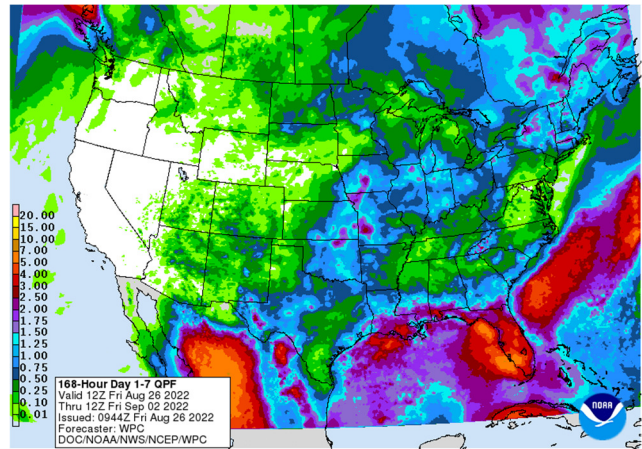


Weather

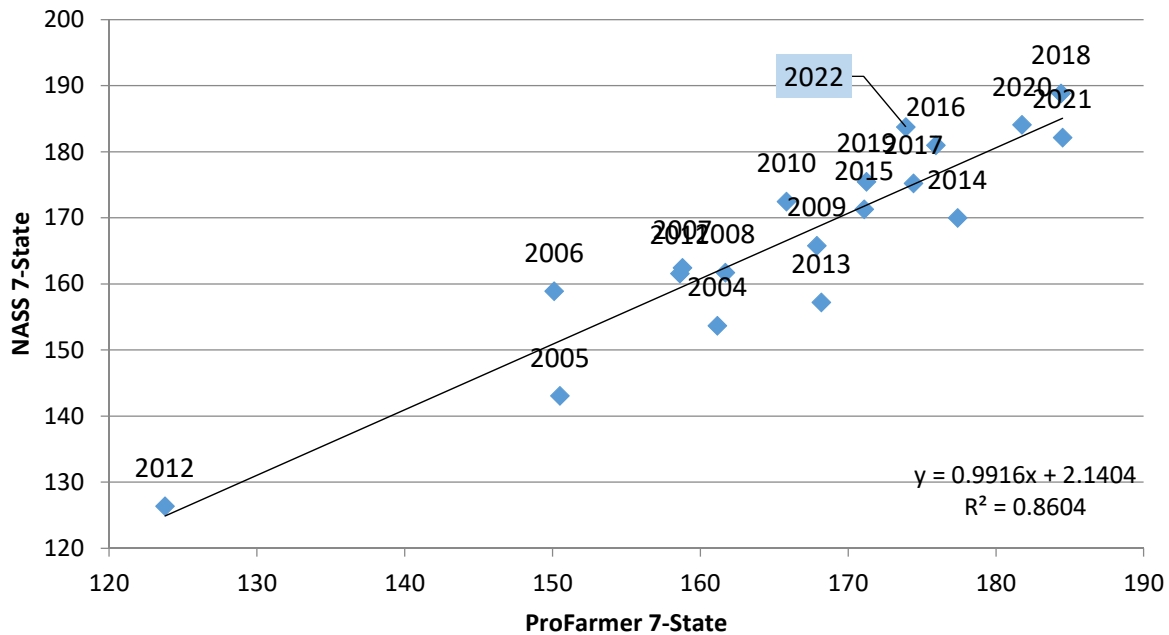
Some decent weekend rainfall expected across a decent portion of the Corn Belt this weekend. After these rains, it looks like rainfall for the Corn Belt for the duration of the two week period should run mostly below normal. Temps will remain near to above normal over the next two weeks with no threat of frost/freeze over that timeframe.



Crops

ProFarmer’s tour is finally done. One quick chart this morning on what the running total on corn yields might mean. I don’t pay any attention to the yield they’ll guesstimate later this afternoon. Instead, the actual yields reported during the week have proven to be a somewhat decent proxy on what to expect from USDA on the 7-states PF visits. The chart below plots the 7-state weighted yield across the PF tour vs. the 7-state weighted NASS Sep yield estimate. The highlighted 2022 figure uses the Aug estimate. Obviously this argues for some downside to the NASS estimate next month. If we were to take the 7-state yield down to the trendline and leave everything else unchanged, it would equate to roughly a **170 bpa** national average yield.

