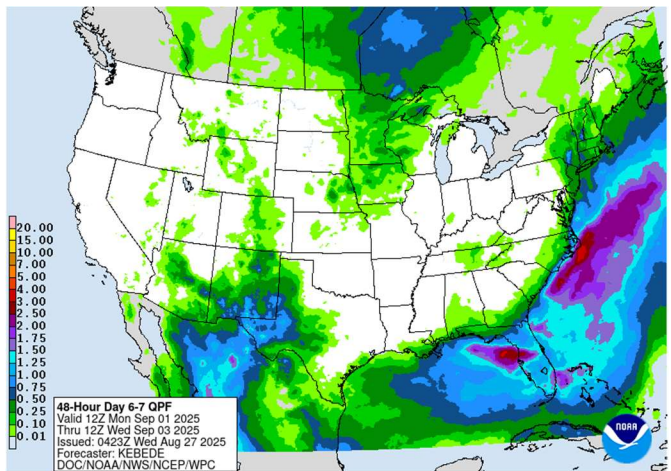
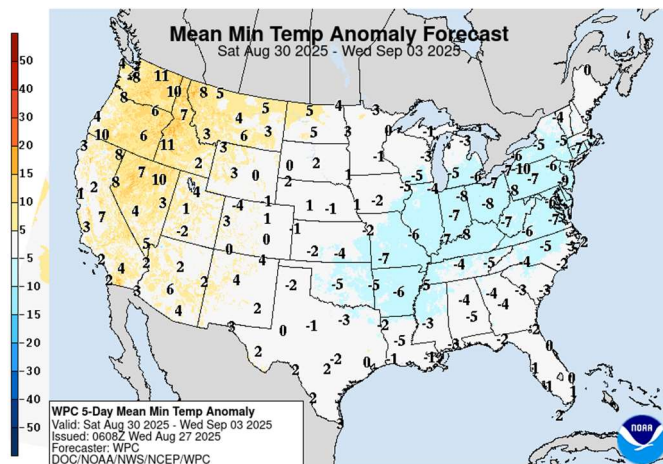
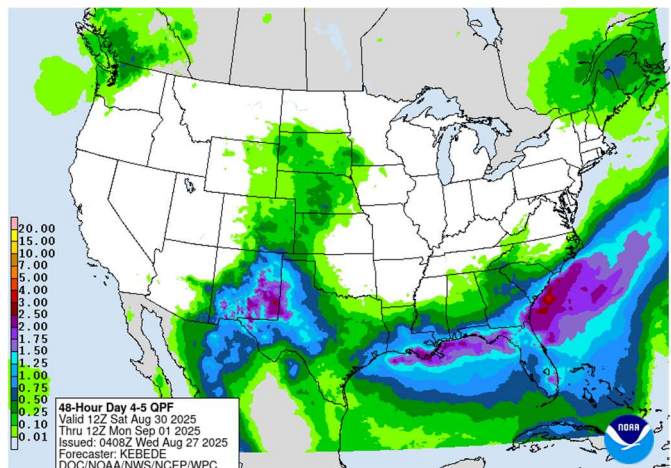
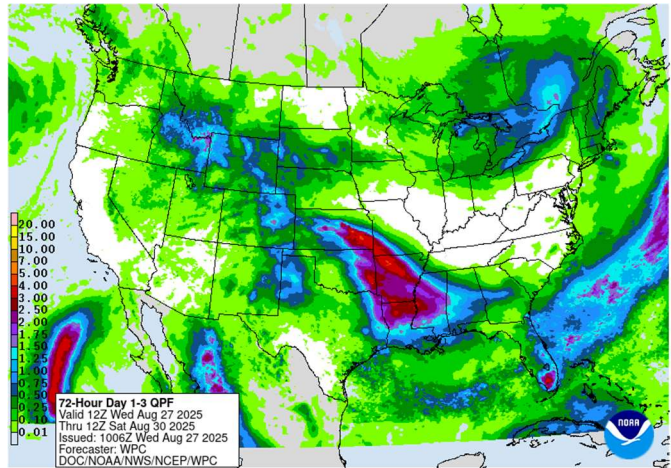


## Weather

Past 24 hours saw additional rain in the S Plains as expected favoring CO and OK. The forecast hasn't changed much, with generally cool and dry conditions expected. The WCB should be dry through Fri with the ECB dry through at least Sep 2. The weekend rain chance for northwest IA looks lighter today. There will be rain chances in the second week, but likely nothing heavy and will be hard to pinpoint. Nearly all Corn Belt areas are in need of a rain with the ECB driest.

