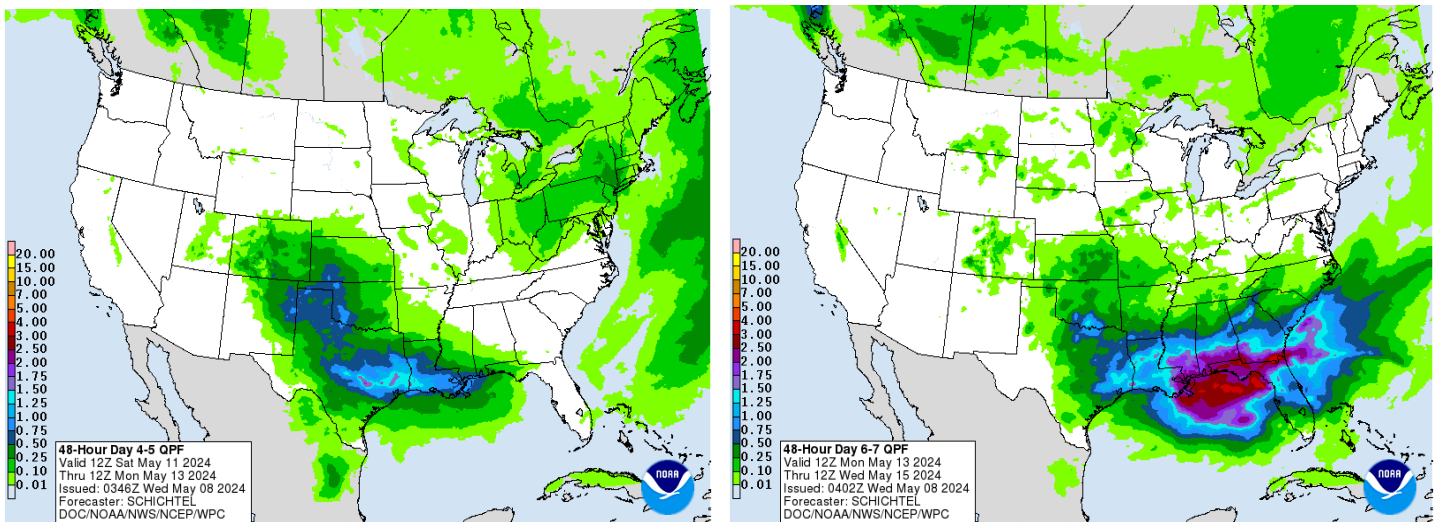


Weather

Additional rains will fall over the next 24 hours in the central/eastern Corn Belt southward into the Mid-South (with areas of heavy rain and a notable outbreak of severe weather for especially the Ohio and Tennessee river valleys), but it may be the Day 4-5 and Day 6-7 rainfall forecasts (shown on this page) that get most of the market's attention today. Let's first of all note that both of those periods feature what would be very welcome rains in the HRW wheat belt, something that gets started on Sunday and could last even beyond Day 7. Second, both maps feature little or no rain for the northern Plains, Corn Belt and northern parts of the Mid-South, allowing for fieldwork to get going again in those areas. The lack of rain for Day 4-5 makes sense, but there are indications that things in especially the Corn Belt will not be as dry as shown for especially Day 7. Look for the Day 6-7 map to show wetter trends when it is updated again later this morning by the Weather Prediction Center.

A big part of the safrinha corn areas of Brazil is still forecast to see no rain over the next 15 days. Rains will resume today in Rio Grande do Sul and will be heavy for the end of this week into Monday, then more limited rain for Tuesday and beyond. Argentina is forecast to see all sorts of dry weather over the next 15 days to allow for very good conditions for corn/soybean harvesting.

