

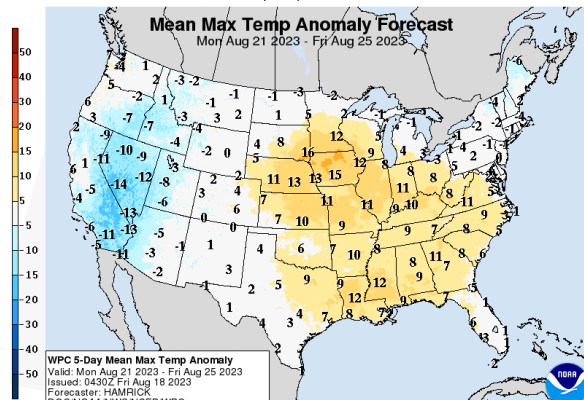
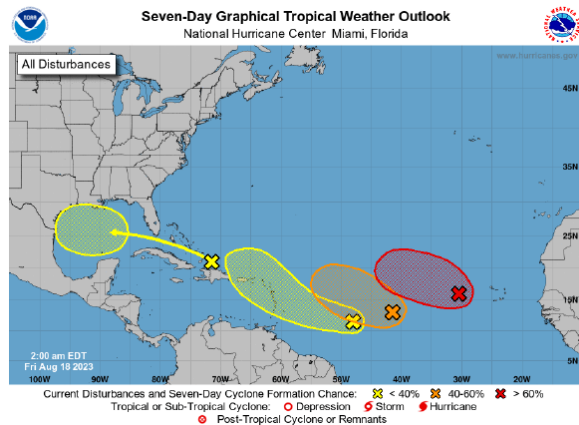
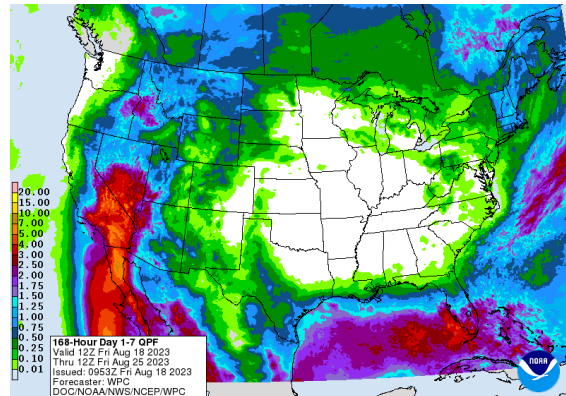
Weather

No major changes to speak of to the forecast. The 7-day QPF is shown at the right, and we're obviously look at completely dry weather for at least the next 5 days. The QPF map shows dry weather for Days 6-7, but there are some chances that rainfall might start to return to northwestern portions of the Corn Belt around that time. The rain shown in the southwestern US all comes from Hurricane Hillary, which should be making landfall late Sunday or early Monday morning. Rainfall chances might return to the Corn Belt around 8/24-8/25 when the dome of high pressure is expected to start weakening and moving southwest. It is also worth noting that there are 4 tropical disturbances being watched by the NHC right now. Any one of these could possibly eventually bring moisture into the growing region. The Euro model actually brings one system into TX on Wednesday and allows for some moisture to move into the Corn Belt later in the week. There is no reason to have any confidence in that solution, but just something that could happen.

Each day this week the forecast for big heat seems to expand the area of potential 100F+ highs. Today's maps seem to suggest some 100s are possible as far north as extreme southern MN. It will be extremely hot, with heat starting this weekend and probably peaking Tue/Wed of next week. There remains strong model agreement that the dome of high pressure will start to back down in the second half of next week which will allow for somewhat "cooler" temps to move back into the Corn Belt.

Crops

I'll confess to a bit of writer's block this morning. I haven't thought of a good topic to cover today. So I'm just going to keep it simple and look at US vs. Brazil export prices. My standard comparison tables follow on the next page. As always, this isn't mean to be all encompassing, but should get the basics correct. The first table is corn and we can see Brazil is shown to be cheaper into Asia throughout the curve. That being said, the gaps has certainly narrowed and some difficulty in Brazilian logistics could certainly push some biz to the US from time to time. The bigger change in the past week or so has been in soybeans. As you look at the comparison below, you can see that Brazil is looking more competitive across the curve into Asia. This was not the case in the past few weeks when we've seen some solid soybean sales. This should mean the flash sales and Thursday numbers should be reduced somewhat from levels seen in the past couple of weeks.



