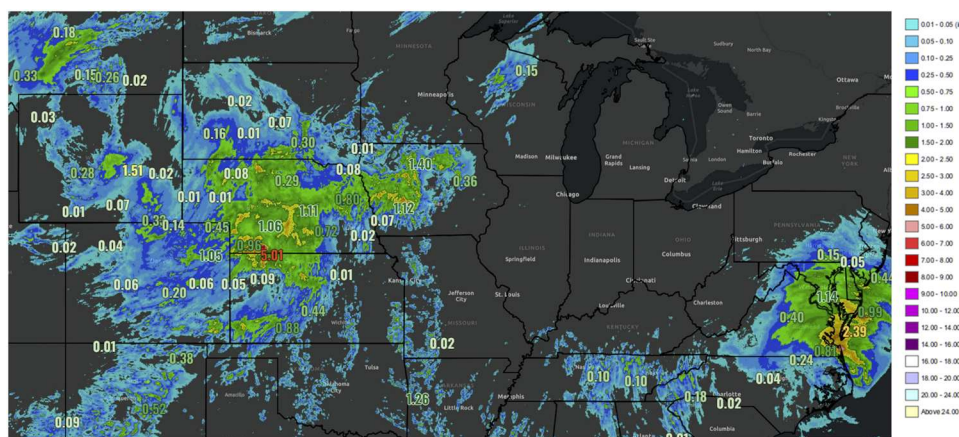


## Weather

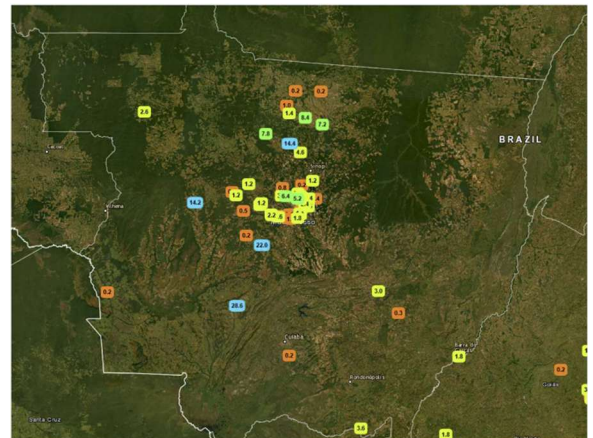
Rainfall has been bigger than predicted in Iowa and Nebraska, with many places reporting 1"-2.5" of rainfall in the area, and McCook reporting as high as 5.01". These rains came with high winds and hail in some parts of Iowa, which could be especially devastating for the acreage that is ready for harvest. Over the next 7 days, we should be able to track rains across the corn belt, with those rains still expected to be better in the west than the east. September 20-24 is the best chance for decent rain in the Mid-South, but will not make up for the deficits of the past several weeks, and will not begin a wet pattern in the region. The Northern Plains are looking to have rains in the 1-2" range through Friday before a week of no rain starting Saturday. The Southern Plains will see modestly above-normal rainfall over the next 15 days, and looks like it will be favorable weather for winter wheat planting.



24-hour rainfall/24-hour radar-estimated rainfall through around 5 am CDT

The temperature pattern for the US (and for most of North America, for that matter) remains warm or exceptionally warm for the duration of the current 15-day forecast. It is going to be an abnormally late first fall freeze this year in most of the northern Plains, with clear signs of that being the case in much of the Corn Belt as well.

As expected, Mato Grosso has been the only area of northern Brazil with any significant rainfall so far this week. This is still expected to change in the 6-10 day period, with much more widespread rains across the region. The 11-15 day window will then see rains backing off again to normal levels. Southern Brazil and Paraguay will see significant rain between Friday night and Monday morning, with most areas seeing 1-2" but some seeing as much as 2-4". The area will be largely dry the rest of the 15 day period. Argentina is expected to receive heavy rain for the next 3 days, followed by a dry spell through the end of the day 10, and then above-normal rainfall in the 11-15 day period. Outside of RGDS and Argentina, these rains will be beneficial in improving topsoil moisture for soybean planting.



