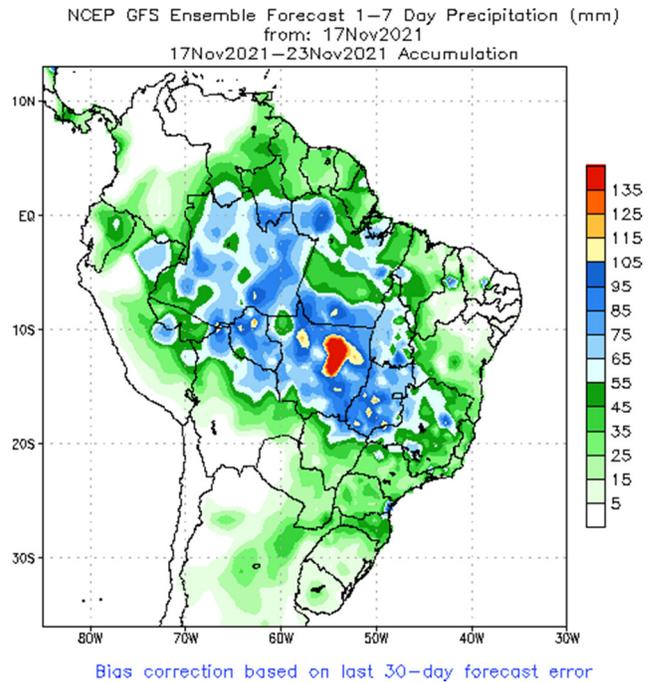


Weather

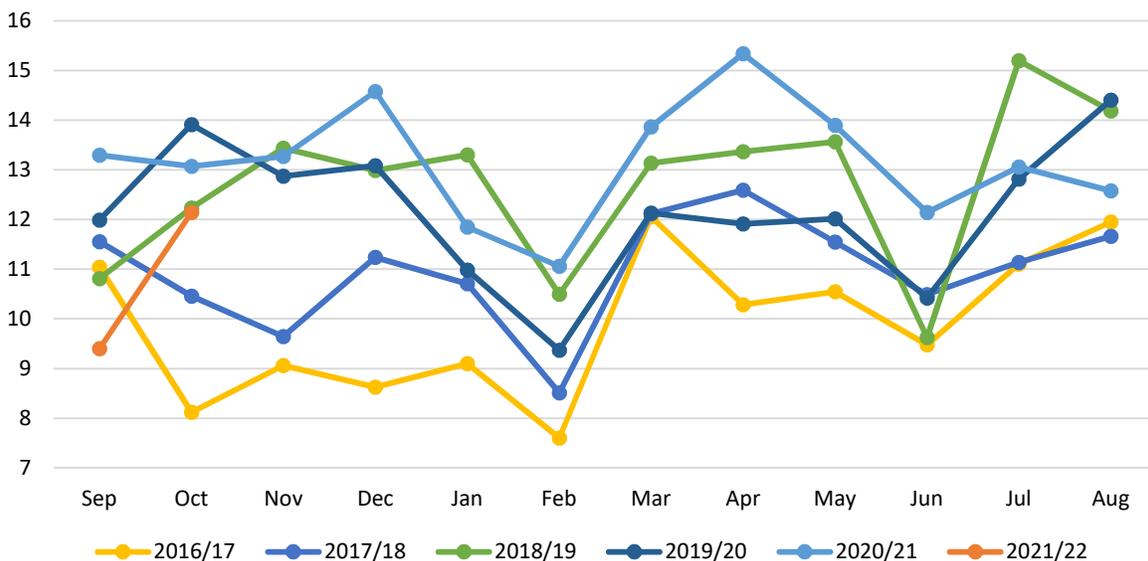
No changes to the outlook. Northern Brazil continues to look like it is in great shape with above normal rainfall projected over the next two weeks. Rainfall amounts will likely range from 4-8" during that period. Southern Brazil will see additional rains over the next 24-36 hours with .5-1.0" amounts likely. Additional rainfall chances will be possible mid-next week. This would likely bring another .5-1.5" for the region. No major heat, but some low 90s early next week. Argentina is looking at mostly below normal precipitation over the next two weeks. The best chance for rain will be for Mon/Tue next week, with the rainfall likely favoring northern portions of the growing region. Then the remainder of the two week period should feature below normal precipitation. Temps will get warm this weekend with some 90-95F readings. Cooler temps would return next week but warmer again probably at the end of the month.



Crops

A quick look this morning at global corn shipments in recent months. The chart below looks at the combined "Big 4" corn exporters – US, Brazil, Argentina, and Ukraine. A quick glance at the 20/21 line shows several monthly records were hit last marketing year. The past few months, however, have been quite a bit slower.