Landed Value Comparison													
Corn													
USG Values							Brazil Paranagua Values						
	Aug	Sep	Oct	Nov	Dec	Jan		Aug	Sep	Oct	Nov	Dec	Jan
FOB Basis	50	53.75	54.5	62.5	56.25	28.25	Paper Premium	47.63	52	70	80	20	17.5
CBOT Futures	475.25	475.25	487.75	487.75	487.75	501.5	CBOT Futures	475.25	475.25	487.75	487.75	487.75	501.5
	CU	CU	CZ	CZ	CZ	CH		CU	CU	CZ	CZ	CZ	CH
USD/MT Conversion	\$ 206.78	\$ 208.26	\$ 213.47	\$ 216.62	\$ 214.16	\$ 208.55	USD/MT Conversion	\$ 205.85	\$ 207.52	\$ 219.58	\$ 223.51	\$ 199.89	\$ 204.32
USG-China Pmax	48.4	48.4	48.4	48.4	48.4	48.4	Santos-China Pmax	38.9	38.9	38.9	38.9	38.9	38.9
Total Landed Ex-Tax	\$ 255.18	\$ 256.66	\$ 261.87	\$ 265.02	\$ 262.56	\$ 256.95	Total Landed Ex-Tax	\$ 244.75	\$ 246.42	\$ 258.48	\$ 262.41	\$ 238.79	\$ 243.22

Landed Value Comparison													
Soybeans													
USG Values							Brazil Paranagua Values						
	Aug	Sep	Oct	Nov			Aug	Sep	Oct	Nov			
FOB Basis	59.25	67.875	71	67.5			Paper Premium	66.38	55.88	69.13	77.5		
CBOT Futures	1350	1350	1342.25	1342.25			CBOT Futures	1350	1350	1342.25	1342.25		
	SU	SU	SX	SX				SU	SU	SX	SX		
USD/MT Conversion	\$ 517.81	\$ 520.98	\$ 519.28	\$ 517.99			USD/MT Conversion	\$ 520.43	\$ 516.57	\$ 518.59	\$ 521.67		
USG-China Pmax	48.4	48.4	48.4	48.4			Santos-China Pmax	38.9	38.9	38.9	38.9		
Total Landed Ex-Tax	\$ 566.21	\$ 569.38	\$ 567.68	\$ 566.39			Total Landed Ex-Tax	\$ 559.33	\$ 555.47	\$ 557.49	\$ 560.57		

Otherwise, I just couldn't think of much to discuss this morning. All eyes on the heat and dry weather next week. The Sunday night forecast will be critical to see how quickly we can return good moisture to the Corn Belt following this heat wave. The ProFarmer tour will take place next week.

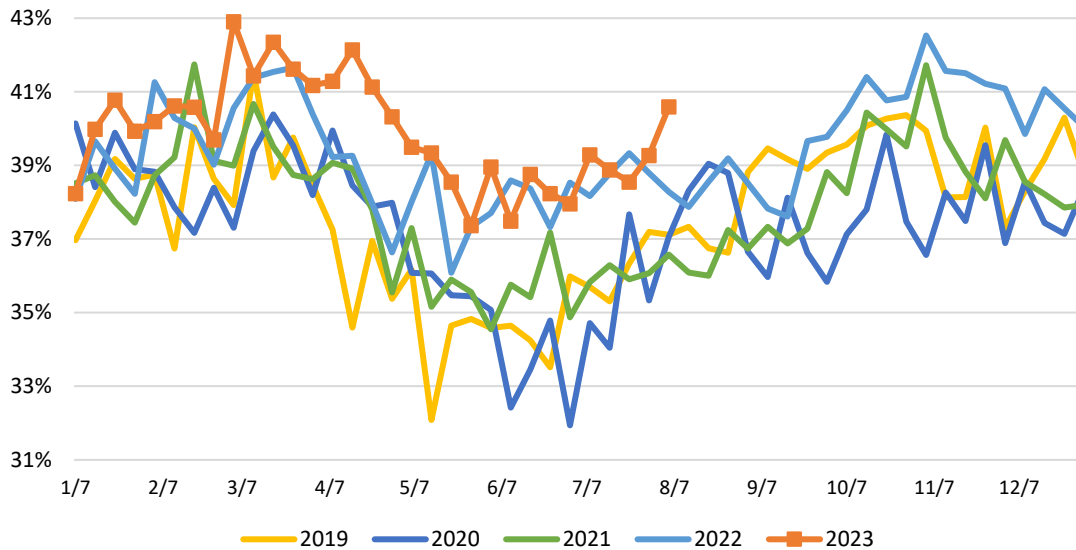
Livestock

The COF report is due this afternoon. The rundown to the right shows the breakdown of expectations according to the Bloomberg survey. Unfortunately, I have little value to add here.