24-hour rainfall in Mato Grosso (values are in millimeters)

Temperatures in Northern Brazil continue to look very hot through the weekend, with the 6-10 day having slightly-below-normal temperatures, and the 11-15 expected to be in the normal range. Southern Brazil and Paraguay will follow this same pattern, with the exception that Week 2 may see much-below-normal temperatures. Argentina will see hot temperatures through Saturday before cooling down between the 20<sup>th</sup> and the 24<sup>th</sup>, then jump back up to very warm temps in the 25<sup>th</sup> to 29<sup>th</sup> of the month, and finishing out September with cooling temperatures again.

## Grains

Markets bounced back Tuesday after poor condition ratings, a drier forecast, and with the Trump/Xi call at the end of the week. Reportedly a deal was made on TikTok and Bessent says a deal is expected to be reached before the Nov deadline. Going to go through some odds and ends and then take a look at S&D's with initial looks at the 26/27 crop year. Hint – it's not what I expected them to look like.

We had a delayed reaction to the NOPA report with oil up sharply Monday night/Tues. Oil stocks were lower than expected even with the much larger than expected crush. The EPA announced during the session that they were seeking comment on whether to reallocate 50 or 100% of the SRE waivers. Either is friendly and that also added support in oil. The implied meal disappearance in Aug was also very constructive and meal spreads narrowed further. Some areas in the WCB have gone no offer while ECB basis was mixed. South American meal basis was firm, as were CIF beans. The Brazilian Real has made new highs over the last couple of weeks, which has slowed Brazilian producer selling. The Argentinian Peso has been weakening on political considerations, which has caused nervousness about inflation, with producers reverting back to holding grain/oilseeds as a currency hedge. US corn remains competitive with Brazilian corn, and we did see a sales announcement on Monday to unknown. Tyson announced they would stop production high-fructose corn syrup by the end of the year. This may be the trend given the push by RFK Jr to overhaul processed food. Wheat had a sizable bounce out of the recent range in sympathy with strength in corn and on reports that Asian buyers were turning to US with Black Sea harvest slow. MATIF bounced also but only finished up 0.25 euros/tonne.

I wanted to take a look at 26/27 balance sheets as current ideas being discussed have centered around a reduction in corn area and an increase in beans. This makes logical sense as corn acres were up 8.1 mil acres in 25/26 to an all-time record and beans were down 6.0 mil. Initial indications however suggest corn is still more profitable to plant when looking at new crop values. What I plugged in was just a random guess/start – I used corn down 3.7 mil (to 95.0) and beans up 2.9 mil to 84.0 mil. Disclaimer – my usage numbers were just initial guesses; I'll dive deeper into everything later. I was surprised to see the corn carryout expand further next year while the bean carryout tightened. I realize there is still a great deal of debate on 25/26 bean exports, but hear me out. I am starting to wonder if the function of the market is going to be to entice more bean acres here next spring. This is a stretch from ideas just a couple months ago that we would need to break to levels that would discourage bean acres. But the acres surprise along with not ideal weather and strong product demand has gotten us here. Time will tell if yields hold up and if we get a trade deal with China, but it's something to think about. The 26/27 wheat S&D looks rather unexciting. We are currently seeding the 26/27 winter crop and I assumed HRW near unchanged from last year and SRW down slightly. Would be interested to hear opinions on this. I also assumed a further reduction in HRS area. Balance sheets below for review. Feedback appreciated.

SOYBEANS: U.S. SUPPLY AND DEMAND										
	19/20	20/21	21/22	22/23	23/24	24/25 MB	12-Sep 24/25 USDA	25/26 MB	12-Sep 25/26 USDA	Initial 26/27 MB
Planted Area	76.1	83.4	87.2	87.5	83.6	87.1	87.1	81.1	81.1	84.0
Harvested Area	74.9	82.6	86.3	86.2	82.3	86.1	86.1	80.3	80.3	83.0
Yield	47.4	51.0	51.7	49.6	50.6	50.7	50.7	52.2	53.5	53.5
Carryin	925	538	257	274	264	342	342	312	330	235
Production	3552	4216	4464	4270	4162	4366	4366	4193	4301	4441
Imports	15	20	16	25	21	25	27	20	20	20
Total Supply	4492	4774	4737	4569	4446	4734	4736	4525	4651	4695
Crush	2165	2141	2204	2212	2285	2445	2430	2540	2555	2600
Exports	1679	2266	2152	1980	1700	1878	1875	1650	1685	1800
Seed	97	101	102	72	75	70	70	73	73	75
Residual	15	9	5	41	44	29	31	29	37	20
Total Usage	3956	4517	4463	4304	4104	4422	4406	4292	4350	4495
Carryout	538	257	274	264	342	312	330	235	300	201
Carryout % Use	13.6%	5.7%	6.1%	6.1%	8.3%	7.1%	7.5%	5.5%	6.9%	4.5%

