

Weather

Through the coming weekend, any precipitation of note to the east of the Rockies will be near the Great Lakes (where areas of Lake Effect snow warnings remain in place) and in southeastern Texas eastward into southern parts of the Mid-South (with most of that falling tomorrow). All other areas will be dry in that time frame (including cattle feedlot areas).

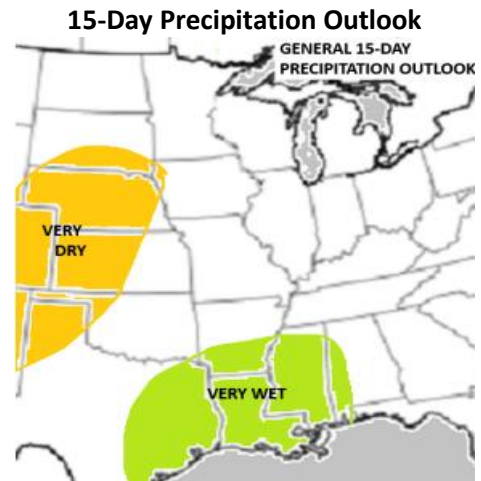
Rainfall for November in Brazil's northern soybean growing areas was easily the biggest on record (data through 2002). Note that this comes after easily wetter-than-normal conditions in October as well; a place like Goiania (located in the heart of the state of Goiás) recorded October-November rainfall of almost 32 inches (versus normal rainfall in that period of about 15 inches). Rains in northern soybean-growing areas of Brazil will stay just as notable as they have in recent weeks today through Thursday, and then the pattern will shift to below-normal amounts for Thursday and the rest of the 15-day forecast period.

Southern Mato Grosso do Sul appears to have recorded especially good rains since yesterday morning. A lack of rain will be of no concern over the next 15 days in southern soybean areas of Brazil (and Paraguay); the concern is that rains could eventually be heavy enough for complaints of "too wet" conditions to be heard.

The 15-day forecast for Argentina is not "dry" but features no threat of "big" storms either, and most areas will run below normal. The forecast is not overly concerning, given good soil moisture conditions and a complete lack of significant heat (notably cool today and December 7-9).

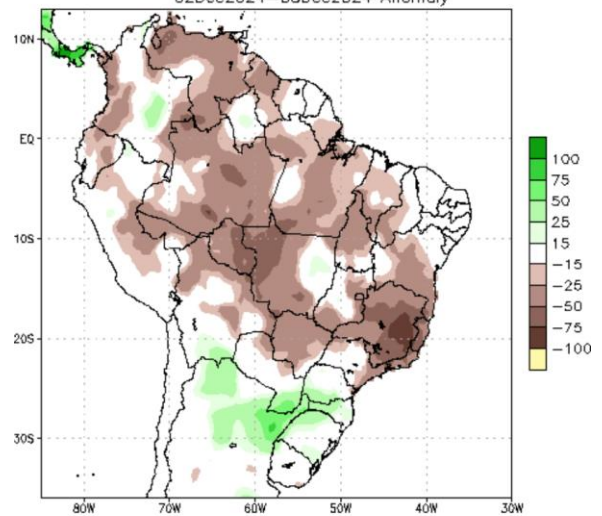
Grains

NASS issued its monthly Grain Crushings report yesterday. The October corn grind for ethanol was 460 MM bushels, slightly higher than last month's total of 447 but lower than last year's October total of 462. Corn grind is up 17 million bushels year-over-year for the September-October period. This slightly differs from WASDE's current projection, which calls for a ~28 million bushel year-over-year decline. Given the strength over the first two months, WASDE could slightly increase their estimate in the December report, but it might be more likely for them to punt, given that 10 months remain in the crop year.

