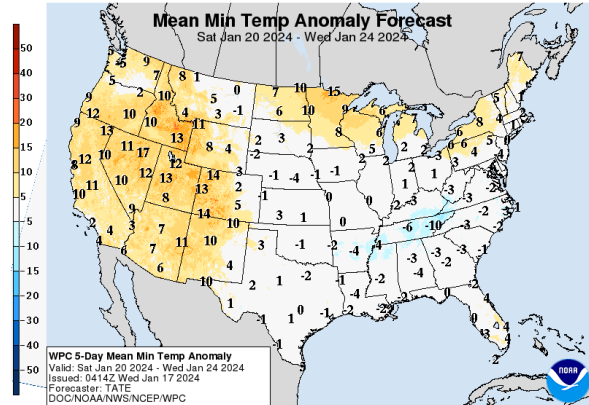


Weather

No changes in South America. Active rainfall through most of Brazil over the next 10 day. This is especially good news for southern areas that had turned drier recently. Argentina is looking at limited rainfall for at least the next 10 days, though this comes after extensive rainfall over the past few weeks so it is hard to be overly concerned right this moment. Week 2 temps will rise to above normal levels. In the US, you can see in the map at the right that we should see some relief from cold temps next week...but still plenty of cold weather in the next couple of days.

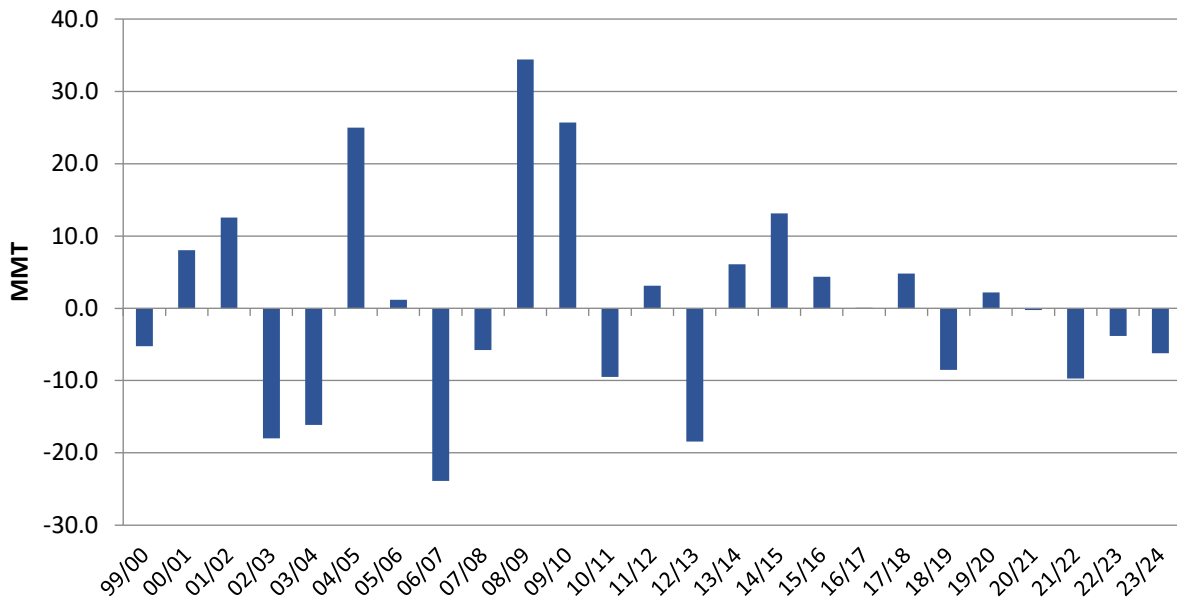


Crops

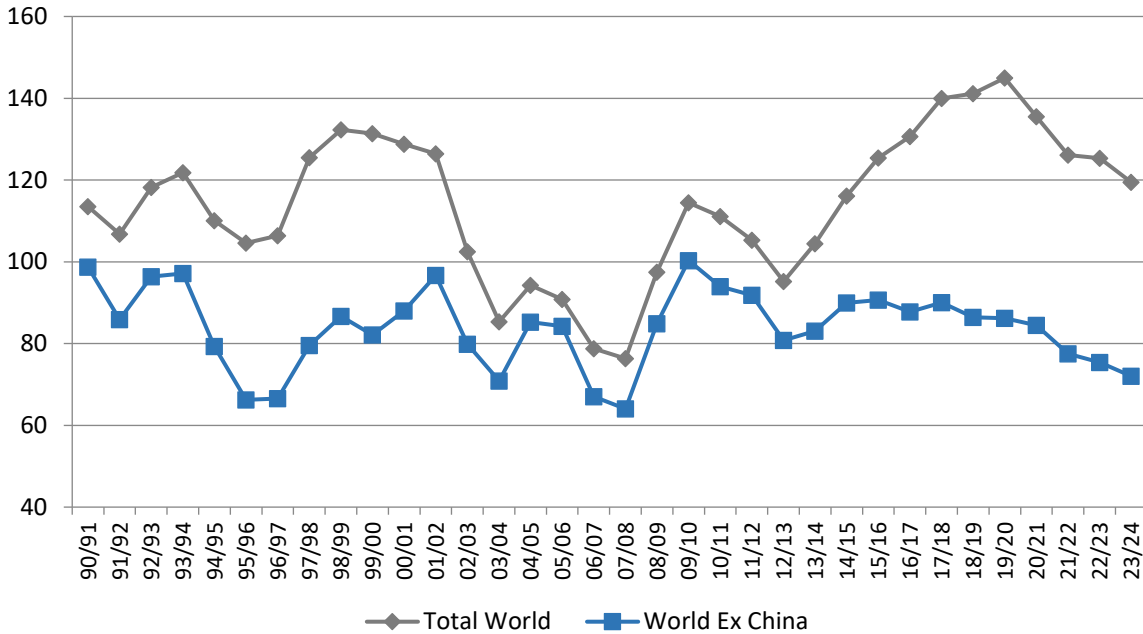
I don't want to spend too much time on this, but I wanted to review some of the numbers from the last WASDE release. I know the WASDE was released all the way back on Friday, but I just got around to plugging in numbers and looking at things more closely. This is just an assortment of charts of interest. None of them are earth-shattering stuff...just some items I think are somewhat interesting.

Looking at wheat first, the first chart looks at the world surplus/deficit when excluding China. World wheat stocks (ex-China) are now set to decline for the fourth consecutive year. The second chart on the next page is a similar view on this, expressing wheat stocks in terms of days of consumption. Excluding Chinese supplies, wheat stocks are looking somewhat tight.

