

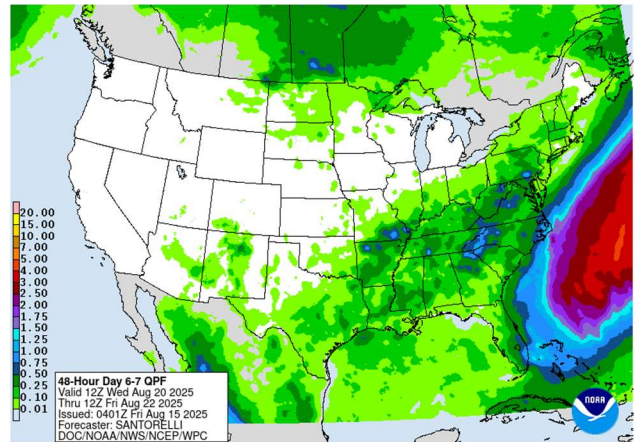
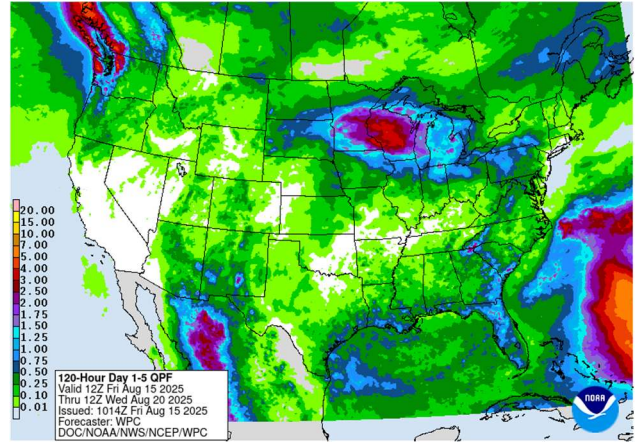
Weather

P24 was mostly dry. Much of the Corn Belt is expected to be dry through the 24th (a week from Sun). There will be rain through about Tuesday, but largely confined to MN/WI. Heavy amounts/flooding issues are possible. Light rain may dip into eastern IA and northern portions of the ECB early next week.

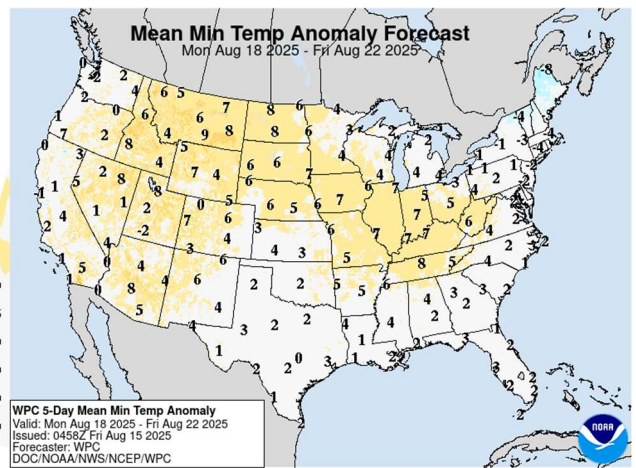
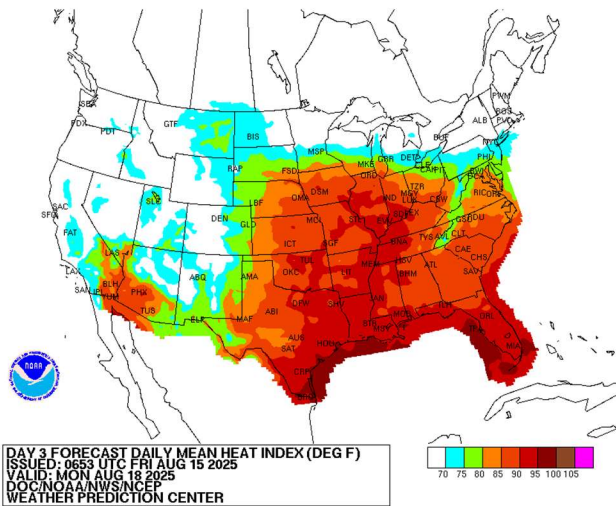
The heat is still expected through Tues with much of the belt averaging 6 degrees above normal with hottest temps in the West. The overnight lows should be more extreme. Temps should back off some by Wed, but not notably so until around the 24th.

