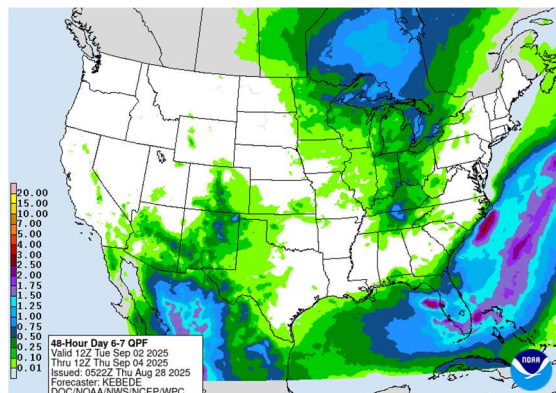
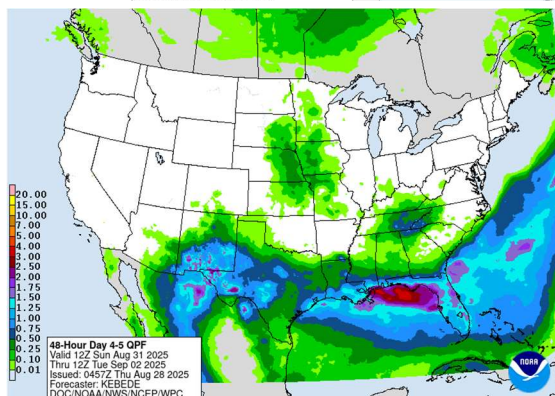
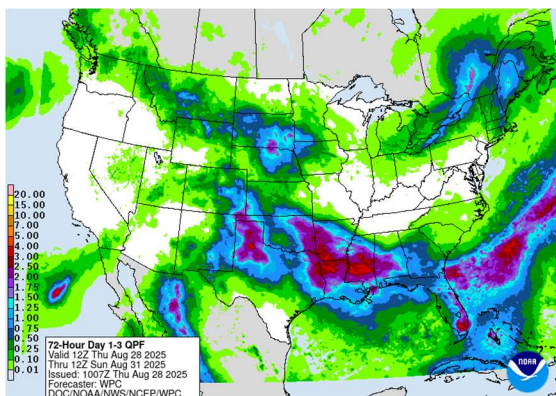
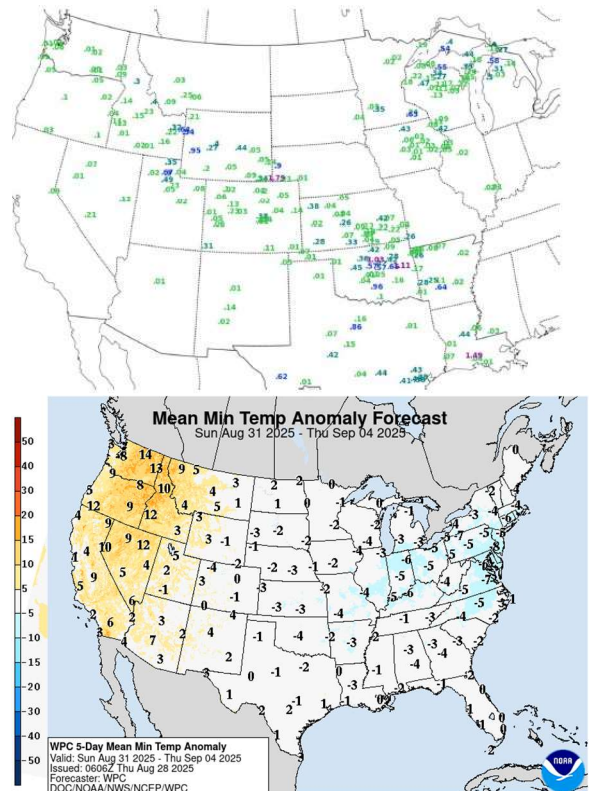


Weather

Rains past 24 hours were as expected in the S Plains favoring OK with lighter amounts in KS. The set up for rain in the Corn Belt is not great until we switch to a zonal flow around Sep 8. Rain is expected Fri-Sun in SD/nw IA but the models may be overdoing amounts. Nearly all Corn Belt areas are in need of a rain with the ECB driest.

