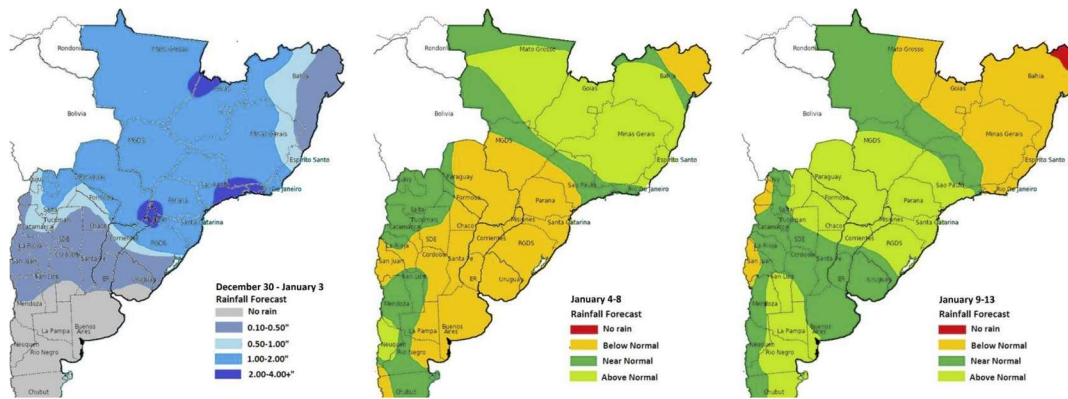
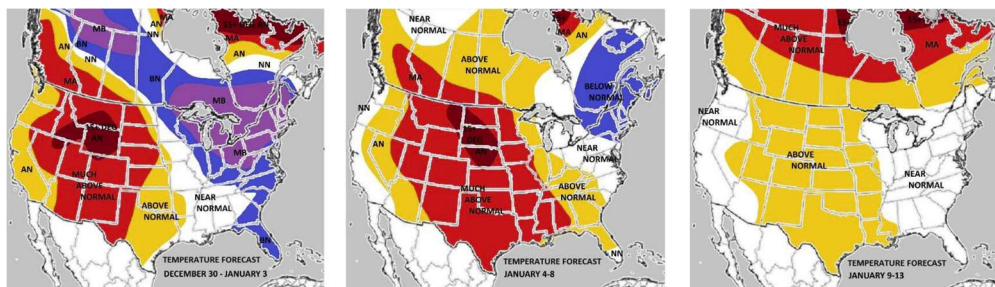


Weather

Rainfall coverage is expanding across northern Brazil, with the target for the heaviest widespread accumulations of 2-4 inches (and localized totals reaching 5-6 inches) now centering on the January 2-6 window; however, this period of moisture recovery will likely be followed by a notable reduction in rainfall for the 11-15 day period, specifically targeting the MaToPiBa region with below-normal accumulation. Southern Brazil and Paraguay are in the midst of a highly favorable pattern, receiving significant rainfall of 1.50-2.50 inches over the next 72 hours before transitioning to a welcome period of drier, milder weather for the opening week of January. Near-term concerns for crop stress remain focused on Argentina and Minas Gerais, where the hottest temperatures of the growing season—widespread highs of 95-105 degrees—were confirmed through Thursday, accompanied by a complete lack of rainfall in Argentina for the next nine days before "decent" but likely insufficient moisture returns around January 8.