PF 7-State Yield vs. NASS 7-State Yield (Sep)

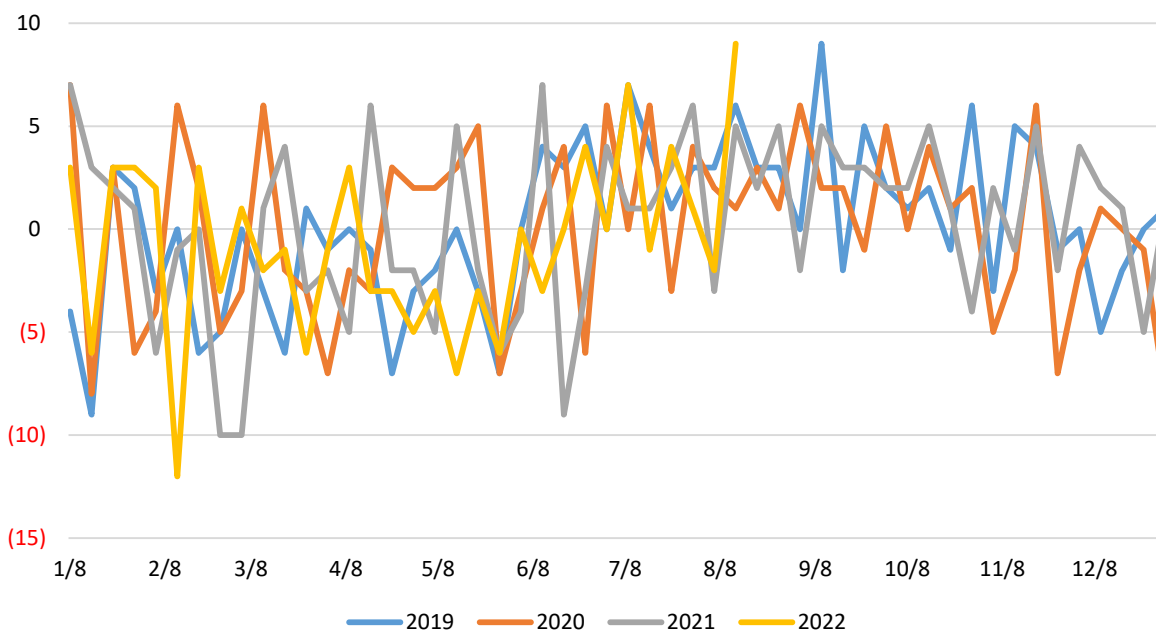


It should be pointed out, however, that SD is the biggest component of the overall drop vs the Aug NASS number. I have some serious questions about PF's SD calculations. But, the data is the data. Thoughts appreciated.

Livestock

No major point to drive home this morning. This is more trivia than anything important. I'm looking at the weekly change in steer carcass weights in the chart below. Last week we saw steer weights +9 lbs. That ties the highest weekly increase in the past couple of years. Looking at data going back to 2010, it looks like the biggest one-week increase in steer weights was +12 lbs in 2014.

