big changes to the forecast this morning. We'll see additional rainfall throughout the Corn Belt during the weekend, but this will be followed by widespread below normal precipitation in both the 6-10 and 11-15 day period. The focus of rainfall will instead shift further south. The Delta/Midsouth region will continue to see active precipitation chances through at least the 10-day period. The Southern Plains should see rainfall chances improve starting early next week and likely continuing through the 6-10 day period.

Temps should turn much cooler starting next week. The map at the right shows the max temp anomaly for Days 3-7 of the forecast. Those cooler temps will eventually spread further east after the period covered by this map. It should be cold enough to allow some of the precipitation that falls during the 6-10 day period in the HRW belt to fall as snow.

Crops

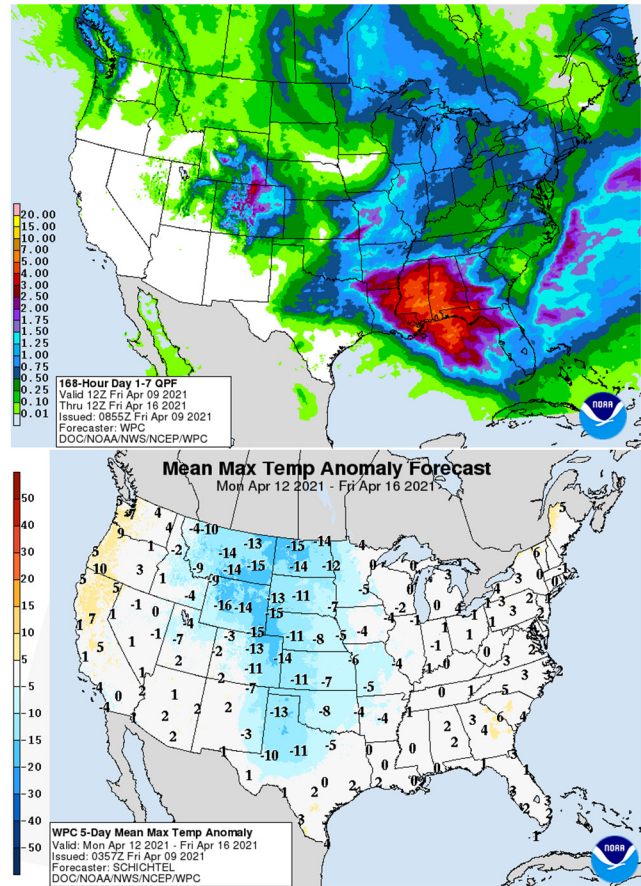
We've got the WASDE release on tap for today. We've reviewed the various balance sheets already this week, but here is a quick rundown of highlights:

Soybeans-

I remain a bit perplexed by the expectations for a lower soybean carryout today. Last week's stocks report was a fairly significant miss and, in my opinion, argues that WASDE will lower their residual use. Exports might need to be increased, but as I argued earlier this week I also think that crush could be lowered to accommodate lower export demand for both meal and oil. In the end, I have a fair degree of confidence to bet the over vs. the average guess for soybean carryout. In world numbers, I'd look for another modest increase to Brazil's production and that might be partially offset by a modest decrease for Argentina.

Corn-

The average guess calls for a reduction in ending stocks and I have no major argument. My personal estimate is lower than the average shown above, but I won't make a huge argument against that average guess. Simply put, I expect WASDE to aggressively raise their export projection by 200 mil bu, and that should flow straight through into a 200 mil bu reduction in carryout. Admittedly, that would be a somewhat unusually large one-month



USDA US Ending Stocks			
	Average of Trade Analyst Estimates	Range of Trade Analyst Estimates	USDA March End Stocks
Corn	1,379	1,200-1,550	1,502
Soybeans	118	105-135	120
Wheat	846	827-877	836

move from WASDE but I think it is justified following the big pace of shipments during March and the massive additional sales after last month's WASDE was released. I'll bet the under vs. the average guess on corn stocks, though I'll concede it wouldn't shock me if WASDE was a bit less aggressive than my projections. I don't expect any big changes in world production figures, though I'll keep a close eye on Brazil's number. I do expect that WASDE will raise their projection for Chinese imports again.