World Wheat EX-CHINA Annual Surplus/Deficit

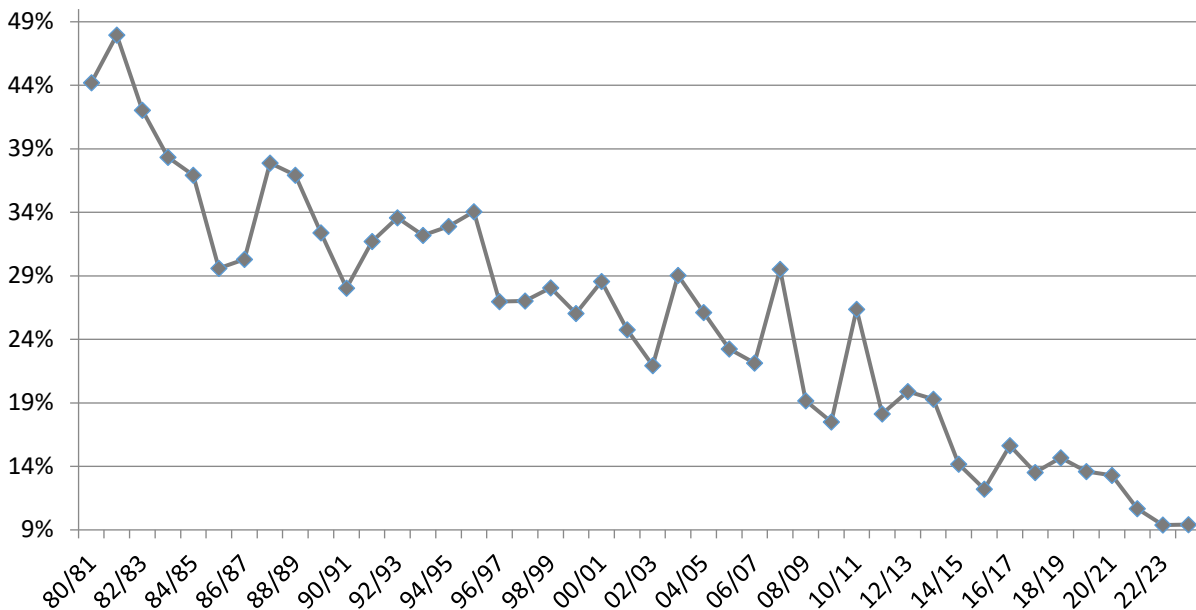


World Wheat End Stocks - Days of Use

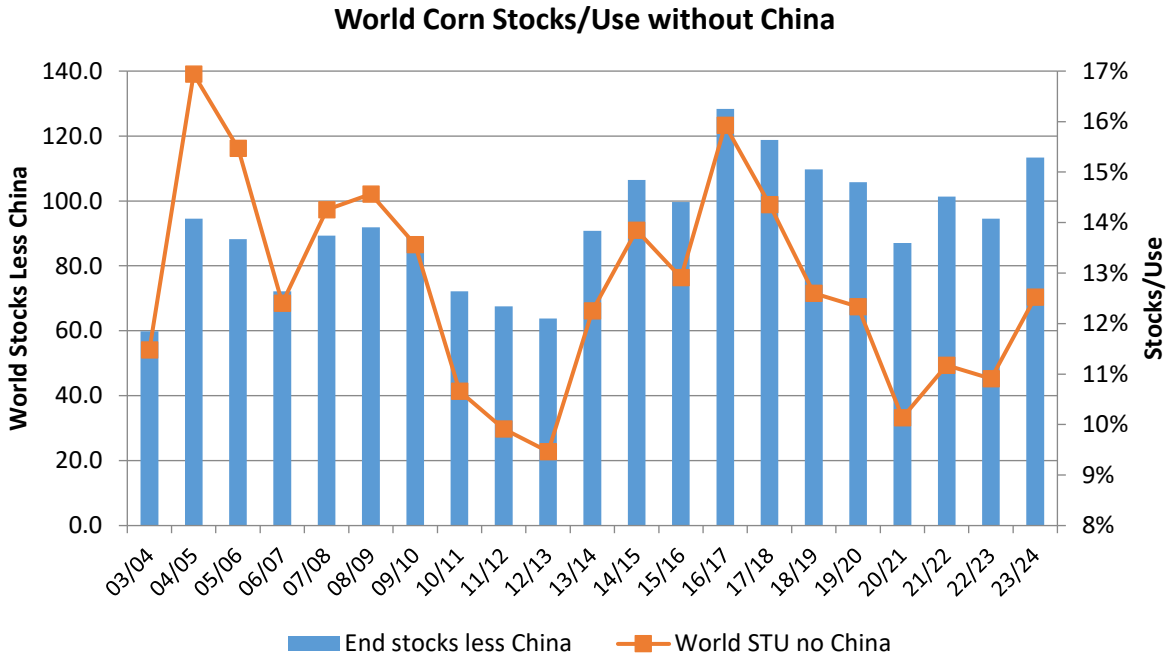


However, at the same time...that doesn't necessarily mean much to US markets. The US is looking at its smallest share of global wheat trade in a loooooong time.

