NESVICK
TRADING GROUP, LLC

Tuesday, September 23, 2025

NTG Morning Comments

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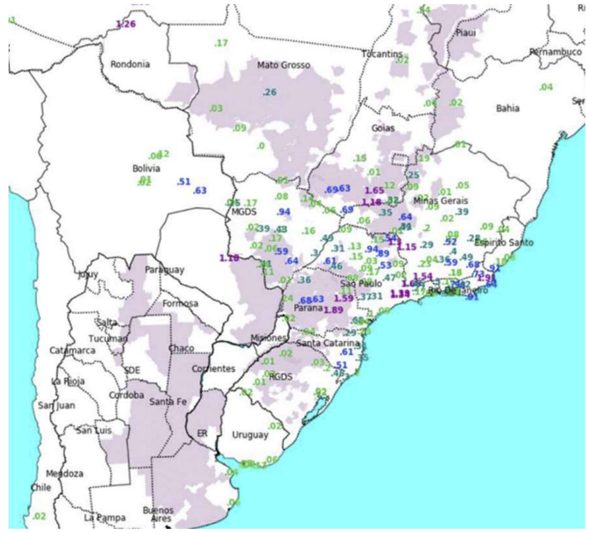
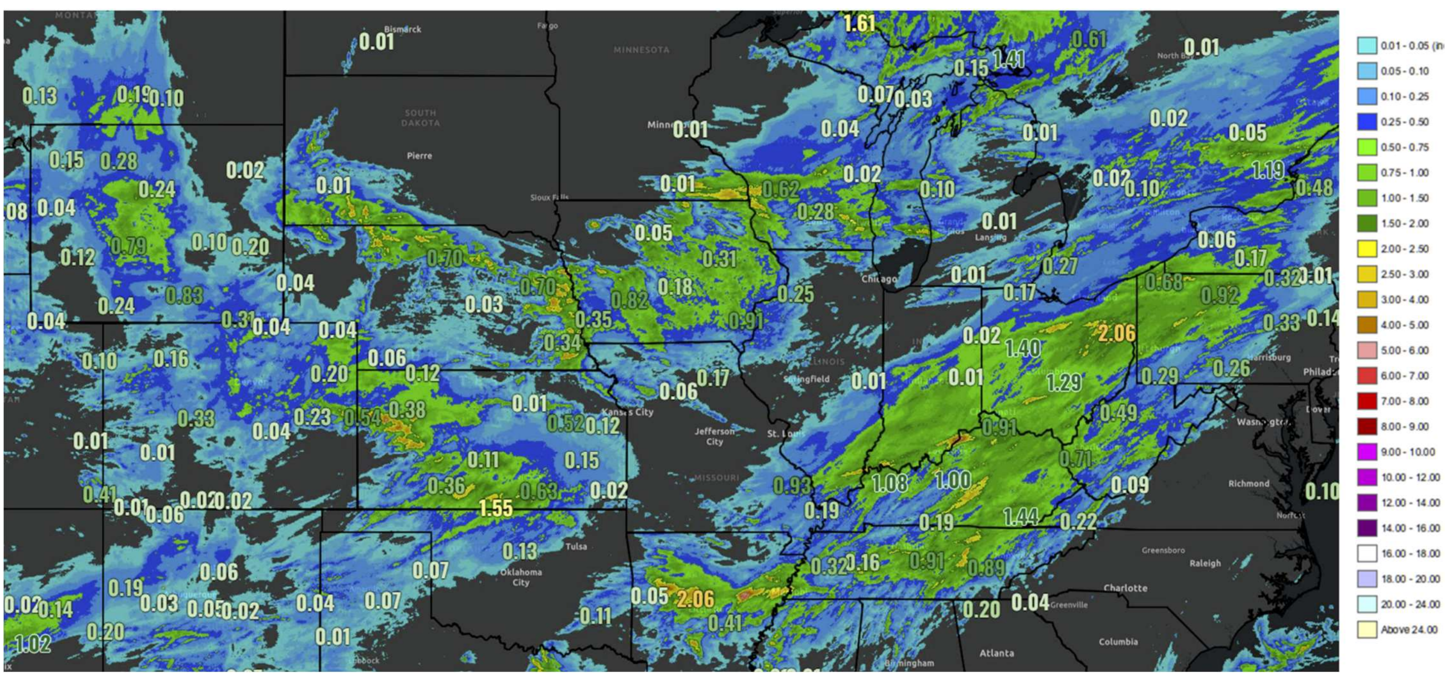
Weather



