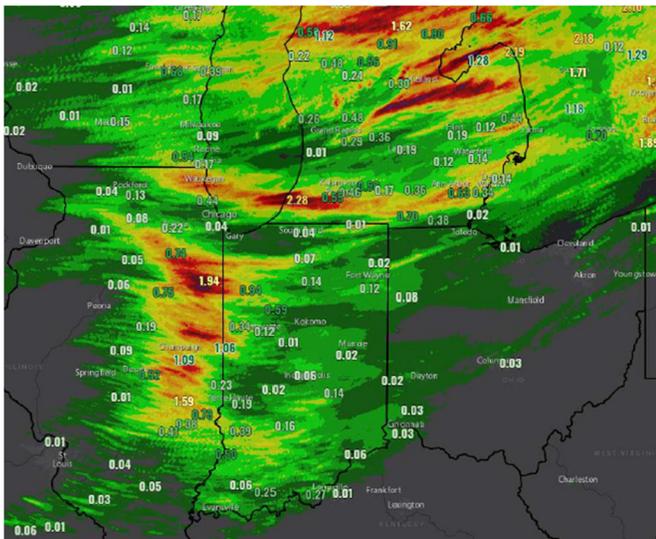


Weather

No changes to the forecast. I have two maps at the right. The map at the top right shows the Days 1-5 QPF. As you can see, there is very little precipitation expected in the middle of the country during this timeframe. The 6-10 day period is when rainfall chances are expected to return to the Corn Belt, and you can see hints of that activity in the second map which shows the Day 6-7 outlook. Computer model agreement on just how the rains will develop at that time is very poor, so don't expect this map to be proven 100% accurate. Still, the point remains that we should start to see a modest uptick in rainfall chances for the Corn Belt around early/mid next week.

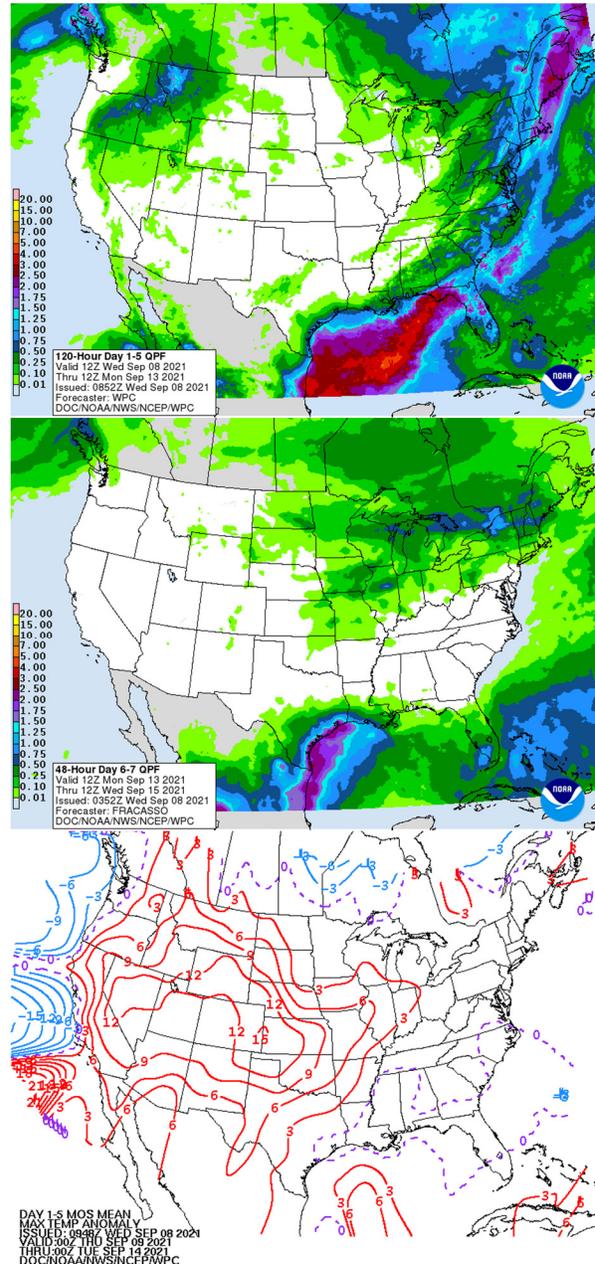


24-hour radar-estimated rainfall/rainfall amounts through around 4 AM CDT today

No change in the outlook on temps either. The map at the bottom right shows the expected 5-day max temp average anomaly. Easily above normal temps are expected in most of the country but especially in western areas. We should continue to see mostly above normal temps continue for the duration of the two week forecast period.