There is big model disagreement in the 11-15 for both temps and precipitation, with models showing extreme differences. What I am gathering is we may see a drastic cool off with a few showers early in the 11-15 followed by a return of above normal with some chances for rain.

The forecast is drier in the Mid-South through much of next week where rain is badly needed. Regular rain is expected to continue over the next couple weeks in the N Plains. The S Plains should be dry for at least a week to 10 days (possibly into the 11-15) with a lot of heat through Tues.



CLICK ON A CITY CODE FOR A TABLE OF FORECAST VALUES

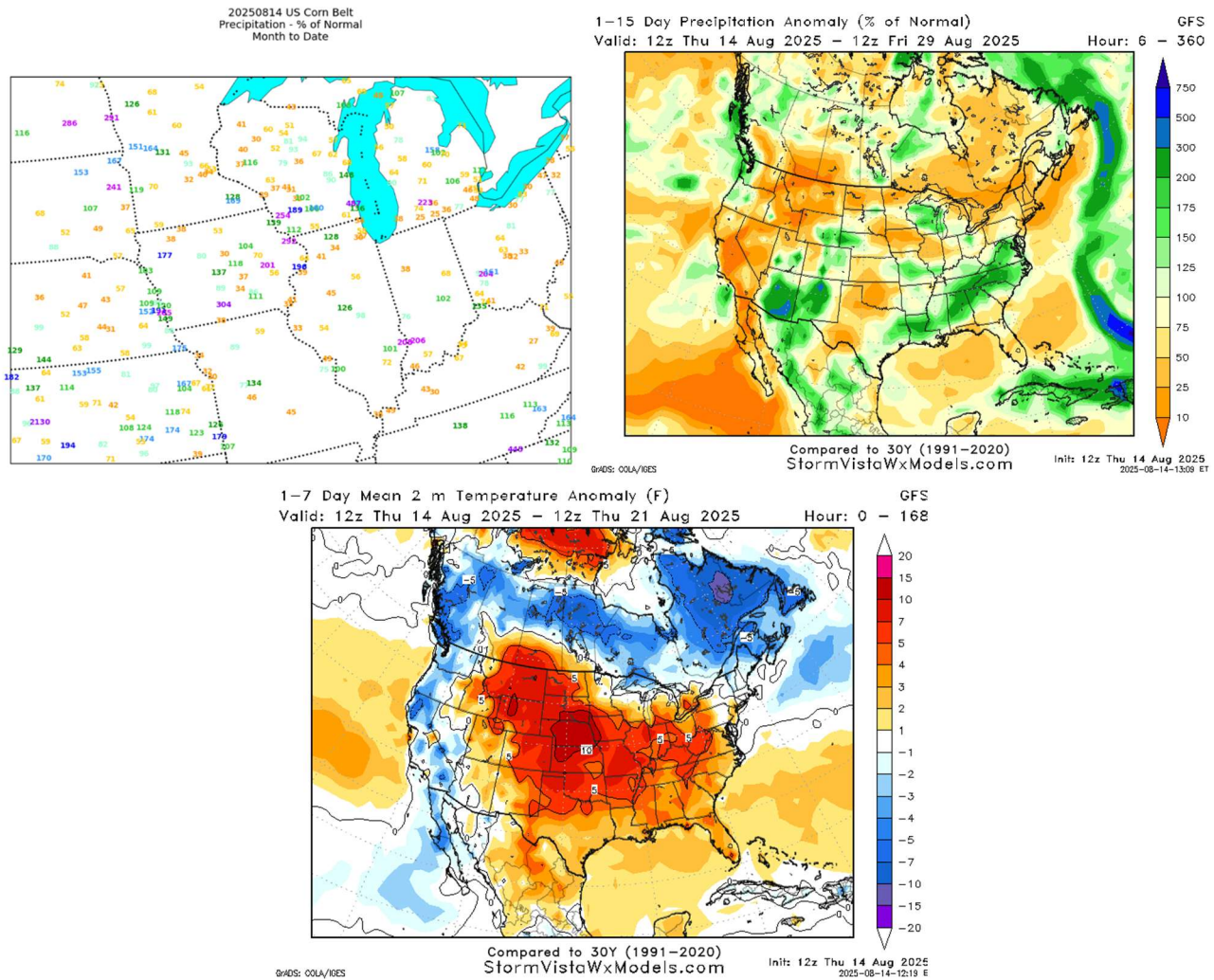


Grains

I think I hit a wall for the week, so I'm just going to throw out some tidbits and weather charts. The markets did some back and fill on Thursday with corn-beans correcting and a further correction in oil share. Nearby, corn gained with spreads narrowing. It is worth noting that Dec-Dec corn bottomed last year at 47 carry right before the Aug report. The day after the report this week, it touched 50 ½ carry. The USDA stocks-to-use forecast last year in Aug was 13.9% for corn (Sept was 13.7). Tues, the USDA's stocks-to-use projection was 