NESVICK TRADING GROUP, LLC

Monday, August 11, 2025

NTG Morning Comments

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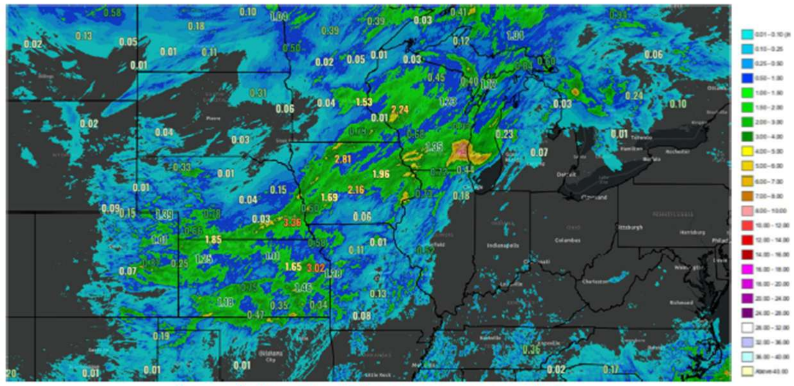
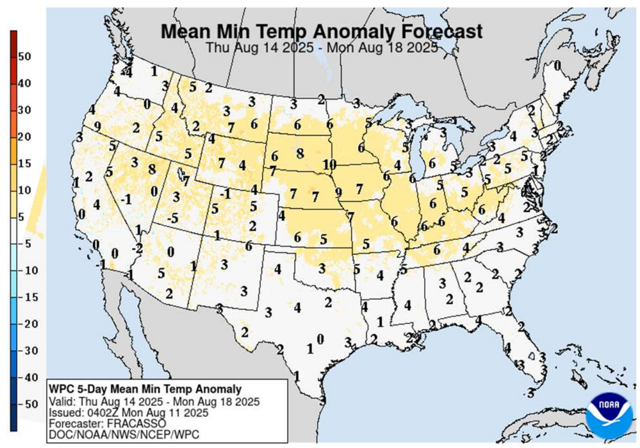
Weather



72-hour rainfall/72-hour radar-estimated rainfall through around 4:30 AM CDT

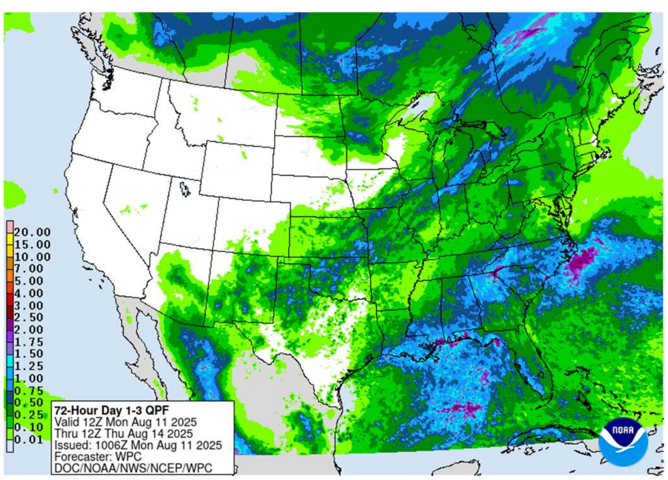
Weekend rain was about as expected to a touch light, affecting mainly IA, MN, WI. Some of the weather was severe. Weekend temps were in the high 80's/low 90's in the main Corn Belt with a lot of 90 and 100 F heat seen in the S Plains, MO, Delta and Mid-South.