Additional record low temps were seen yesterday in the ECB and Mid-South. Today won't be as cool, but still running slightly below normal. There is another cold shot expected Wed-Sat next week. Warmer temps are likely to follow when we transition to a zonal flow. There are currently no concerns about freezing temps.

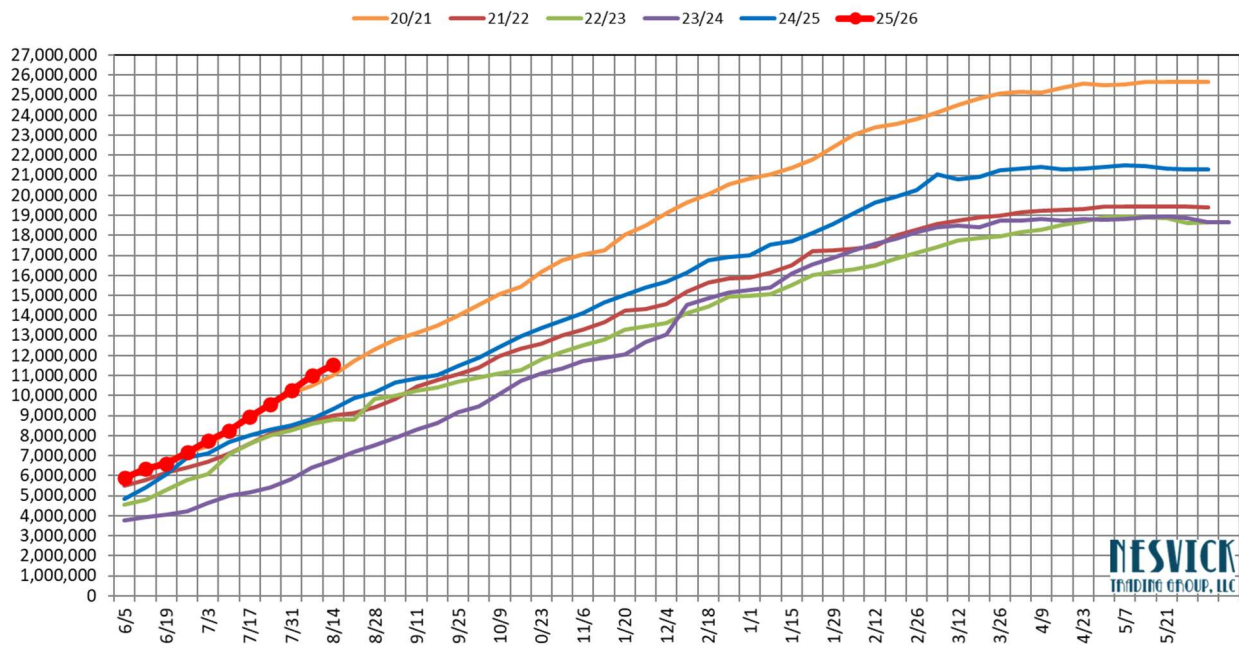
The S Plains should remain wet throughout the 15-day period with some flooding occurring. The Mid-South rain chance is underway through early Fri, but then will be dry again for the rest of the forecasting period. Western portions will be favored. The N Plains are forecast to be mostly dry for this week with rain chances on the weekend (mostly in SD) and next week. Temps should be warmer with a cool shot Sep 3-5.



Grains

Thought we would talk about wheat today, as I haven't spent a lot of time on it this month. Export sales have been very strong to start the crop year, with inspections Monday coming in at 34.8 milbus, were the biggest of any week since September of 2013. Crop year sales a/o Aug 14 were 11.5 mmt vs 9.4 at the same time last year. You have to go back to 17/18 to find commitments of 11.5 mmt by mid-Aug. The next closest was 20/21 with commitments of 11.1 mmt a/o Aug 13th. Crop year sales in those years were 906 milbus and 994 respectively. USDA is forecasting crop year sales of 875 milbus vs 825 last year. I am at 890 milbus. We had been waiting for US exports to feel the effects of the tighter situations in the Black Sea/EU all last year and it finally happened. Both EU and Russia/Ukraine had tight stocks coming in to the new crop year and quality has been a bit of an issue for newly harvested supplies. Russian values climbed to over \$250/ton in April and US was the most competitive wheat in the world for a number of months. I'm not sure this is going to last, however, with bigger supplies out of Ukraine/Russia (5 mmt combined) and the EU (11 mmt). Russian is now in the low 230's.

