

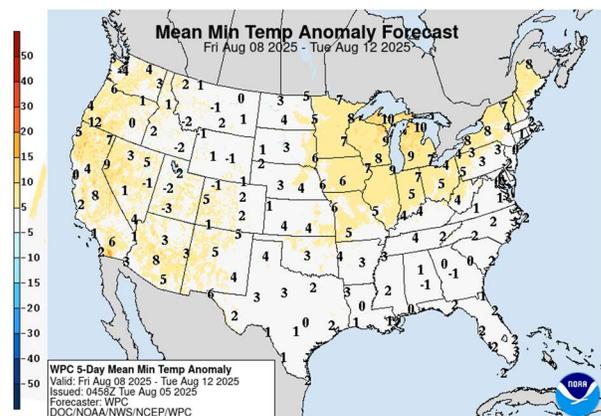
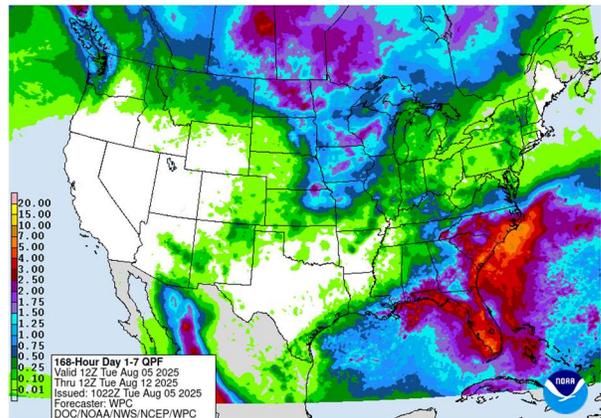
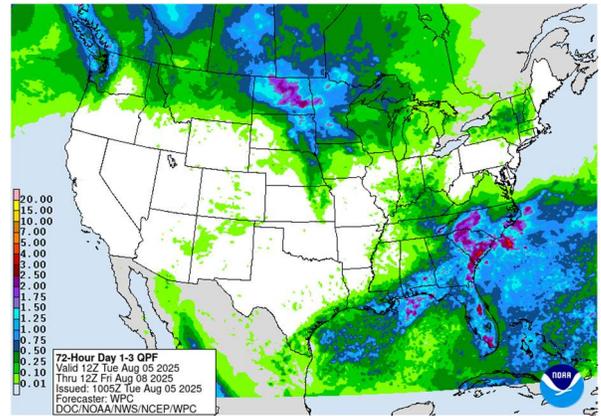
Weather

The past 24 hours saw rain confined to the far southeast and an isolated spot in southern IL and IN. Near term forecasts are mostly unchanged from yesterday. It's an open (dry week) in the CB until Fri when rains start in the WCB, with IA targeted for Fri-Sun. Notable rain is expected in the northern Plains through Friday.

Today is the last day of "normal" temps. Temps warm up starting tomorrow with above normal readings seen for the rest of the 15-day forecast period. Very warm/hot weather is expected.

Midday models yesterday lost the big heat that Sunday overnight maps showed. The overnight run of the European model brought back the heat in the 11-15 day time frame and kept it in place for the rest of that period showing temps 10+ degrees above normal. This should continue to be monitored.

Rains should expand into Iowa and the WCB Belt Fri/Sat where rainfall has been above normal all summer. This should also be monitored as additional severe weather may not be welcome. For Monday and into next week, the models are all over the place on rain. The area most in need of rain remains to be the Mid-South, which will continue to be missed this week.



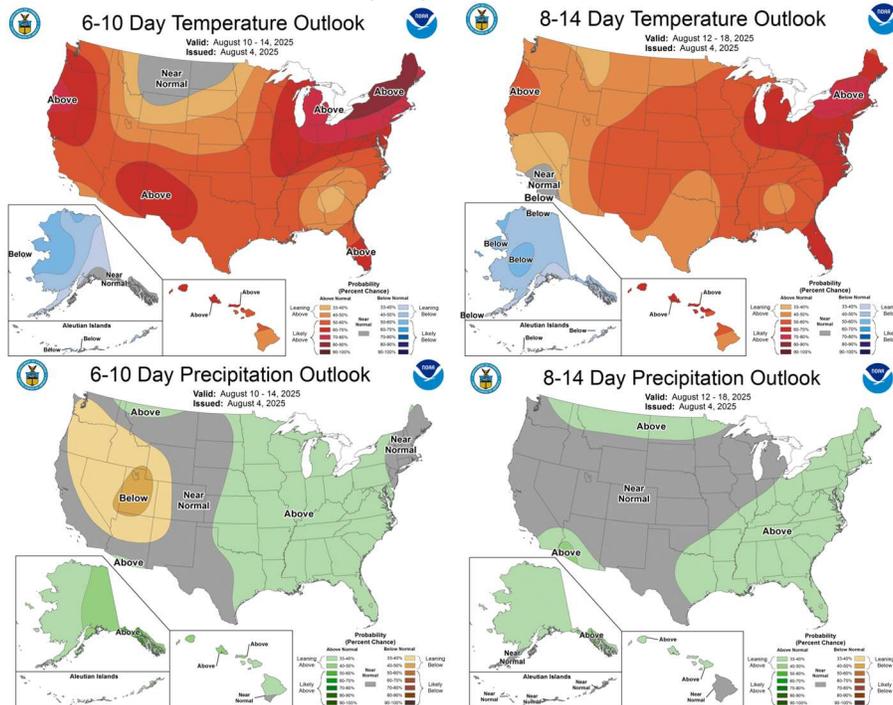
Grains

Below is same table I presented Monday, but this time in relation to soybeans. Bean yields tend to fare better in wet summers.

