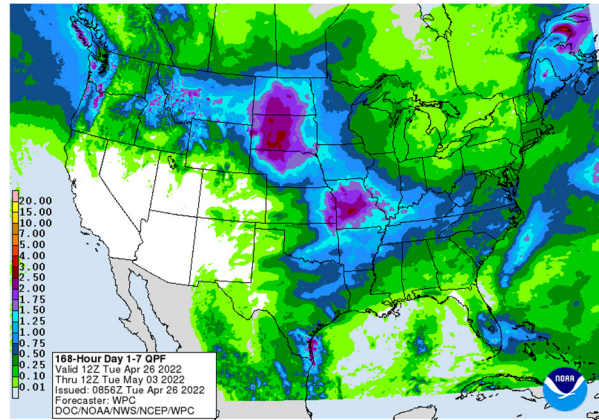


Weather

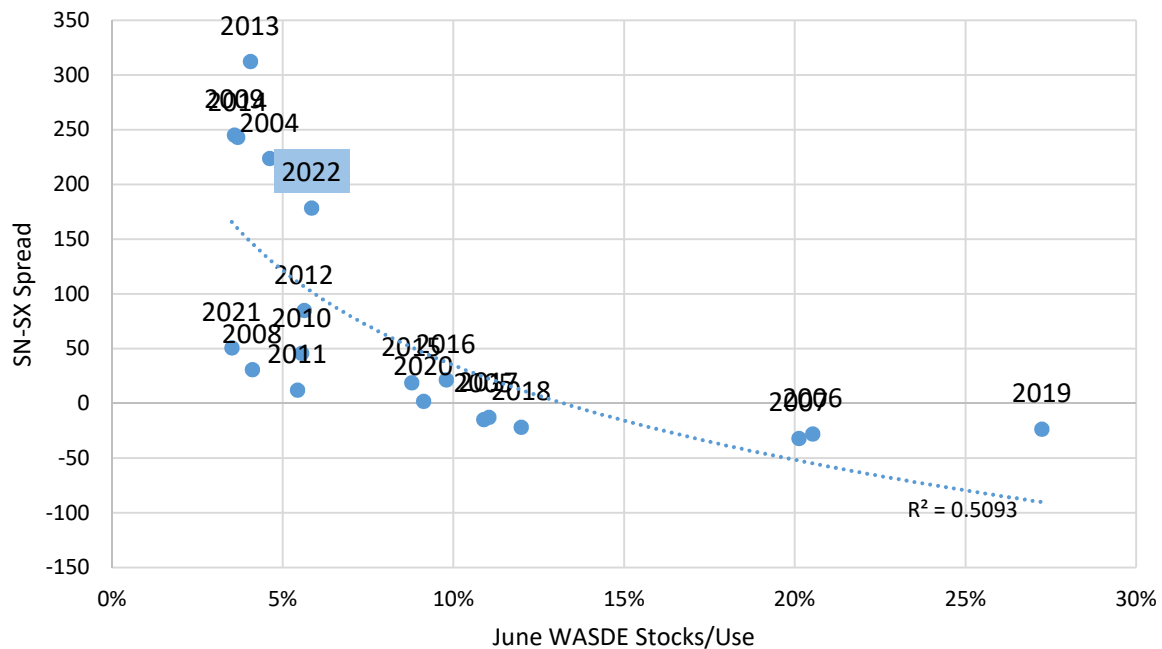
No big changes. Most of the precipitation shown on the 7-day QPF at the right doesn't fall until later in the week. That will allow for several days of dry conditions and some planting progress in portions of the Corn Belt. Some of the precipitation in the Northern Plains could fall as snow. Again note that most of the HRW Belt, except for eastern areas, will continue to see very limited rainfall chances.



Crops

We looked at corn spreads at one point last week...maybe we should give a quick look at bean spreads this morning. The scatter below looks at the N/X spread vs. the June WASDE stocks/use ratio. The highlighted 2022 print shows the current spread vs. the most recent WASDE estimate. While it might be tempting to suggest the spread is over-valued based on the April WASDE figure, I would argue that WASDE still has a lot of work to do on their export projection...we'll get around to discussing that in more detail later. However, with the bias that WASDE is still understating old crop soybean demand, there would still seem to be some possible upside to this spread. Thoughts appreciated.