All Wheat Export Commitments



It's the hard wheat sales that have over performed, with HRW commitments over double a year ago. Meanwhile KC has been making new contract lows all week. Despite the big commitments, and even with bigger export sales, HRW stocks are expected to remain over 400 milbus – quite burdensome levels. In addition, Southern Hemisphere crop ideas are getting bigger with Australia likely in the 32-25 mmt range, up from USDA's 31.0 mmt. Both Chgo and KC futures have basically been in a \$5.00-\$6.00 range since June of 2024. Given we had tight major exporter stocks last year and couldn't break out to the upside, and now we have much more comfortable major exporter stocks along with bigger corn supplies, I am wondering if futures just drift lower. HRW area is expected to be unchanged from last year and the S Plains are getting plenty of moisture to start seeding. I have attached the HRW balance sheet with an early look at 26/27 – likely to expand further without a major crop issue.

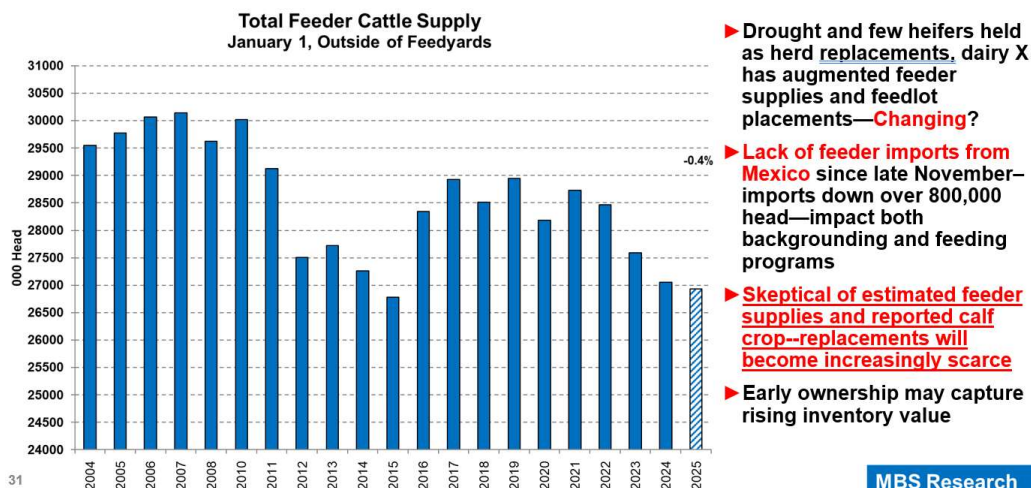
	US HRW Supply/Usage				USDA	USDA	MB	Early
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2025/26	2026/27
Carry-in	506	428	356	223	274	398	398	416
Production	659	750	531	596	770	769	769	805
Imports	4	4	5	18	6	5	5	5
Total supply	1169	1182	892	837	1051	1172	1172	1226
Seed	26	26	29	27	26	26	26	26
Domestic Mill	377	411	374	384	387	390	390	400
Feed/Residual	-1	72	42	18	23	40	45	65
Exports	340	317	224	134	218	300	305	275
Total Use	742	826	669	563	654	756	766	766
Carry-out	428	356	223	274	398	416	406	460

