NESVICK
TRADING GROUP, LLC

Friday, August 1, 2025
NTG Morning Comments
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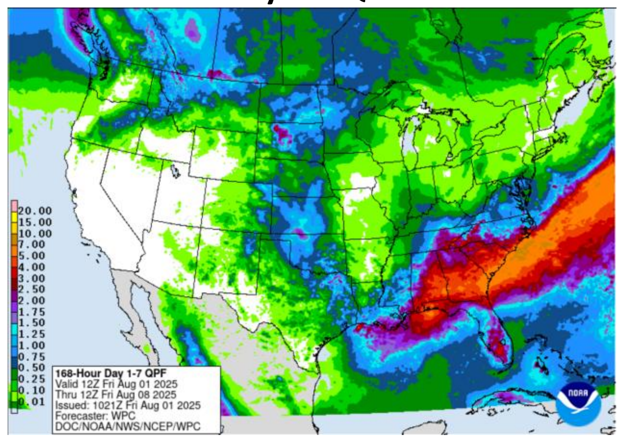
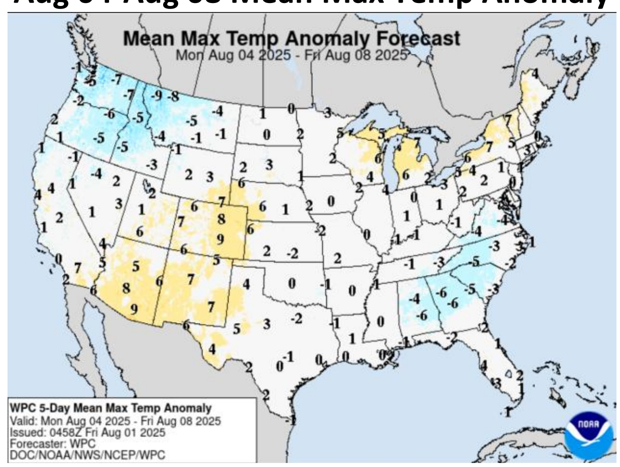
Weather

A sizable portion of the Corn Belt could use some dry weather, and central/eastern areas will get just that over the next week. Rainfall continues to be pushed back, likely not returning until late next Thursday at the earliest.

Day 1-7 QPF



Aug 04-Aug 08 Mean Max Temp Anomaly



Meanwhile, the far western Corn Belt and Plains will see near-daily rain chances through this period. While totals may not be heavy, they should be enough to maintain favorable soil moisture for pastures and dryland row crops.

Looking ahead, Week Two is expected to be wetter in the central/eastern Corn Belt as the ridge-rider pattern re-establishes. Two storm events are likely in the 6–10 day window, with northwestern areas favored, though southeastern zones may see more than models currently suggest.

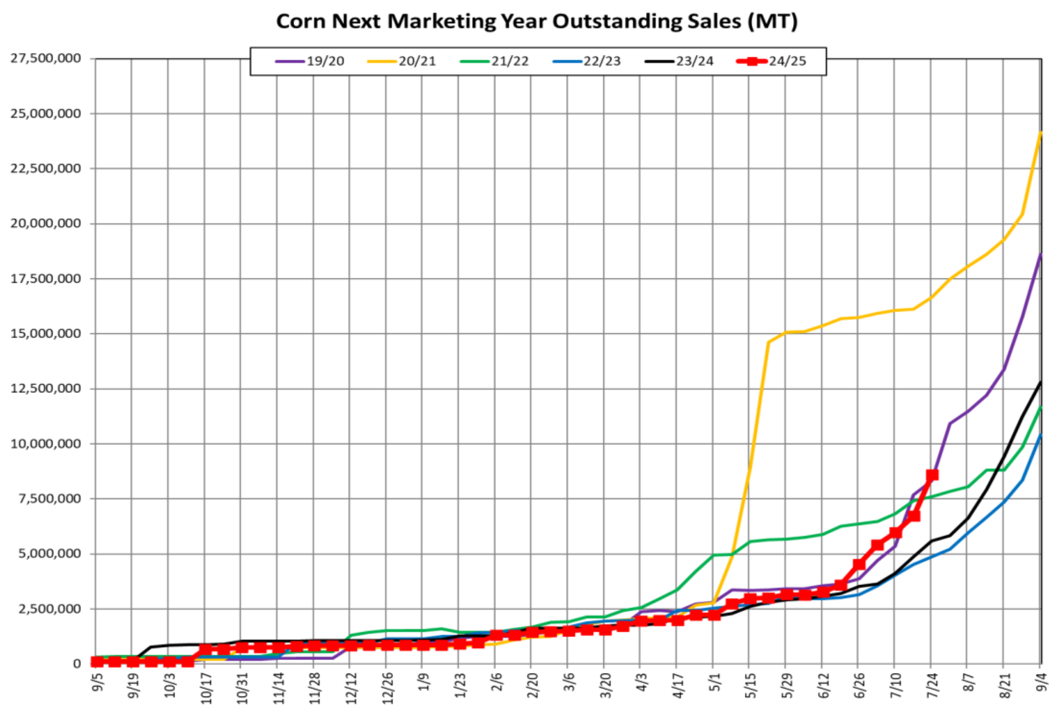
Beyond that, the 11–15 day outlook resembles a classic ridge-rider setup, with a west/northwest flow aloft over the Corn Belt. This type of pattern can deliver meaningful rainfall across much of the region, though current model runs continue to show limited totals, near-normal at best.

