NESVICK
TRADING GROUP, LLC

Wednesday, July 9, 2025
NTG Morning Comments
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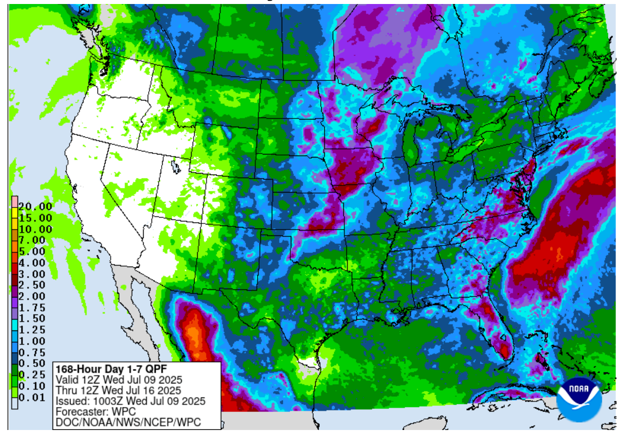
Weather

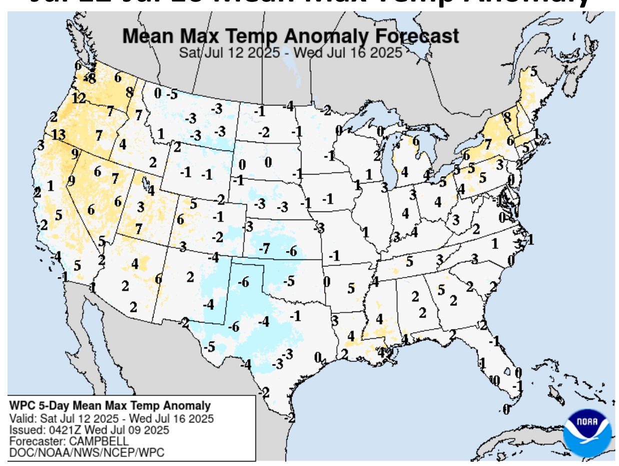
Although coverage wasn't complete, significant and very welcome rainfall occurred over the past 24 hours in parts of Michigan, especially in Illinois. The standout total in Illinois was 1.90" in Bloomington (compared to just 0.08" from June 19 to July 7). Other notable amounts include 0.90" in Peoria, 0.60" in Springfield, and just over an inch in Taylorville. The St. Louis airport also reported just over an inch.

Day 1-7 QPF



With a high-pressure dome anchored in the Southwest for the next 15 days, the Corn Belt is set up for persistent northwest flow aloft, favorable for multiple "ridge-rider" thunderstorm events. Two periods to watch are tomorrow night into Saturday, and July 15–16. Additional events are likely as forecast details evolve.

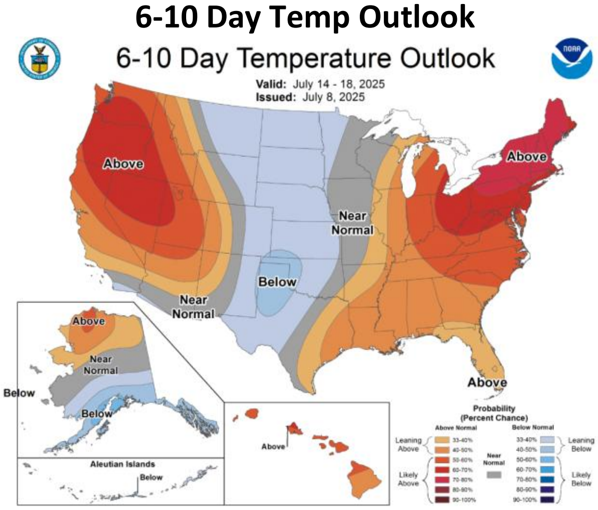
Jul 12-Jul 16 Mean Max Temp Anomaly



Much of the western Corn Belt is already well-watered, so attention remains on the eastern Corn Belt. However, that region has an excellent chance of receiving near-normal rainfall over the next 15 days. Of the two upcoming systems, the July 15–16 event looks more promising for the eastern Corn Belt than the first.

Finally, today's forecast has trended cooler, especially for July 16–20, when models now fully agree on a strong push of below-normal temperatures into the central U.S.

