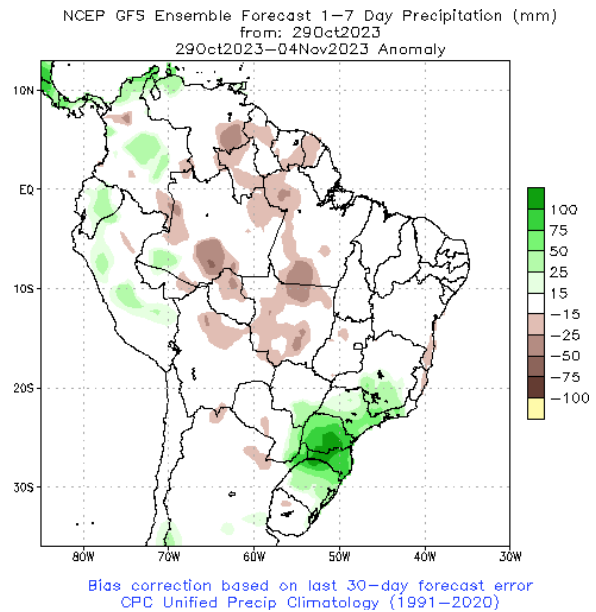


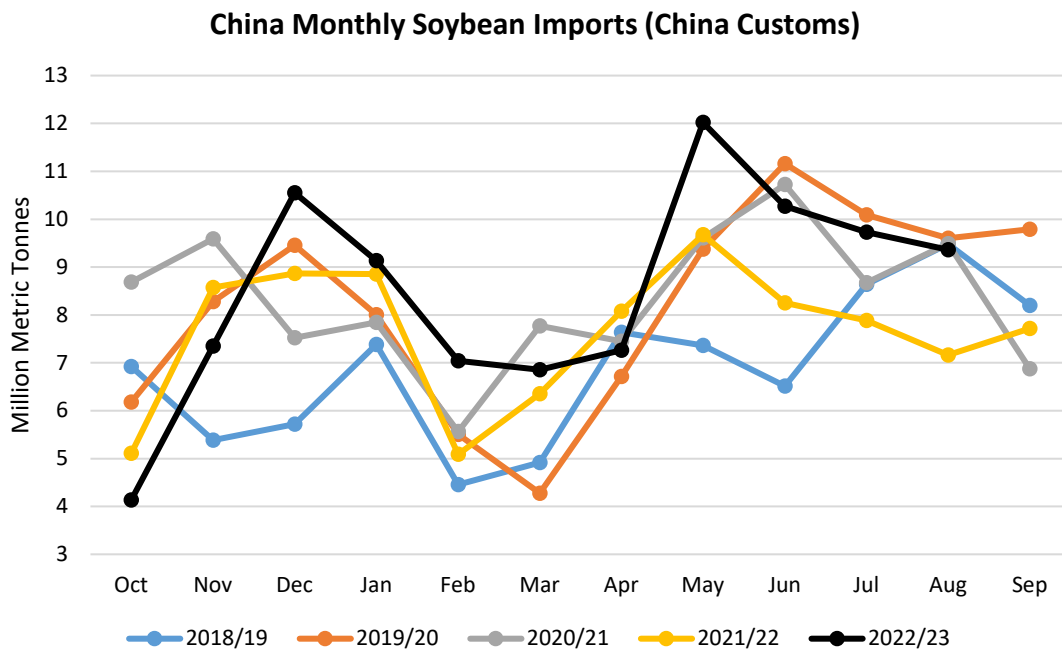
Weather

No huge changes. Rainfall in northern Brazil will never be “big”. We’ll see scattered rains on a daily basis, however, and over time this should add up to near normal amounts (with some spots short-changed, of course). Southern Brazil will see more heavy rainfall in the next couple of days. The good news is they should see a stretch of several days from 11/4-11/8 with very limited rainfall that should allow the region to dry out a little. Argentina will see some active showers in both the Day 1-5 and Day 11-15 periods. This should add up to some fairly favorable rainfall amounts over the two week forecast period. One thing to keep an eye on this week will be some cold temps. We could see some lows in the 30s in some spots this week with some frost likely seen as well.



