

Weather

There will be rainfall threats almost daily for the central/northern Plains and northwestern third to as much as half of the Corn Belt in the near term. Some of this activity can feature severe weather; places under stronger or more severe storms will likely see some notable totals. At no point does the activity ever look to cover an extensive area. The expectation is that sizable parts of even the central/northern Plains and northwestern half of the Corn Belt will go through the next five days with little/no rain. Some time frames/areas to focus on for the best rain would be tomorrow night (IA/IL border area) and late Monday/Monday night (the Dakotas into Minnesota). A larger part of the middle third of the country will experience rain chances for the 6-10- and 11-15-day periods, but details are still very difficult to assess.

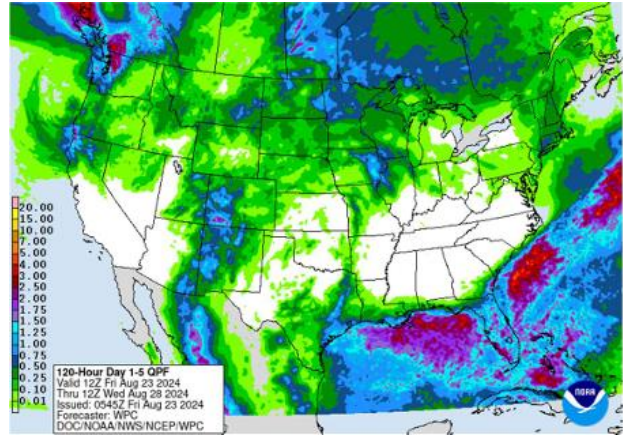
August 25-29 still looks to be the warmest 5-day stretch of weather for the Corn Belt, and that will be a period in which much of the region runs 7-10 degrees above normal. That is notable and equates to multiple high temperatures above 90 degrees. Other than August 25-29, heat clearly does not look big in the region, with conditions probably coolest today and for the 11-15-day period.

Grains

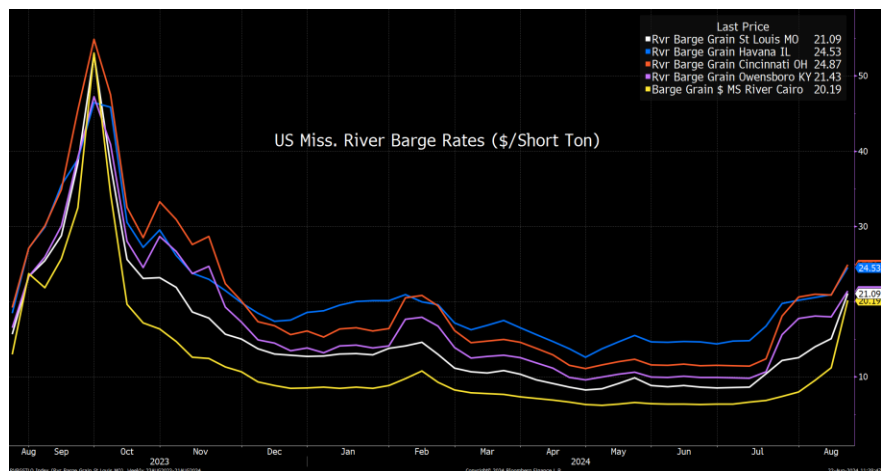
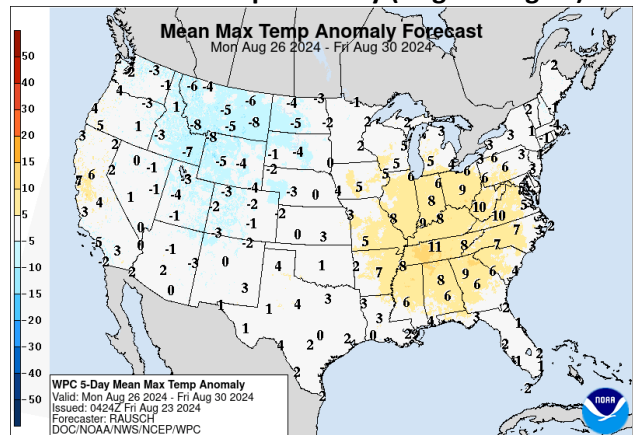
The corn river basis has weakened in recent weeks amid suspected farmer selling and the southern harvest likely covering current export business. Barge freights have increased recently, reporting an 80% WoW increase and a 55% annual increase in Cairo-Memphis. The chart to the right shows a few locations along the Mississippi River; you can see the significant weekly increases.