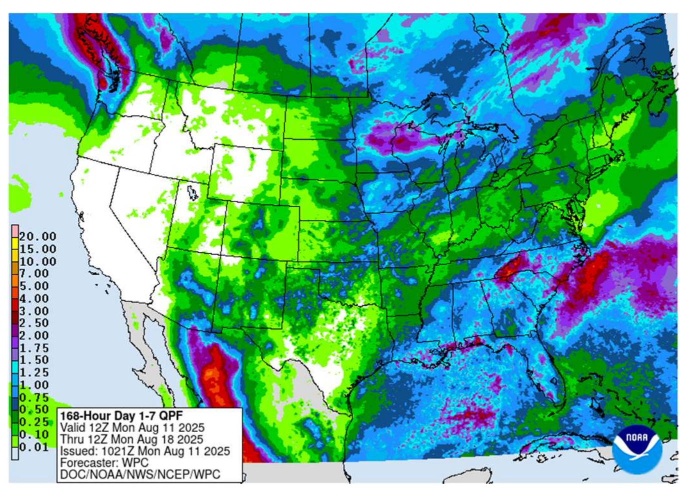
The work week ahead has rain in the N Plains and S Plains over the next 24 hours. The best rains for the week in the Corn Belt will also be today and tomorrow, favoring southeast IA, northern half of IL and northern IN. The next rain event looks to fall on the weekend and mainly affect IA, MN, WI. The extended maps look drier this morning.



Temps should be mostly seasonable/slightly above normal for the next few days before warming back up on Thursday for five days – 4-8 degrees above normal. Overnight lows are forecast in the 70-75 range. It looks to turn cooler Aug 20 (which is a change from last week) to more normal temps.

There are better rain chances for the Mid-South going forward but nothing like the wet pattern that is needed. Rain in the N Plains should continue to be normal to above normal. The pattern in the S Plains is drier after today.





Grains

Wheat's turn. The average trade guess for all-wheat production is 1922 milbus vs 1929 in July. The average trade estimate seems high to me for Other Spring as crop ratings have come down. I am roughly 30 milbus lower than the average trade guess and closer to 40 below the USDA's July forecast.

US Wheat Production						
million bushels						
	MB	Informa	Ave trade est	USDA Aug 12	USDA July	Year Ago
HRW	755	#N/A	756		755	770
SRW	337	#N/A	337		337	342
White	254	#N/A	252		254	236
Winter Total	1345	1327	1344		1345	1348
Other Spring	467	471	497		504	542
Durum	80	76	80		80	80
All Wheat	1892	1874	1922		1929	1971

The US Balance sheet is rather unexciting even with a lower crop than last year. I am also attaching the by-class balance sheet. The HRW balance continues to look heavy although I may need to raise exports. The SRW and HRS S&D's are on the tighter side.

WHEAT: U.S. SUPPLY AND DEMAND (JUNE - MAY MARKETING YEAR)									
	2019/20	2020/21	2021/22	2022/23	11-Jul USDA 2023/24	MB 2024/25	11-Jul USDA 2024/25	*MB 2025/26*	*11-Jul USDA 2025/26*
Planted Area	45.5	44.5	46.7	45.8	49.6	46.1	46.1	*45.4*	*45.4*
Harvest Area	37.4	36.6	37.1	35.5	37.1	38.5	38.5	*36.6*	*36.6*
Yield	51.7	49.7	44.3	46.5	48.7	51.2	51.2	*51.7*	*52.6*
Carry-in	1080	1028	845	674	570	696	696	*851*	*851*
Production	1,932	1,820	1,646	1,650	1,804	1,971	1,971	*1,892*	*1,929*
Imports	104	100	96	122	138	149	149	120	*120*
Total supply	**3115**	**2948**	**2588**	**2446**	**2512**	**2816**	**2816**	***2864***	***2899***
Seed	62	64	58	68	62	62	62	64	*62*
Domestic Mill	962	961	971	972	961	975	975	975	*977*
Feed/Residual	95	85	88	76	86	103	103	*130*	*120*
Exports	969	994	796	761	706	826	826	*825*	*850*
Total Use	**2088**	**2104**	**1913**	**1876**	**1815**	**1966**	**1965**	***1994***	***2009***
Carry-out	**1028**	**845**	**674**	**570**	**696**	**851**	**851**	***870***	***890***
Carryout/use	49.2%	40.1%	35.2%	30.4%	38.3%	43.3%	43.3%	*43.6%*	*44.3%*

As far as world changes Tuesday, the USDA could raise EU and Australian production slightly. Ukraine looks too high at 22 mmt, with yields suggesting something closer to 20 mmt. The Russian crop could be light at 83.5, but their export forecast of 46 mmt looks too high by 3-5 mmt. Their July forecast for Canadian production of 35 mmt could come down by 1-2 mmt.