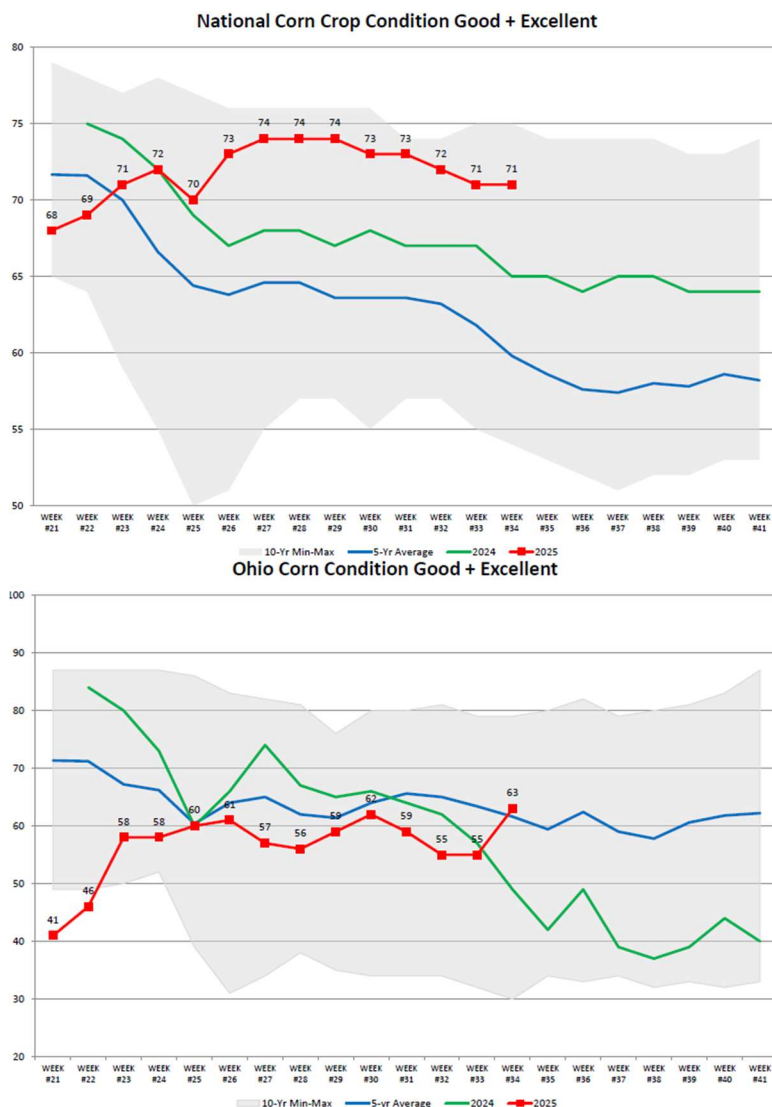
Yesterday made some records for low temps. Much of the S Plains were 15-25 degrees below normal with the Corn Belt running 10-15 below. Cool temps are forecast through Sun with the ECB the coolest. Temps can warm up a few days next week, but likely turn cool again. Currently there are no concerns about an early freeze.