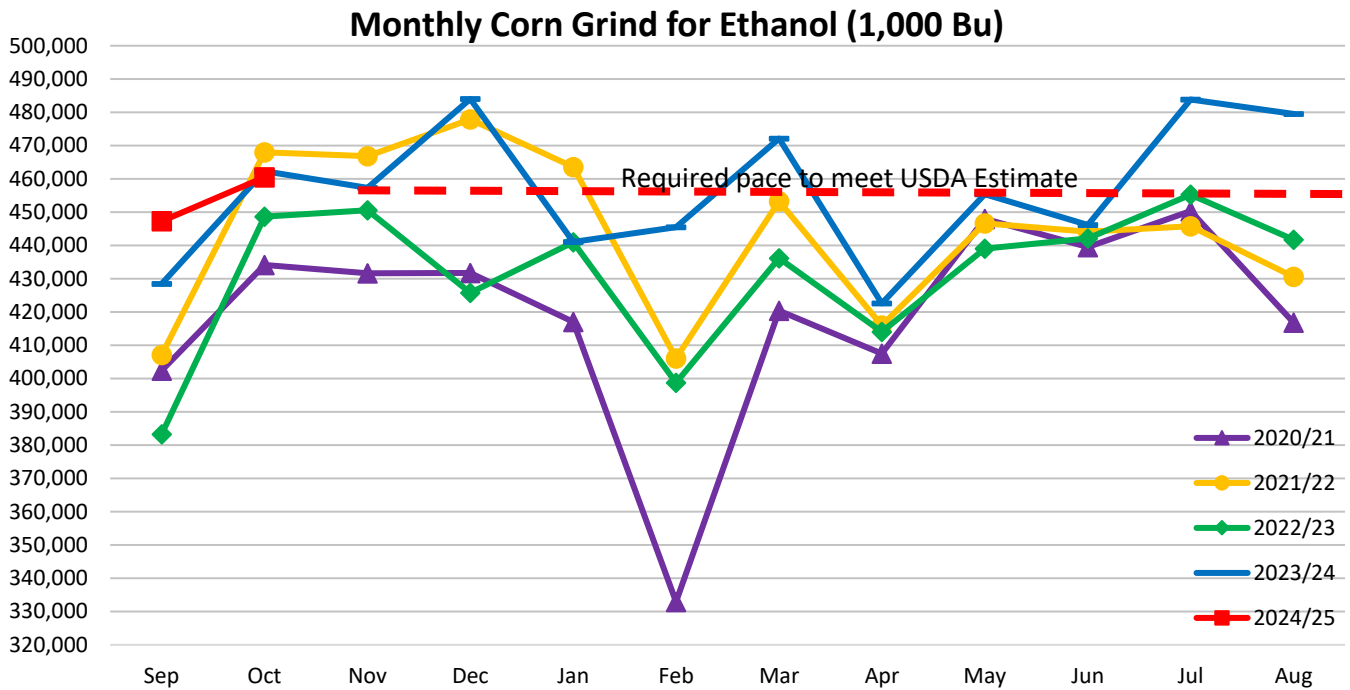


GFS Ensemble Forecast Day 1-7 Anomaly

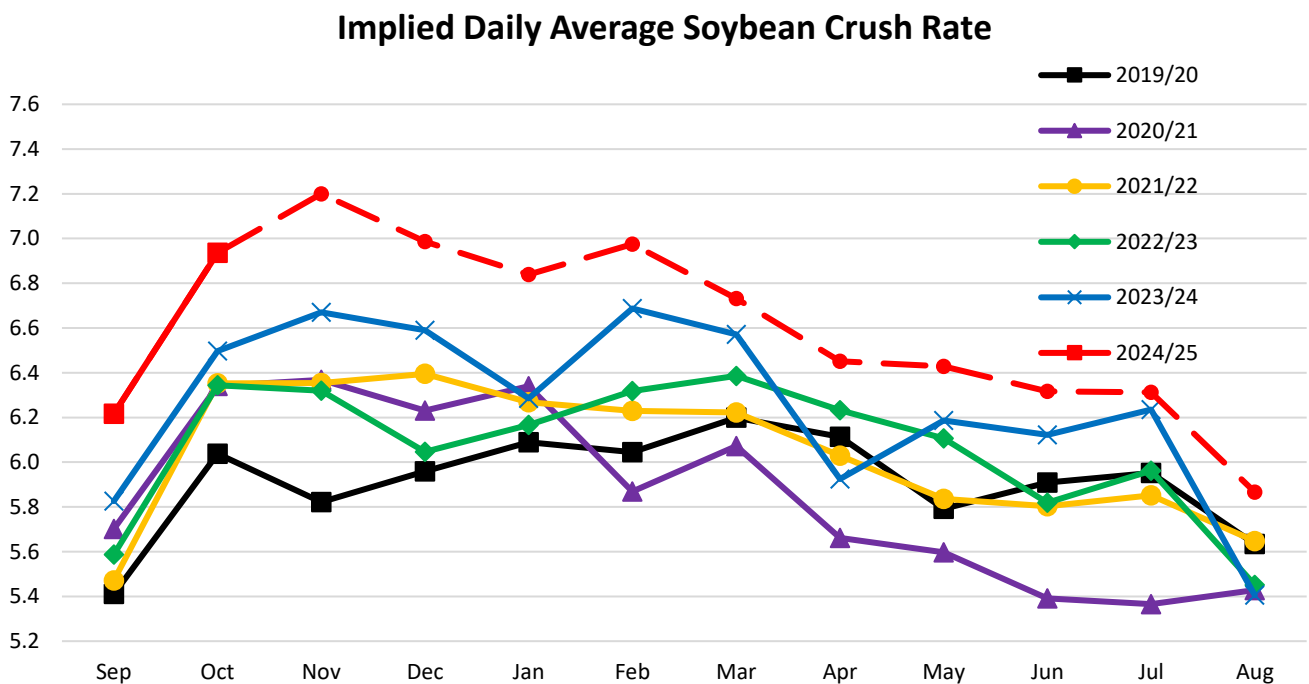
NCEP GFS Ensemble Forecast 1-7 Day Precipitation (mm)
from: 02Dec2024
02Dec2024-08Dec2024 Anomaly



Bias correction based on last 30-day forecast error
CPC Unified Precip Climatology (1991-2020)