In Brazil's northern soybean regions, rain will continue through tomorrow before a dry pattern dominates for the rest of the 15-day forecast. While recent rains in Goiás were sufficient to initiate soybean planting, the ensuing dryness raises questions about whether farmers should proceed. Planting conditions in northwestern Mato Grosso have been favorable and are expected to remain so. In southern Brazil and Paraguay, recent heavy rains have vastly improved planting conditions. After a dry end to the week, another round of good rains is forecast for the 6-10 day period, which should maintain favorable conditions for planting and early growth. Argentina is expected to be dry through midday Friday, followed by periodic chances for near-normal rainfall for the rest of the 15-day forecast.

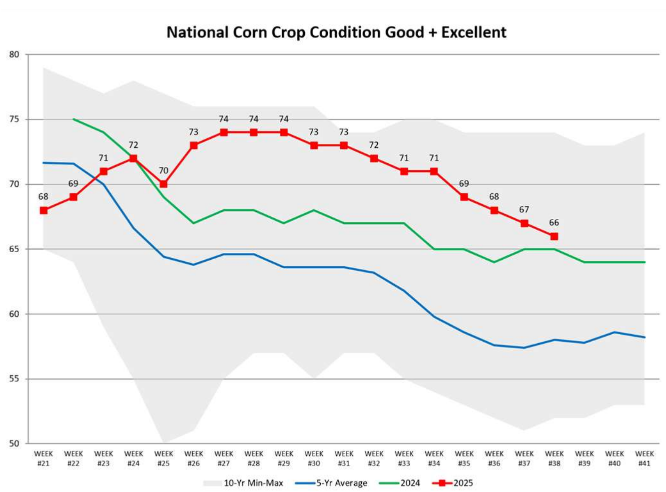
The U.S. is forecast to enter a largely dry and warm period later this week. Heavy rain will persist in the southeastern Corn Belt and Mid-South through Wednesday before a lengthy dry period begins on Thursday. This may cause good, but temporary, rises in water levels for the Ohio and Mississippi Rivers. Good rains will continue in the southern Plains today before an extended dry period starts tomorrow. The northern Plains are expected to be completely dry for at least the next 10 days. Temperatures across the nation are expected to be warm to very warm, with most regions seeing near- to above-normal temperatures for the next two weeks. Notably, there is no freeze in sight for the Corn Belt or the northern Plains.

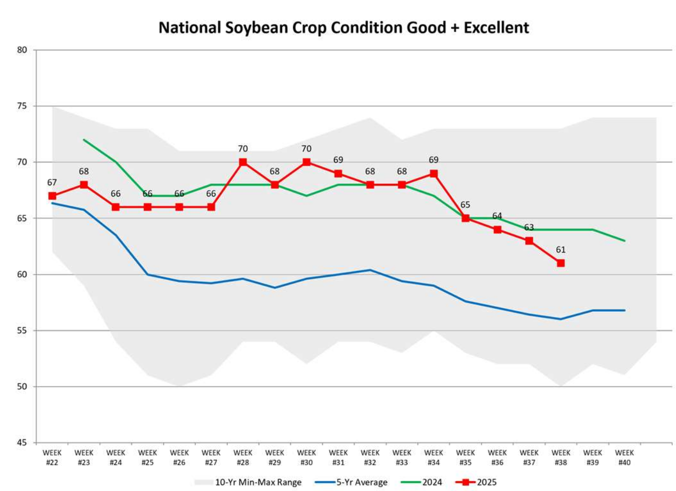


Grains

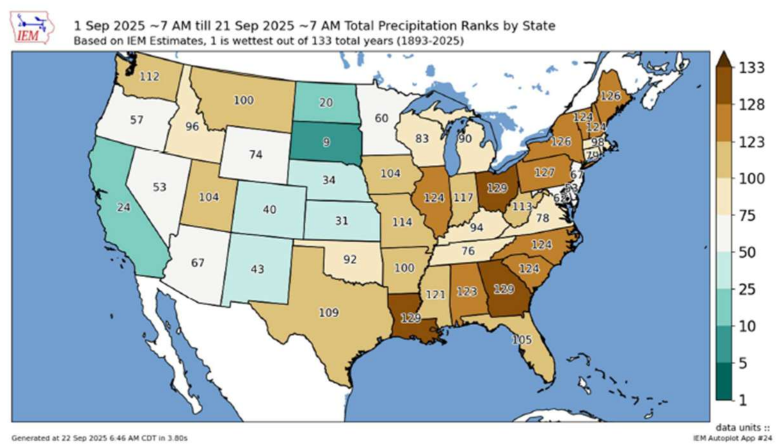
Much more negative tone to start the week with Argentina scrapping export taxes through the end of October. Harvest pressure and the realization that it will likely be months before there is any possible deal with China – or before we even know if the tariffs are legal. Beans broke through the lower end of the recent range and into the range on Sep 12 – report day. Bean yields continue to hold up much better than corn yields, although it is still early. Corn broke despite poor yield results, but closed off the lows. No matter what, we have a record crop coming that has to move. Wheat was under pressure as well, making new lows in all three markets. KC closed well off the lows – it was already at a discount to Chgo.