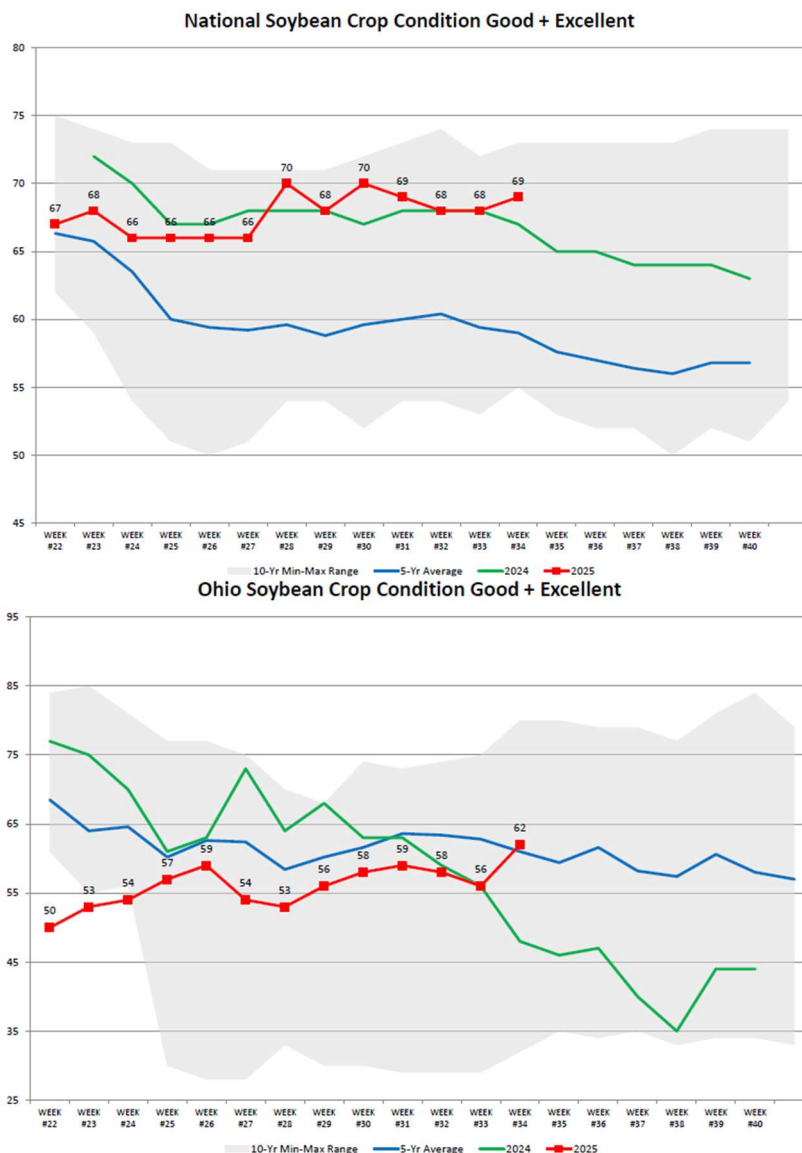
Above normal rain should continue in the S Plains with rain chances continuing throughout the 15-day period. The Mid-South still has a rain chance Thurs, but will be dry again by Fri for the rest of the forecasting period. Western portions will be favored. The N Plains are forecast to be mostly dry for this week with rain chances on the weekend (mostly in SD) and next week.



## Grains

Condition ratings edged higher in beans and were steady in corn. The trade was expecting a lower print after little/no rain in the Corn Belt and warm temps for the first half of the period. This is also typically when ratings start to decline seasonally in corn. Ratings jumped in OH in both corn and beans for reasons unknown. AR bean ratings also jumped despite heat and little rain. I went to read the individual state reports and the last one was in May. I think I read/heard something about budget cuts. IA saw ratings drop in both corn and beans. Nationwide, corn ratings were 71% G/E, unchanged from last week and vs 65 at the same time last year. After going through each state (and taking into consideration the ProFarmer tour), my yield came out at 186.2 bu/a (USDA 188.8). Last year at this time I was using 178.3 bu/ (USDA Sept last year was 183.6 and final 179.3). Beans were rated 69% G/E vs 68 last week and 67 at the same time last year. My yield estimate came out 53.2 (USDA 53.6). A year ago, I was using 53.3 (USDA Sept year ago was 53.2 and final was 50.7). The forecast is still dry for this week with some rain in northwest IA on the weekend. Little/no rain is expected through at least Sept 3 in the ECB. While temps are going to finish the month cool, there are currently no early freezes expected.