US Durum Wheat Supply/Usage					USDA	MB	USDA	MB
	2020/21	2021/22	2022/23	2023/24	2024/25	2024/25	2025/26	2025/26
Carry-in	42	27	24	28	21	21	28	28
Production	69	38	64	59	80	80	80	80
Imports	37	40	51	45	51	51	40	40
Total supply	148	105	139	132	152	152	148	148
Seed	2	2	3	3	3	3	3	3
Domestic Mill	88	79	85	83	86	86	85	85
Feed/Residual	3	-14	0	-2	16	16	5	5
Exports	28	14	23	27	19	19	25	20
Total Use	121	82	111	111	124	124	118	113
Carry-out	27	24	28	21	28	28	30	35
US White Wheat Supply/Usage					USDA	MB	USDA	MB
	2020/21	2021/22	2022/23	2023/24	2024/25	2024/25	2025/26	2025/26
Carry-in	95	70	54	74	85	85	80	80
Production	303	201	272	234	276	276	286	286
Imports	7	5	7	6	7	7	5	5
Total supply	404	276	333	314	368	368	371	372
Seed	6	5	6	6	6	6	6	5
Domestic Mill	85	83	85	84	85	85	85	85
Feed/Residual	-26	-14	-22	-12	-26	-26	0	-15
Exports	270	148	190	152	222	222	190	200
Total Use	334	222	259	229	287	287	281	275
Carry-out	70	54	74	85	80	80	90	97
US HRS Supply/Usage					USDA	MB	USDA	MB
	2020/21	2021/22	2022/23	2023/24	2024/25	2024/25	2025/26	2025/26
Carry-in	280	235	142	155	190	190	218	218
Production	531	297	446	465	503	503	469	435
Imports	47	43	56	63	79	79	65	65
Total supply	858	575	644	683	772	772	752	718
Seed	17	12	17	15	15	15	16	17
Domestic Mill	263	245	266	253	261	261	262	255
Feed/Residual	59	-33	-8	-10	28	28	15	0
Exports	284	209	214	235	250	250	240	240
Total Use	623	433	489	493	554	554	533	512
Carry-out	235	142	155	190	218	218	219	206
US SRW Supply/Usage					USDA	MB	USDA	MB
	2020/21	2021/22	2022/23	2023/24	2024/25	2024/25	2025/26	2025/26
Carry-in	105	85	99	90	126	126	127	125
Production	266	361	336	449	342	342	337	337
Imports	5	3	4	6	5	5	5	5
Total supply	376	449	439	545	472	472	469	467
Seed	13	13	14	11	12	12	12	13
Domestic Mill	148	154	163	158	155	155	155	160
Feed/Residual	61	71	65	91	63	63	65	65
Exports	69	112	107	158	117	117	120	115
Total Use	291	350	349	418	347	347	352	353
Carry-out	85	99	90	126	127	125	117	114
US HRW Supply/Usage					USDA	MB	USDA	MB
	2020/21	2021/22	2022/23	2023/24	2024/25	2024-25	2025/26	2025/26
Carry-in	506	428	356	223	274	274	398	398
Production	659	750	531	596	770	770	755	755
Imports	4	4	5	18	6	6	5	5
Total supply	1169	1182	892	837	1051	1051	1157	1157
Seed	26	26	29	27	27	27	26	26
Domestic Mill	377	411	374	384	388	388	390	390
Feed/Residual	-1	72	42	18	22	22	35	75
Exports	340	317	224	134	218	218	275	250
Total Use	742	826	669	563	655	655	726	741
Carry-out	428	356	223	274	398	398	431	416