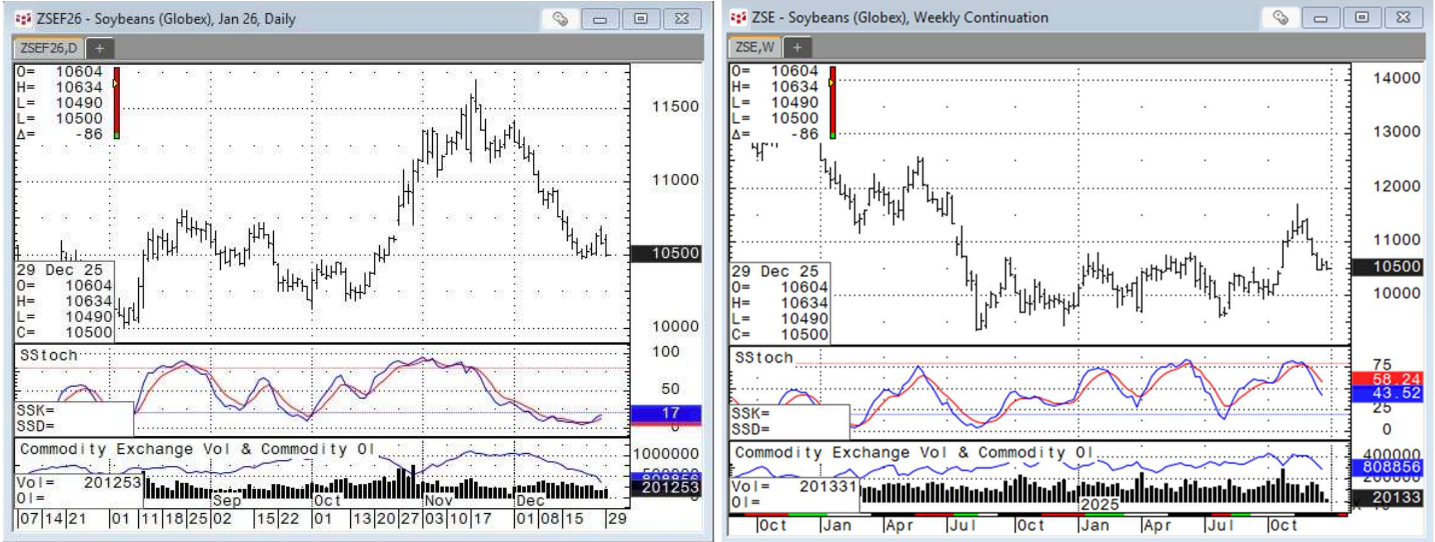
In the United States, the forecast for the Southern Plains cattle feedlot areas has intensified to be exceptionally warm and dry, with temperatures projected to average ten degrees above normal and potential record highs targeting the January 4-5 timeframe. The precipitation outlook remains critically dry for the vast majority of the agricultural belt east of the Rockies through at least the next ten days, with the forecast calling for rainfall running under 25-50% of normal. While a brief period of below-normal temperatures will impact eastern areas through the weekend, the broader 15-day outlook is dominated by widespread, persistent warmth across the Plains, Western Corn Belt, and Mid-South.



Grains

Under pressure to start the holiday shortened week with a violent break in metals (after making new highs) spilling over to our markets. Silver may have bankrupted at least one bank and margin calls could have forced some liquidation. Or the technical bounce simply ran its course. Corn had breached 450 in the nearby. There were further talks between Trump and Zelensky Sunday which may have also weighed, but then Putin's residence was targeted which doesn't sound very conciliatory. There was talk that China bought 9-10 cargoes of US beans. It is estimated that they have bought 7-9 mmt of the 12 mmt that the market was initially expecting by the end of the calendar year. Wire services reported that soy conglomerates are exiting the Amazon Protection pact that was signed in 2016 in order to preserve tax breaks in Mato Grosso. Starting in January, the state will strip tax incentives from companies taking part in the conservation program. This would inevitably mean more bean area in years to come. Beans look like they are about to roll over on both the daily

and weekly charts, but we still need to pay attention to Argentine weather with extreme heat coming this week and a mostly dry forecast for the next couple weeks.



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

Macro/Financials

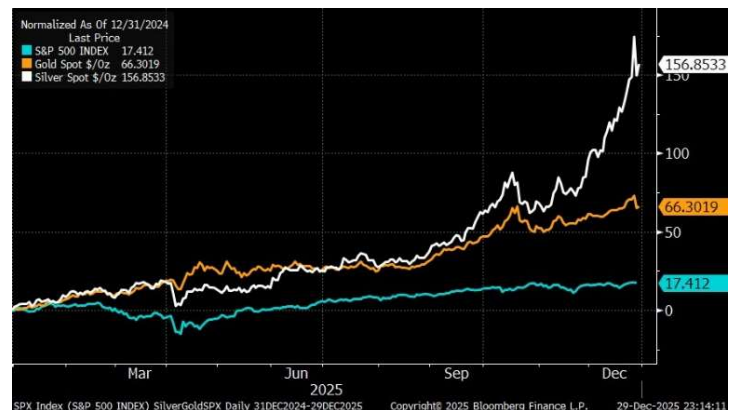
After talking about the precious metals rally yesterday morning, the rally hit a snag and corrected sharply downwards, with spot silver down approximately 9% (~\$7) and gold down roughly 4.5% (~\$210). With that said, the stock market is still strongly lagging the YTD performance of silver and gold, with the S&P 500 “only” up 17.4%, while gold is still up 65% and silver is up 156% as we quickly approach the end of the year.

With the end of the year in sight, we now shift our focus to the Santa Claus Rally window that opened on December 22, a two-week trading stretch that often serves as a barometer for the year ahead. The S&P 500 is currently up ~0.5% during this period. History shows that a positive move here foreshadows a 1.4% gain in January, on average, and a 10.4% gain across the following year; however, we should take that with a grain of salt, considering the signal has technically misfired the last two years, with absent Santa Claus Rallies followed by strong gains throughout the year.

Macro/Financials commentary provided by Zachary Davis. For questions or comments, Zachary can be reached by email at zdavis@nesvick.com or on Trillian at zdavis@nesvick.com.

Today’s Calendar (all times Central)

- ADP Weekly Employment Change – 7:15 AM
- FHFA House Price Index – 8:00 AM
- S&P Cotality Home Price Index – 8:00 AM
- FOMC Meeting Minutes – 1:00 PM



Thanks for reading,

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