A potential reason for this is that Mississippi River levels declined below last year amid July/August dryness across the Delta. The lower river levels didn't appear to disrupt trade last year, but it's something to monitor if dryness persists.

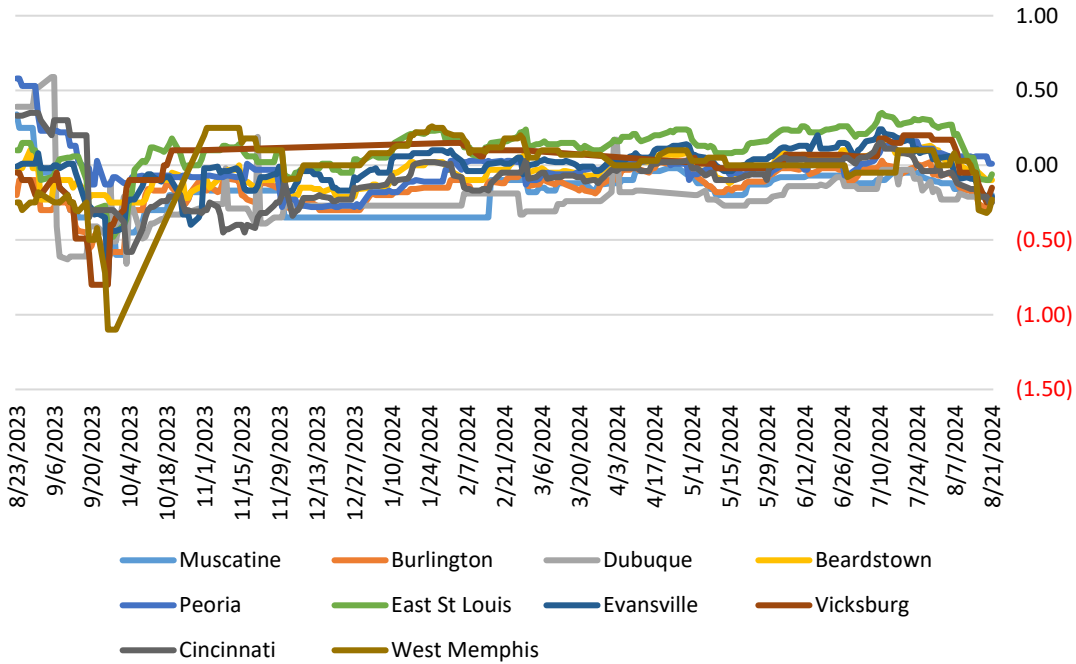
Day 1-5 QPF



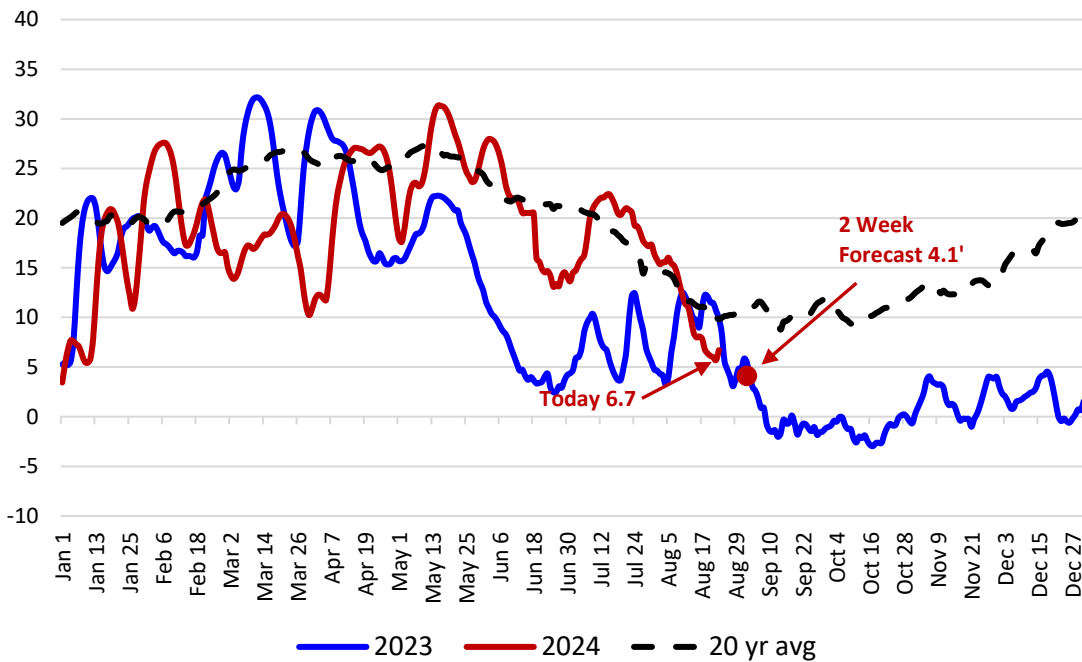
Mean Max Temp Anomaly (Aug 26-Aug 30)