	Survey Results			Survey, avg	USDA Yr-ago
	Avg	Low	High	Mln Head	Mln Head
Cattle on Feed (Aug. 1)	-1.6%	-3.5%	-0.9%	11.107	11.289
Placements (July)	-3.9%	-5.4%	-1.4%	1.696	1.764
Marketings (July)	-5.2%	-5.5%	-4.6%	1.729	1.824

As we've got to wait and see on COF, just a quick look at a chart that caught my eye when going through the official slaughter stats yesterday. The chart below looks at the heifer percentage in the slaughter mix. Definitely a potential indication for an uptick in liquidation pressure. The renewed severity of the drought in TX is likely refueling some of these liquidation efforts.

Heifer Slaughter as % of Total S&H Slaughter



Financials

Just a few charts of interest. The chart below looks at spot copper futures. You can see we're clinging to some long-held trendline support here. Yesterday's price action in copper was actually pretty strong, but not a lot of breathing room off this support level yet. Definitely something to keep an eye on



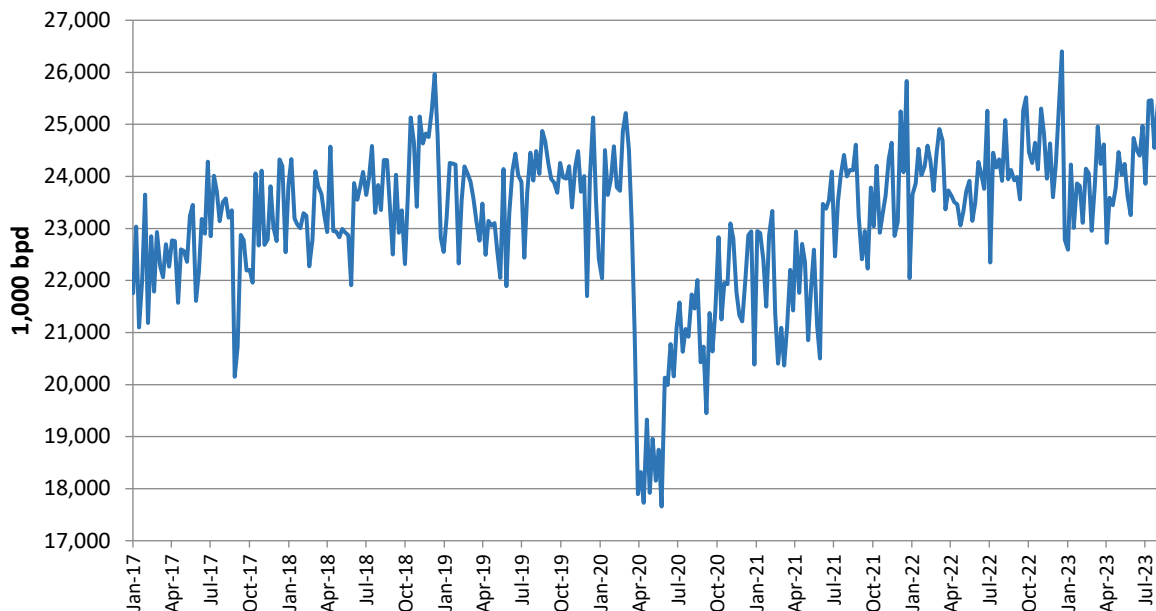
The chart on the following page is 30Y yields. Potential double-top??



Energy

An observation from this week’s EIA data on Wednesday. The chart below shows my measurement for estimated total US petroleum and petroleum product demand. This accounts for both domestic products supplies and exports. Demand looks very strong, coming in at the second highest level I have on record. Obviously we can’t treat this measurement as extremely precise, but worth noting the relative strength of demand right now despite the rally in prices.

US Total Petroleum Product Demand
US Domestic Products Supplied + Net Exports



Today's Calendar (all times Central)

- Cattle on Feed - 2:00pm

Thanks for reading.

David Zelinski

dzelinski@nesvick.com

901-766-4684

Trillian IM: dzelinski@nesvick.com

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