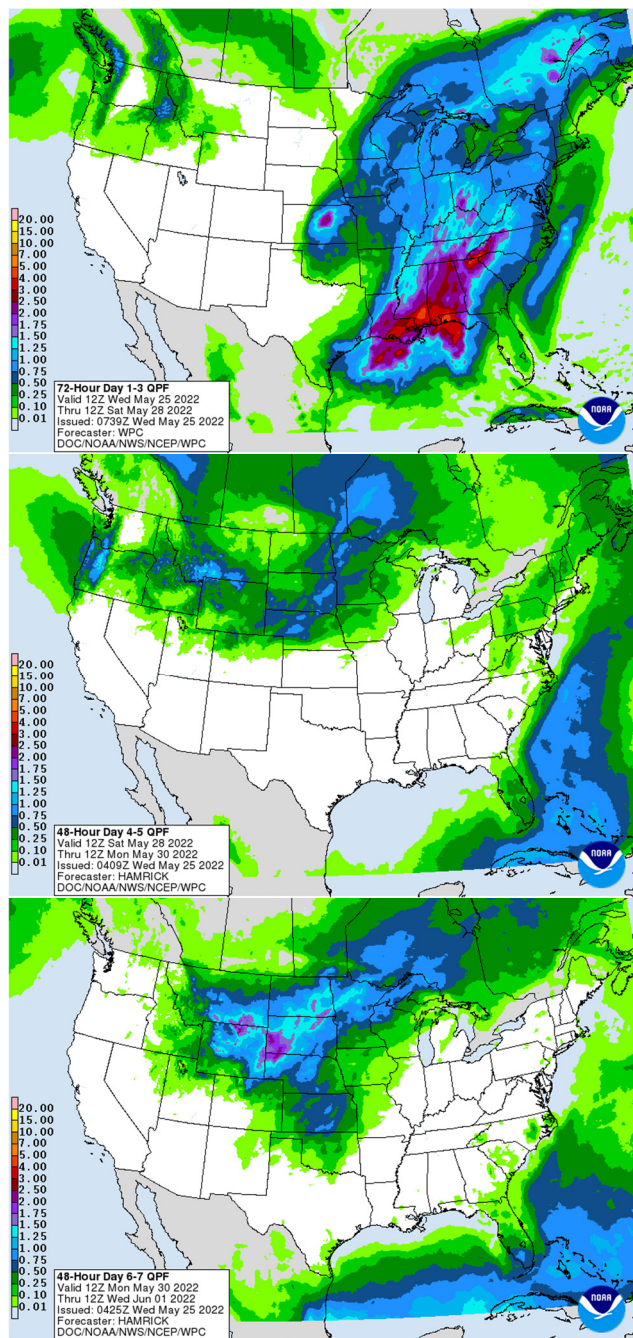


Weather

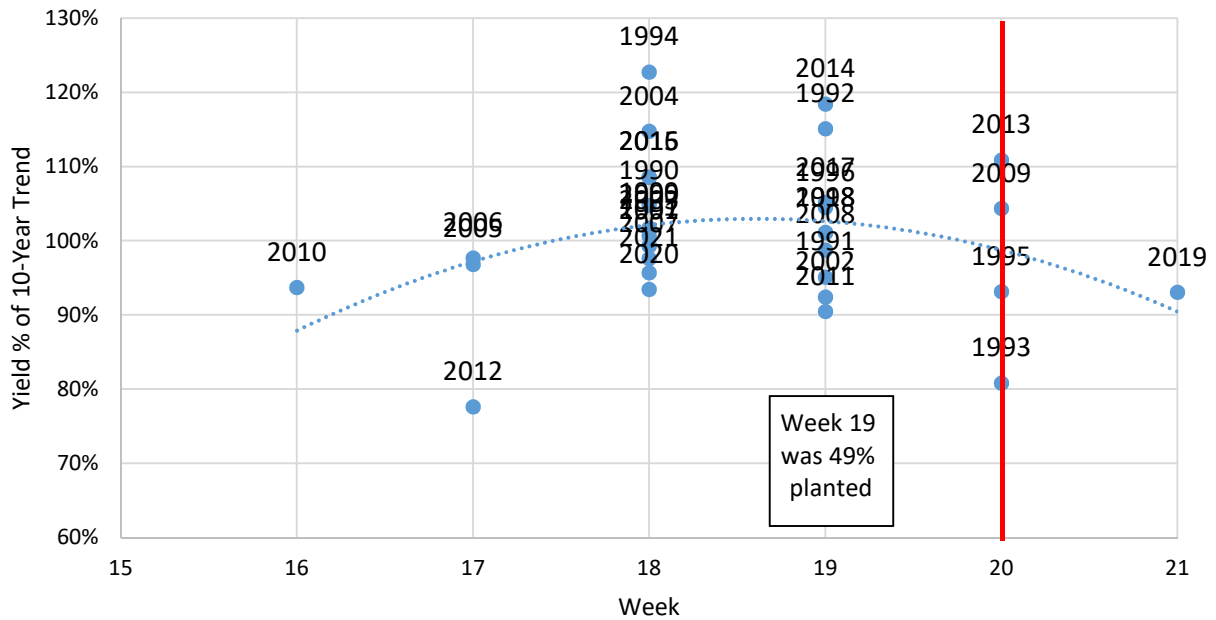
It doesn't look like there are significant adjustments to the near term forecast this morning. I've broken down the QPF maps at the right into Days 1-3, Days 4-5, and Days 6-7. In day's 1-3, you can see we've got some lingering showers in the HRW Belt and some big rains in areas east of the MS River. At the same time, ongoing limited rainfall chances for the Northern Plains. The script flips starting on Day 4, however. Rainfall will return to the Northern Plains, while the eastern Corn Belt, Southeast, and HRW Belt will start to dry out a bit. This makes the next 3 days of dry weather very important for the Northern Plains, as once this rainfall gets started, we probably see rainfall chances stick around a while into the Week 2 timeframe. The drier conditions for the southern and eastern Corn Belt should allow for a resumption in field work after a few days of drying out. The next few days will feature a lot of below normal temps for the majority of the Corn Belt, but we should start to see above normal temps again by later this week. These warmer temps will aid in the drying process for southern and eastern Corn Belt producers who still have a bit of work to do. Overall, my bias is that all of the recent rainfall, especially what fell in portions of the western Corn Belt, has been very welcomed as many of these areas had been running below normal on rainfall for quite a while.

Crops

We saw WASDE lower the corn yield earlier this month citing slow planting progress. I won't argue too much with WASDE's yield model, but I just want to point out a few quick charts and then I'll be on my way. The charts below are basically the same. The two charts compare a percentage of trend yield vs. hitting a particular milestone in planting progress. The first chart shows the percentage of trend yield vs. the week when we hit 50% planted. Yesterday's release is Week 20, and we officially hit 50% planted at some point during the week. Of course last week's planting progress was 49% complete, so I could make the argument we were closer to hitting Week 19 than Week 20, but I'm just sticking with my rule here. Anyway, the point here is there are certainly examples of below-trend yields with planting progress delayed this late, but there are also a few examples of above trend yields.