6-10 Day Temp Outlook

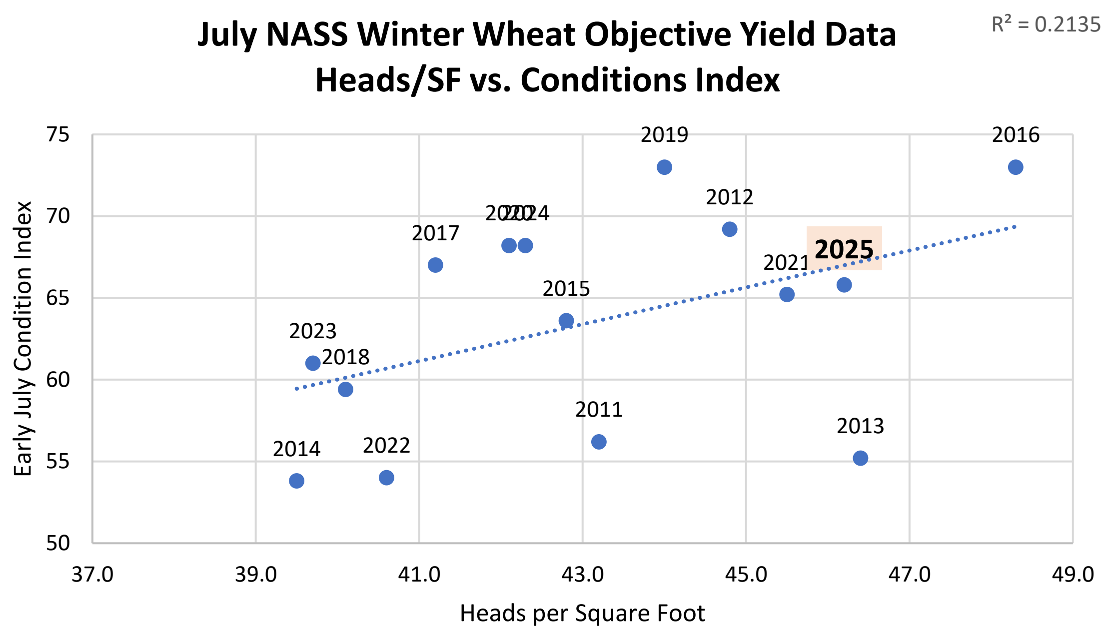


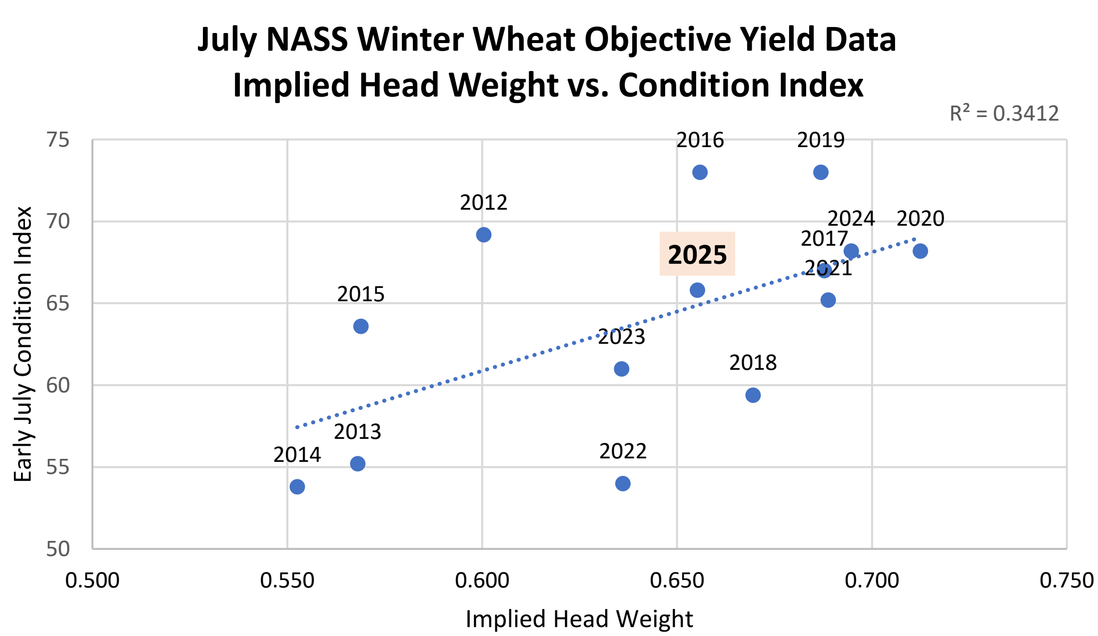
Grains

We'll take a quick look at winter wheat production estimates, using the latest winter wheat objective yield data. The two charts on the next page are pretty similar; they compare the July NASS-reported heads per square foot and the implied head weights against the crop condition index.