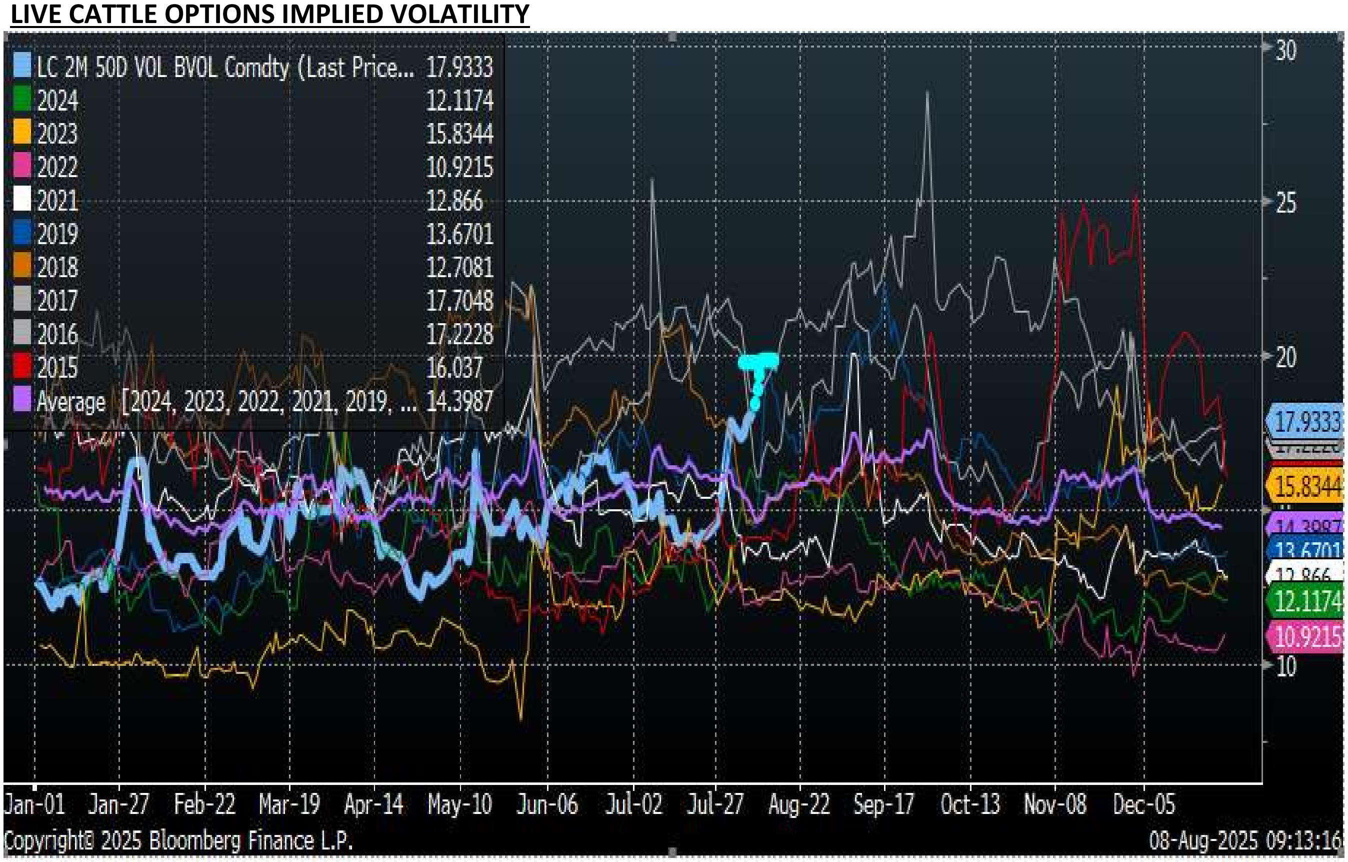
Grains commentary provided by Megan Bocken. For questions or comments, Megan can be reached at megan@bockentrading.com or on Trillian at megan@nesvick.com.

Livestock

Live cattle futures have had a steady and consistent upward trend. When markets are trending, they are typically marked by lower volatility parameters. This generally happens because, statistically, the market is confident and predictable in its pattern. However, over the past month, options volatility has risen to higher levels. Levels that in the past were marked by panic and uncertainty. Closing at roughly 20%, today's volatility compares to 2021, 2018, 2019, and 2015. What is interesting about all four of these years' high volatility levels is that they were years when live cattle prices were hitting historical lows, convinced by emotion that things would get decidedly worse. However, this panic options buying marked the transition for the market from historical lows to recovering out of those depths of despair. Today's market people seem more confident than ever that prices will continue marching higher; however, option volatility might be telling us a different story. If the market were truly confident about higher prices, volatility would be much lower, typically something around 12%-14%. Today's 20% volatility means changes are coming.