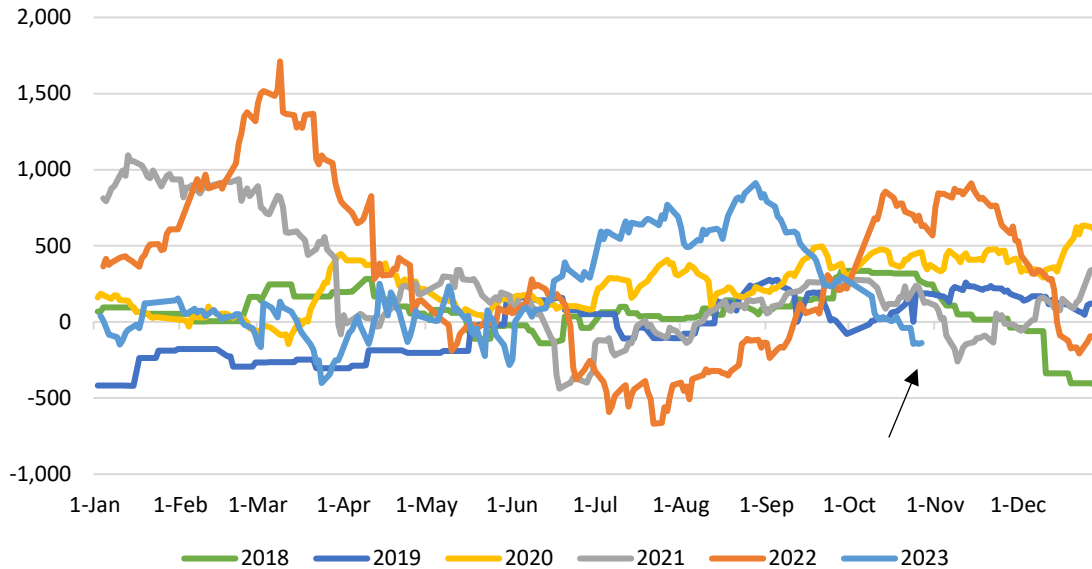
Crops

Just a quick note with a little food for thought this morning. Last week we heard of some potential “wash-outs” of Brazilian soybean cargoes to China. I always laugh a little when I hear this...these are actual contracts that have been agreed to and you just can’t walk away under normal circumstances. It wasn’t clear last week if some of these cargoes were rolled to US origin or not. I’ve heard some mixed reporting on that. Anyway, I just want to comment quickly on the prospects for Chinese demand going forward. Chinese imports have been fairly strong recently, as shown in the chart below.



But now look at Chinese crush margins. They've moved from seasonally strong levels during the summer to seasonally weak levels so far this fall. In the second chart you can see a basket of several different cash soymeal quotes around China. While still elevated from a historical perspective, you can see meal prices are well off their recent highs and still trending lower.

JCI Estimated China Crush Margin (CNY/mt)



China Cash Soymeal Basket (CNY/mt)