CORN: U.S. SUPPLY AND DEMAND (September - August Marketing Year)											
	18/19	19/20	20/21	21/22	22/23	23/24	24/25 MB	12-Sep 24/25 USDA	25/26 MB	12-Sep 25/26 USDA	Initial 26/27 MB
Planted Acres	88.9	89.7	90.7	92.9	88.2	94.6	90.6	90.6	98.7	98.7	95.0
Harvested Acres	81.3	81.3	82.3	85.0	78.7	86.5	82.9	82.9	90.0	90.0	86.0
Yield (Bu/Ac)	176.4	167.5	171.4	176.7	173.4	177.3	179.3	179.3	182.9	186.7	188.0
Begin Stocks	2140	2221	1919	1235	1377	1360	1763	1763	1313	1325	1981
Production	14340	13620	14111	15018	13651	15341	14867	14867	16469	16814	16168
Total Supply	16508	15883	16055	16277	15067	16729	16654	16650	17807	18164	18174
Exports	2066	1777	2747	2472	1662	2255	2850	2830	2775	2975	2800
Feed Use	5429	5900	5607	5671	5486	5832	5675	5675	6100	6100	6000
Food/Ind/Seed	6793	6286	6467	6757	6558	6879	6816	6820	6950	6980	7000
Ind Use-Swtmr/Star	1090										
Ind Use-Bevgr/Mfg A	150										
Ind Use-Fuel Alcoh	5378	4857	5028	5320	5176	5489	5450	5435	5600	5600	5700
Food/Seed	240										
Total Usage	14288	13963	14821	14900	13707	14966	15340	15325	15825	16055	15800
End Stocks	2221	1919	1235	1377	1360	1763	1313	1325	1981	2110	2374
End Stks/Use %	15.5%	13.7%	8.3%	9.2%	9.9%	11.8%	8.6%	8.6%	12.5%	13.1%	15.0%

