NESVICK TRADING GROUP, LLC

Tuesday, August 12, 2025

NTG Morning Comments

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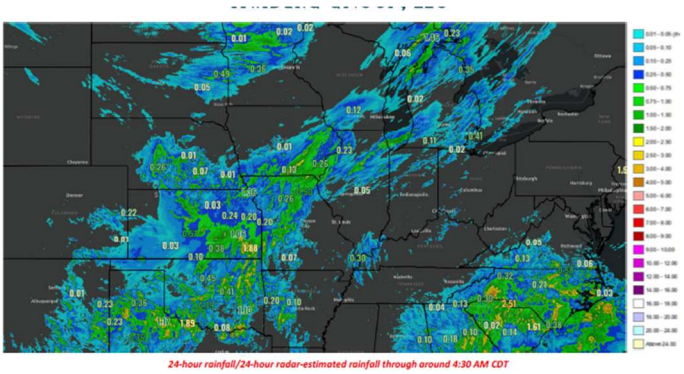
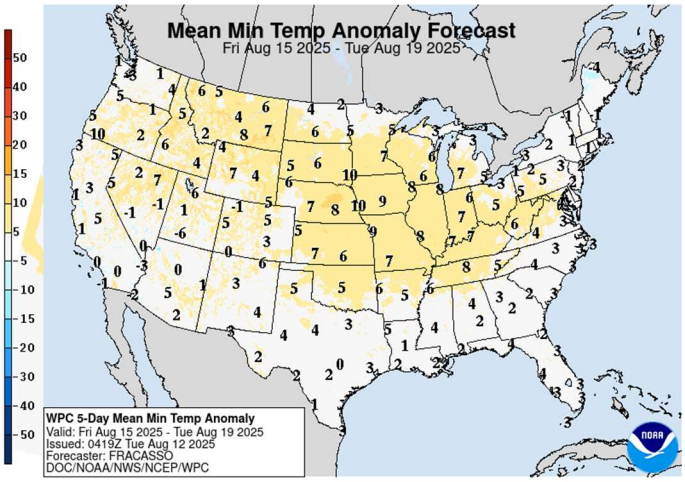
Weather

Rain over the P24 was light and only in the S Plains, MO and southeast IA, n IL/WI as well as the southeast. Temps were slightly above normal.

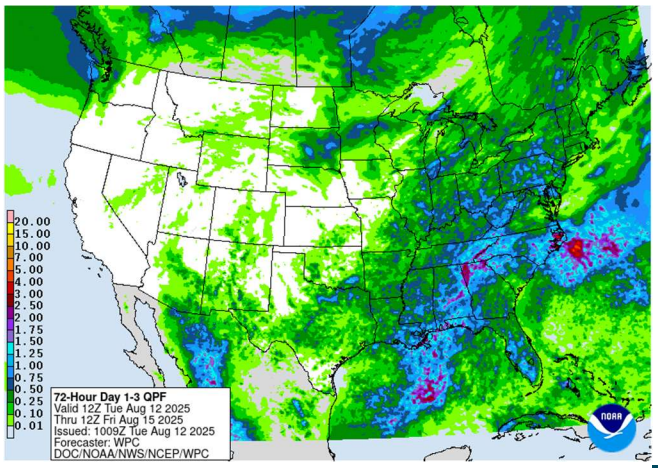


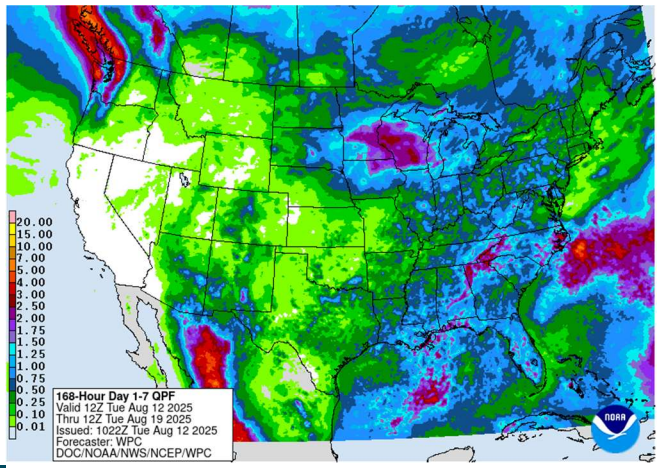
The maps look a bit drier in the near term this morning, with only light rain expected in fringe areas and the southeast. The next organized rain event won't be until Sun-Tues favoring northeast IA, MN, and WI. The 11-15 day outlook is dry again today.