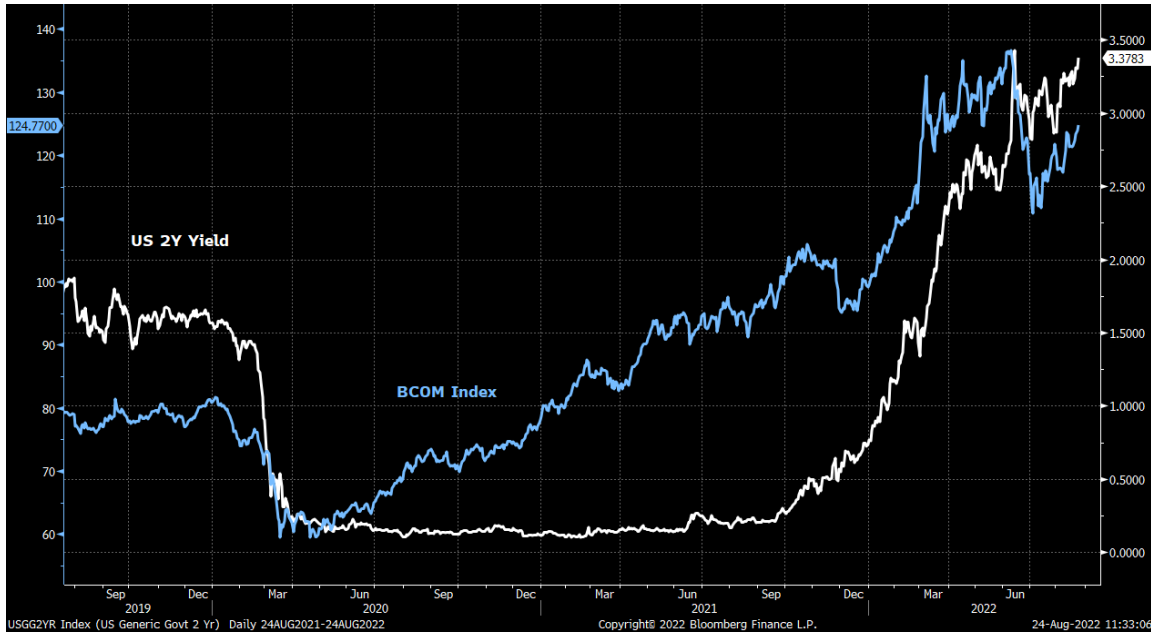
Weekly Change in Steer Carcass Weight



Financials

On tap today we have Fed Chair Powell's Jackson Hole speech. The only thing I can say about that is...good luck today.

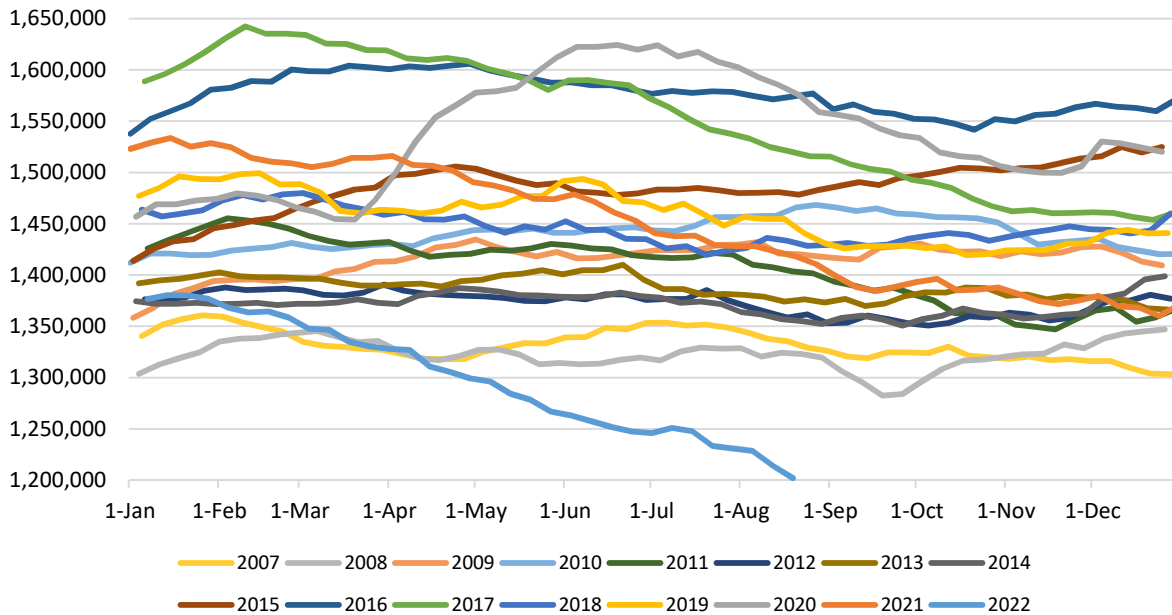
Yesterday's look at 2Y yields got me thinking about the chart below. This shows US 2Y yields vs. the Bloomberg Commodity Index. Yields and commodities have been largely moving in tandem since the pandemic (and before, actually). It is interesting that 2Y yields appear to be on the verge of a potential breakout higher, while the BCOM hasn't quite made up that much ground recently. Could this be a sign of another resurgence in commodities? Of course, it might also be that 2Y yields are about to score a double-top.



Energy

I guess this is coming my standard Friday morning energy chart. It just moves lower and lower every...single... week. This takes commercial oil inventories, SPR, gasoline, and distillates combined. I think it is important to consider SPR as that has obviously been what has allowed commercial inventories to remain somewhat steady. SPR releases continue until October, will that mean a drawdown in commercial supplies?

EIA Total Petroleum & Product Inventories
Crude Oil (including SPR), Gasoline, & Distillates



Today's Calendar (all times Central)

- PCE Deflator – 7:30am
- Fed Chair Powell at Jackson Hole – 9:00am
- U of M Consumer Sentiment – 9:00am

Thanks for reading.

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