

## Weather

Rain will fall today/tonight in southern parts of the Mid-South. The lake-effect “snow machine” will still be working hard in the near term (winter storm warnings and lake-effect snow warnings remain in place for significant areas near the Great Lakes). Still, otherwise, precipitation will remain minimal for most of the Nation through Sunday. Strong winds will be the story today in much of the Corn Belt; wind advisories were posted with expectations of winds gusting to over 50 miles per hour.

Rainfall amounts/coverage will remain similar to recent days for the northern soybean-growing areas of Brazil. Then, a lengthy period of drier-than-normal conditions will begin on Friday. The last couple of runs of the European ensemble suggest that it will be temporary, as it returns the bulk of the area to at least near-normal rainfall already in the 11-15-day period. The GFS ensemble doesn't fully support that line of thinking, but it is a positive development.

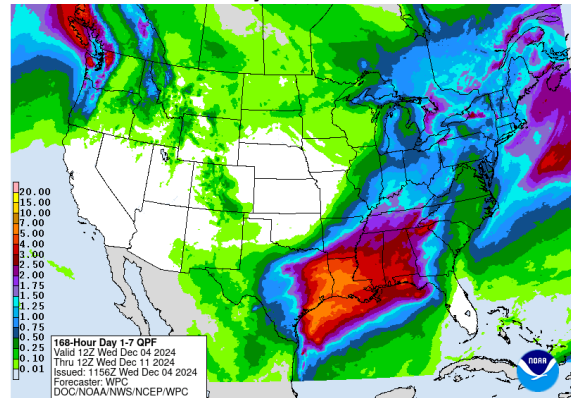
The 15-day forecast remains wet for southern Brazil and Paraguay, especially in Week One. In that time frame, amounts are forecast to run more than double or even more than triple their normal levels.

Low temperatures of 38-39 degrees were recorded in southern Buenos Aires yesterday morning, and December 7-9 mornings will feature similar cold. It is not a dry pattern for Argentina for the next 15 days, but clearly no big rains are expected either.

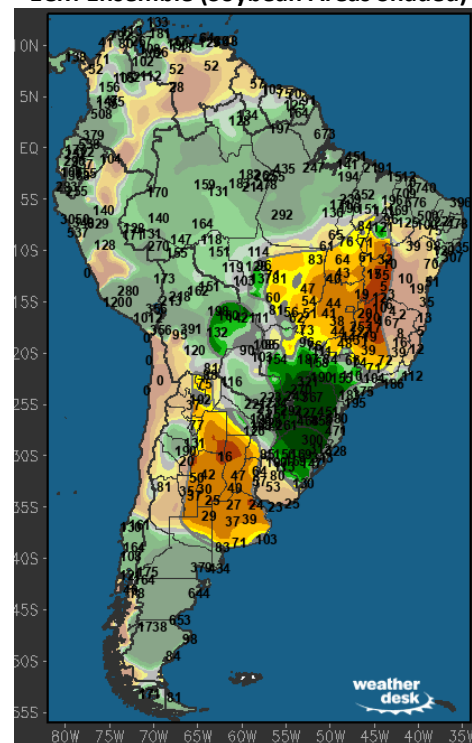
## Grains

We are going to start preparing for the December WASDE report this morning. It will be released on the 10th. Historically, it tends to be a minor report because there will not be an update on US corn and soybean crop production. Nevertheless, we'll look at potential balance sheet changes starting with corn today. We discussed ethanol production yesterday. There certainly is a case to be made to increase ethanol, considering the fast start to the year. I have highlighted ethanol in the balance sheet on the next page, but WASDE could very well punt on any adjustment, given that 10 months remain in the crop year.