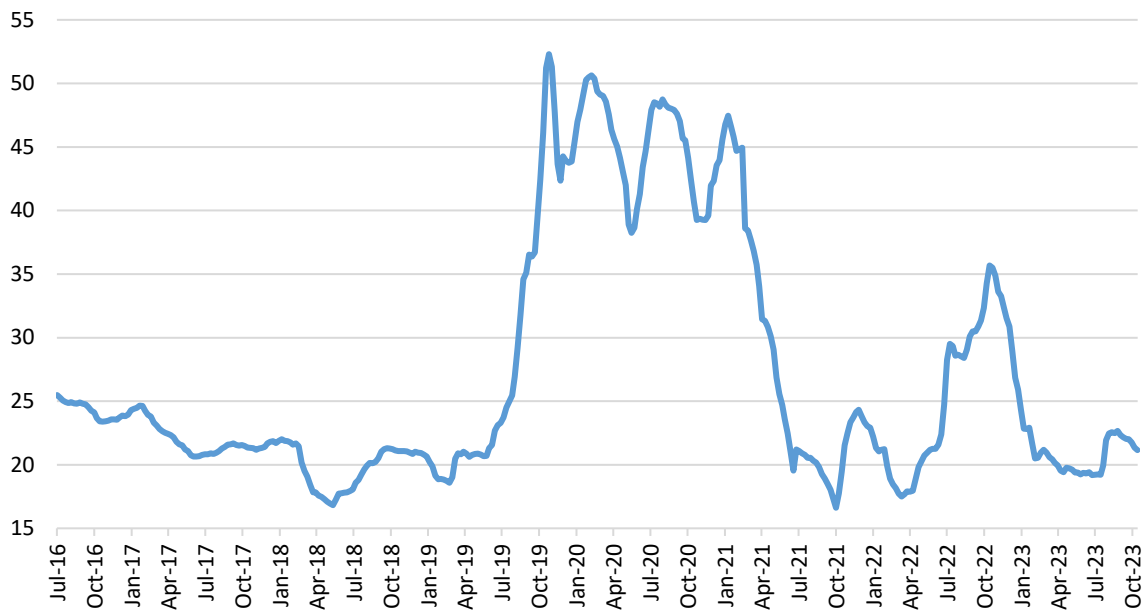


I'm only bringing this up this morning because I think it is worth considering whether we might see Chinese demand slow down on the margin in the coming weeks/months. I don't have any inside information on this..I'm just thinking out loud based on the sharp decline in margins shown above. Thoughts appreciated.

Livestock

One reason that crush margins might remain under some pressure is that there seems to be an increasing amount of reporting discussing poor hog margins. The chart below looks at wholesale pork prices within China. We're back to pre-ASF price again. We've been back to these levels a few times since the 2019-2020 surge, but last year saw another sizeable surge in pork prices. If we don't see another bounce in pork prices, one would think that the hog margins might remain under pressure.

China Wholesale Pork Price (CNY/kg)



I also saw last week there was a report suggesting that ASF has returned to some areas. We've seen several such reports since 2020...I'm not sure this report is any more credible than the past ones we've seen. Still, something to keep in mind.

Financials

Not much to pass along here this morning. There are only so many times I can point out key technical levels on various charts. We're seeing a bit of a bounce this morning across "risk". The NQ is finding support at its 200-day MA. Apparently the fighting from Gaza over the weekend is being viewed as not-bad-enough to spook markets lower. I personally was concerned when areas in Syria started being targeted, but I guess I am the only one.

We roll over into a new month on Wednesday, so that means we already were going to have a ton of stuff going on. However, we also have several central bank meetings to watch this week. Today I figured I'd just run through some of what we have to look forward to this week.

Today: Not much from the US. We got German GDP overnight (better than expected) and will get CPI later today.

Tuesday: Eurozone CPI and GDP. Japan unemployment, industrial production, and a BOJ rate decision and statement. US consumer confidence

Wednesday: PMI numbers globally. US ISM manufacturing, and the FOMC rate decision and statement. We'll also get the Treasury's quarterly refunding announcement, which might get some attention.