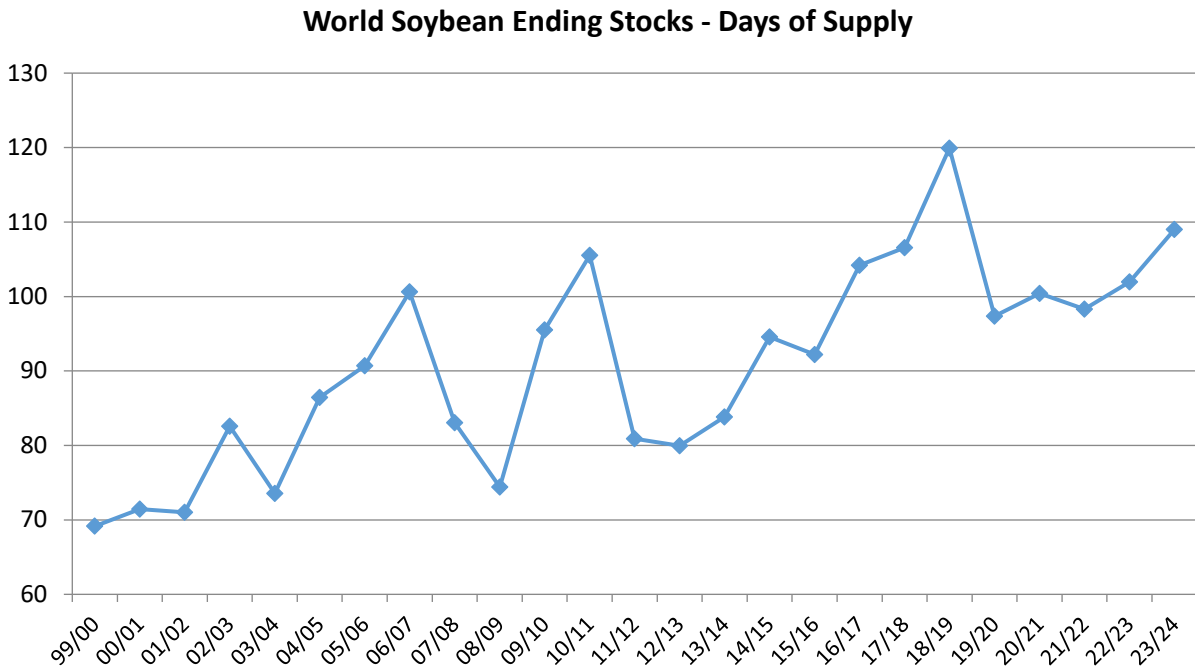
US Share of Total World Wheat Trade



The chart on corn shows a different story. Stocks outside of China are increasing. The chart shows the third highest world corn stocks ex-China on record and the stocks/use ratio is the highest since 18/19.



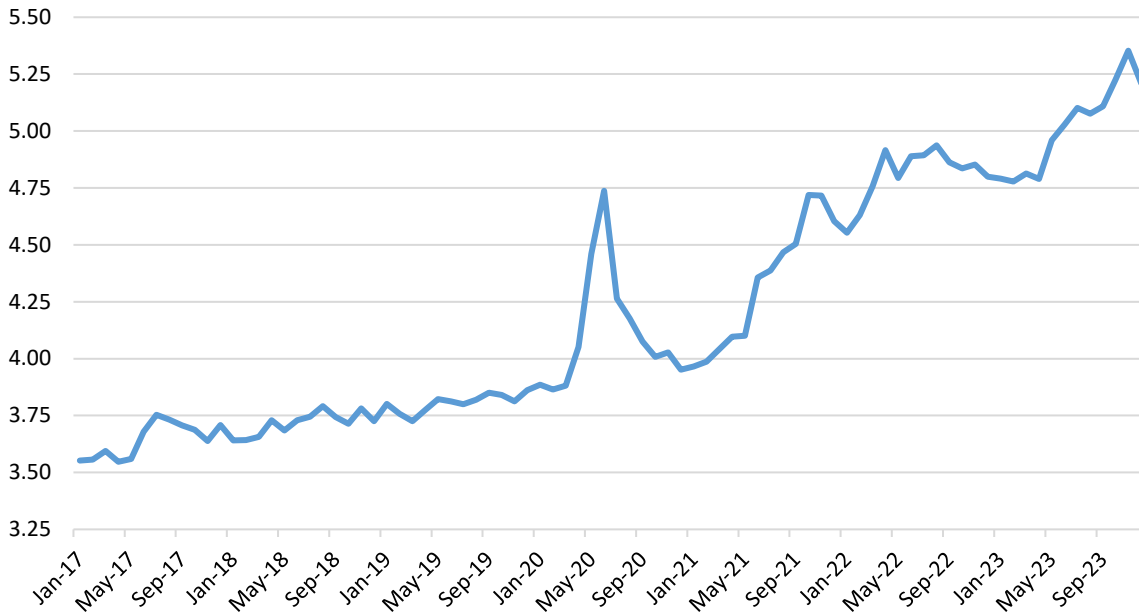
The chart below looks at world soybean supplies in terms of days of consumption...similar to the chart on wheat above. The current estimate for stockpiles is the second highest on record, with only the trade war timeframe being bigger.