13.3% - tighter than last year, even with a billion bushel increase in the crop. CONAB raised the Brazil corn crop more than expected to 137 mmt, up from 132 in July. The USDA surprisingly left their forecast at 132 mmt this week. Futures tested this week's low Thursday after the number, but crawled back to close unchanged in CZ and up 1 in CU. Beans gave back some day after a 70-cent rally off last week's low. Weakness in oil also weighed on beans due to continued fall-out from the China/Canada canola tariff. The market is also waiting for further guidance on the RFS. Meal set back after hitting \$300 in the Dec. It will be interesting to see the CoT report after the close today, especially for meal.



I don't think the market can go to sleep/give back a lot with the forecast for the rest of the month. There are a lot of spots in beans that need better rains and the heat won't be great for finishing corn. Still thinking that we've likely seen the biggest crop, at least in corn with the 188.8 bu/a yield.

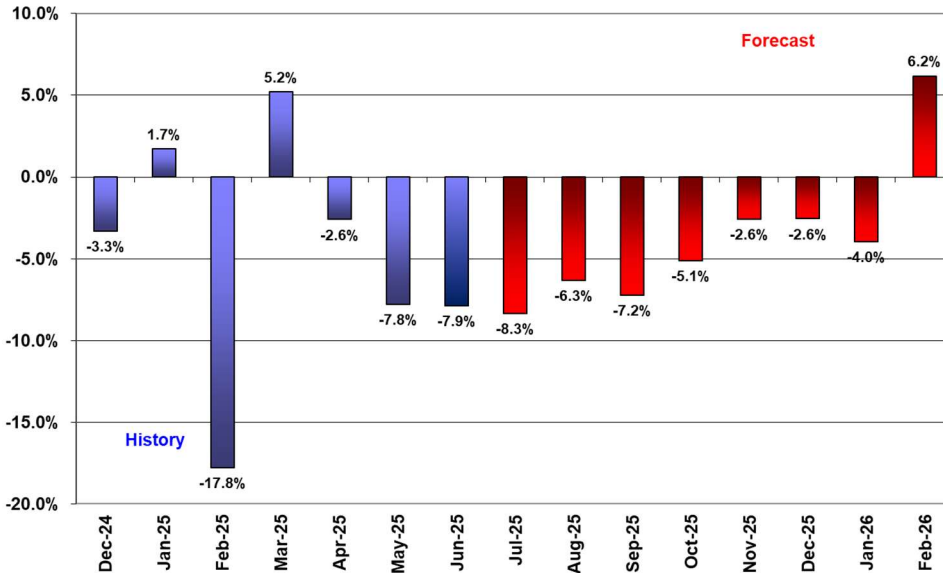


Grains commentary provided by Megan Bocken. For questions or comments, Megan can be reached at megan@bockentrading.com or on Trillian at megan@nesvick.com.