Crops

We'll continue our look at WASDE balance sheets this morning and move on to soybeans. Starting with the old crop numbers, there isn't much to get worked up about this week. The only adjustment that seems "obvious" would be a further reduction to the crush estimate. We now have official monthly crush figures from Sep-Jul



and in order to reach the latest WASDE projection the Aug crush would need to be roughly 183 mb. To state what should be obvious....that isn't happening. You'll see below that I've penciled in a 10 mb cut to the WASDE projection, but it wouldn't shock me to see WASDE down anywhere between 10-20 mb on Friday. The cut I show would put my ending stocks estimate inline with the average guess, but with risk of a bigger cut to crush I'd say the risk on ending stocks is something larger. Not big enough to be a major market-mover, however.

US Soybean Supply and Demand (Million Bushels/Million Acres)

	USDA 15/16	USDA 16/17	USDA 17/18	USDA 18/19	USDA 19/20	USDA 20/21 Aug	Possible? 20/21	USDA 21/22 Aug	Possible? 21/22
Planted Acres	82.7	83.4	90.2	89.2	76.1	83.1	83.1	87.6	87.7
Harvested Acres	81.7	82.7	89.5	87.6	74.9	82.3	82.3	86.7	86.8
Abandoned Acres	1.0	0.7	0.7	1.6	1.2	0.8	0.8	0.9	0.9
Yield	48.0	52.0	49.3	50.6	47.4	50.2	50.2	50.0	50.3
Carryin (Sep 1)	191	197	302	438	909	525	525	160	169
Production	3,926	4,296	4,412	4,428	3,552	4,135	4,135	4,339	4,366
Imports	24	22	22	14	15	20	20	35	35
Total Supply	4,140	4,515	4,735	4,880	4,476	4,680	4,680	4,533	4,570
Crush	1,886	1,899	2,055	2,092	2,165	2,155	2,145	2,205	2,205
Exports (Census)	1,936	2,174	2,134	1,748	1,682	2,260	2,260	2,055	2,055
Seed	97	105	104	88	96	102	102	104	104
Residual	24	36	5	43	9	4	4	14	14
Total Use	3,943	4,213	4,297	3,971	3,952	4,520	4,511	4,379	4,378
Carryout (Aug 31)	197	302	438	909	525	160	169	155	192
Stocks/Use	5.0%	7.2%	10.2%	22.9%	13.3%	3.5%	3.7%	3.5%	4.4%

As for the new crop balance sheet, obviously the big ticket item will be production. Above you'll see what I'm plugging in. NASS last week announced they would be incorporating FSA acreage numbers into their analysis this month rather than the normal October report. My review of FSA numbers implies to me that a very modest increase in soybean acreage is possible. I've plugged in 100k higher in the balance sheet above. I'll concede this is a somewhat low-confidence bet. I have personal rule to ignore FSA numbers at this point in the year, so I'm already breaking that rule in this analysis. Still, the preliminary numbers do give me reason to suspect the final tally will be higher. I've seen some analysts with even bigger increases than I show, but I've also seen some analysts suggest that the FSA numbers could imply smaller area. I guess we've just got to wait and see.