Day 1-7 QPF



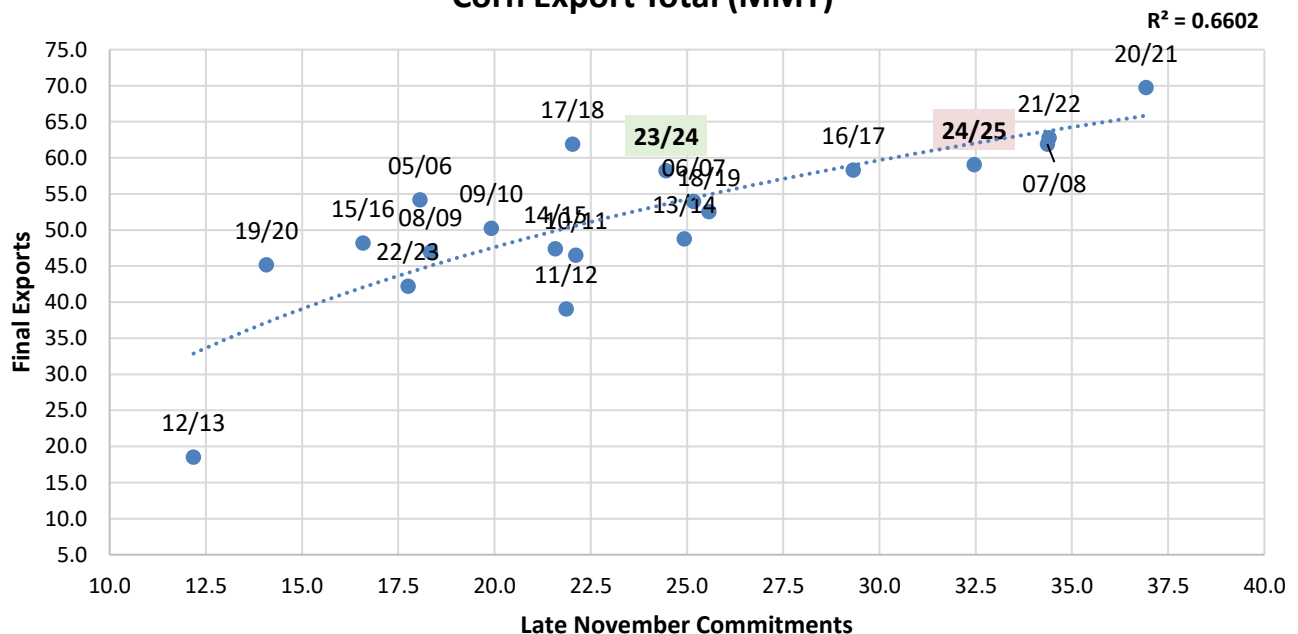
South America % Normal Precipitation Dec 4-11  
 ECM Ensemble (Soybean Areas Shaded)



The other area to focus on is exports. Again, like ethanol, the risk is to the upside. This report could very well show a 25 to 50 million bushel increase. You'll notice in the scatter below that the trendline implies that we are on track (or just below) to meet WASDE's estimates. But if you compare it to last year's pace, we are much ahead. The US will be the cheapest corn destination in the world until Argentina starts its harvest in the spring, but the primary remaining question is if US corn sales have been front-loaded in preparation for Trump tariffs. We have seen commitments level off over the last few weeks and have only had one flash sale going back to November 13th. Given the tariff uncertainty, WASDE could very well punt on any adjustment, but again, I highlighted it as an area to focus on.

U.S. Corn Supply and Demand Estimates (Million Bushels / Million Acres)				
	USDA 2022/23	USDA 2023/24	USDA 2024/25 Nov	Possible? 24/25 Dec
Area Planted	88.2	94.6	90.7	90.7
Area Harvested	78.7	86.5	82.7	82.7
Abandoned	9.5	8.1	8.0	8.0
Yield	173.4	177.3	183.1	183.8
Beginning Stocks (Sep 1)	1,377	1,360	1,760	1,760
Production	13,651	15,341	15,143	15,143
Imports	39	28	25	25
<b>Total Supply</b>	<b>15,066</b>	<b>16,729</b>	<b>16,928</b>	<b>16,928</b>
Feed and Residual	5,486	5,807	5,825	5,825
FSI	6,558	6,869	6,840	6,840
Ethanol	5,176	5,478	5,450	5,450
<b>Total Domestic Use</b>	<b>12,044</b>	<b>12,676</b>	<b>12,665</b>	<b>12,665</b>
Exports	1,662	2,292	2,325	2,325
<b>Total Use</b>	<b>13,706</b>	<b>14,969</b>	<b>14,990</b>	<b>14,990</b>
Ending Stocks (Aug 31)	1,360	1,760	1,938	1,938
Stocks/Use	9.9%	11.8%	12.9%	12.9%