Livestock

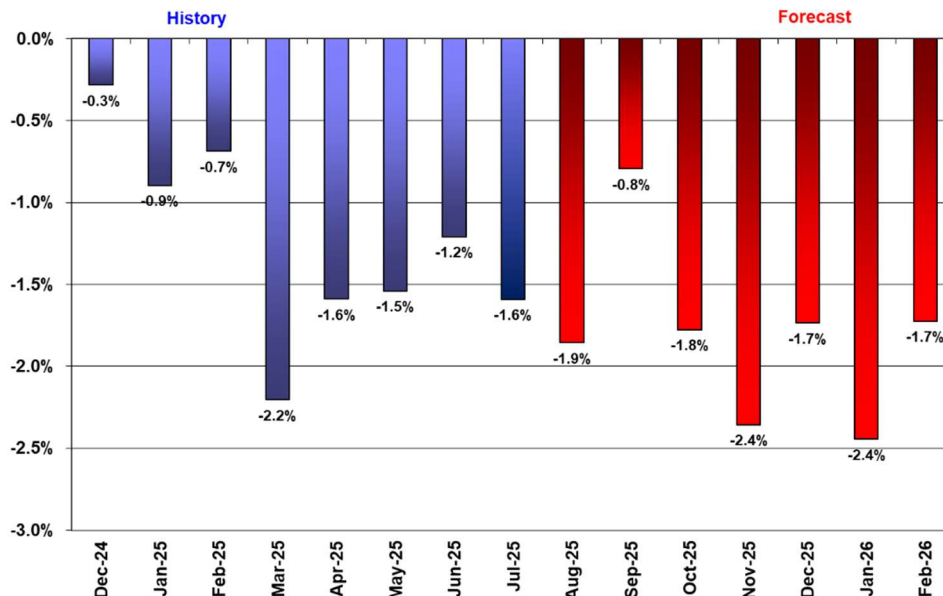
Year-over-year changes in monthly feedlot placements have varied significantly since the beginning of the year, ranging from an 18% decline in February to a 5% increase in March, and more recently ranging around 8% below last year. Through July, total feedlot placements have declined about 680,000 head, or more than 5% below a year earlier.

US Cattle Placed on Feed, % Change Previous Year

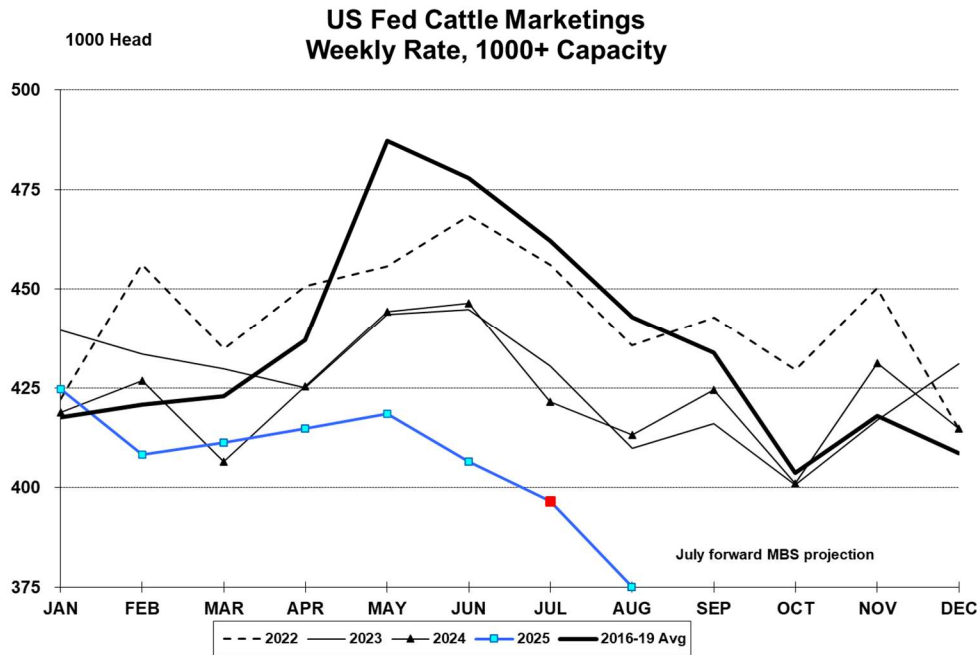


But, despite the large decline in feedlot placements, feedlot inventories have ranged around 1-2% below last year—a much smaller decline than would typically be associated with such a large decline in placements. The August 1 feedlot count is projected near 10.9 mil head, down less than 2% or about 200,000 head below last year. Further, that August 1 feedlot inventory is only 400,000 head or 3.6% below the record large August 1, 2022 feedlot inventory—and would hardly be characterized as cyclically tight fed cattle supplies. The divergence between feedlot placements vs: inventories is readily apparent—the smaller placements have yet to materialize in smaller inventories.

US Cattle on Feed, % Change Previous Year



Feedlot marketings have been historically small in relation to both earlier feedlot placements and feedlot inventories. Feeders have been incentivized to slow turn-over rates and add days on feed. Fed cattle marketings have been historically small, both in absolute numbers and as a percent of the inventory in recent months. January-July feedlot marketings have declined nearly 550,000 head below a year earlier, suggesting that an abnormally large percentage of the smaller Jan-July feedlot placements are still on feed. The contrast between a “normal” seasonal marketing pattern, depicted by the 2016-19 average and this year, in the chart below, is striking. One implication of the slow marketing rate is a building front-end supply of market-ready cattle. The calculated inventory of cattle on feed over 150 days on September 1 is nearly 500,000 head, 20% above a year earlier. So far, the cattle feeder has not been “pressured” by the large front-end supply; nor has the packer been “pressured” by record heavy and rising fed cattle weights. But, it’s fair to ask whether both of those trends are sustainable?