The highlighted 2025 figures use objective yield data from the June Crop Production report, paired with current condition ratings. As you can see, the June objective yield figures appear to align reasonably well with the condition ratings. While I'm generally cautious about relying too heavily on crop conditions, there isn't much else to go on at the moment, so this may be our best reference for now.

Based on the charts, I wouldn't expect a significant revision to winter wheat yields in next week's report. The harvested area estimate did fall in the June 30 report, so I would lean towards a slightly lower winter wheat production estimate, but nothing cataclysmic.





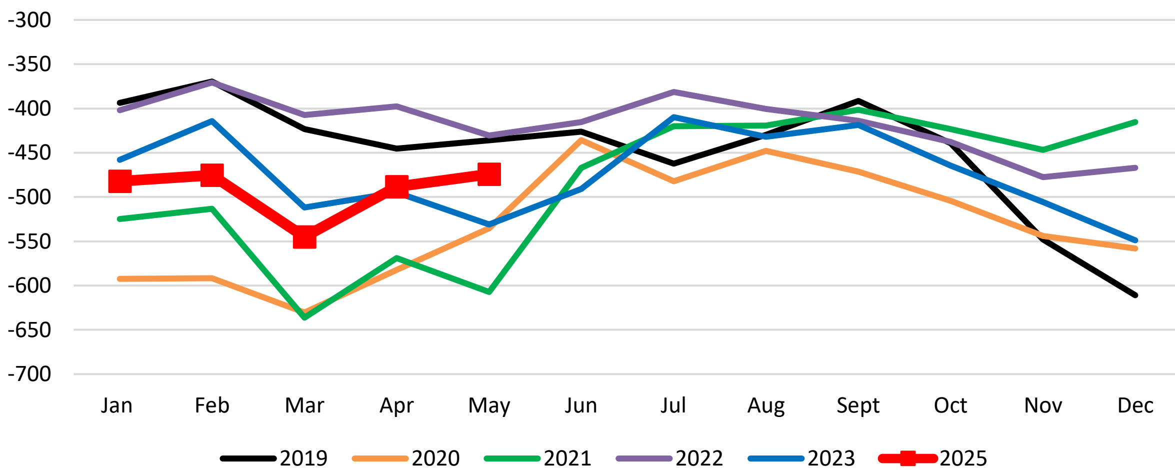
Livestock

We'll wrap up our review of May Census trade data with a look at pork. Imports totaled 90 million pounds, down 6% from the previous year, resulting in a 5% decline year-to-date.

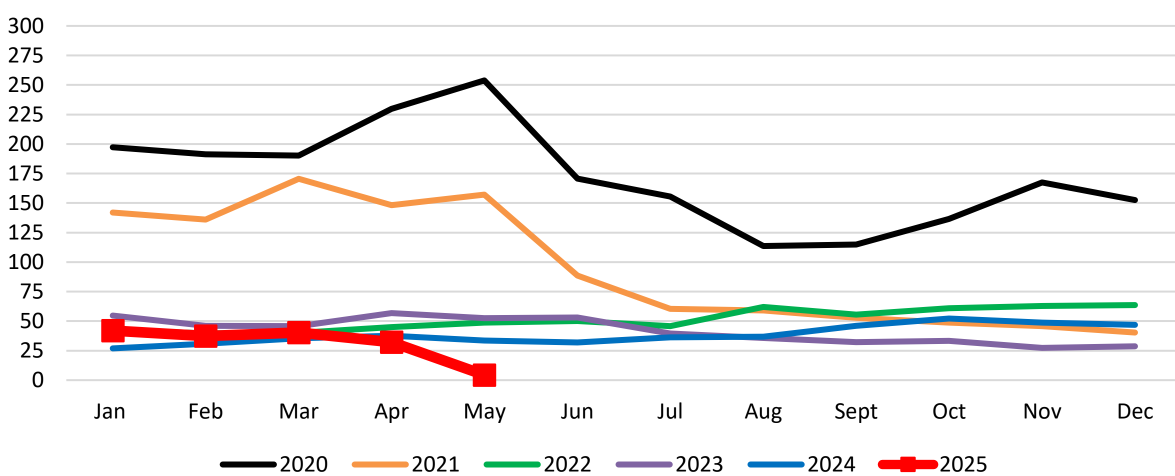
Exports for May totaled 565 million pounds, a 4% decrease year-over-year, with cumulative exports down approximately 4% year-to-date. As a result, net imports (imports minus exports) remain deeply negative, although still within the five-year average range and above last year's level.