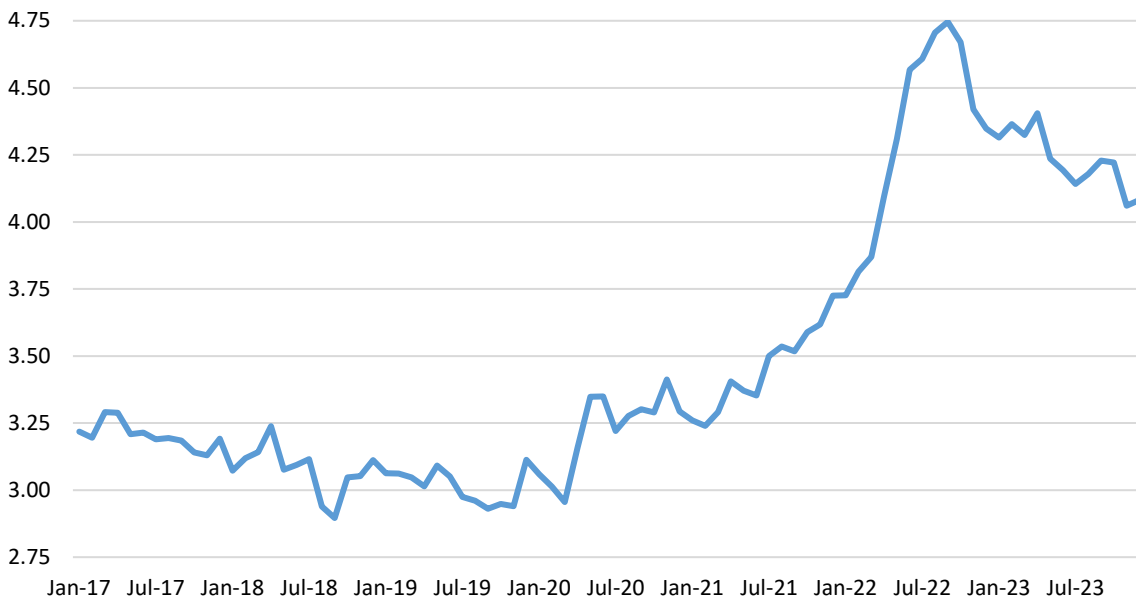
Livestock

I forgot to point out a few more items on the retail meat prices released last week. The chart below looks the US average ground beef price. You can see we posted the first decline in prices in a while. The second chart shows chicken breast prices, which continue to trend steadily lower.