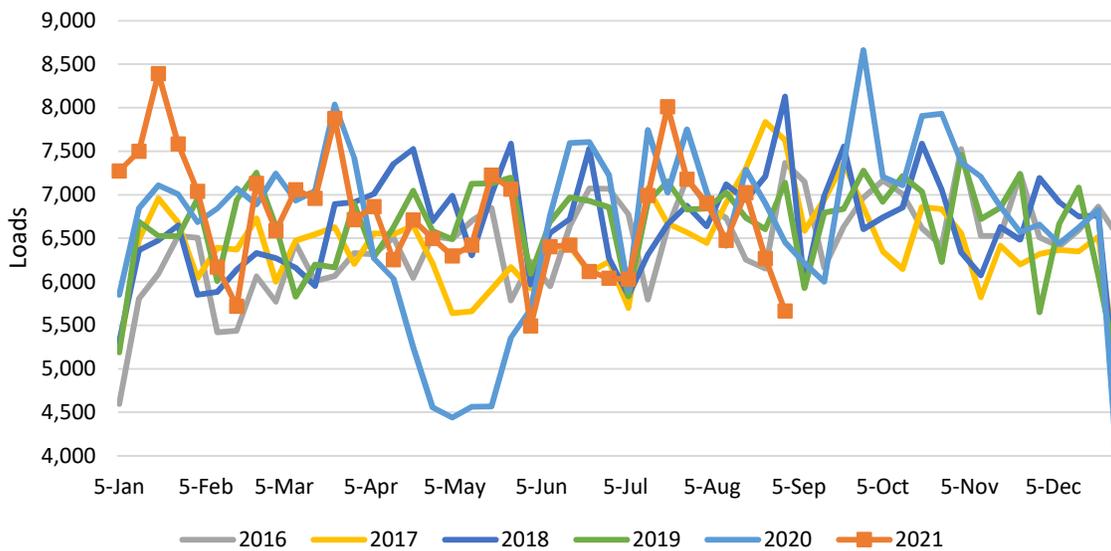
Last week I showed my analysis using ProFarmer objective yield numbers to come up with a soybean yield near 50.5 bpa. In the balance sheet above, I've simply plugged in the average guess on the Bloomberg survey. It is a little lower than my personal bias, but at the same time it is close enough. I do not anticipate any changes to soybean demand figures at this time. I do believe that WASDE is still too large with their export projection, but I will concede there is no new information over the past month that would indicate a change is necessary at this time. In the end my ending stocks figure is a little larger than the average guess, but nothing major.

Product balance sheets probably won't show anything crazy. I think it is likely that WASDE cuts 20/21 meal exports, but with likely smaller production this probably won't result in much of a change to carryout. In the world numbers, I'm not expecting any fireworks either. WASDE went ahead and cut Chinese imports modestly last month. That might be enough for now, though I do believe there might be room for further downgrades in the future.