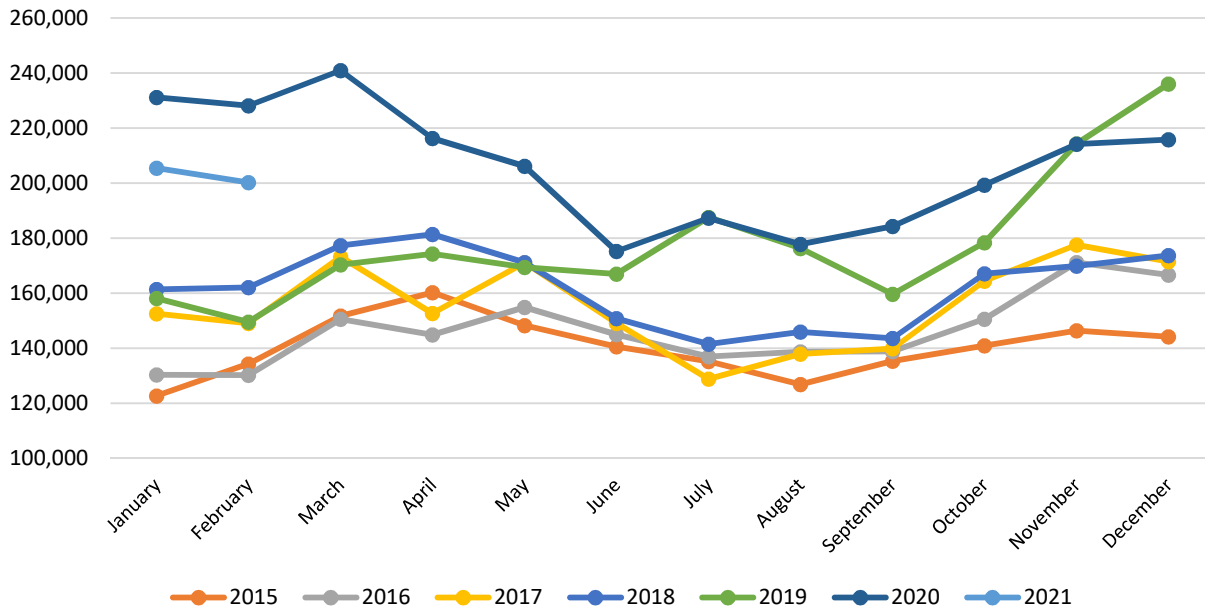
Wheat-

Last week's stocks figure, in my opinion, argues for a reduction in the wheat F&R projection. The average guess as shown above appears in line with that thought process, though I personally would bet for a *slightly* bigger carryout. Some will argue that WASDE might decide to do nothing on F&R noting that wheat is now competitively priced as feed and F&R could pick up in the remainder of the marketing year. I will argue that big wheat feeding programs typically don't take place until the JJA quarter, but we'll just wait and see how WASDE sees it today. I don't expect any major adjustments to world numbers. We're really on hold until next month's report and its first look at new crop projections.

Livestock

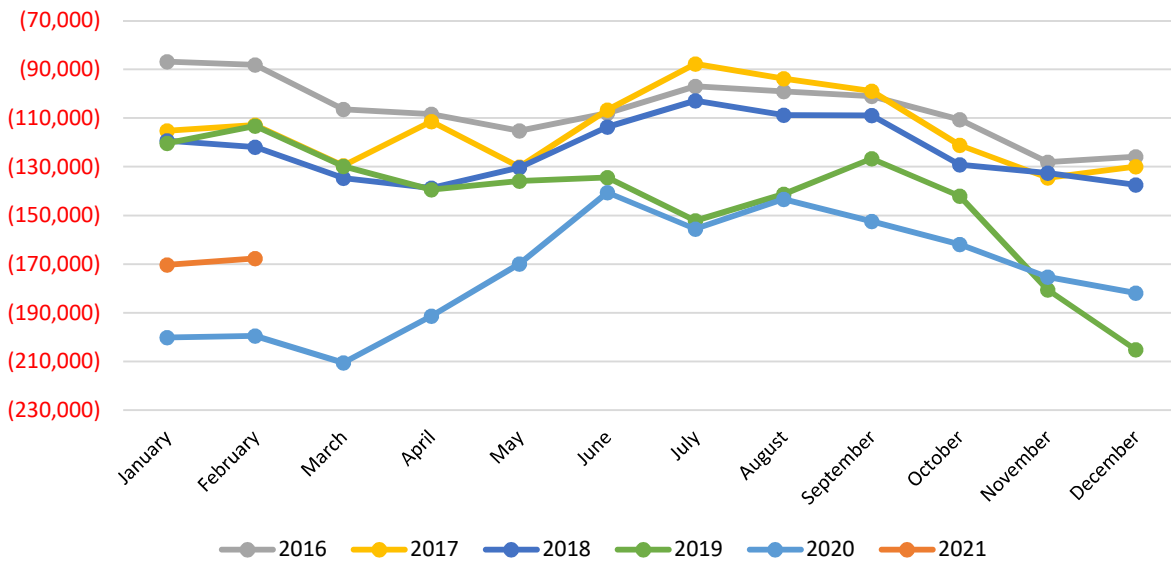
Just going to take a quick glance at the Census trade numbers for pork this morning. Again, the info is already a little stale but it is important to keep a casual tab on this stuff. Feb Census pork exports totaled 200k mt vs 205k in January and 228k in Feb 2020. Exports to China in Feb were 49k mt vs 72k last year, accounting for most of the YOY decline...which should surprise nobody. Still, despite being down solidly YOY, exports of this level are still historically very strong.