Temps should be mostly seasonable/slightly above normal for the next few days and then significant heat is forecast starting Thursday or Fri for five days with daytime highs at least 4-8 degrees above normal and overnight temps even warmer. Moderate temps are expected to follow.



There are chances for rain in the Mid-South. Rain in the N Plains should continue but not as excessive as was seen recently. The S Plains should be dry for a full week now with a lot of heat.





Grains

Just going to do a quick recap of the USDA expectations today and highlight a few market points. Beans had a sharp rally Sun night/Monday after President Trump posted that he "hope[s] China will quickly quadruple it's soybean orders." The market is quite short and got shorter last week. The "deadline" for the tariff deal is Aug 12, the day of the WASDE report, so maybe shorts got nervous that a deal would be struck. Or maybe we just got to the low end of the range. After the close, it was announced that Trump extended the tariff truce for another 90 days. The USDA could punt on lowering US exports for at least another month.

I think there is an element in the trade that thinks the USDA's corn yield Tuesday could be the biggest print of the year, myself included. I don't think the trade expects the same about beans, as temps aren't an issue for bean yield like they are for corn and moisture remains generally favorable for beans. Last year, it turned dry in Aug after the report. So, unless there is a concrete China deal and/or the pattern turns decidedly drier, rallies in beans are not likely to be sustained.

The average trade estimate for corn yield is 184.3 (181 previously), with a new crop carryout expected at 1918 milbus (vs 1660 in July). This is up from the 24/25 yield of 1340.

The average trade estimate for bean yield is 53.0 (52.5 previously), with new crop ending stocks expected at 358 (vs 310 in July). This is nearly unchanged from 350 milbus in 24/25.

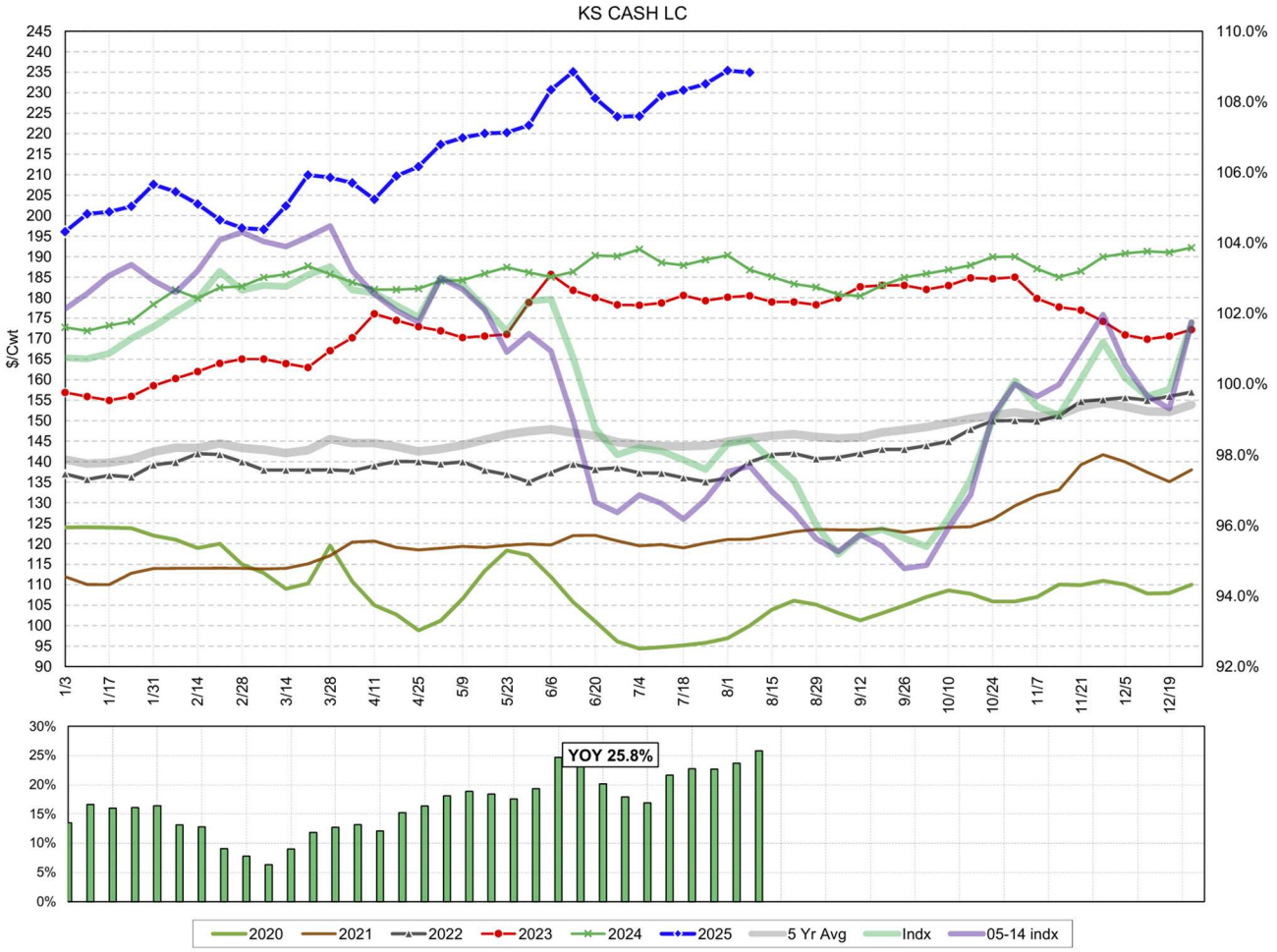
Both of these average trade estimates for yields seem low compared to private estimates that have been circulating.

