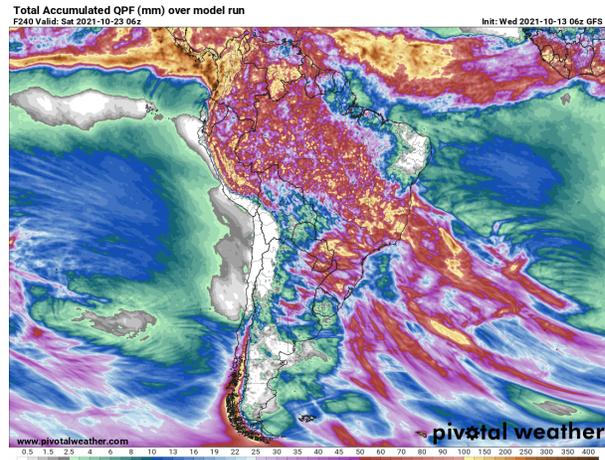


Weather

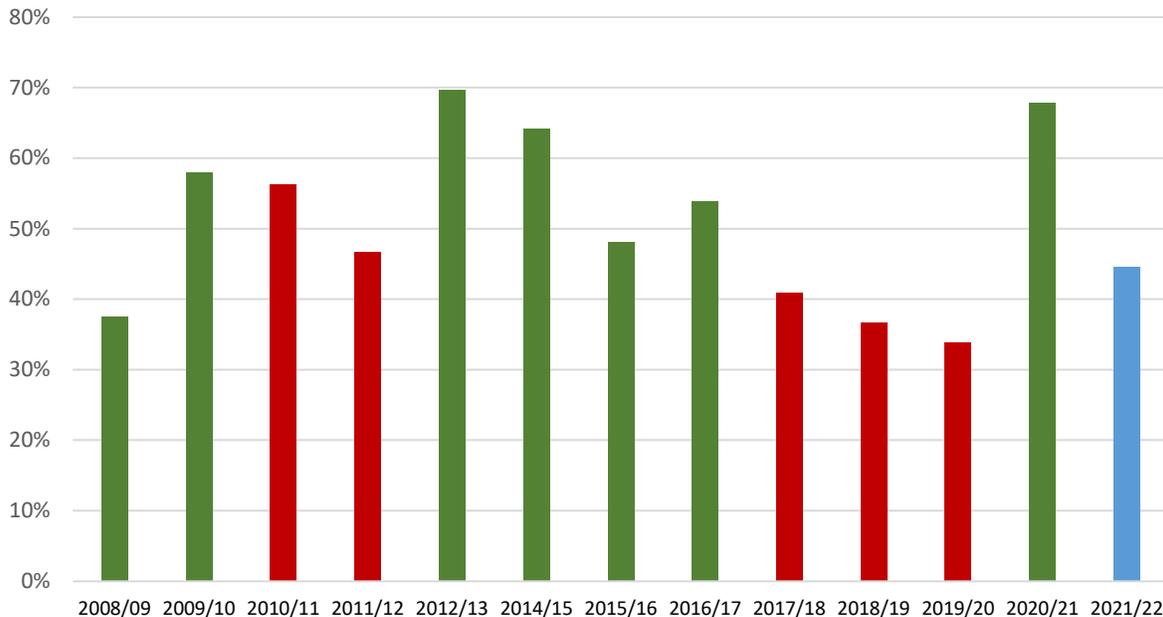
No changes. Plenty of rainfall in northern Brazil over the next two weeks to allow for widespread advancement of soybean planting. Big rains in southern Brazil for later this week, but then less rain will fall during the Week 2 timeframe. Argentina is never on tap for very wet conditions. Some light rains in the next few days will be followed by about a week of completely dry weather that starts on Friday. In the US we should see some rains through the Corn Belt in the next few days but a stretch of dry weather will kick off on Friday.



Crops

Just a quick look at soybean export commitments relative to the latest WASDE projection. The chart below looks at early-Oct export commitments as a percentage of the Oct WASDE projection. In instances when the final export figure was higher than the Oct WASDE, the bar is colored green. In instances where the final export figures was lower than the Oct WASDE, the bar is colored red. Obviously this year's level of export commitments is a bit in a gray area, as I can't really claim that it definitively points for a lower eventual export projection. However, I still will make that argument based on my personal projections on Chinese demand and Brazilian supplies. I'm certainly open to hear other opinions.