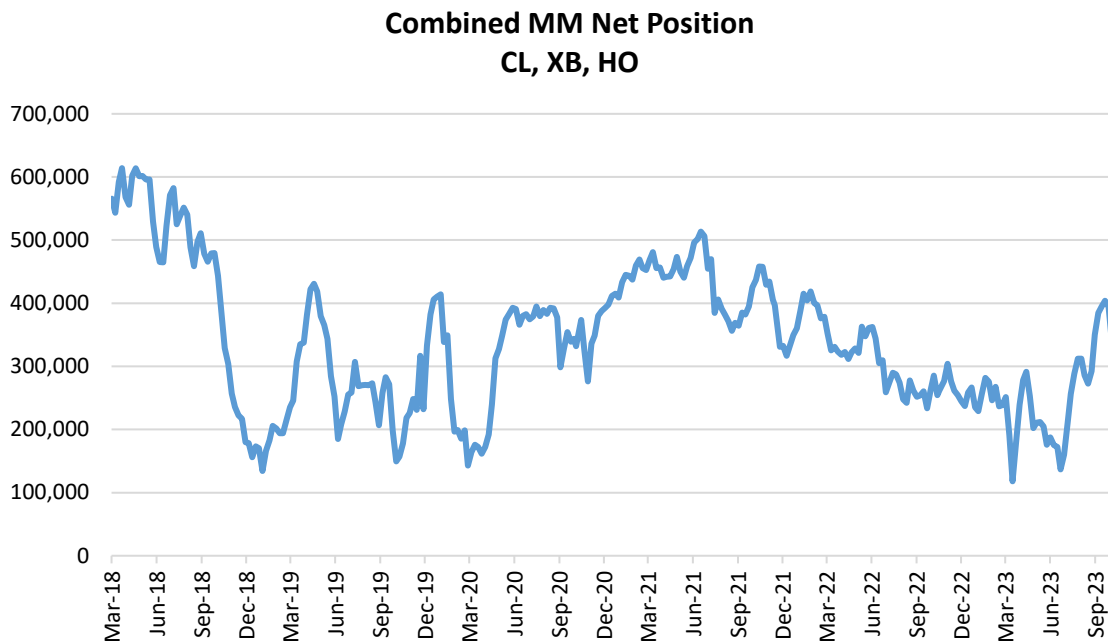
Thursday: A few more PMI numbers, specifically in Europe. UK BOE rate decision and statement. AAPL will report earnings.

Friday. Unemployment reports from the Eurozone, Canada, and, of course, the US.

All of that, and I'm sure I'm missing a few things as well. With all of that due to come out this week, I would expect a very volatile week. In particular, FX could see some very big moves. As I've shown in the past week or so, we've developed a consolidation pattern across a lot of important FX markets...we might be coiling for a breakout somewhere. Thoughts appreciated.

Energy

Oil futures are weaker this morning as the market seems less concerned about events in the Middle East. I'm not sure that I share the calm perspective, but that's what makes a market. The chart below looks at the combined MM net position across CL, XB, and HO. You can see that the spec long declined in the week ending 10/24. Considering the price action in the second half of last week, I would bet next Fridays' release will likely show another modest decline.



Today's Calendar (all times Central)

- Export Inspections – 10:00am
- Crop Progress – 3:00pm

Thanks for reading.

David Zelinski

dzelinski@nesvick.com

901-766-4684

DISCLAIMER:

This communication is a solicitation for entering into derivatives transactions. It is for clients, affiliates, and associates of Nesvick Trading Group, LLC only. The information contained herein has been taken from trade and statistical services and other sources we believe are reliable. Opinions expressed reflect judgments at this date and are subject to change without notice. These materials represent the opinions and viewpoints of the author and do not necessarily reflect the opinions or trading strategies of Nesvick Trading Group LLC and its subsidiaries. Nesvick Trading Group, LLC does not guarantee that such information is accurate or complete and it should not be relied upon as such.

Officers, employees, and affiliates of Nesvick Trading Group, LLC may or may not, from time to time, have long or short positions in, and buy or sell, the securities and derivatives (for their own account or others), if any, referred to in this commentary.

There is risk of loss in trading futures and options and it is not suitable for all investors. PAST RESULTS ARE NOT NECESSARILY INDICATIVE OF FUTURE RETURNS. Nesvick Trading Group LLC is not responsible for any redistribution of this material by third parties or any trading decision taken by persons not intended to view this material.