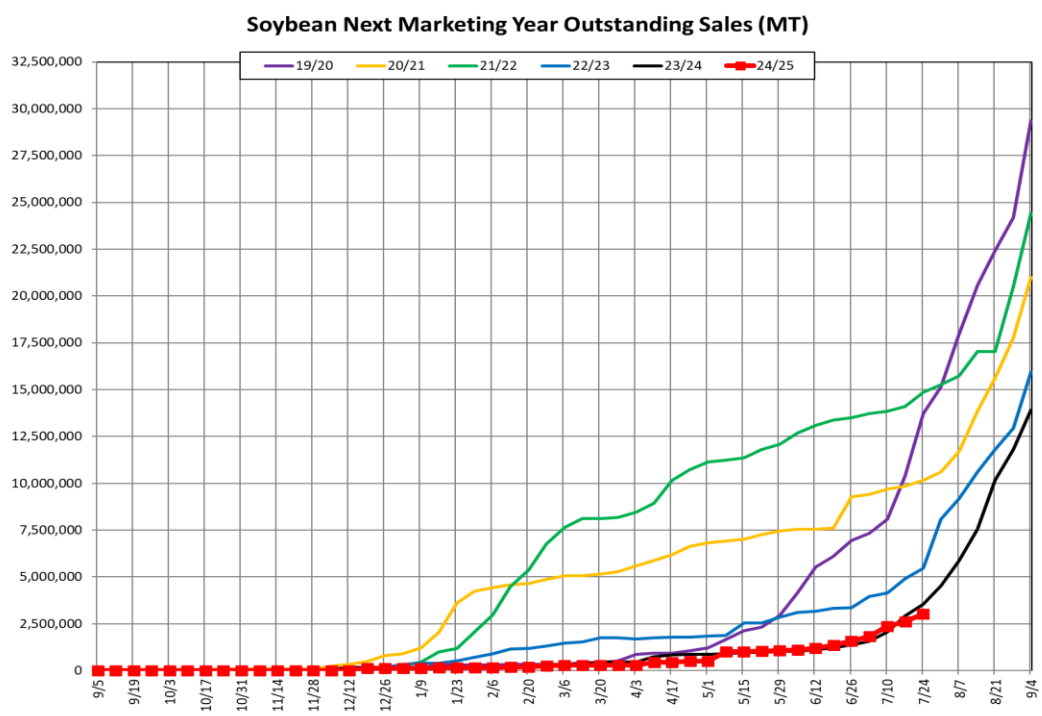
A cool Canadian air mass is settling over the Corn Belt to start August, with widespread temperatures 5–7°F below normal through the weekend and into Monday. A warmup begins Tuesday, with above-normal temperatures expected across the Corn Belt and Plains for the rest of the 15-day outlook. Temps should run 2–4°F above normal in the 6–10 day window, and likely a bit warmer in the 11–15 day period.

Grains

I just wanted to quickly review next marketing year corn and soybean commitments. I find it notable that corn sales for the NMY continue to outperform expectations, currently totaling 8.6 MMT, the sixth-highest for this time of year since 1990, and about 3 MMT ahead of where we were at this point last year. When combined with current marketing year sales, total corn commitments are now over 5 MMT larger than last year. This strength comes despite expectations for significantly higher Brazilian corn production.

In contrast, next marketing year soybean sales are quite weak. China remains absent from the U.S. soybean market, and sales are now roughly 500,000 metric tons below last year, marking the lowest level for this time of year since 2005. With exports and yield being the key swing factors on the balance sheet (assuming crush is maxed out at current levels), continued lagging sales, which typically correlate with SON exports, raise the likelihood that USDA's export projection is significantly overstated.