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

Livestock

With the action in the board over the last couple of weeks it has become apparent the available feeder cattle supply is very tight and demand is on fire around the country. From the market open on August 1 through the close yesterday August feeders went from 332.30 to 365.45, an increase of 33.15. Fats had a good month too, going from 229.50 to 243.25, a gain of almost 14. Tough to tell if the cash is spurring the board higher or the board is driving the cash higher at this point. Typically, the board will break and so will cash or vice versa but there has been a disconnect for some time. Cash does not seem too worried about what futures are doing lately. Sale barn cattle have been 10-20 higher each week for the last month with no reprieve in sight. Ranchers in the plains are beginning to buy cattle to graze on winter wheat, farmers in the north are buying cattle to market cheap corn, and cattle feeders in the south are having to go to the livestock auction more often than normal because of the lack of Mexicans crossing the border due to the New World Screwworm protocols. All three regions have seen intense competition over an already near-record-tight cattle supply. To add to the matter, weather has not moved many, if any, cattle early to the sales which would be typical this time of year. I would imagine price has moved a few early but also, they are worth more every week (\$8+ this week) and from what I hear, the cattle are still gaining so the incentive to move them early is questionable.

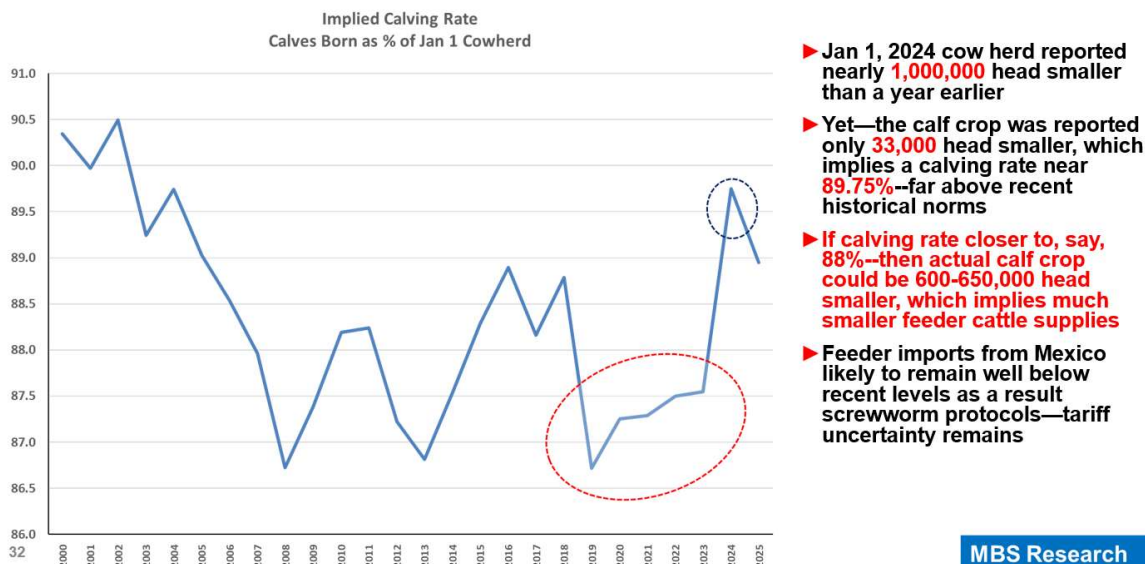
Feeder Supplies Tightening—More Evident as Year Progresses



Going into August expiration I had my early target set at 358.50-360 but after the way sales have been going this week, I have raised my estimate to 363-364. Every sale has been higher than I expected with a couple big volume ones up to 15 higher blasting my conservative 360 estimate out of the water. The official print yesterday for the index was 360.65 and I think we can get to 364 at the current pace by expiration Thursday. Reminder, all Thursday sales do go into the index so we will not officially find out until Friday afternoon what settlement is. Feel free to reach out if you do not want to wait until Tuesday morning due to the Labor Day holiday.

On the live side, August fats seem to be pricing in at least a 2 higher trade so far for cash cattle which would be 242 in the south. A few cattle did trade that way yesterday but from what I can tell volume was light. Asking prices are well above steady with last week which would be 240 in the south and 245 in the north. August live cattle futures expire on Friday. I did not think we would see any deliveries at 242 mostly because of the cost involved with delivering cattle to the CME, but there were 20 loads of steers delivered at Syracuse, KS. It is possible to see more if cash disappoints (doubtful) and August futures get to 245-246 (possible as we got to 246.77 yesterday) we could see more deliveries. Until next time, keep your head on a swivel for any sign of a big break in beef, cash fats, cash feeders or a headline scare to rattle the board.