End-June SN-SX Spread vs. June WASDE Stocks/Use

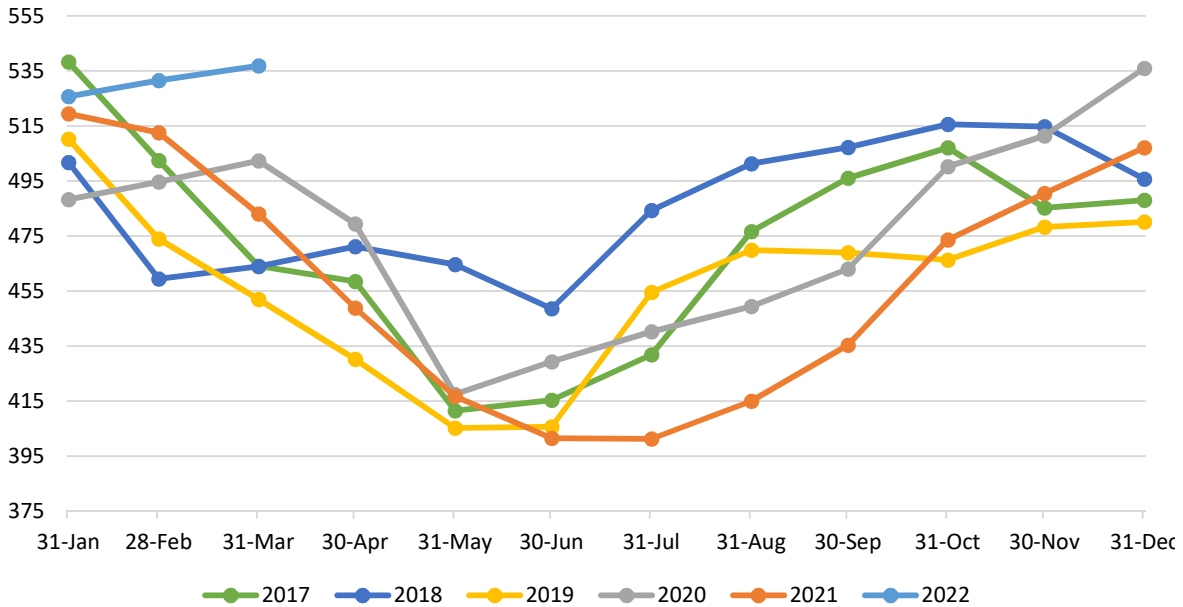


Livestock

The monthly Cold Storage report is rarely a big market mover and this month was largely overshadowed by the COF report. That being said, it wasn't particularly supportive to beef/cattle any more than the COF report was.

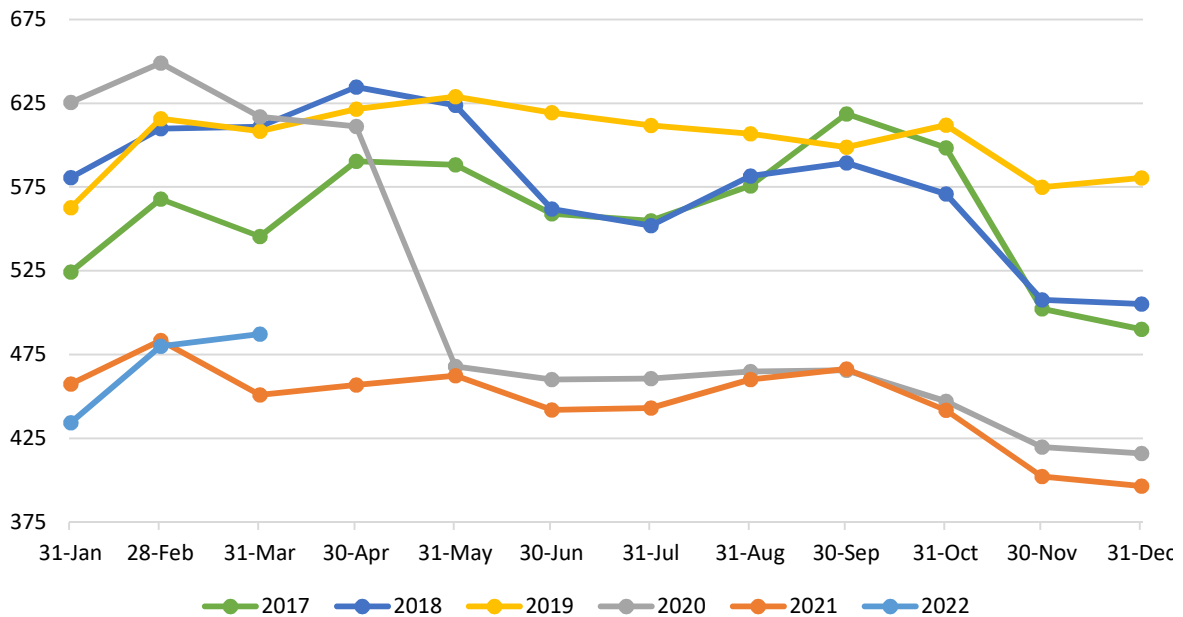
The seasonal view of beef in cold storage is shown below, and you can see we've posted two straight counter-seasonal monthly increases in beef supplies. The only time that has happened in recent years was in 2020.

Beef in Cold Storage (Mil Lbs)



It might be that pork supplies are finally starting to heal following the pandemic and ASF export pull. This is the first significant YOY increase in pork in cold storage since the beginning of the pandemic.

Total Pork in Cold Storage (Mil Lbs)



Financials

Not much to talk about today. Yesterday was a roller-coaster for equity markets. We saw very weak markets quickly erased in the afternoon. This morning things are a little quieter. So far earnings releases have been positive with 80% of companies beating expectations. We have MSFT and GOOGL both on tap for this afternoon and these should both be market-moving. Aside from the looming earnings releases, I really don't see anything new to discuss. The dollar continues to grind higher. Beijing lockdowns could be announced at any minute.

Energy

Oil futures are slightly lower at the time of writing this morning. The lingering concern over expanding Chinese lockdowns seems to be the main theme with the recent weakness. Just looking at a chart of spot WTI futures, I'd expect these recent lows to be tested. We also have the 100-day moving average just below those lows. It seems we could see a bit of consolidation around these technical support levels. That said, any newsflow on Chinese lockdowns or Russian supplies could change the outlook.



Today's Calendar (all times Central)

- Consumer Confidence – 9:00am

Thanks for reading.
David Zelinski
dzilinski@nesvick.com
901-766-4684

Trillian IM: dzlinski@nesvick.com

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