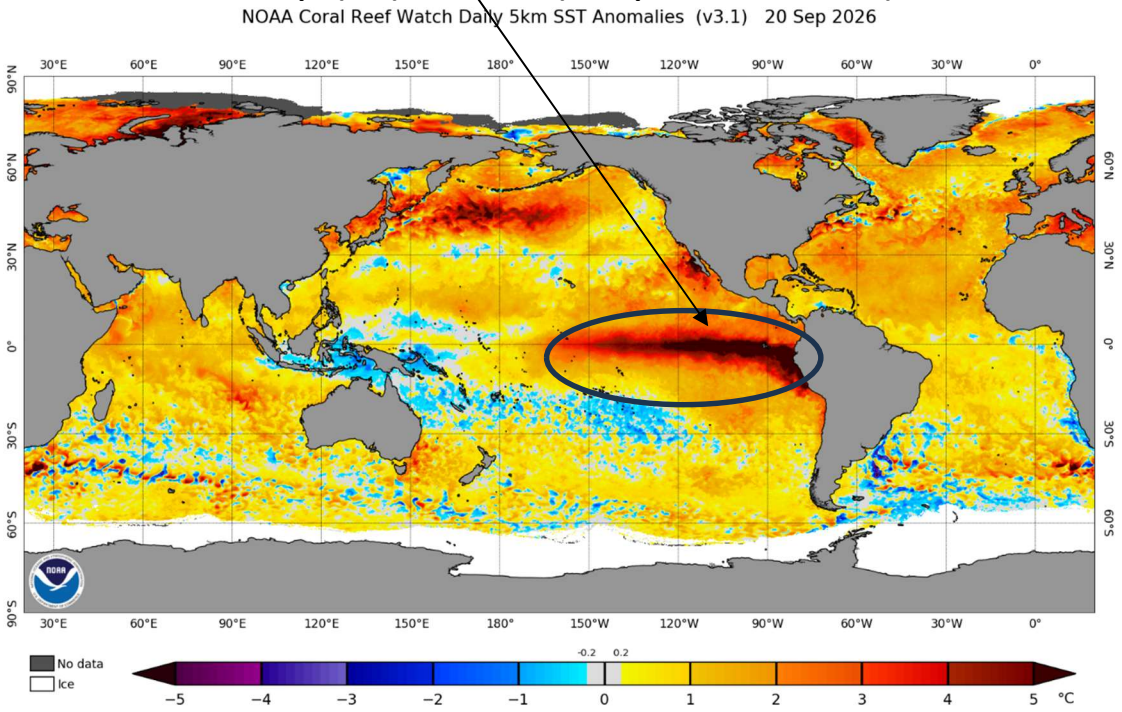
“SUPER” El Niño

WHAT DOES IT MEAN?

This summer the term Super El Nino has been all over the news and blamed for nearly every odd weather occurrence in the world. The data does support El Nino was related to the lack of rainfall in India and even down into Malaysia and Indonesia the last few months. As for the rest of the blame, it seems this is climate alarmists beating their drums for anything relating to their cause and supporting data is severely lacking.

So, what is El Nino and what does it mean for the next few months? El Nino and La Nina are the names given to the cycle of warmer and cooler water in the central Pacific Ocean that can have impacts on weather throughout the world. In the image below, you can see the current sea surface temperatures and how the equatorial Pacific is currently much warmer than normal.

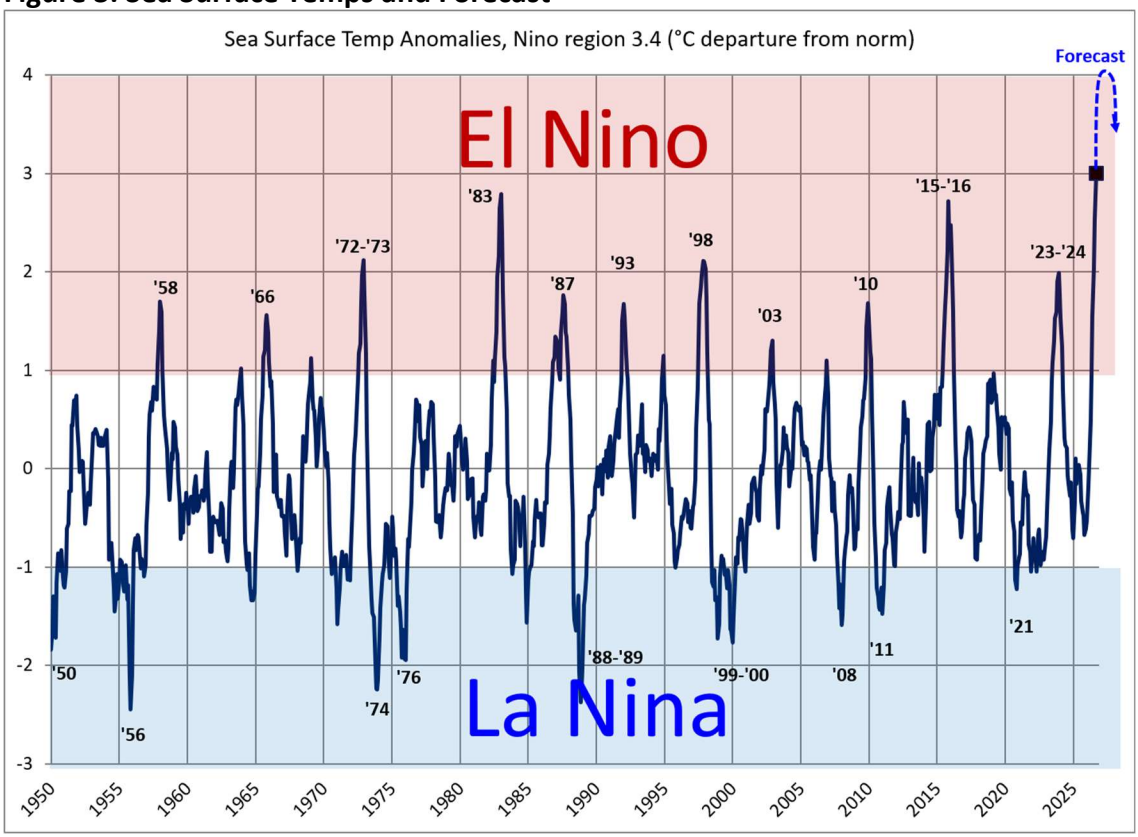
Figure 1: Sea Surface Temps (SST) Anomalies (°C departure from norm)