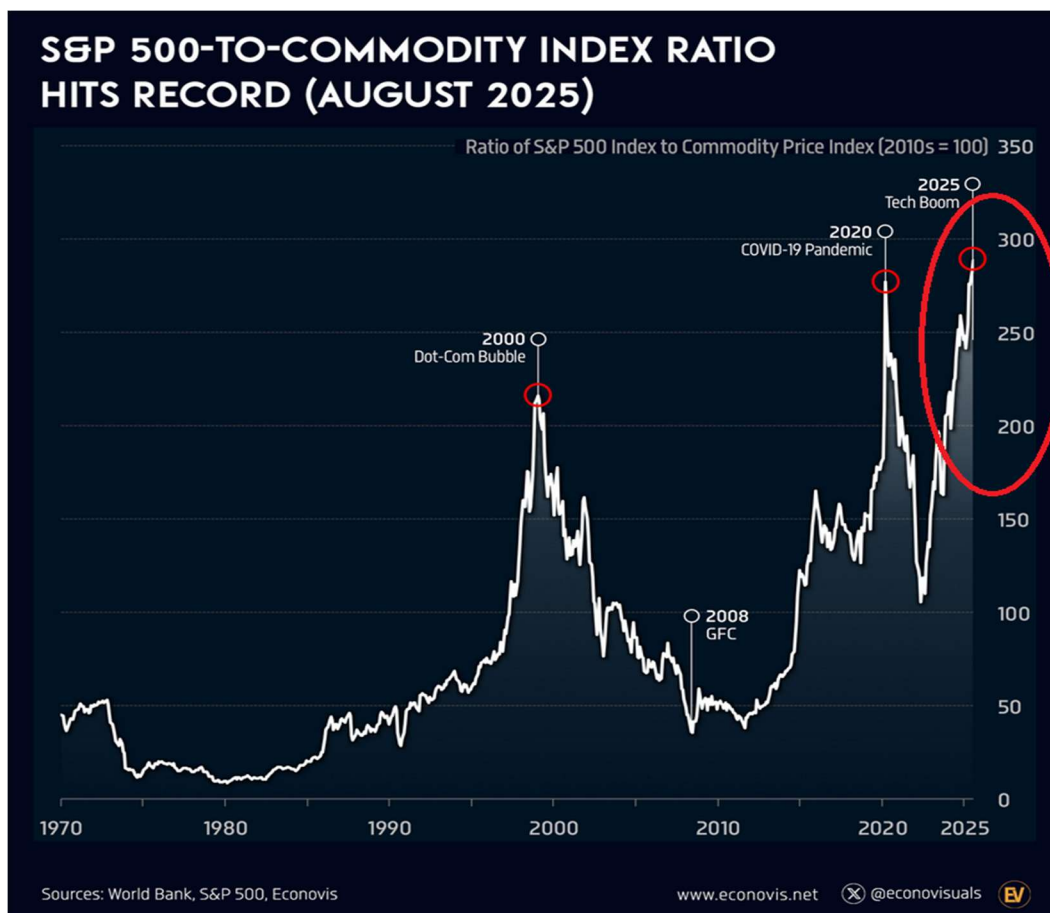
Feeder Supplies Likely Smaller Than Inventory Suggests



Livestock commentary provided by Ashley Lowe. For questions or comments, Ashley can be reached by email at ashley@nesvick.com or on Trillian at ashley@nesvick.com.

Financials

The S&P 500 relative to the global commodity price index has reached an all-time high. We're now above the Dot-Com bubble of 2000, now above COVID 2020. AI tech stocks, Mag 7 all driving up equity valuations. Palantir Technologies, for example, currently sitting on a P/E of 392.37. Commodities are the cheapest they have ever been relative to the S&P 500.



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

Today's Calendar (all times Central)

- Crop Exports Sales – 7:30 AM
- GDP 2Q – 7:30 AM
- Jobless Claims – 7:30 AM
- Pending Home Sales – 9:00 AM
- EIA Natural Gas – 9:30 AM
- KC Fed Manf. Activity – 10:00 AM

Thanks for reading,

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