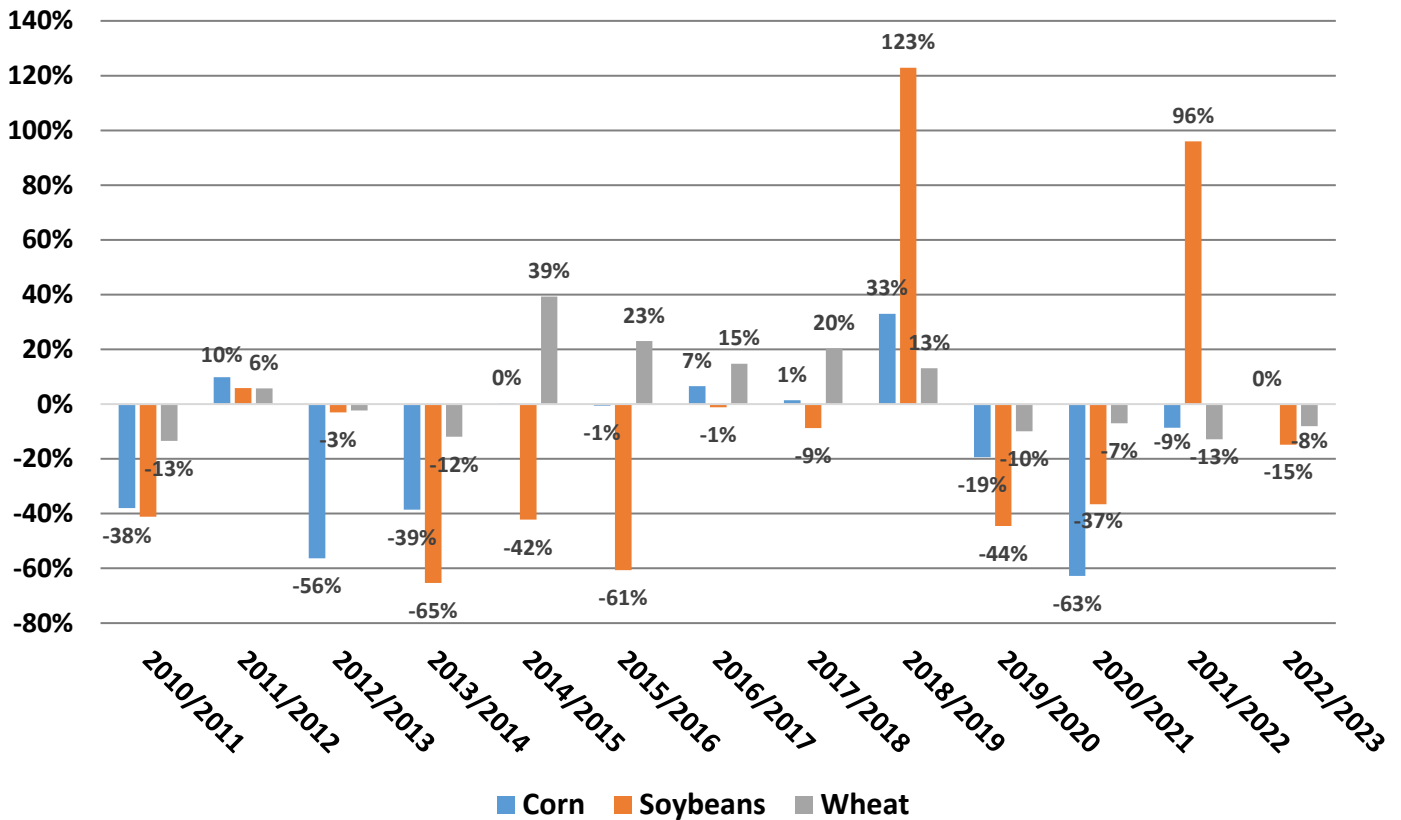
Sub-freezing lows are forecast for northern parts of the Russian winter wheat area through Friday but those temperatures will not be as cold as was recorded this past weekend. Their 15-day forecast is not "dry" but is not as wet as it needs to be to eliminate dryness concerns that are currently present in the area.