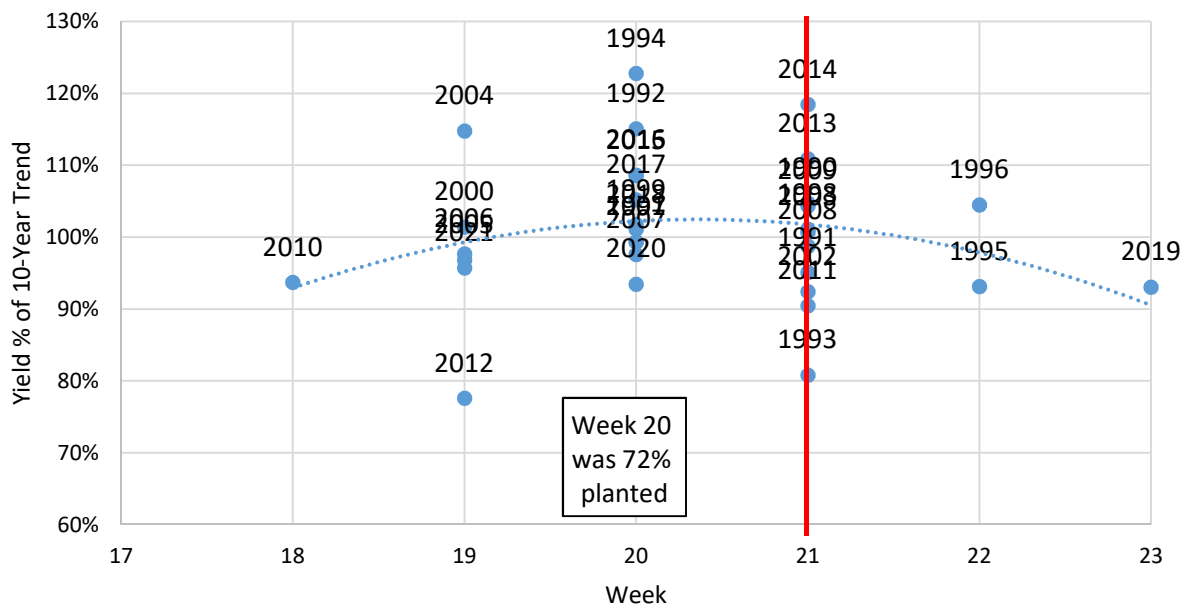


US Total Week of 50% Planted vs. % of Trend



This second chart shows essentially the same thing, but instead we're looking at hitting the 80% planted milestone. I'm currently assuming we should reach this level for next Monday's Crop Progress, hitting Week 21. Again, we can see several instances in the past where yields were sub-trend but we can also see several strong yields as well.

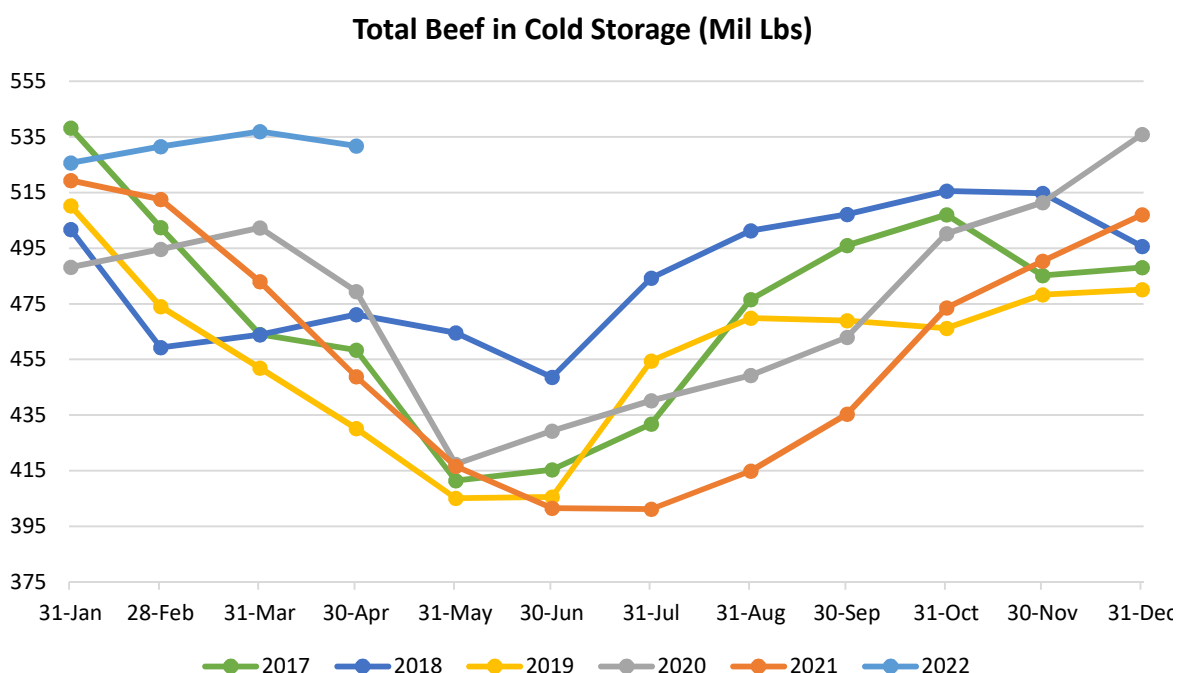
US Total Week of 80% Planted vs. % of Trend



I just think we could find better uses of our time than arguing about yield potential in late May based on planting dates.