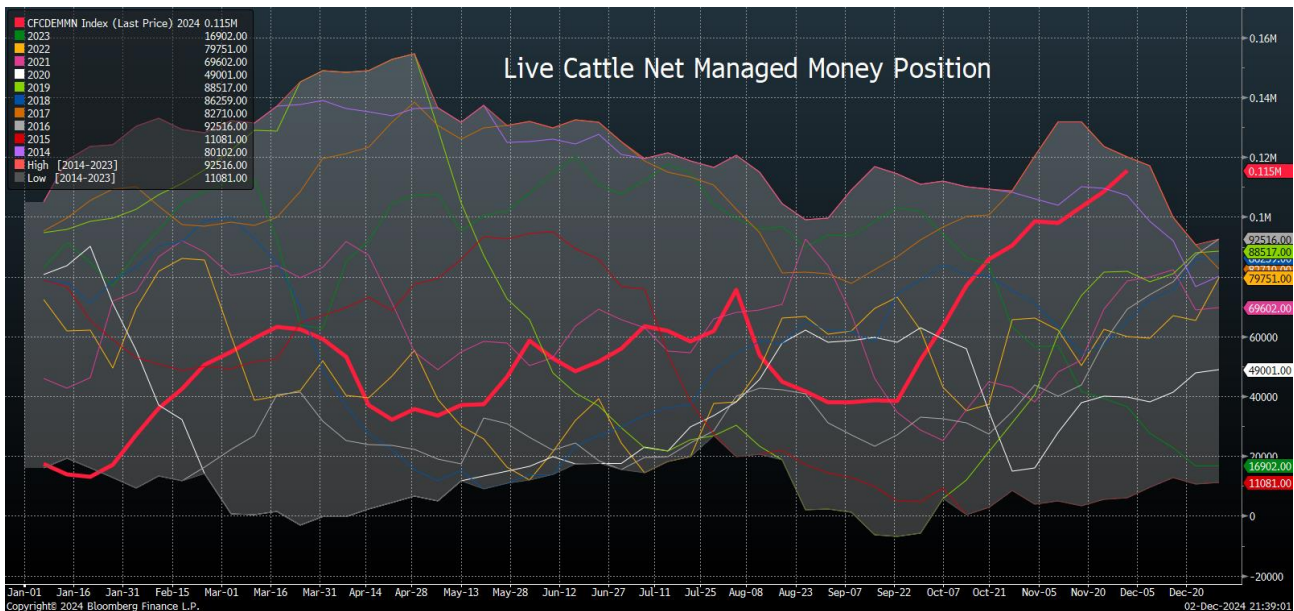
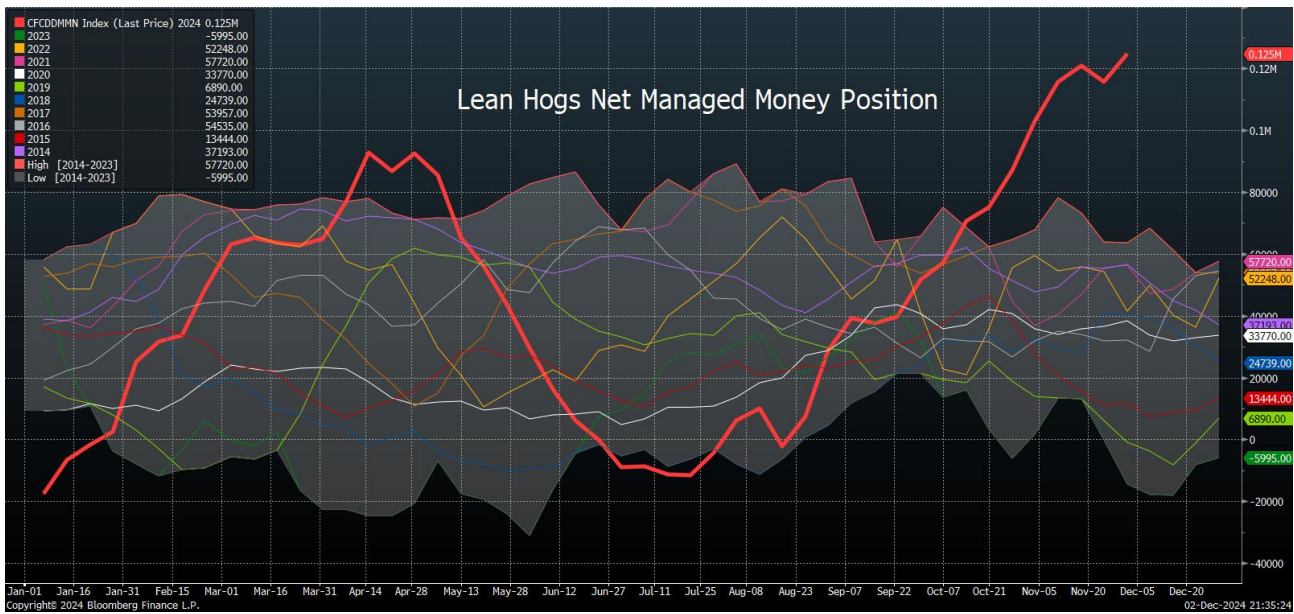