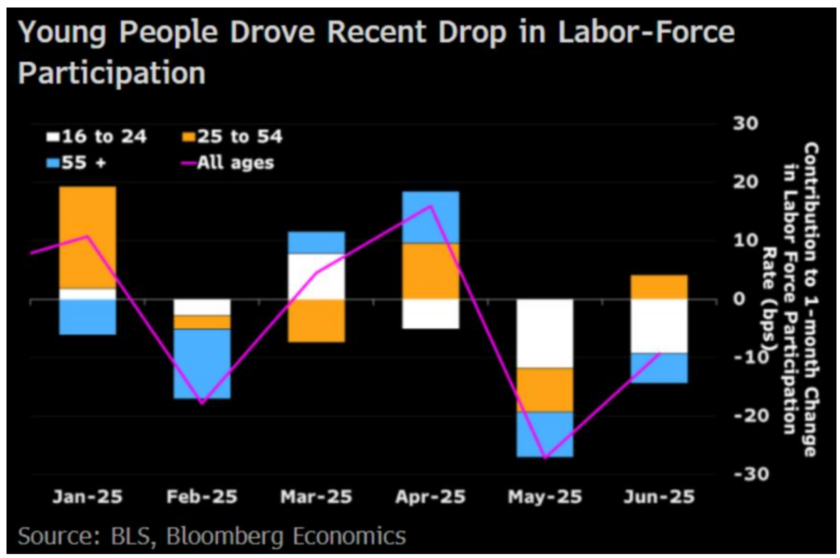


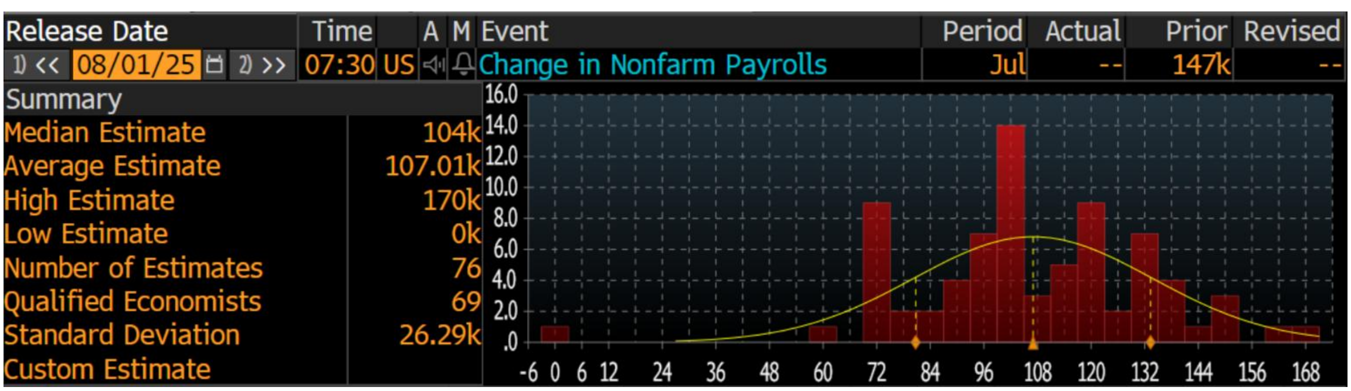
Financials

We'll get the July NFP report this morning, with consensus expecting a gain of around 100,000 jobs. However, the Fed appears increasingly focused on the unemployment rate rather than headline payrolls. In his Wednesday remarks, Fed Chair Powell emphasized the importance of both the unemployment rate and labor force participation in assessing labor market conditions.

He noted that while job growth has slowed, a decline in labor supply, evidenced by falling participation, has helped keep the labor market in balance. Still, this balance reflects weakness on both the demand and supply sides of the labor market.

Bloomberg Economics suggests the recent drop in participation may be tied to younger workers struggling to find jobs, potentially due to the impact of AI and a decline in entry-level opportunities. The chart to the right breaks down the contribution to the one-month change in labor force participation, and interestingly, the 16–24 age group (white section of stacked bar) has largely driven the decline over the last two months. This suggests many young people are having difficulty securing internships or jobs. We'll see if that trend holds in today's report, but it's something to consider when reviewing the figures. Good luck today.





Today's Calendar (all times Central)

- NFP – 7:30 am
- Unemployment Rate – 7:30 am
- ISM Manufacturing Index – 9:00 am
- Construction Spending – 9:00 am
- U of M Consumer Sentiment – 9:00 am

Thanks for reading.

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