US Total Pork Exports



Total pork imports were roughly steady with last month totaling 32k mt, but that is slightly larger than the 29k mt of imports in Feb 2020. Net exports are not nearly as large as last year (duh) but we're still shipping out a lot of pork right now.

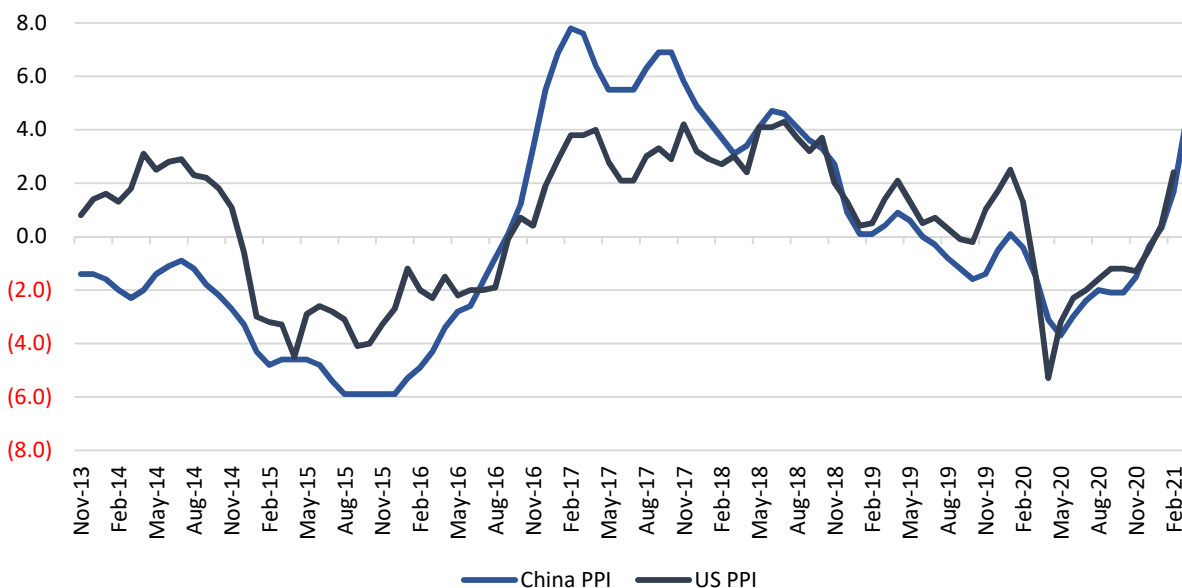
US Pork Net Trade



Financials

On tap today is US PPI. Inflation numbers will remain in focus, and it is worth noting China reported stronger than expected PPI overnight. As shown below, US PPI and Chinese PPI typically move in unison. US PPI is expected to be near +3.8% YOY this morning.

China and US PPI



Not much else to discuss this morning. I'm seeing article this morning suggesting that the UK is considering allowing international travel again and that Italy is considering easing lockdown restrictions. Both would be good news, on the margin, for the broader European economy. As the European vaccination process eventually picks up steam, look for some of the EU-negative sentiment to slowly fade away.

Energy

I stumbled across a survey of vacation experiences and plans produced by Expedia this morning. The survey itself is a bit dated...it was released in February. But I'm just coming across it this morning and I thought it was interesting enough to share. Besides, it is the ultimate in confirmation bias with my opinion for a surge in travel by this summer. The Expedia survey first went into some of the vacation losses from 2020:

- **Fewest Days Received, Most Days Left on the Table:** Not only did U.S. employees take the fewest vacation days (8) in 2020, along with Thailand the U.S. also *received* the fewest vacation days (13) when compared to other countries surveyed.
- **Time Between Vacations Has Grown:** One in four (26%) U.S. respondents noted they haven't taken a vacation in over a year, compared to 16 percent in 2019.
- **Using Vacation Time, but Not for Vacation:** 47 percent used at least one vacation day in 2020 to care for a sick family member or in lieu of childcare.
- **More Cancelled Trips:** 42 percent cancelled one or more trips last year due to COVID-19.

Now for the good news. The Expedia survey, in Feb, found that, on average, Americans plan to take 13 vacations days this year, up from just the 8 days in 2020. Expedia also found that people are willing to budget more money for vacations in 2021.

You also have Phillips 66 saying they're planning to reverse the flow of one of its pipelines starting May 1 so that it can carry gasoline from Texas to Denver as travelers head west.

Get out there and take a vacation.

Today's Calendar (all times Central)

- PPI – 7:30am
- WASDE – 11:00am

Thanks for reading.

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