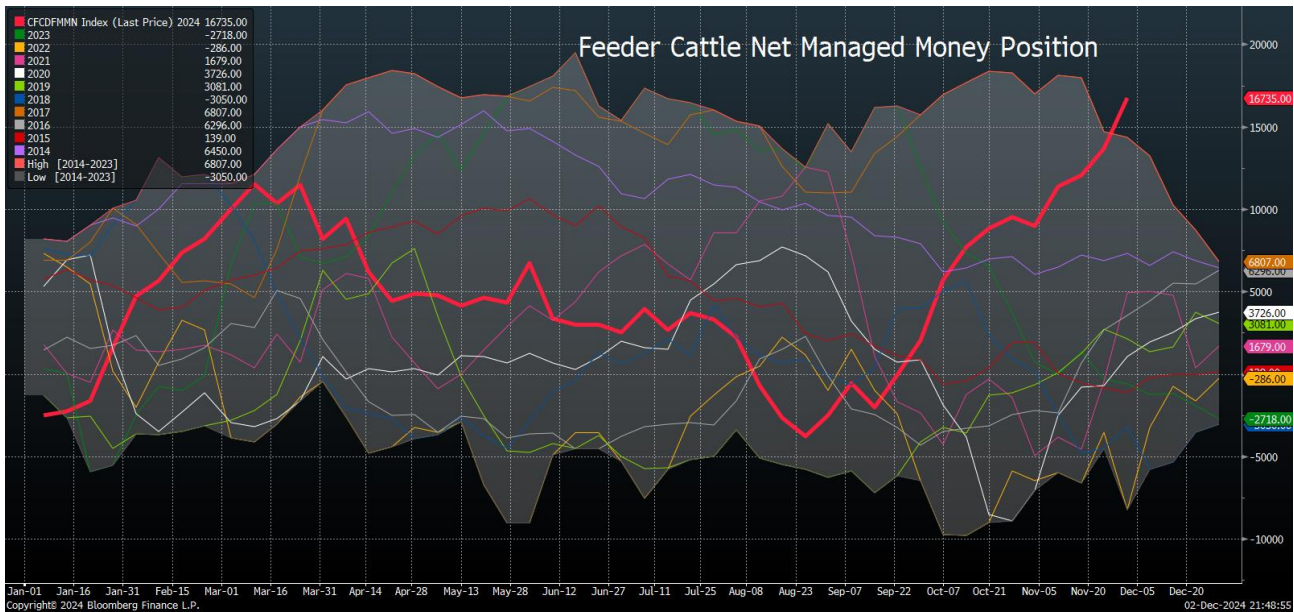
We also got to the monthly Fats & Oils release yesterday. The October soybean crush was ~216 million bushels, an all-time record. I've included a rough estimate of the required daily crush rate to get to WASDE's estimated 24/25 crush total. As you can see, the totals are expected to exceed last year each month, but considering the fast start to the crop year, it is unlikely that WASDE will adjust its estimate in December.



Livestock

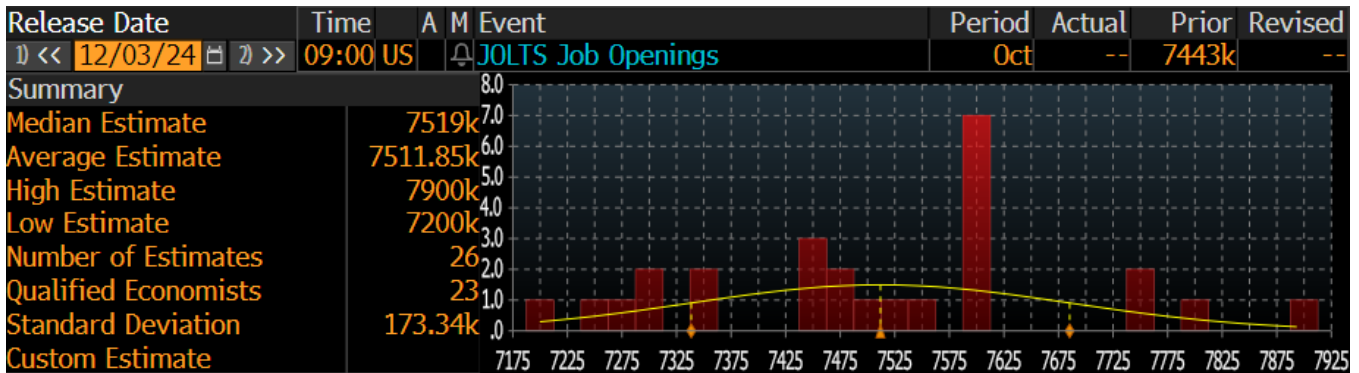
The Commitment of Traders' data was released yesterday due to Thanksgiving. The report showed that managed money continued to add to their net long positions in livestock. The disaggregated combined futures and options report showed that managed money added ~9k contracts to their lean hogs position, bringing their total to ~124k contracts (a new record). They also added ~3k contracts to feeder cattle, bringing their total to ~17k contracts or 77% of the record, and added ~7k contracts to their live cattle position, bringing their total 115k or 75% of the record. Records are meant to be broken. However, the managed money positions for all three products are becoming stretched, which may suggest there is limited upside for livestock commodities.