Grains

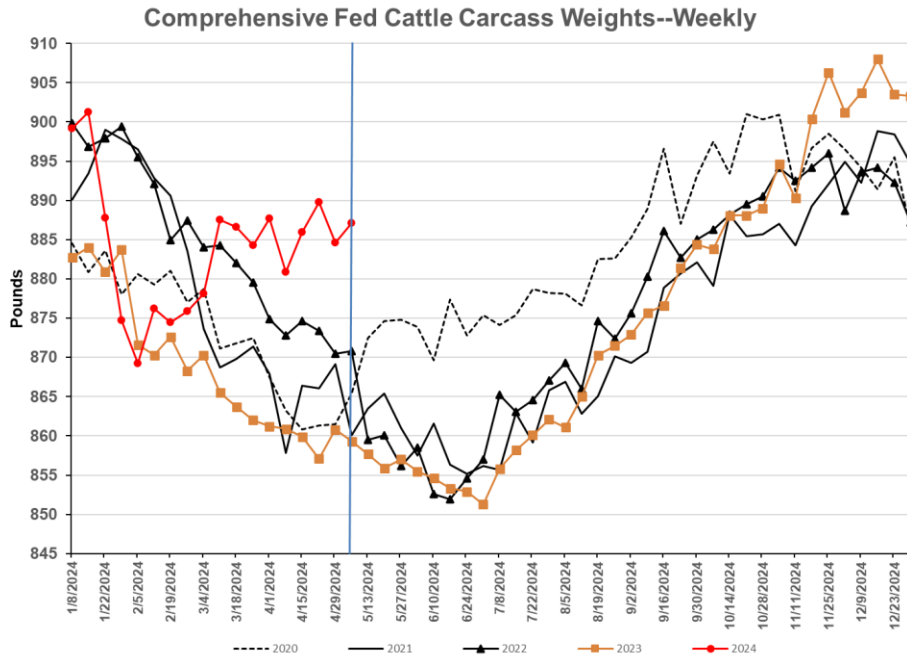
USDA will provide their estimated 24/25 balance sheets for the US and World on Friday’s WASDE report. While the USDA has to start somewhere, it is important to remember that initial ending stocks tend to materially change from initial to final. The below chart attempts to depict this as it measures the percentage change by crop from initial estimated May ending stocks to final ending stocks. You’ll note that in recent history soybean ending stocks have been the most difficult to predict followed by corn and then wheat. Since 2010/2011, on an absolute value basis, soybeans have averaged a ~40% change, corn has averaged a ~20% change followed by wheat at ~15%. A lot can change both from a demand and supply perspective between now and next year.

USDA Initial May US Ending Stocks Estimate Vs Final US Ending Stocks

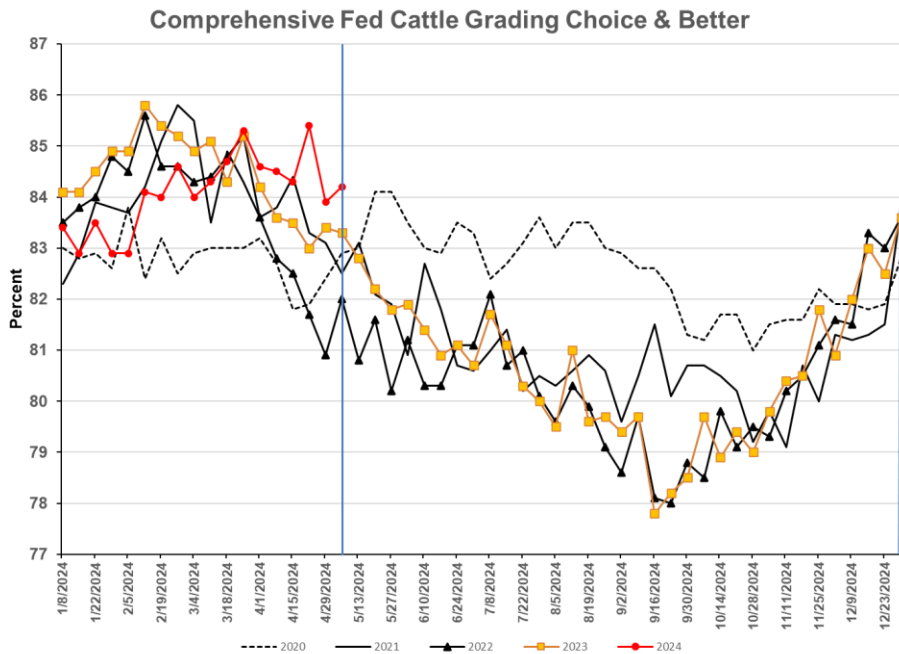


Livestock

Underpinned by the slow fed cattle marketing pace in recent weeks, cattle carcass weights continue to defy seasonal norms, trending mostly sideways over the last two months rather than declining. For the first week in May, comprehensive fed cattle weights were 28 pounds heavier than last year and are record high for the period. Much different reasons, of course, but the industry risks ceding marketing leverage heading into the largest fed cattle supplies of the year over the next 60-90 days.



Along with the heavier carcass weights and elevated days on feed, grading remains well above recent years, as well. Again, the similarities with 2020 arise, and may be accompanied by larger volumes of Y4 and Y5's in the slaughter mix—to the detriment of the cattle feeder.



Today's Calendar (all times Central)

- Crude Oil Inventories – 9:30am
- 10-yr Note Auction – 12:00pm

Thanks for reading.

Evan Basse

evan@nesvick.com

847-650-8002

Trillian IM: evan@nesvick.com

Bloomberg IB: ebasse3@bloomberg.net

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.