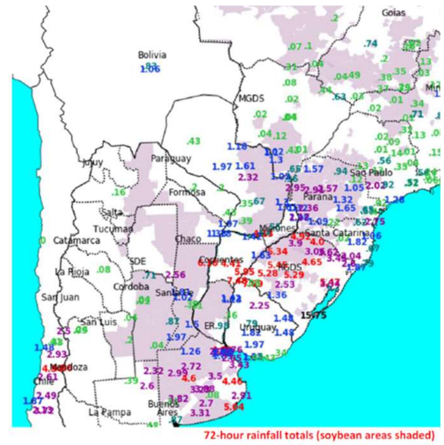
Let's look closer at the Argentine situation. Milei pulled out all the stops by removing all export duties through Oct 31 in order to help farmers. Currently the export duties are 24.5% for meal and oil, 26% for beans and 9.5% for corn and wheat. There are also hints this could remain in place into new crop. He said this pertains to up to $7 billion worth of exports, which roughly translates to roughly 15-17 mmt of beans (if was only beans, just to give an example). After a heavy election defeat in BA province, the peso had been under pressure, losing 3-5% in the last couple weeks, stoking fears that the Argentina producers would revert back to holding grain as a currency hedge. Well, they just got a big payday/incentive to sell their grain. Arg corn was already competitive with us, but beans weren't quite there. They don't export that many beans anyway, meal is their biggest export. But this should incentivize the producer to let go of some stocks. This development should add pressure in the near term. Trump is also meeting with Milei this week in a show of support for his reforms.





Crop ratings dropped again with corn rated 66% G/E, 24 Fair, and 10 P/VP vs 67/24/10 last week and 65/23/12 at the same time last year. Reductions were seen in IN, IA, KS, MO, KY, and MI with IL, OH; and WI unchanged; and MN and NE improving. Corn was 11% harvested vs 7% last week and 13% at the same time last year. Bean ratings dropped to 61/27/12 vs 63/26/11 last week and are down from 64/25/11 at the same time last year. IN, IA, KS, KY, MI, and MO were lower with NE, OH, and WI steady and MN seeing improvement. Beans were 9% harvested vs 5% last week and 12% last year. Spring wheat harvest was 96% complete. Winter wheat seeding was 20% done vs 11 last week and 23 at the same time last year. I'm adding the map of dryness rankings again for Sept so far – ECB really stands out for with OH the 129th driest out of 133 years. Also, rains are expected to get going in northern Brazil in the near term to get planting going in a bigger way. Argentina and southern Brazil received additional unneeded rain over the weekend where it's already saturated. Supposed to be dry for 3-5 days before it starts raining again. Something to watch – they need a drier stretch. Maybe can bounce a bit today.





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

Cattle and Feeder Cattle prices ripped higher on Monday, supported by three things:

1- The Cattle On Feed report was more or less neutral to slightly bullish from the 10% smaller placements that were reported.

2- USDA announced the discovery of one case of New World Screw Worm (NWSW) about 70 miles south of Laredo, TX. This was the result of an infected calf that was transported from an infected area. This seemed to lead traders to re-establish thoughts that the US/MX border will not open for the foreseeable future.