	Aug Report	Final Nat'l Avg Yield	Previous Record	SX Futures: Jul 31 Close to Aug 31th Close
1981	#N/A	30.4	30.6	\$7.47 to 6.71 end Aug
1993	33.8	32.6	37.6	\$6.88 to \$6.63
2010	44	43.5	44	\$10.05 to 10.10
2015	46.9	48	47.5	\$9.40 to 8.87
2025	? July was 52.5 bu/a and the market is roughly 53-54, previous record 51.6. Currently SX 9.95			

The average trade estimates aren't out yet for the August 12 crop report (we will be reviewing more in depth as gets closer), but the market seems to be in the 53-54 range. The first four to five days of August have been drier than July. This is welcome, especially in Iowa and the WCB. This work week is expected to be dry, with rains confined to the Plains and far northwest CB. More general rains starting in the WCB over the weekend, with severe weather possible. Heat is expected to resume later this week with a possibility of extreme temps in the 2nd week of the month. I am not sure additional lasting heat is what the market is looking for during the key soybean growing month.

Of the above years, only 1993 was materially below the previous record (13% below was the final that year). 2015 was actually a new record. We know August is more important than July for soybean yields. In 2010, August temps were warm with normal levels of precipitation. 2015 saw normal/below-normal temps in Aug and normal precipitation. It looks as if 2025 could shape up as a warm and wet month.

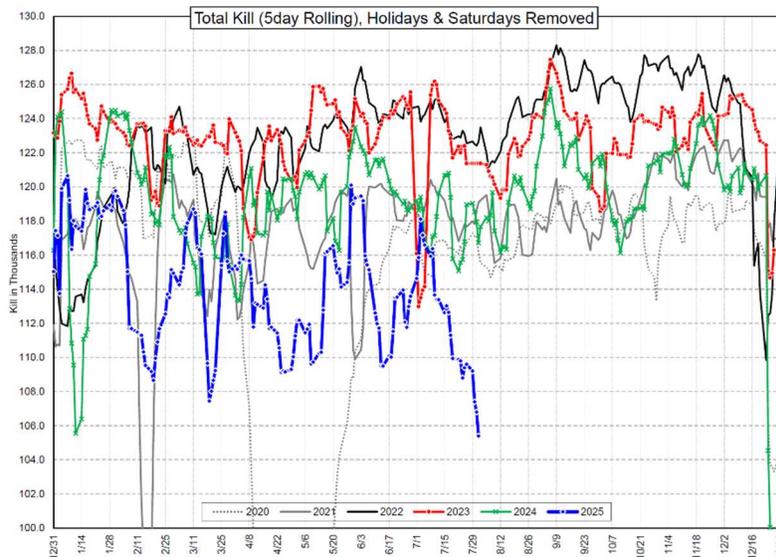


StoneX forecast national corn yield at 188.1 and beans at 53.6 – definitely at the high end of trade ideas, especially for corn. 188 has been mentioned, but I thought 183-185 was the range. It will be interesting to see where Informa comes in. If they are high 180's as well, it may be difficult to have a bearish report.

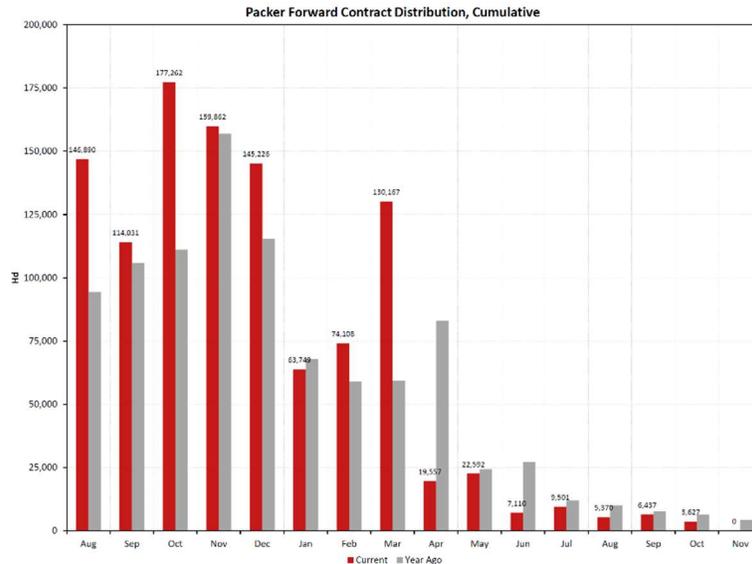
Grains commentary provided by Megan Bocken. For questions or comments, Megan can be reached at megan@bockentrading.com or on Trillian at megan@nesvick.com.