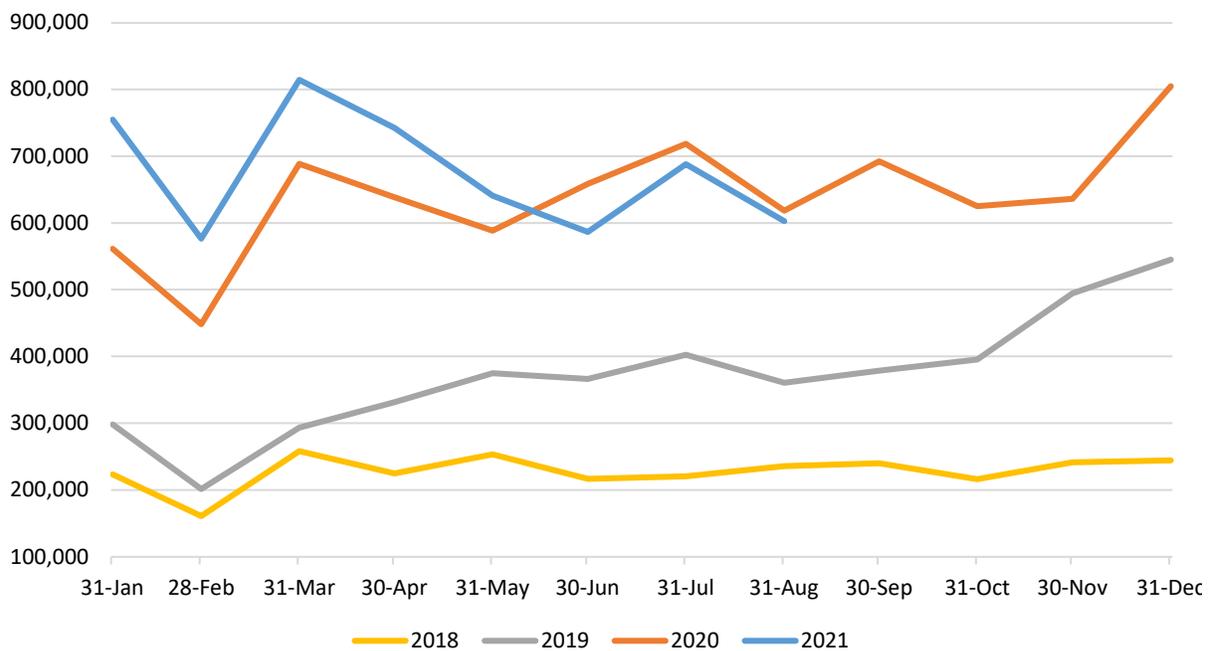
Early Oct Export Commitments as % of Oct WASDE Projection



Livestock

One last look at some trade numbers today. The chart below looks at China Customs data on total “meat” imports. I’m looking at beef, pork and chicken here. You can see the explosive growth over the past several years. Obviously that was kicked off by ASF and significant pork imports, and those are starting to taper off a bit. But even with August pork imports off roughly 20% YOY, total meat imports were essentially steady with year ago levels. While the pork import demand may have been temporary, it looks like we might expect to see further growth in beef and chicken imports.

China Beef, Pork, and Chicken Combined Imports



Financials

I saw someone post this chart on Twitter yesterday and I thought it was worth pointing out here. The chart below shows that the “quit rate” reported by BLS last month hit a new record high last month. The “quit rate” is simply the number of people that quit a job during the month as a percent of total employment. More people are quitting right now than ever before. This is another indication that the supply constraints on the labor market are unprecedented right now. Given all the backlash over the vaccine mandates (and there is no actual federal vaccine mandate..yet), I suspect the quit rate could move even higher going forward. It’ll be interesting to see how this Southwest deal plays out.



Energy

The IEA is out with their monthly outlook report this morning and they seem to be figuring out what a lot of other analysts have been saying for years now. The IEA says that the world is not spending enough on green energy to prevent global warming, but interestingly they also say that the world is not spending enough on fossil fuels if current demand growth for oil and natural gas continues. They note “In recent years, investment in oil and gas supply has often appeared to be geared toward a world of stagnant or even falling demand, while purchases of internal combustion engine vehicles and expansion of natural gas infrastructure point the other way: toward ever-increasing oil and gas consumption”. However, I also have to chuckle at this following passage from a Bloomberg article on the IEA release (Biroli is the head of the IEA) – *In a media conference announcing the report, Biroli advocated boosting investment in green energy by at least three times the current level to meet climate change targets. He warned investors that betting on fossil fuels was a bad idea, instead predicting “handsome” returns to those who bet on green energy.* So we’re not investing enough in traditional energy, but nobody should invest in it either?

Today’s Calendar (all times Central)

- CPI – 7:30am
- EIA’s Short Term Energy Outlook – 11:00am

Thanks for reading.

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