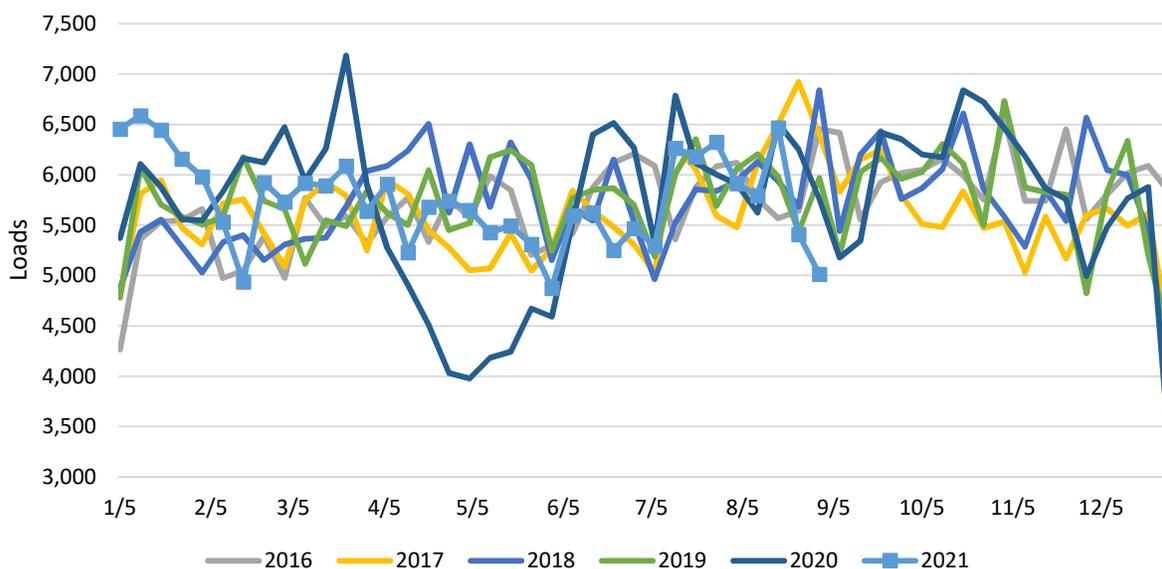
Livestock

Yesterday's Comp Beef report showed some pretty lackluster volume numbers. I'll just post the charts on total and domestic beef sales and let them speak for themselves. Yes, this volume is affected by the holiday. Still, that holiday decline should be reflected in the seasonal view shown below. These are pretty poor numbers to say the least.

**National Comprehensive Boxed Beef Report
 Total Sales**

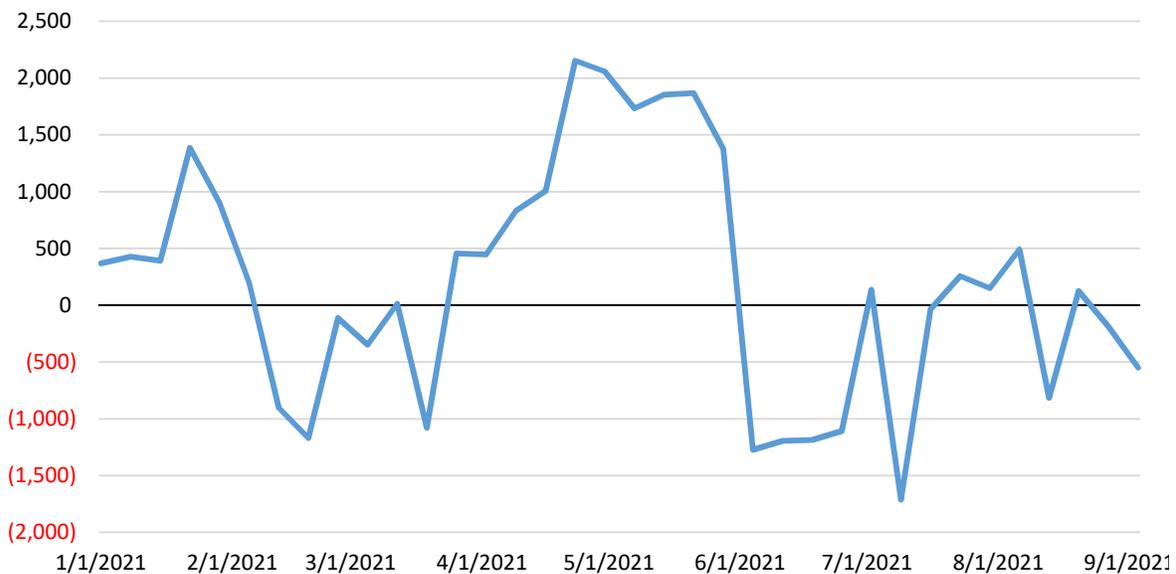


**National Comprehensive Boxed Beef Report
 Total DOMESTIC Sales**



Another way of looking at things is shown below. This simply takes a YOY view of total domestic beef sales so far in 2021. The YOY comparison during the spring is pretty misleading. As you can see from the chart above, that is when the pandemic really hit beef sales volume. However, by early summer in 2020 boxed beef sales volumes had basically normalized. Interestingly, the comparison of that timeframe in 2020 vs 2021 does not look very good on totals for this year. For the past few months we've been consistently coming in below year ago levels. It really makes me wonder if we've hit a point where beef prices are starting to hit demand. Thoughts greatly appreciated.