Corn Basis - River



MS River Level at Caruthersville, MO, mile 846.4



Livestock

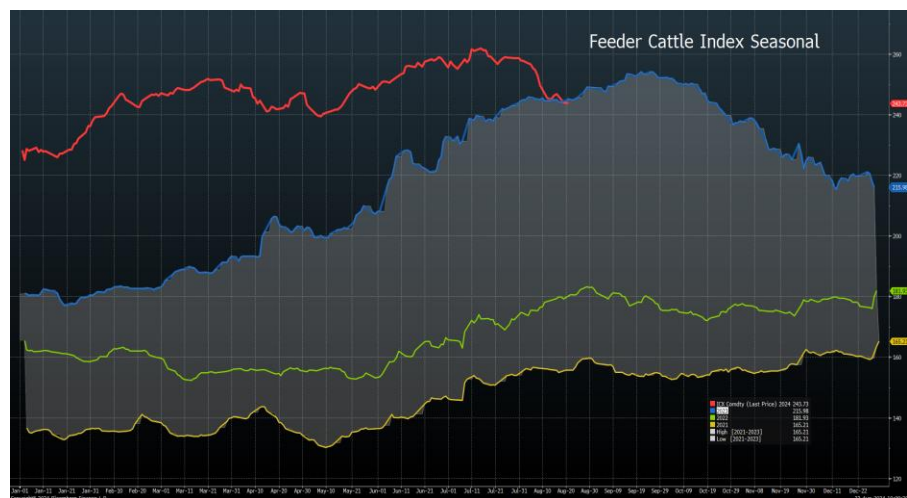
We have a Cattle on Feed report today at 2 pm. The average survey guesses are shown to the right. Good luck with the report today.

	Survey Results			Survey avg	USDA Yr-ago
	Avg	Low	High	Mln Head	Mln Head
Cattle on Feed (Aug. 1)	0.1%	-0.2%	0.5%	11.071	11.064
Placements (July)	4.1%	1.9%	5.9%	1.673	1.608
Marketings (July)	8.3%	7.8%	9.0%	1.864	1.722

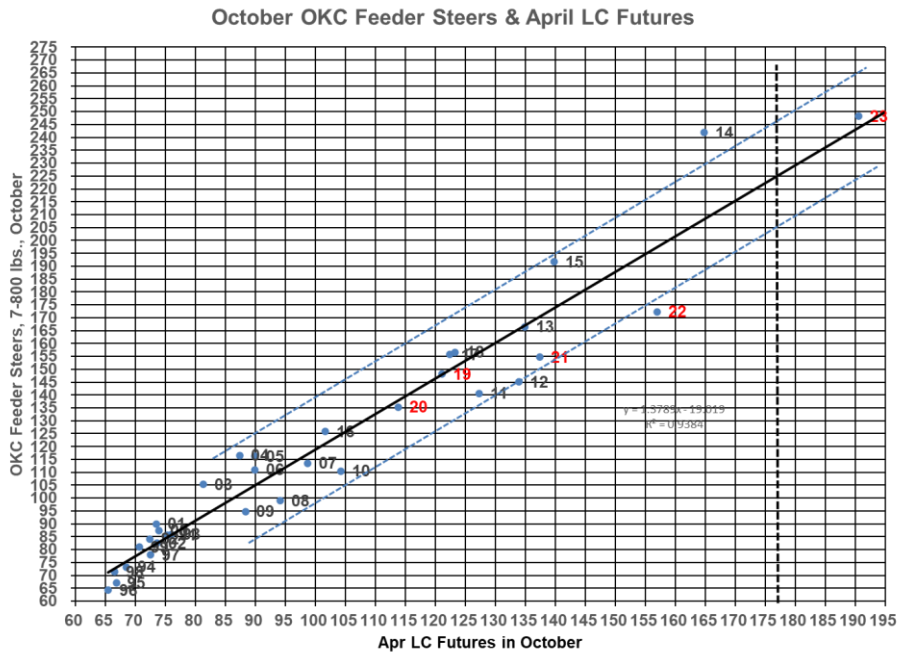
Feeder cattle prices surged to a record high last September above \$250, but that irrational exuberance was followed by a sharp decline to around \$220 in December. The market rebounded, however, returning to the \$250 area in late March, only to experience another sell-off associated with the HPAI concerns in the dairy industry. Again, the market recovered to register a new record high near \$260 in mid-July but has since slipped below \$245. Still, the feeder market remains resilient, underpinned by declining supplies, lower feed costs, and excess feedlot and packing capacity, which are expected to propel the market again.