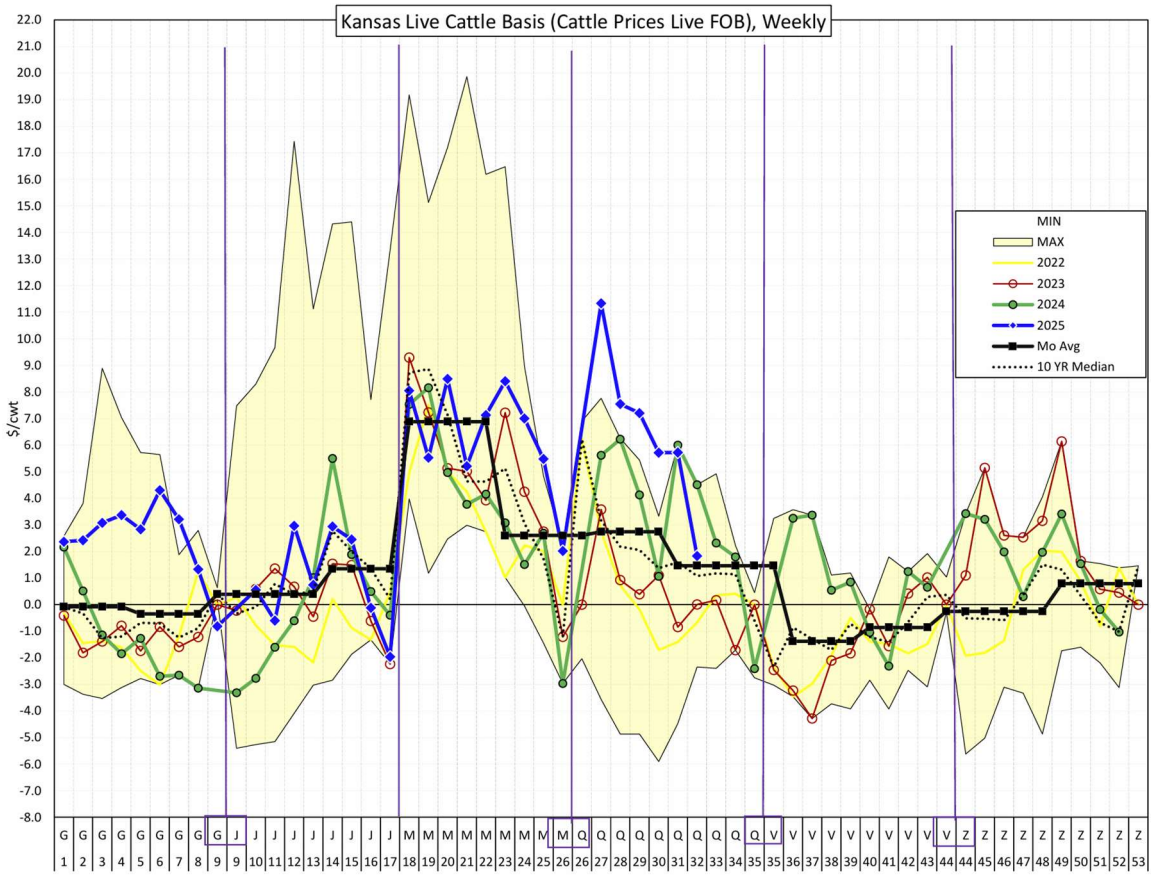
The average trade estimate for wheat production is 1922 vs 1929 milbus in July. Winter is expected at 1344 vs 1345 in July. Other spring is expected at 497 vs 504 in July. I am thinking the USDA could come down 30-40 milbus from their previous due to declining crop ratings.