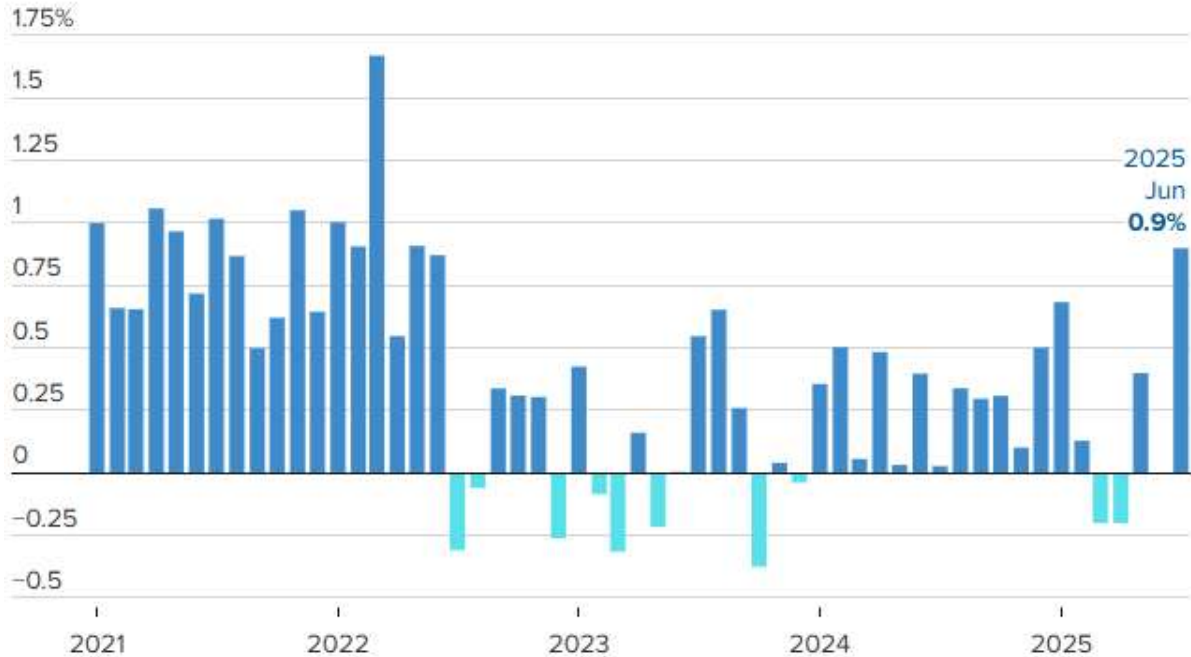
Livestock commentary provided by Mike Sands. For questions or comments, Mike can be reached at msands@nesvick.com or on Trillian at miksan66@trillian.im.

Financials

The producer price index yesterday increased 0.9% from a month earlier after no change in June, according to a Bureau of Labor Statistics report out Thursday. The measure rose 3.3% from a year ago.

U.S. producer price index

Monthly percent change | Jan. 2021–July 2025



The unexpected spike in PPI, puts us at 2 rate cuts expected by year end. Retail sales this morning should be interesting. Here's a note from GS on what they're expecting today.

Friday, August 15

08:30 AM Retail sales, July (GS +0.5%, consensus +0.5%, last +0.6%)

Retail sales ex-auto, July (GS +0.3%, consensus +0.3%, last +0.5%)

Retail sales ex-auto & gas, July (GS +0.3%, consensus +0.3%, last +0.6%)

Core retail sales, July (GS +0.4%, consensus +0.4%, last +0.5%)

We estimate core retail sales increased 0.4% in July (ex-autos, gasoline, and building materials; month-over-month SA). Our forecast reflects strong measures of card spending but a headwind from potential seasonal distortions. We estimate headline retail sales increased 0.5%, reflecting an increase in auto sales but lower gasoline prices.

08:30 AM Import price index, July (consensus +0.1%, last +0.1%)

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](https://trillian.im/msigman@nesvick.com).

Thanks for reading.

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