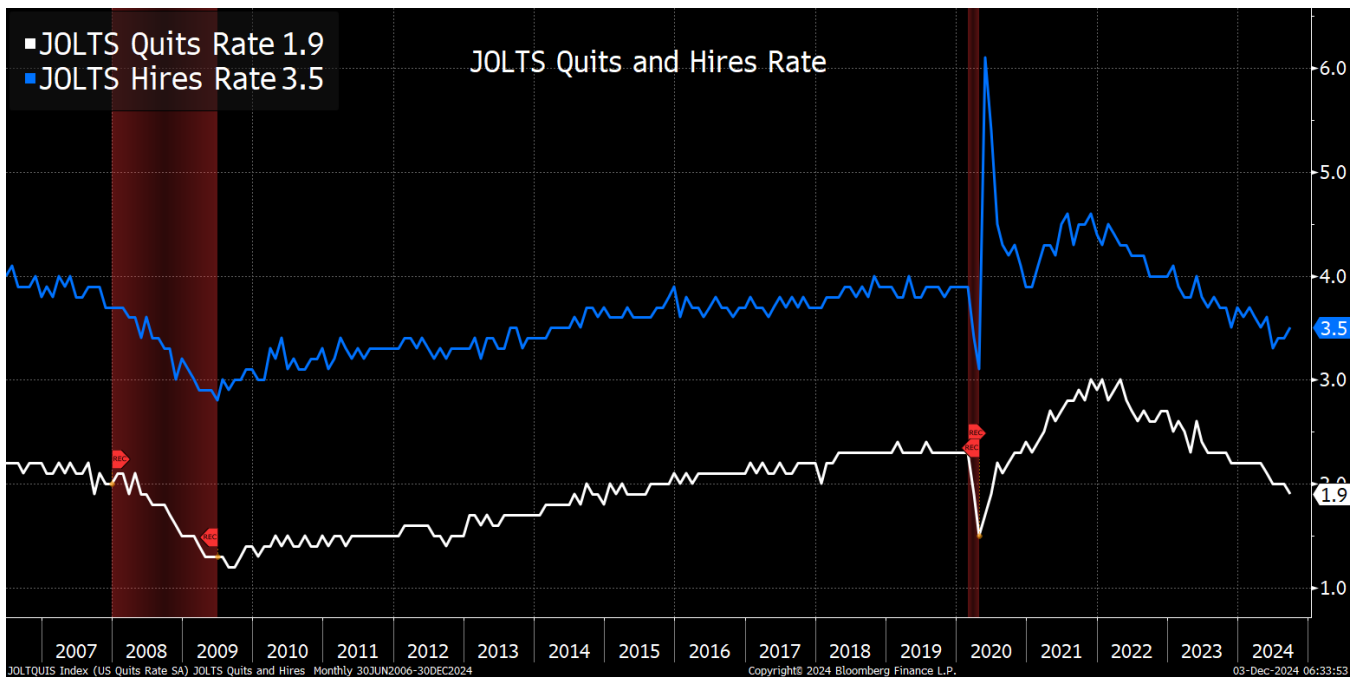


Financials

There is just one thing on the agenda for this morning: JOLTS job data. As we have discussed in the past, it is notoriously volatile; note the wide range of expectations below. It should get some market attention this morning, though, as we know that Powell tracks it closely.



One thing to focus on in today's release is the quits and hires rate. A quits rate can indicate people leaving their jobs for better pay elsewhere (typically in a tight labor market). However, as the chart on the following page shows, the quits rate (and the hires rate) are now much below pre-pandemic levels, which should indicate a loosening labor market. We'll see if that trend persists in the data this morning.



Today's Calendar (all times Central)

- JOLTS Job Openings – 9:00 am

Thanks for reading.

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