**Late November US Corn Export Commitments (MMT) vs. Final US Corn Export Total (MMT)**

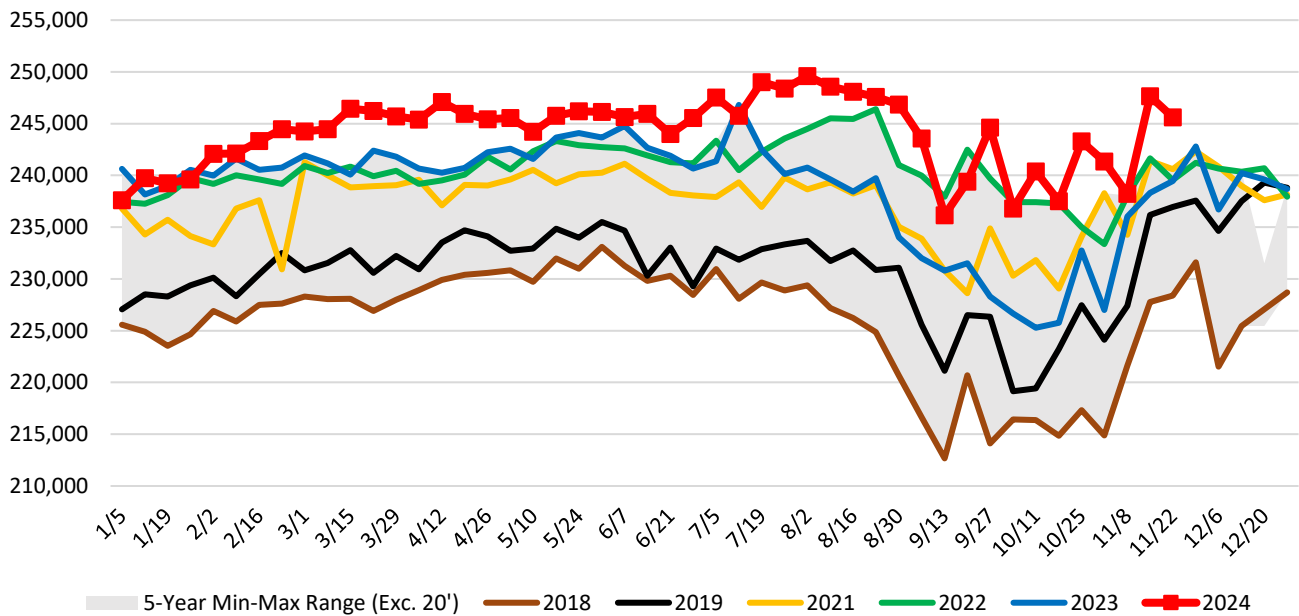


## Livestock

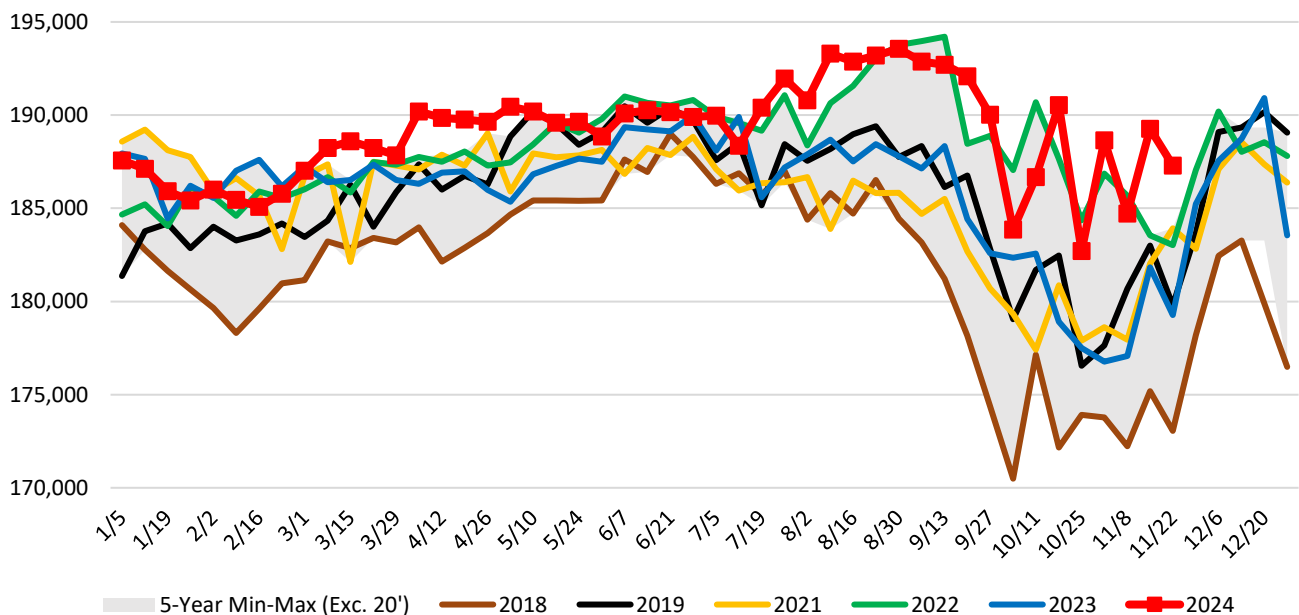
Nothing earth-shattering this morning; I just wanted to review the latest Broiler Hatchery update. I don't track the data too closely, but it's worth a look every few weeks. The charts follow on the next page. Eggs set in incubators have been very large for this time of the year but consistent with the trend over the past few

months. Chicks placed have also been significant, which isn't surprising. Hatchability has been running at ~78%, towards the lower end of recent history, but not abnormal. The punchline is that chicken supplies remain robust, especially when you factor in that chicken weights remain record large.