Ground Beef, Per Pound, US City Avg

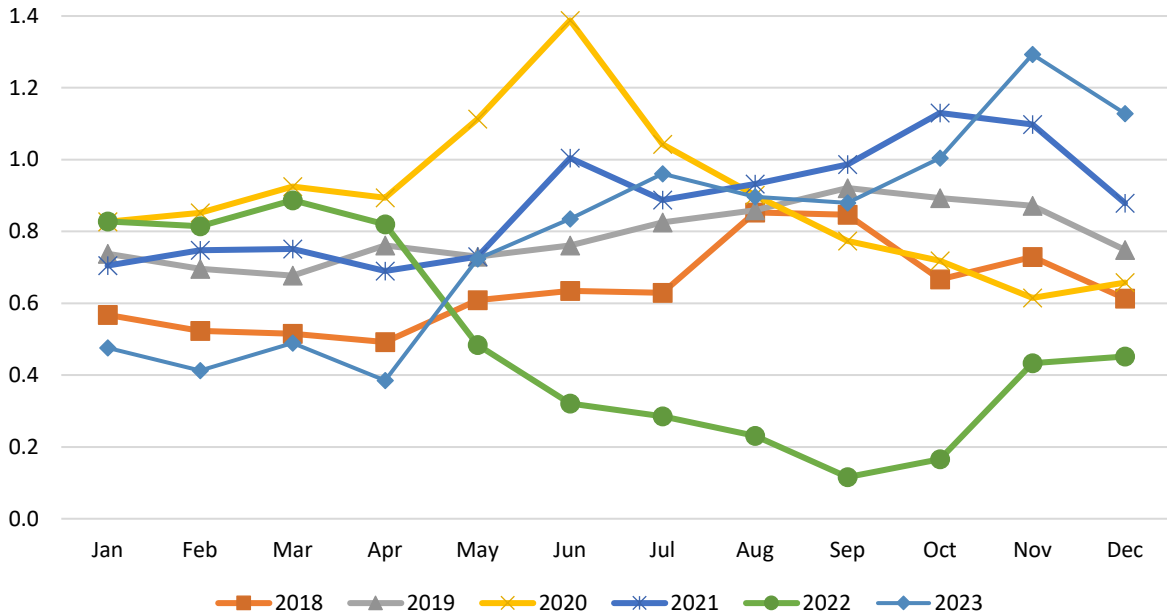


Chicken Breast, Boneless, Per Pound, US City Avg



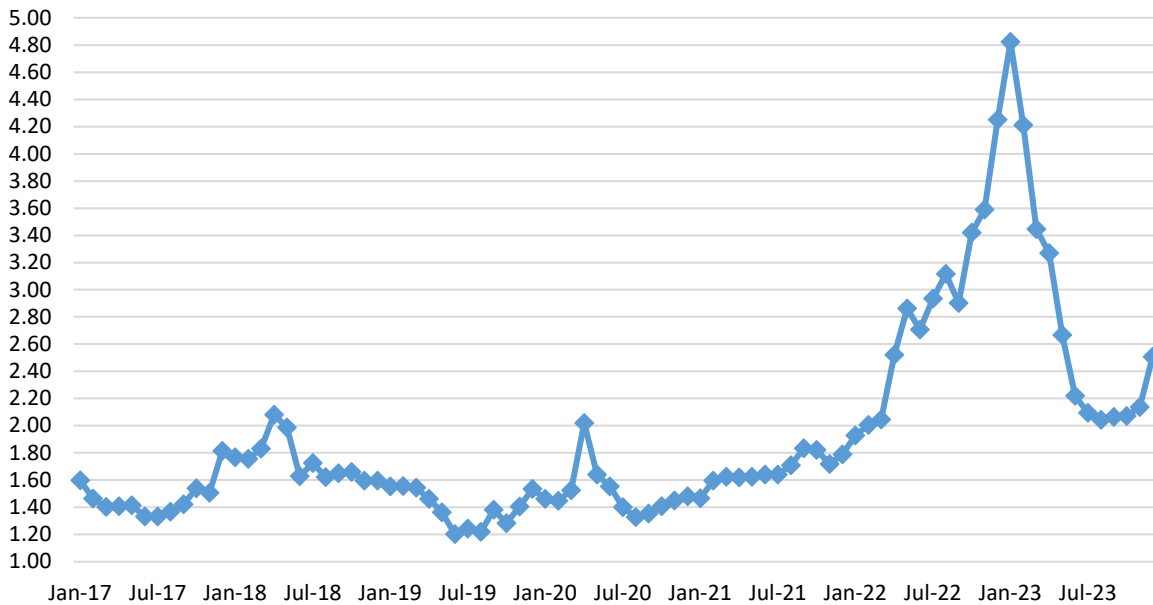
The ground beef/chicken breast spread narrowed in a bit last month, though it remains wide.