Seasonally, the feeder market typically peaks in mid-to-late summer before summer grazing programs end and the spring calf crop is weaned, boosting feeder availability to a seasonal peak in September-November. A stronger price trend into the following year generally follows that temporary supply bulge and weaker price undertone. Aside from the prospects for a modest rise in heifer retention in the months ahead, the upside price potential in feeders will be amplified by this year's smaller calf crop, estimated around 700,000 head smaller than last year, along with significantly lower feed grain and forage costs.

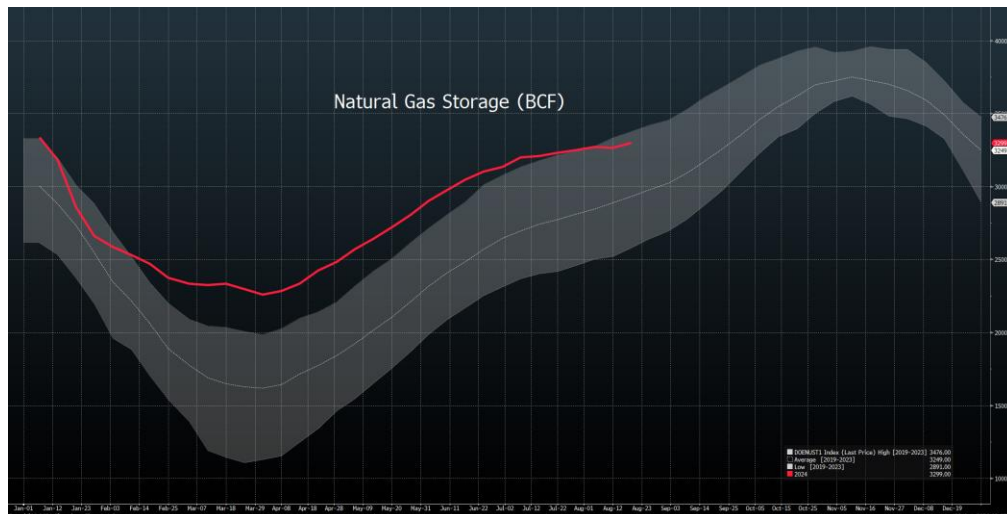


There is a long-term historical relationship between feeder cattle value in October and April fed cattle futures in October. Currently, near \$177, it would “justify” a feeder market in the \$225-\$235 area—nearly \$15 lower than last year. That lower price prospect sharply contrasts the strong likelihood that feeder cattle and calf availability this fall will be significantly smaller than last year, feed costs will be lower, and fed cattle supplies and fed beef production next April will likely be considerably smaller than this year. As a result, an argument can be made that another recovery will again follow the most recent decline in feeder prices and a yet-to-be-established cyclical record high.



Energy

Here's a quick look at natural gas storage: Storage continues to build at a lower rate than in previous years. Storage has reentered the 5-year min-max range for the first time since February.



Today's Calendar (all times Central)

- Jackson Hole Symposium – 7:00 am
- New Home Sales – 9:00 am
- Fed Chair Powell Speaks – 9:00 am
- COF – 2:00 pm
- Cold Storage – 2:00 pm

Thanks for reading.

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