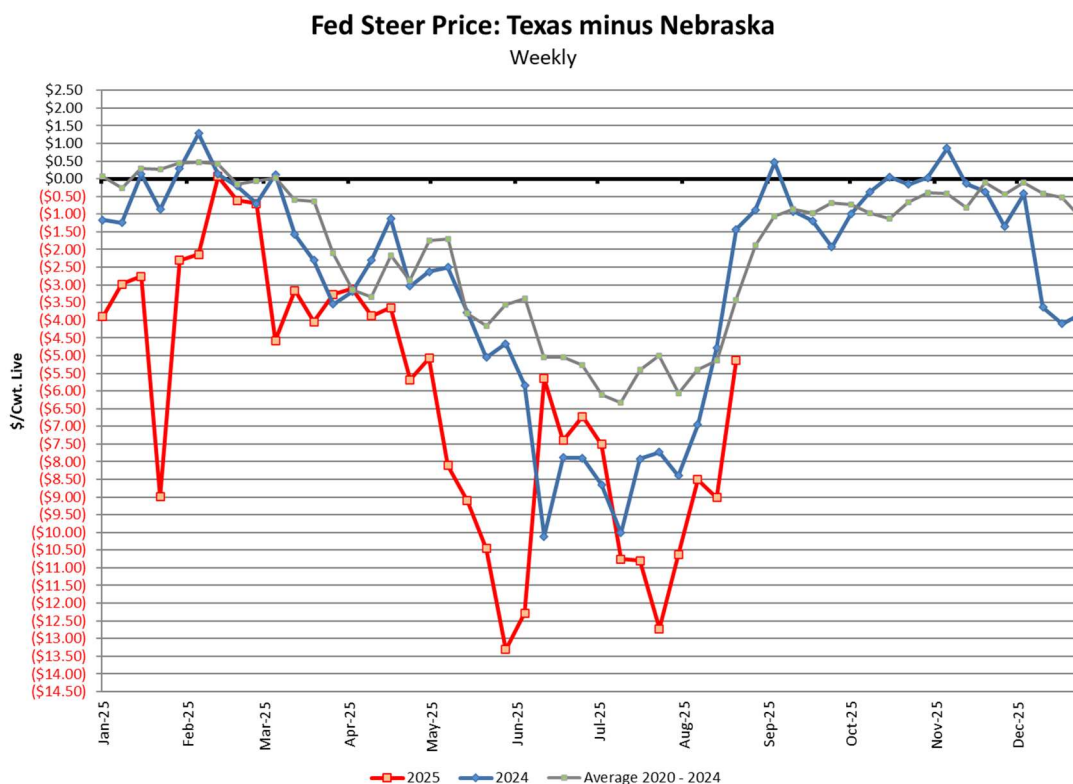
Tuesday was a quiet day with both corn finishing a couple lower and beans finishing a couple higher. Wheat was mixed with KC making new lows. The bigger move was in oil and oilshare. Oil was down 150 points in the front months with share losing 0.9%. It was announced that Indonesian Palm (and other oils) are exempt from US import duties which weighed on the market. Futures gave back a sizable amount of Friday's gains. While meal spreads corrected Monday after spiking, additional receipts were canceled and basis continued to firm. WCB basis was steady to mostly \$5/ton higher, with Mankato up \$20. ECB also popped with \$10-25/ton gains. There was news overnight Mon (Tues) that China was sending a top negotiator to Washington DC on Thursday to continue talks. It may be hard to break too much ahead of this meeting.

Grains commentary provided by Megan Bocken. For questions or comments, Megan can be reached by email at [megan@bockentrading.com](mailto:megan@bockentrading.com) or on Trillian at [megan@nesvick.com](mailto:megan@nesvick.com).