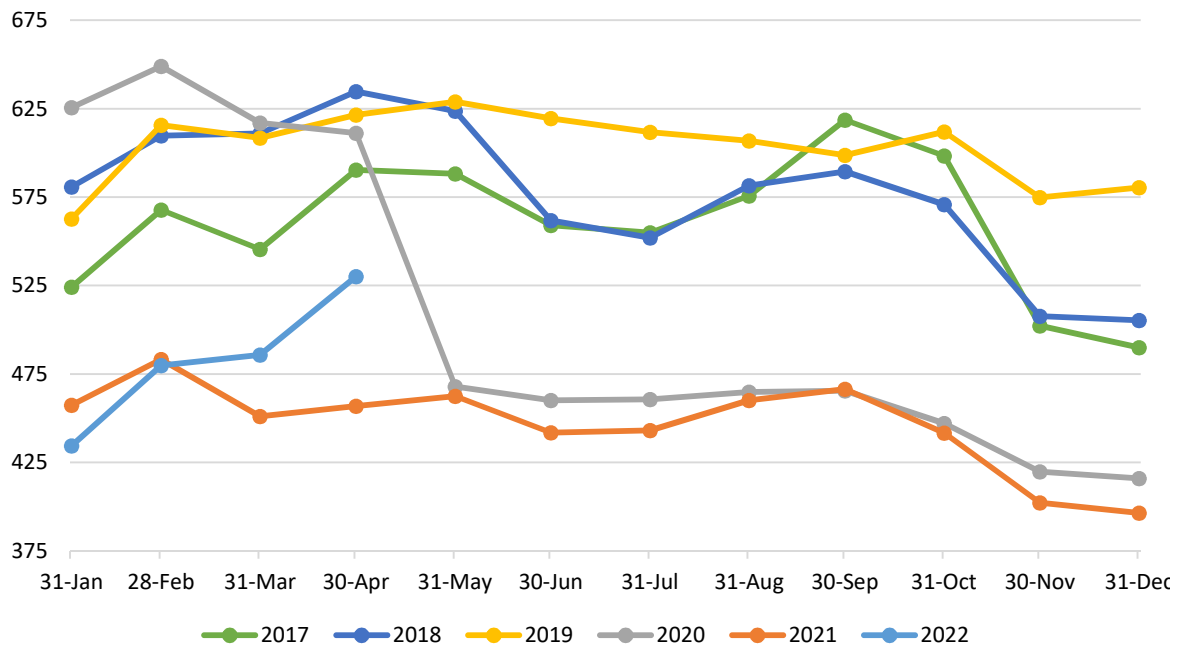
Livestock

The Cold Storage report was released earlier in the week, but I'm just now getting around to looking at the numbers. The good news is that this is rarely ever a market-moving report. The first chart below looks at beef in cold storage. We were down slightly from last month, as you'd expect at this time of year. We should seasonally decline through the next few months. That said, we remain well above the past several years.



It appears that pork in cold storage is finally starting to normalize a bit. After Covid, we saw inventories decline sharply and they have remained depressed through early this year. However, note the big increase posted in April of this year. We're still not quite back to pre-Covid levels, but this clearly puts us much closer.