### Broiler Eggs Set in Incubators (1,000 Eggs)

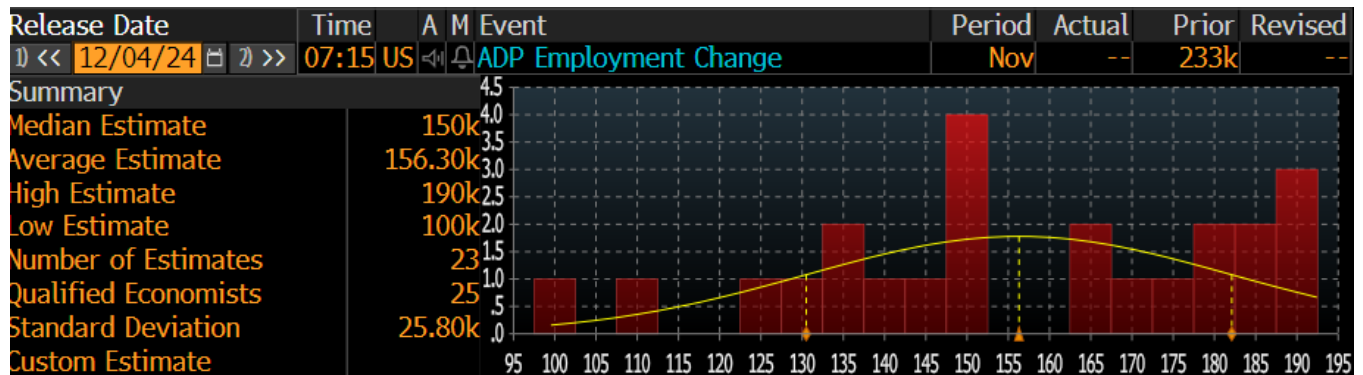


### Broiler Chicks Placed (1,000 Chicks)

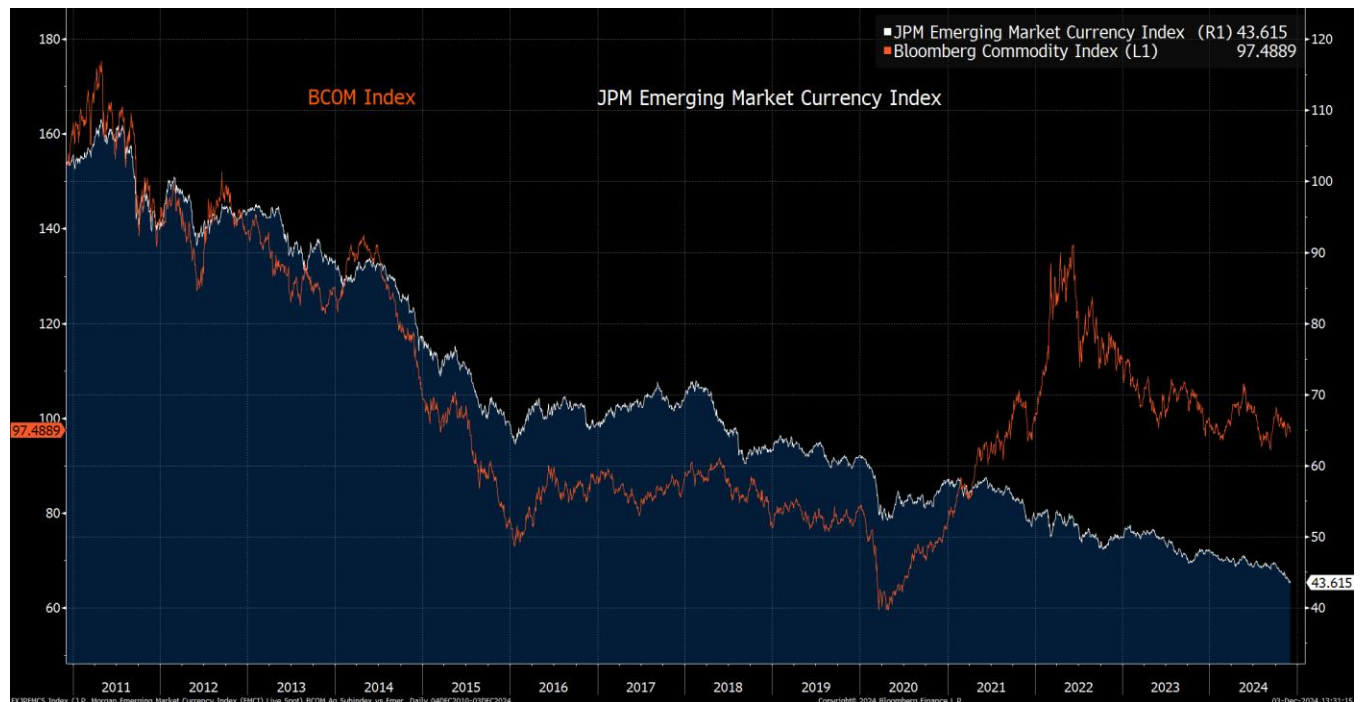


## Financials

This morning, we'll get a bunch of potentially market-moving data. ADP employment change will start us off. As you can see, there is no strong consensus. We'll then get the ISM Services Index, Factory Orders, and the Fed Beige Book.



I don't have much predictive ability on today's releases, so I just wanted to review the chart below. It compares the BCOM index to the JPM emerging market currency index. Emerging currencies such as the Chinese Yuan, Brazilian Real, and Egyptian Pound are historically low. As the chart below shows, lower emerging market currencies have generally coincided with falling commodity prices as purchasing power weakness (for major commodity importers) and encourage expansion for major exporters (Brazil/Russia). This pattern diverged during COVID-19 but appears to have reestablished some correlation.



### Today's Calendar (all times Central)

- ADP Employment Change – 7:15 am
- ISM Services Index – 9:00 am
- Durable Goods Orders (Final) – 9:00 am
- Factory Orders – 9:00 am
- EIA Energy Stocks – 9:30 am
- Fed Beige Book – 1:00 pm

Thanks for reading.

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