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

While my assumptions last week about live cattle cash were mostly correct when I was thinking it was possible for cash to be lower and the packer was in a better buying position than they have been in some time. However, I could not have been more wrong on futures trade. Cattle in the south traded mostly steady at $235-237 and cattle in the north were down a dollar with the bulk of the trade around $244 and $2-4 lower on a dressed basis from $378-380. Even after all of the volatility last week with the board very strong all week then sharply lower (feeders finished limit down) on Friday, October Live cattle futures finished the week over $2.30 higher and September Feeder Cattle futures ended the week up $6.45. The slaughter pace remained slow and will continue at this rate of down 8-10% below a year ago through the end of the month. Yet again, the packer will make an attempt to keep his thumb on the kill, support the beef during the dog days of summer, and try to make the cattle feeder a more willing seller. If packers can keep cash cattle from going higher, consider it a victory.





The feeder cattle index printed Monday at $341.04 up +3.83 after a limit down move in futures on Friday. Cash has proven to be resilient through board breaks all summer long, so maybe this time is not much different. Prices to start the week on the Western Video sale were very high. I saw high quality 900lb steers bring up to $360, not a typo. Oklahoma City feeder sale on Monday was quoted $4 higher on calves and $10-15 higher on feeder steers under 800lbs. Joplin was quoted as steady to $12 higher on steers. I don't think feeder cattle prices are lower this week and the index could easily get to $343-344 in the next couple of days. Ranchers will begin buying cattle for wheat in the coming weeks which will only intensify the demand for lightweight feeder cattle. Any news on the New World Screwworm, Mexican border or tariffs should be monitored closely. Ag Secretary Rollins is due to make an announcement. I do not think this has to do with reopening the border but preventative measures they are taking to control the spread.

Major New World Screwworm announcement coming… USDA Secretary Brooke Rollins said Saturday she will have a major announcement this week in the battle against New World Screwworm, the flesh-eating pest that has been moving up from Central America through Mexico, forcing the periodic suspension of U.S. livestock imports.

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.

Financials

The two notable reports this week:

- July CPI today
- Retail Sales on Friday

Let's take a look at expectations below. Let me quickly mention first that economists are factoring in tariff influence (driving prices higher). So far tariffs haven't had much impact in the numbers.

July CPI forecasts

	Headline		Core	
	m/m	*y/y*	*m/m*	*y/y*
Bank of America	0.24%	2.8%	0.31%	3.1%
Barclays	0.29%	2.7%	0.24%	3.0%
BMO Capital Markets	0.26%	2.8%	0.28%	3.1%
BNP Paribas	0.26%	2.8%	0.32%	3.0%
Citigroup	0.24%	2.8%	0.29%	3.1%
Deutsche Bank	0.24%	2.8%	0.32%	3.0%
Employ America	0.20%		0.27%	
First Trust	0.20%	2.9%	0.28%	3.0%
Goldman Sachs	0.27%	2.8%	0.33%	3.1%
Jefferies	0.17%	2.7%	0.25%	3.0%
JP Morgan	0.26%	2.8%	0.34%	3.1%
Moody's	0.22%	2.8%	0.30%	3.0%
Morgan Stanley	0.26%	2.8%	0.32%	3.0%
Nomura	0.24%	2.7%	0.34%	3.1%
Pantheon Macroeconomics	0.23%		0.31%	
TD Securities	0.28%	2.8%	0.33%	3.1%
UBS	0.25%	2.8%	0.35%	3.1%
Wells Fargo	0.19%	2.7%	0.27%	3.0%
Median forecast	***0.24%***	***2.8%***	***0.31%***	***3.1%***
Previous month (June)	*0.29%*	*2.7%*	*0.23%*	*2.9%*

Source: The Wall Street Journal

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)

- CPI – 7:30 AM
- USDA WASDE – 11:00 AM

Thanks for reading.

Zachary Davis
zdavis@nesvick.com
(901) 604-7712
Trillian IM: zdavis@nesvick.com
Bloomberg IB: zrdavis@bloomberg.net

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