Total Pork in Cold Storage (Mil Lbs)



Financials

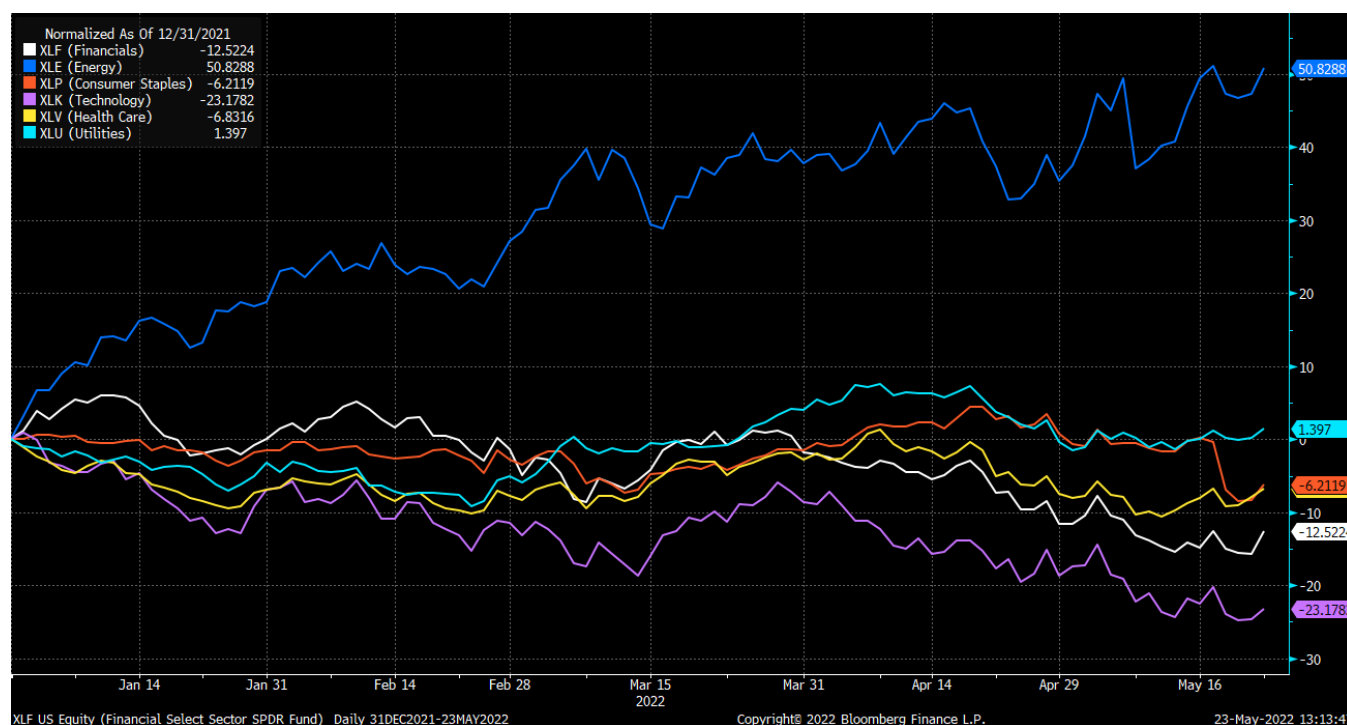
The dollar bears continue to make a lot of noise with another weak session yesterday. Again, I'm not fully sold that the dollar is about to embark on a big decline, but I'll concede the chance that the dollar has topped is greater than zero. With the dollar weakening, I wanted to highlight one key dollar relationship that probably gets overlooked. It is shown in the chart below. The white line shows the trade weighted dollar index. This will vary a bit from the DX contract but it is probably a better overall representative of the value of the dollar.

Obviously over the past 10+ years we've seen a bull market in the dollar, with some dips mixed in at times as well. The purple line looks at the MSCI US equity index vs. the MSCI world ex-US equity index. What I'm trying to show here is that, when the value of the dollar is appreciating, US equities outperform the rest of the world. If the dollar bears are correct, then we should expect that the recent US underperformance of the past several weeks is likely to continue going forward.



Energy

We don't talk much about equities in this space, but I just wanted to show how big the outperformance of energy related equities has been so far this year. The chart below looks at the YTD performance of several different ETFs. XLE is the energy sector SPDR ETF, and you can see with the blue line at the top of the chart it has posted a substantial 50%+ return so far YTD. Everything else? Well, you can see all the other stuff at the bottom of the chart. In particular, check out the tech sector XLK which is the bottom of the pack so far.



Today's Calendar (all times Central)

- Durable Goods Orders – 7:30am
- EIA Petroleum Inventories – 9:30am
- FOMC Minutes – 1:00pm

Thanks for reading.

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