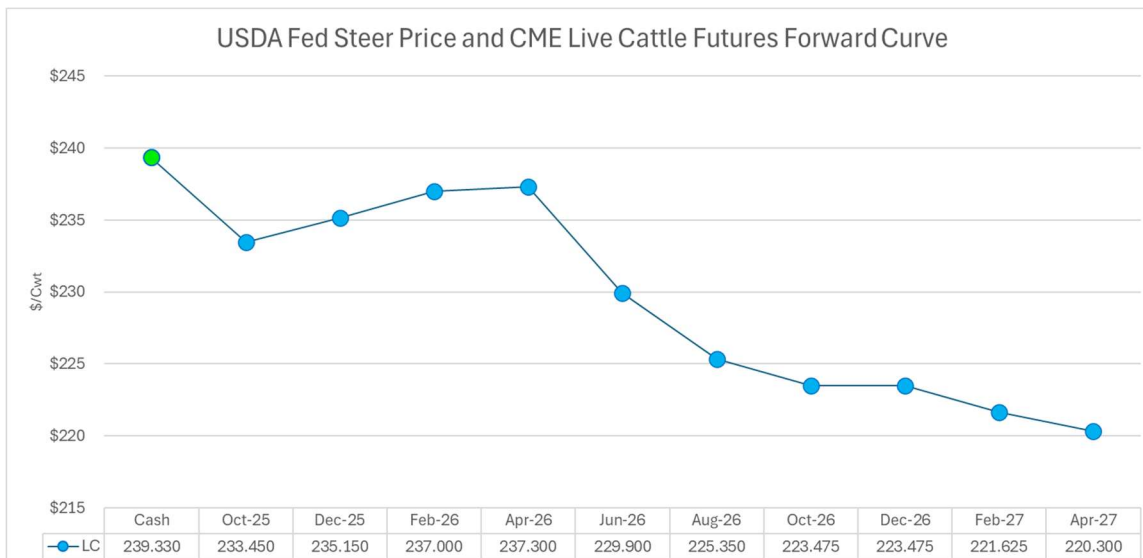
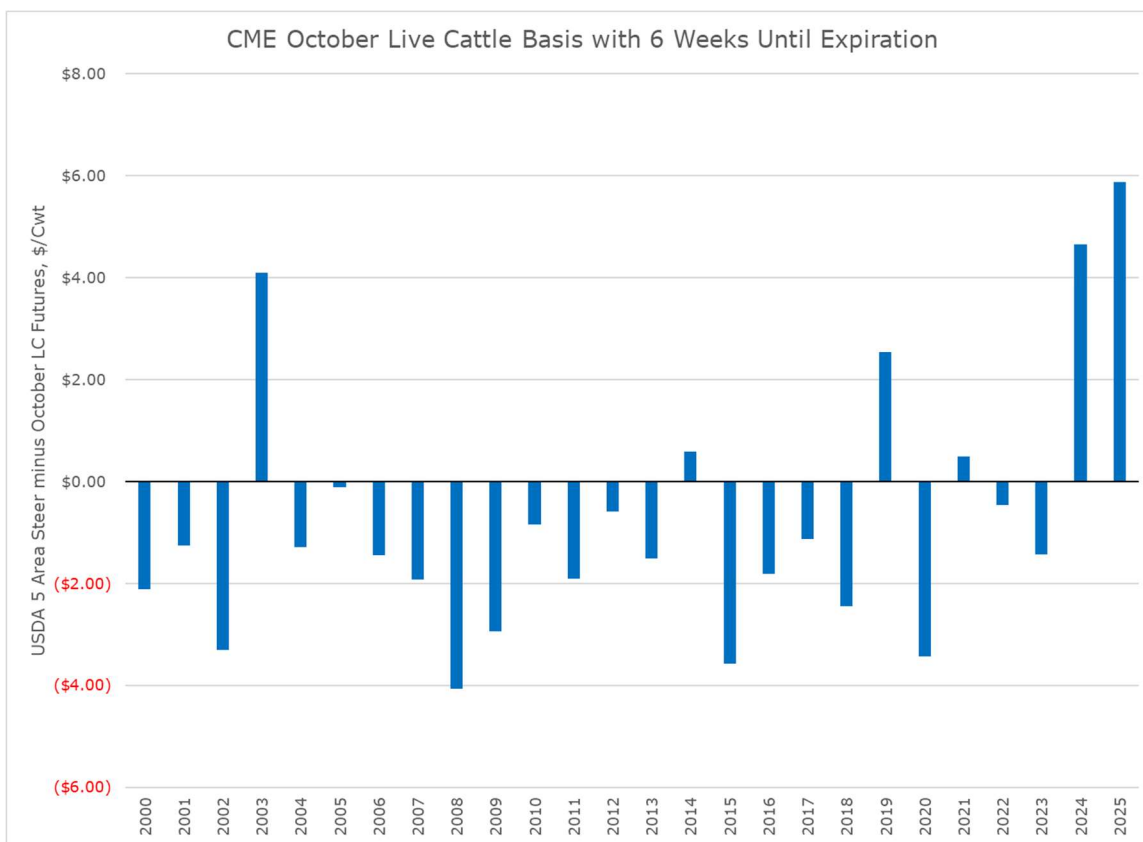
WHEAT: U.S. SUPPLY AND DEMAND (JUNE - MAY MARKETING YEAR)									
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25 MB	12-Sep 2024/25 USDA	2025/26 MB	12-Sep 2025/26 USDA
Planted Area	45.5	44.5	46.7	45.8	49.6	48.1	48.1	45.3	45.4
Harvest Area	37.4	36.6	37.1	35.5	37.1	38.5	38.5	36.5	36.6
Yield	51.7	49.7	44.3	48.5	48.7	51.2	51.2	52.3	52.7
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	1,910	1,927
Imports	104	100	96	122	138	149	149	120	120
Total supply	3115	2948	2588	2446	2512	2816	2816	2881	2897
Seed	62	64	58	68	62	62	62	64	62
Domestic Mill	962	961	971	972	961	975	969	975	972
Feed/Residual	95	85	88	76	86	103	109	100	120
Exports	969	994	796	761	706	826	826	875	900
Total Use	2088	2104	1913	1876	1815	1966	1965	2014	2054
Carry-out	1028	845	674	570	696	851	851	867	844
Carryout/use	49.2%	40.1%	35.2%	30.4%	38.3%	43.3%	43.3%	43.1%	41.1%