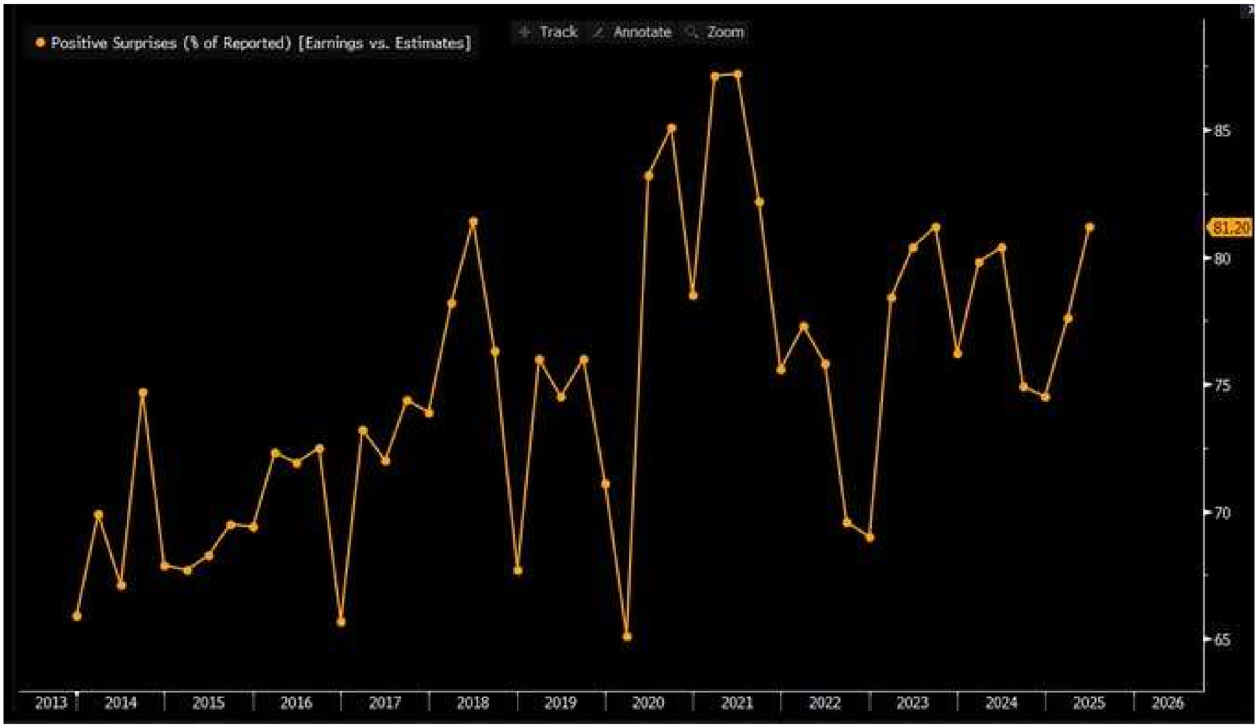
One might be tempted to sell this volatility as it sits today, but as this chart below shows, when the market moves into action, today's already-high 20% volatility can get even higher. Considering today's all-time record highs for both cash and futures, it wouldn't surprise me to see volatility hit 30%. However, the concept of change is what might be most important to understand.

LIVE CATTLE OPTIONS IMPLIED VOLATILITY



Livestock commentary provided by Scott Shepard. For questions or comments, Scott can be reached at Scott@mnrcapital.us or on Trillian at scott@nesvick.com.

Financials



Let's take a look at this chart above (earnings vs estimates). It's definitely making the rounds on my news feeds as I write this morning (8/8/25). 82% of the companies in the S&P 500 have beaten earnings expectations during Q2. That ties Q3 of 2021 for the largest beat percentage. Add to that, +12% YoY EPS growth, revenue +6% YoY. Led by tech and financials. So why have companies been crushing it? It sounds like, from what I've read, the main culprit has been low expectations due to tariff influences. Setting the bar low and then beating that number seems like a good way to make money.

Financials commentary written by Mark Sigman. For questions or comments, Mark can be reached at msigman@nesvick.com or on Trillian at msigman@nesvick.com.

Today's Calendar (all times Central)

- Crop Export Inspections – 10:00 am
- Crop Conditions – 3:00 pm

Thanks for reading.
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