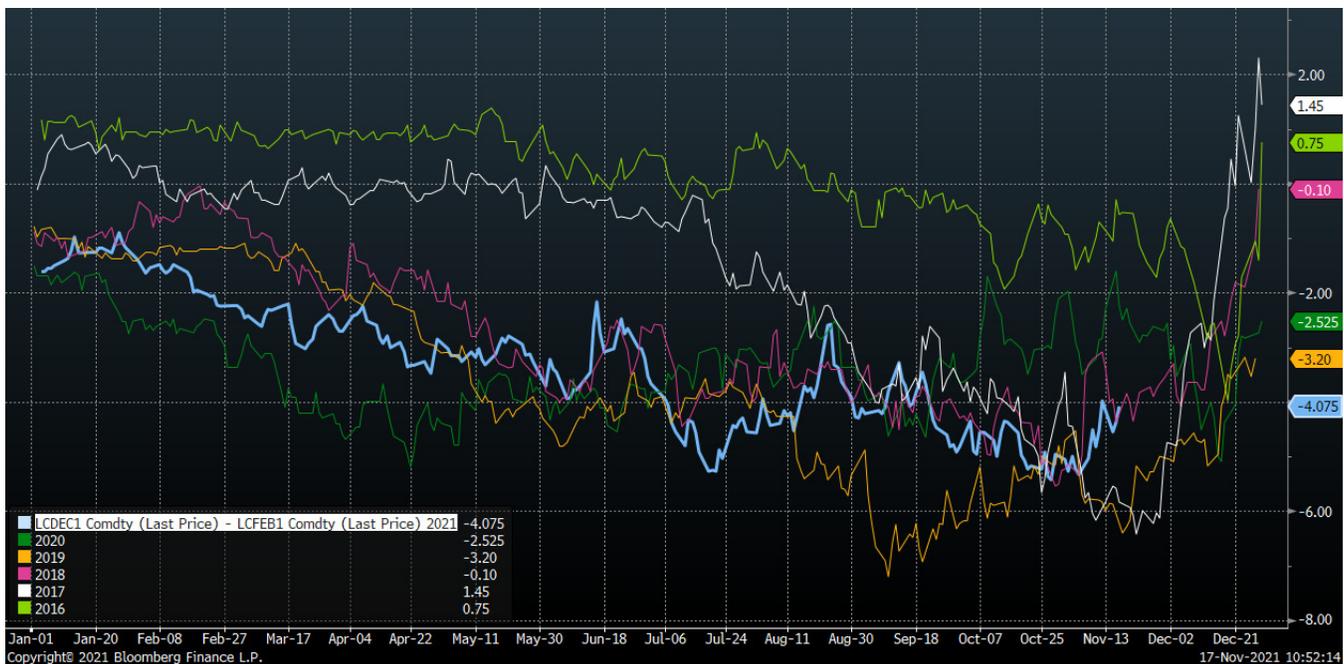
**Combined "Big 4" Corn Exports
 US, Brazil, Argentina, Ukraine**



It should go without saying that a big portion of the YOY decline in global shipments comes from Brazil. In Sep/Oct last year, Brazil shipped roughly 11.4 mmt. This year that total is closer to 5.3 mmt. US exports have been lower as well, however. Keep in mind MYTD shipments to China are down about 1.6 mmt compared to the same period last year. The US is currently sitting on a solid level of outstanding corn sales to China, and as discussed previously it is understood that these sales are for shipment spread out over the Jan-May period in 2022. With US export sales otherwise running relatively slow, it seems likely we should expect 21/22 corn shipments to continue to run below year ago levels for most of the remainder of this marketing year.

Livestock

I bought up the Dec-Feb cattle spread a few weeks ago...I think. I pointed out that, heading into the index roll period, the spread was looking a bit weak relative to the past few years of history. Well, we're definitely done with the official roll now and the spread has started to perk up a bit. A seasonal view of the spread is shown in the chart below. You can see that if the spread were to finish at this level, it would be the weakest the spread has closed in at least the past 5 years. With the cash market still looking firm here, I think it is more probable that we continue to see this spread narrow in a bit.