Livestock

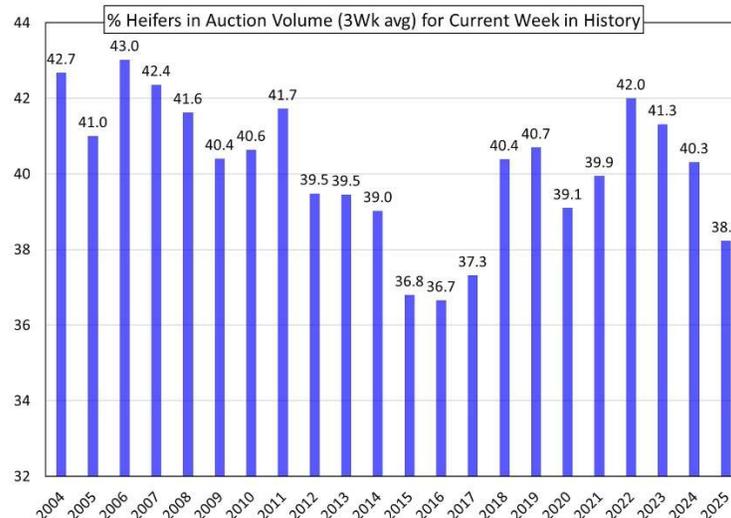
Total cattle slaughter for week ending 8/2/25 was estimated at a dismal 535,000hd. That is the smallest non-holiday kill since the Coronavirus pandemic, and this week is not expected to be much bigger. Monday's daily kill was only 101,000hd, not a great start to the week. The packer is making an attempt, once again, to keep the cash cattle market under control by restricting the kill to the bare minimum in order to raise beef prices.



Even with the small kill last week, the weekly comprehensive cutout was down -\$4.66 to 364.54; however, the movement was pretty good at 6,529 loads, hence the packer margin discussion yesterday. This week may be different though, as the committed cattle are bigger than they were last week. This may be the best position the packer has been in for some time. Is this the week cash is not multiple dollars higher? The cash market last week was 235 with a top of 237 in the south, while the north was mostly 245 with a top of 247. National average cash price was 242.50 (up \$3.51), yet another record high. Dare I say it, but cash may not be \$3 higher this week. The packer has more cattle contracted for August, September, and October than recent history, so it is possible they kill those and may not have to be as active in the cash market as they have been. Of course, going into July the same thought was present among many market participants and we all know how that turned out; they did not stay out of the market and cash rallied \$11 through the month of July. Time will tell.



Moving along to feeder cattle, last week auction receipts were down ~10% from the previous year, with year-to-date receipts running approximately 460,000hd below a year ago. Heifer numbers made up 38.2% of the total auction and direct trade volume (the lowest since 2017), which suggests heifer retention is starting in the country. To start this week, the feeder index printed Monday at 335.82 (down 0.07) with a daily average price of 330.63. Oklahoma City had 6,200hd yesterday and was called \$3-5 lower, citing quality as an issue. This is the first time buyers have backed off bids due to quality in the last few weeks. Joplin, MO feeder sale had 8,000hd offered yesterday and also cited quality as the reason a few strings brought lower money than the previous week, but overall the sale was called 2-4 higher by the USDA. Overall, I expect the index to hang around 335 +/- 2.00 in the near-term due to fantastic demand for feeder cattle and the industry desperately missing the 500,000+hd of Mexican cattle since the border is closed for the foreseeable future.



Livestock commentary provided by Ashley Lowe. For questions or comments, Ashley can be reached at ashley@nesvick.com or on Trillian at [ashley@nesvick.com](https://trillian.im/ashley@nesvick.com).

Financials

Continuing yesterday's topic on non-farm payrolls, a weak July report and significant downward revisions for the past three months have dramatically increased the odds of a Fed rate cut at the September 17th meeting. Before Friday's data, the probability of a cut from the current target of 425-450 down to 400-425 was as low as 37.7%, but now it has surged to 80-88%.

United States, Futures Based Probabilities, 2025-09-17 FOMC Meeting, Federal Funds Rate, 400-425 Basis Points, Estimate



Source: Mott Capital Management, Macrobond, CME Group

Rate cuts have been historically bullish for gold, at least in the short term, because Fed rate cuts indicate a shift in market sentiment. In the simplest terms, the Fed cuts when they are seeing issues. They don't cut when the economy is seen as resilient. That said, we're finding out pretty quickly that the once thriving labor market is starting to show real signs of cracking (again, big downward 3-month revisions). Add to that the issues we're seeing/hearing about in the housing market.



Gold traded sideways to lower for much of July, for the most part, because a September and/or October rate cut looked to be off the table. Well, Friday's data changed the game, at least for now. Should get interesting.

Financials commentary provided by Mark Sigman. For questions or comments, Mark can be reached at msigman@nesvick.com or on Trillian at [msigman@nesvick.com](https://trillian.im/msigman@nesvick.com).

Today's Calendar (all times Central)

- Trade Balance – 7:30AM

Thanks for reading.

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