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

## Livestock

Live Cattle basis across the forward curve is historically strong for this point in the calendar. Nearby October basis is a record strong +\$5.88/cwt basis with 6 weeks to go before expiration. The rest of the curve looks similar. Current reasons for the strong basis are the spot market is rationing a cash shortage and expectations that a cash top is near. Given the strong basis, the burden of proof lies with the bears for now.





Livestock commentary provided by David Holloway. For questions or comments, David can be reached by email at [david@holloway-trading.com](mailto:david@holloway-trading.com) or on Trillian at [dholloway05@trillian.im](mailto:dholloway05@trillian.im).

## Financials

At the time I'm writing this, we're seeing....

A 96.4% chance of 25bps cut **today** (400-425)

An 81% chance of 25bps cut on October 29<sup>th</sup> (375-400)

A 75.6% chance of 25bps cut on December 10<sup>th</sup> (350-375)

There will be the quarterly dot plot included in tomorrow's Fed decision. I'm hearing 50bps cut today is off the table for the main reason being CPI is still running hot/gradually climbing. A less aggressive cut (only 25bps) would not feed into inflation as much as a 50bps cut.

	CME FEDWATCH TOOL - CONDITIONAL MEETING PROBABILITIES									
MEETING DATE	175-200	200-225	225-250	250-275	275-300	300-325	325-350	350-375	375-400	400-425
9/17/2025						0.0%	0.0%	0.0%	3.6%	96.4%
10/29/2025	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3.0%	81.0%	16.0%
12/10/2025	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.8%	75.6%	20.5%	1.1%
1/28/2026	0.0%	0.0%	0.0%	0.0%	0.0%	1.4%	39.9%	47.5%	10.6%	0.5%
3/18/2026	0.0%	0.0%	0.0%	0.0%	0.8%	22.6%	44.1%	27.2%	5.1%	0.2%
4/29/2026	0.0%	0.0%	0.0%	0.2%	7.5%	29.2%	38.9%	20.4%	3.6%	0.2%
6/17/2026	0.0%	0.0%	0.1%	4.6%	20.6%	35.0%	27.8%	10.3%	1.5%	0.1%
7/29/2026	0.0%	0.0%	1.5%	9.4%	24.9%	32.8%	22.5%	7.7%	1.1%	0.0%
9/16/2026	0.0%	0.6%	4.5%	15.4%	28.0%	28.9%	16.8%	5.1%	0.7%	0.0%
10/28/2026	0.1%	1.2%	6.1%	17.2%	28.1%	27.1%	15.1%	4.5%	0.6%	0.0%
12/9/2026	0.3%	1.9%	7.7%	18.7%	28.0%	25.4%	13.6%	3.9%	0.5%	0.0%

Financial commentary provided by Mark Sigman. For questions or comments, Mark can be reached by email at [msigman@nesvick.com](mailto:msigman@nesvick.com) or on Trillian at [msigman@nesvick.com](mailto:msigman@nesvick.com).

## Today's Calendar (all times Central)

- MBA Mortgage Applications – 6:00 AM
- Housing Starts/Building Permits – 7:30 AM
- EIA Energy Stocks – 9:30 AM
- **FOMC Rate Decision – 1:00 PM**

Thanks for reading,

Zachary Davis

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