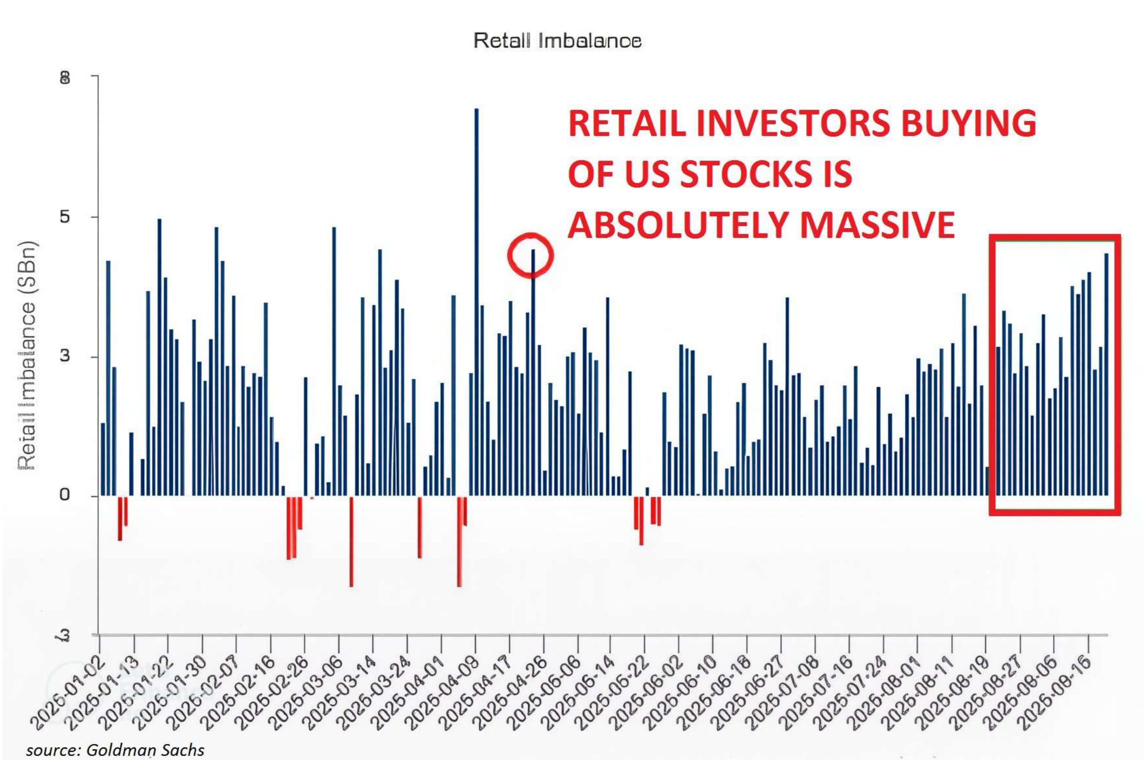
3- As a part of the press release on the NWSW announcement, USDA mentioned that the Trump Administration might be planning on giving some “incentives” to help rebuild the US beef herd. To quote a press release- “In addition, USDA will soon release a significant plan to rebuild the American cattle supply, incentivizing our great ranchers, and driving a full-scale revitalization of the American beef industry. This is only the beginning with many more announcements coming this week as USDA restores American strength, protects food security, and supports America’s Ranchers and farmers.” The market appears to be trading on the idea that this means some sort of subsidies are going to be given to the industry.

To quote Ronald Reagan: "The nine most terrifying words in the English language are - I'm here from the government, and here to help". This is likely no different. Meaning, what the government wants will actually raise prices with whatever they have planned. Surely the Administration isn't that stupid? Time will tell.

One thing to keep in mind when trading futures is that "perception of the next news" predominantly drives prices from day-to-day and week-to-week. Today's efforts to move feeder cattle futures limit up is pricing in some degree of hope that the Administration will be giving subsidies to ranchers to create bred heifers. Therefore, if that fact is not announced, it can be equally as bearish as it has been bullish. The only thing we can say with confidence about all this is that no one really knows what is going to happen or what USDA's planned announcements are going to be. However, if we assume that President Trump plans on helping beef producers by paying them to hold back heifers for breeding, this action has the potential to create sharp reductions in feedyard placements and would escalate beef shortages. Like we mentioned above, no one truly knows. If something like that were to happen, we would hope that it would be coordinated with a reopening of the Mexican border.

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

Financials



Retail investors' buying frenzy continues: Mom-and-pop investors have now bought US stocks for 80 days straight. On Wednesday, they acquired a whopping $4.5 billion in stocks, the most since April. Weekly purchases hit the highest level since December. -Global Markets Investor

Pretty amazing, I'm not gonna lie. Dip buyers continue to get paid. Trade will work until it doesn't.

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)

- S&P Global PMI – 7:30 AM
- Richmond Fed Manufacturing Index – 9:00 AM

Thanks for reading,

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