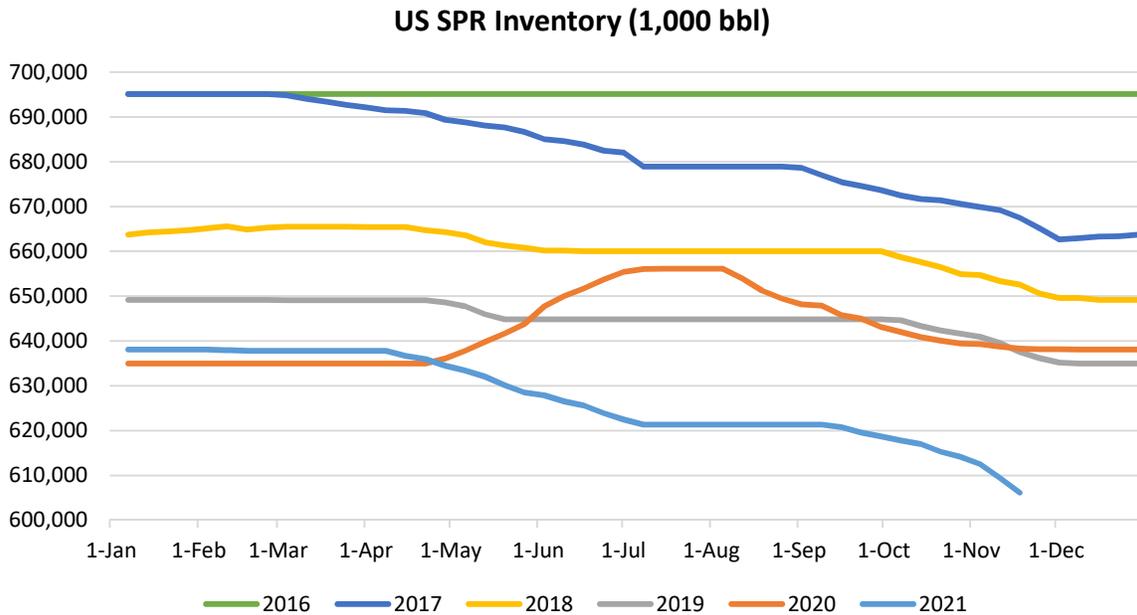
Financials

Not much to discuss here this morning. Same old storylines present. Equity markets continue to grind higher, and if we close here we'll set a new record high close for ES. Differing opinions on inflation expectations. The dollar is a bit weaker this morning. I'll be watching employment numbers from Philly Fed survey this morning.

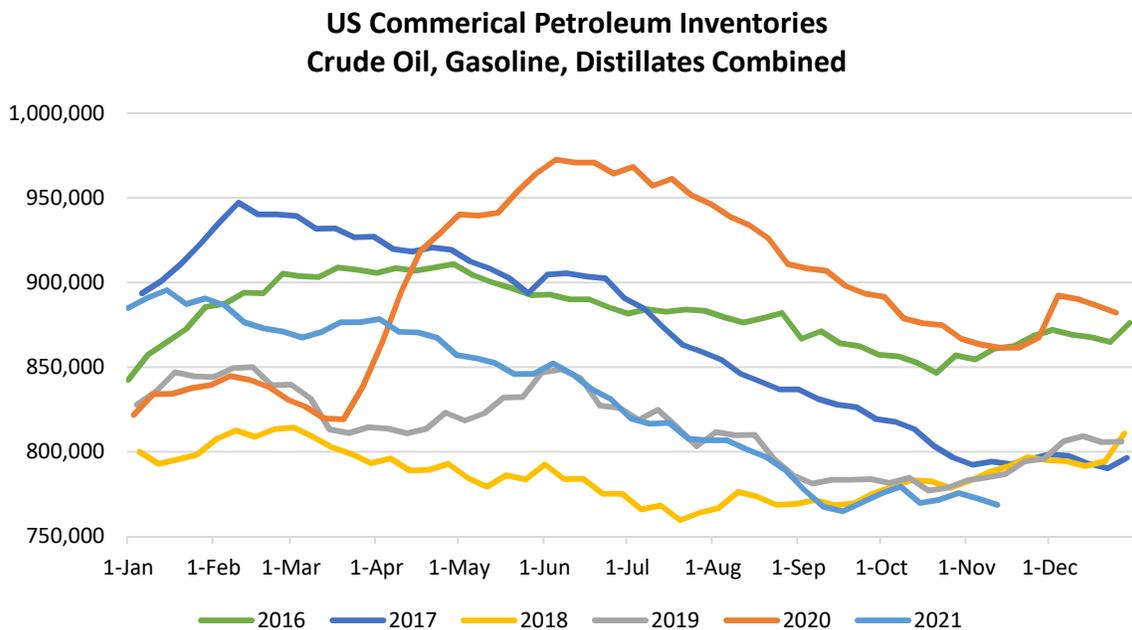
Energy

A lot of talk recently about SPR releases, but it should be pointed out that the DOE has been releasing oil from the SPR regularly for weeks now. The chart below shows the official US SPR inventory over the years. You can

see that since early Sep, the DOE has released roughly 14 mil barrels from the SPR...on top of the ~15 mil barrel released earlier in the year.



Despite these SPR releases, US commercial supplies continue to contract. The chart below takes oil, gasoline, and distillates combined. This is US commercial supplies, excluding the SPR. If the latest SPR release have had limited impact on US supplies, what will additional releases accomplish?



Today's Calendar (all times Central)

- Jobless Claims – 7:30am
- Export Sales – 7:30am
- Philly Fed Index – 7:30am
- EIA Natural Gas Storage – 9:30am

Thanks for reading.

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