Federal meteorological departments around the world have spent lots of money studying these sea surface temperatures and trying to forecast what they will be several months out. The chart on Page 2 shows current sea surface temps are the highest EVER recorded (since decent data began in 1950) **and the forecast models have temps going even higher.**

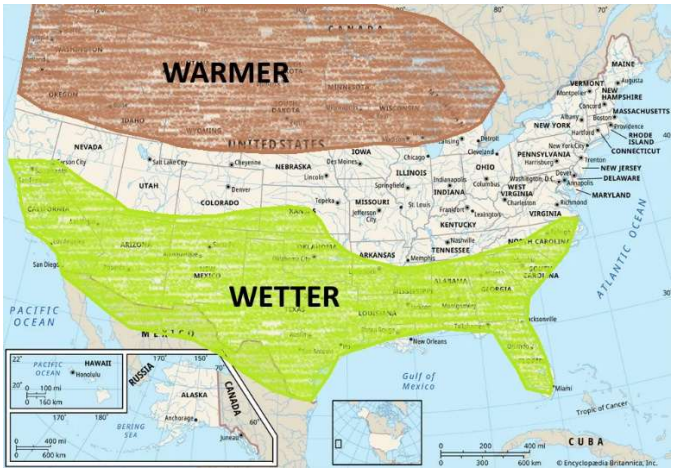
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Figure 3: Sea Surface Temps and Forecast

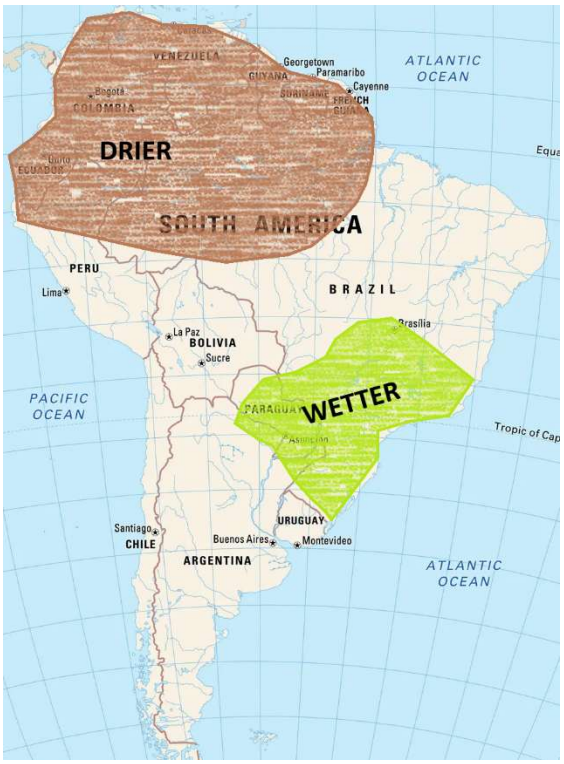


So, **WHAT DOES ALL THIS MEAN FOR OUR AG MARKETS?** Typically, an El Nino event during Oct-Nov-Dec-Jan period has resulted in some wetter areas for parts of North and South America, along with some areas being drier and others warmer. The maps below show these areas:

TYPICAL EL NINO IN THE US



TYPICAL EL NINO IN SOUTH AMERICA



North America: wetter across the southern areas, and even up into cattle areas of southwest KS into the OK/TX panhandles. Warmer in northern areas in into Canadian Prairies.

South America: Typically very wet, with a decent change of isolated flooding, in far southern Brazil, into Paraguay and far northern Argentina. Northern Brazil tends to be dry, sometimes that dryness comes down into Mato Grosso (the largest soybean producing state in Brazil).

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So, here are the ag market implications:

1. Wet weather in US feedlots. Could this take weight off these super heavy cattle? That would be bullish.
2. Too wet in Southern Brazil. Does this cause production issues? Fungus in soybeans, planting delays, harvest delays, mold, etc.
3. Too dry in northern Brazil. Does this impact soybean yields in Mato Grosso and areas to the north? These states produce 1/3 of the soybeans in Brazil.

These are the questions that will keep our ag markets on edge for the next several months. And the highest ocean temps ever keeps the term SUPER EL NINO in the news a loty more often, whether we like it or not.

If you happen to want to read more on El Niño and La Niña, here are some good sources:

https://www.climate.gov/enso

https://oceanservice.noaa.gov/facts/ninonina.html

https://www.climate.gov/news-features/understanding-climate/el-nino-and-la-nina-frequently-asked-questions

As always, I welcome any and all questions/comments.

Chris Myers
M6 Capital Management, LLC
Germantown, TN

chris@m6-capital.com
901-766-4683

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