Ground Beef-Chicken Breast Retail Price Spread



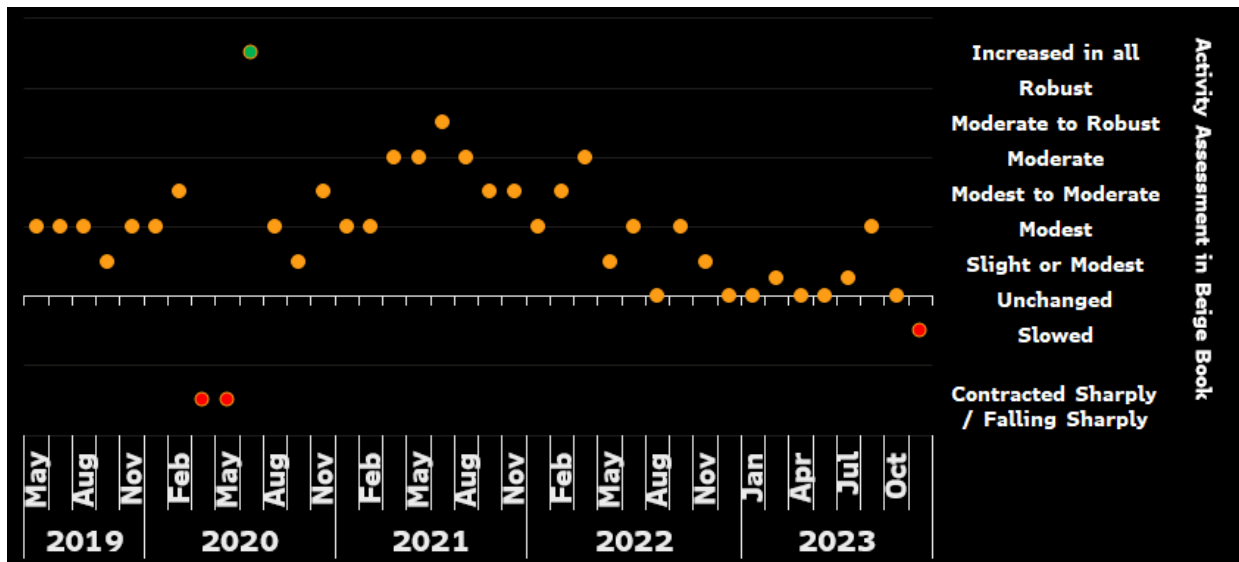
Get ready for egg price memes to return...

Eggs, Grade A, \$/Dozen, US City Avg



Financials

Several small bits of data to work through today, though none of the releases is a true market-mover. One thing that will get some attention this afternoon is the release of the Fed Beige Book. I don't normally pay much attention to this release, but the graphic shown below from Bloomberg does make me a bit more interested this month than usual. The staff at Bloomberg points out that last month's Beige Book noted that economic activity slowed for the first time since the pandemic. The Beige Book also showed a deteriorating outlook for the next 6-12 months. It'll be interesting to see what sort of adjustments are made to this assessment from the past month.



Retail sales and a few Fed speakers will likely drive price action early this morning. The story for overnight price action is hotter-than-expected UK inflation.

Energy

Crude oil futures are trading weaker this morning. There isn't any major scoop to explain the weakness. Middle East tensions haven't gone anywhere. US oil production is being hit by the extreme cold. The North Dakota Pipeline Authority is saying about half of the state's oil production is offline right now..or 650k bpd of an October average of 1.2 mbpd. At the same time, Texas refinery utilization is also being hit. The next couple of weeks of EIA data will be pretty volatile.

Today's Calendar (all times Central)

- Retail Sales – 7:30am
- Industrial Production – 8:15am
- NAHB Housing Market Index – 9:00am
- Fed Beige Book – 1:00pm
- Several Fed speakers throughout the day

Thanks for reading.
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