May also marked the first month of significant declines in U.S. pork exports to China. Shipments totaled just 4 million pounds, the lowest monthly volume since May 2010.

US Pork Net Imports (Carcass Weight, MM Lbs.)



US Exports of Pork to China (Carcass Weight, MM Lbs.)

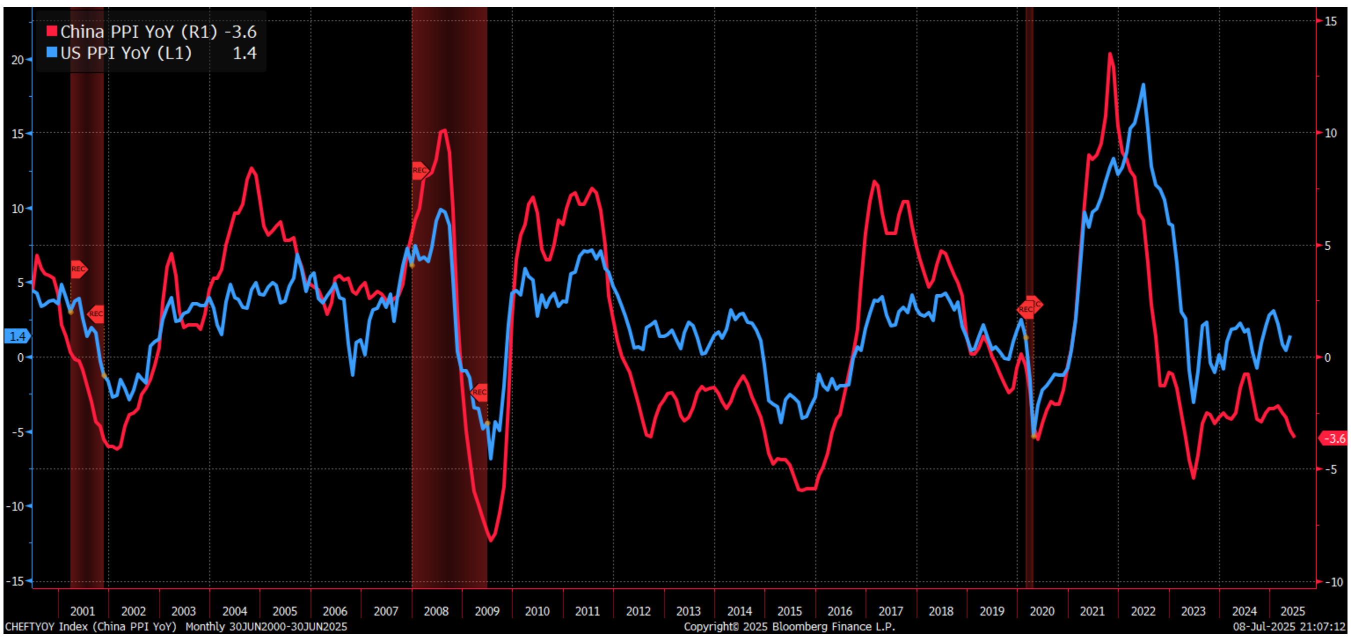


Financials

Overnight, inflation data from China was released. CPI rose 0.1% YoY, slightly above expectations and up from last month's -0.1% reading, while PPI fell to -3.6% YoY, the lowest reading since July 2023. This marks the 33rd consecutive month of PPI deflation, underscoring the continued weakness in consumption in China.

The chart below shows the historical relationship between the U.S. and China's PPI. While the two moved in sync during the post-COVID inflation surge, they've since diverged, with U.S. PPI holding modestly positive and China's remaining negative.

This reflects China's weak industrial recovery and subdued domestic demand. Historically, China's PPI has often led U.S. trends, suggesting continued deflationary pressure from China may help contain U.S. inflation risks heading into the summer.



Today's Calendar (all times Central)

- EIA Energy Stocks – 9:30 am
- FOMC Meeting Minutes – 1:00 pm

Thanks for reading.

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