Weekly YOY Change in Domestic Beef Loads



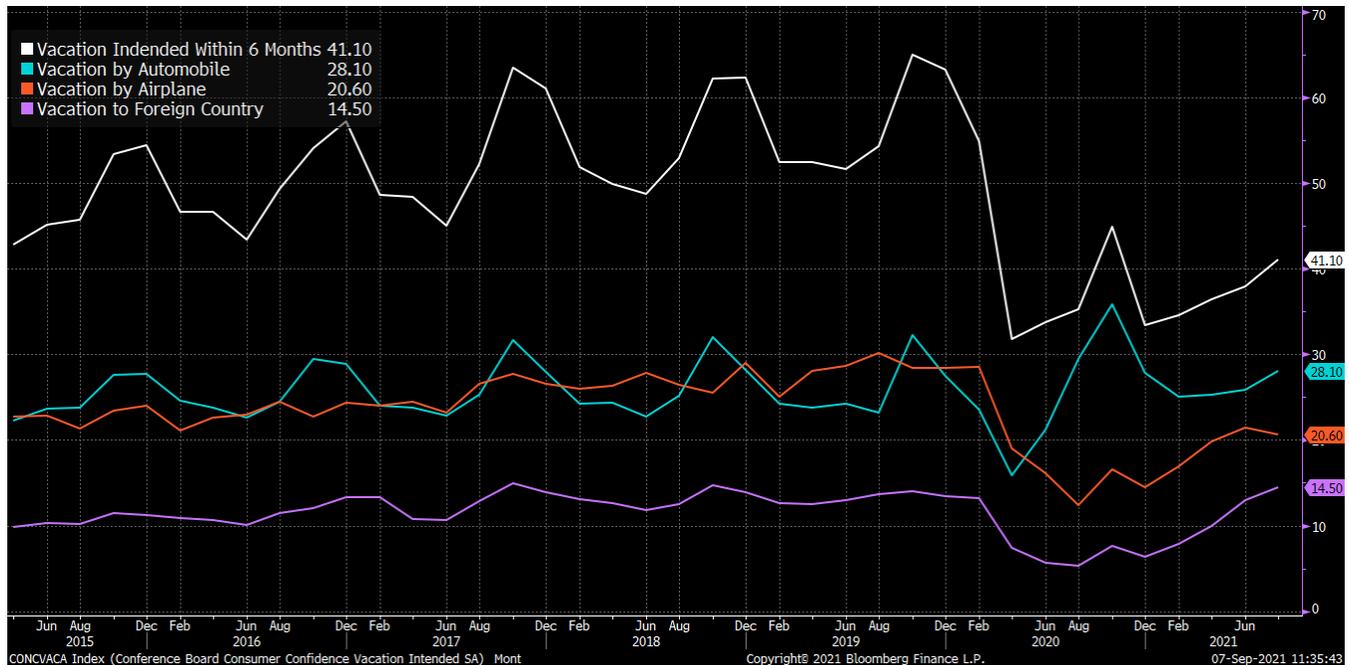
Financials

Not much new to report this morning. US equity futures are just slightly lower at the time of writing. Commodity markets appear to be mostly bouncing back a little this morning, but the DX is higher at the time of writing. On tap today we get the JOLTs job opening numbers. This will be interesting to look at considering the miss in the NFP release last week. However, keep in mind this release will be for job openings in July, so the data is already a bit stale. The Fed Beige Book will be issued this afternoon and we also have a few Fed officials with speeches this afternoon. It will be interesting to see if there is any walk-back on taper talk following the NFP disappointment. As an aside, it has been reported that President Biden will make a decision this week on whether or not to renominate Fed Chair Powell to a second term. There is no exact time given for such an announcement, but apparently it is coming this week. Certainly this could be a market-moving event if any surprise were to develop.

Energy

I forgot to report on this last week when the monthly Conference Board Consumer Confidence figures were released. I like to look at the report's data on vacation expectations as a gauge of overall travel sentiment. The chart breaks down the Conference Board numbers into a few categories. The overall vacation intentions figure

is the white line. You can see there has been only a marginal bounce in this since the pandemic. Vacation by automobile appears to be the choice, which makes sense considering the hassles of air travel right now. Air travel expectations remain depressed. I do find it interesting that expectations for foreign travel have recovered to pre-Covid norms. Obviously that is mainly geared to more affluent travelers, but I think it is interesting with all the travel restrictions still in place in various locations around the world.



Today's Calendar (all times Central)

- JOLTS Job Openings – 9:00am
- Short Term Energy Outlook – 11:00am
- 10Y Treasury Auction Results – 12:00pm
- Fed's Beige Book – 1:00pm

Thanks for reading.

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