## Livestock

*Correction: Yesterday's (8/26) livestock comments were written by Scott Shepard. My apologies for the incorrect attribution to Ashley Lowe.*

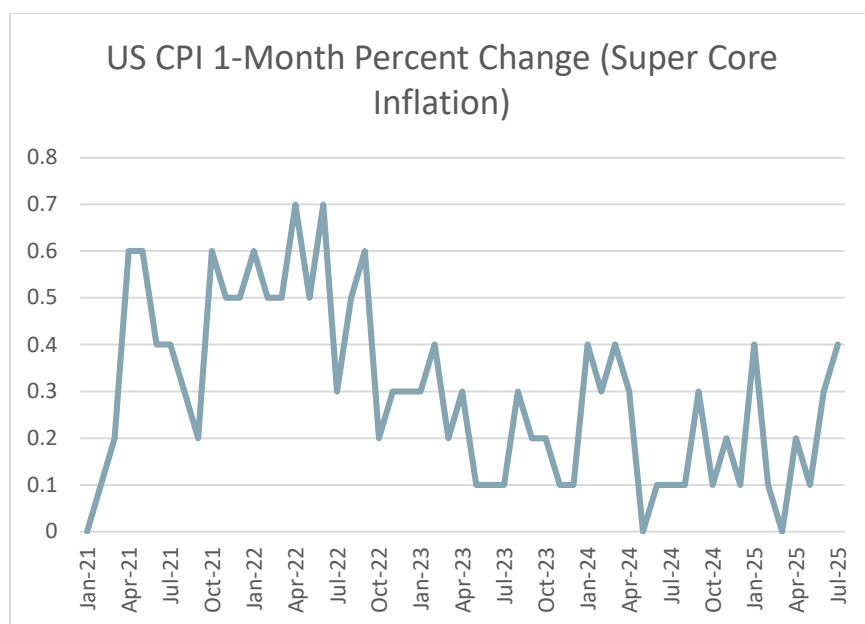
In fat cattle prices, the southern market has traded a record discount to northern markets this year. That could be about to change given the huge supply shift that's underway. Southern yards are emptying out due to the lack of Mexican cattle imports while northern feedlot inventories swell from large carryover and sizable placements. For example, Texas supply is down 9% YOY and Nebraska up 6% (and record large for August). It's not a stretch to think the southern markets should narrow the spread by rallying up to, or higher than, the north. Basis and spreads have traded the lowest market (Texas) so this could have meaningful impact on futures going forward.



Livestock commentary provided by David Holloway. For questions or comments, David can be reached by email at [david@holloway-trading.com](mailto:david@holloway-trading.com) or on Trillian at [dholloway05@trillian.im](mailto:dholloway05@trillian.im).

## Financials

In case you missed it, Fed Chairman Powell spoke at Jackson Hole last Friday and the stock market ripped higher. While saying that he is still data dependent, he did point to a weakening labor market. With the Fed's dual mandate, parsing the data can be a little nuanced. Over his entire term as Fed Chair, Powell has pointed repeatedly to the "super core CPI." The super core strips out food, energy, and used cars/trucks (who uses that stuff anyway?). While the chart below is not the exact measure that the Fed uses, it is a close proxy. As you can see, super core has moved quite a bit higher and is near the upper end of the range for the past few years. These numbers will be updated before the next FOMC meeting in September. If they continue to be hot, the Fed's propensity to cut will be sharply diminished. With the market currently pricing an 85% chance of a rate cut, there is a lot of risk in both stocks and bonds.



Financial commentary provided by Stephen Davis. For questions or comments, Stephen can be reached by email at [sdavis@daviscomllc.com](mailto:sdavis@daviscomllc.com) or on Trillian at [sdavis@nesvick.com](mailto:sdavis@nesvick.com).

## Today's Calendar (all times Central)

- MBA Mortgage Applications – 6:00 AM
- EIA Energy Stocks – 9:30 AM

Thanks for reading,

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