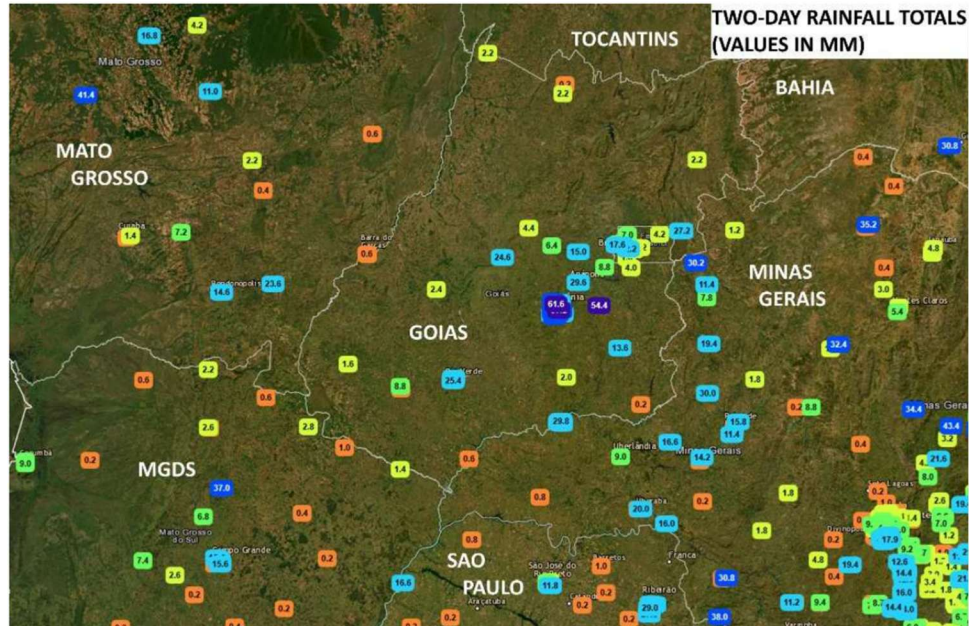
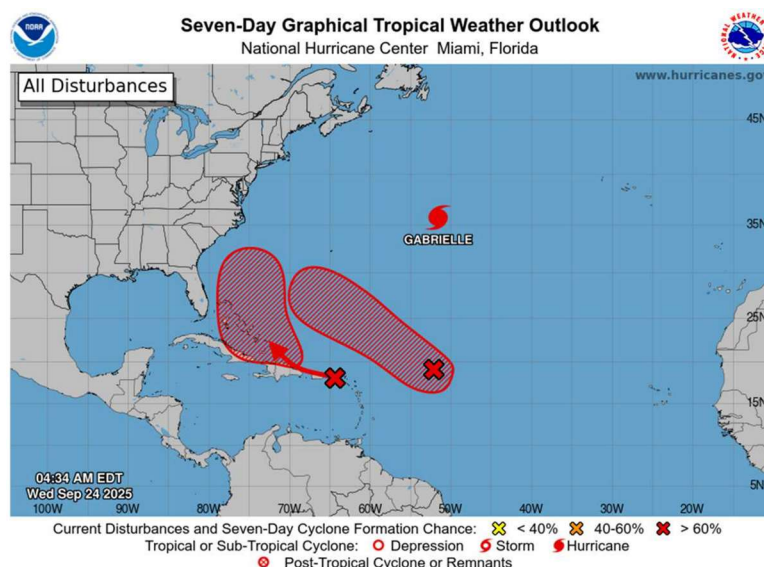


## Weather

In South America, conditions are varied. Northern Brazilian soybean areas are seeing rains finish, which has provided enough moisture for planting to begin in parts of Mato Grosso, Goiás, and Minas Gerais, as shown in this rainfall total map. However, the outlook turns significantly drier than normal for the remainder of the 15-day forecast, posing a potential risk for early crop development. Conversely, the forecast for southern Brazil and Paraguay is quite favorable, with a dry period through Saturday allowing for fieldwork before good rains return from September 28 through October 2. Farmers seem to be taking advantage of this favorable forecast, with Parana already completing planting of 13% of its estimated soybean acres. Argentina's forecast is not overly wet, which is beneficial given that some growing areas are already saturated, with the most significant rainfall expected late Friday into Saturday.



In the US, after rain finishes today and tomorrow in the southeastern Corn Belt and Mid-South, a lengthy period of dry weather will return to dominate the middle of the country starting Thursday and lasting through at least October 2. The temperature forecast is exceptionally warm across the nation for the next 15 days, with no freezes in sight for the Corn Belt or northern Plains. The northern Plains, in particular, will see temperatures run 10-15 degrees above normal. While two tropical systems are being monitored in the Atlantic, current models do not project them to be a threat to the Gulf of Mexico, and very few models show any risk of landfall on the east coast.



### Grains

We did see a bounce Tuesday with corn bouncing off support and wheat coming back after sharp losses Monday. Beans were mixed, rallying off the early session lows with SX touching 10.05 – roughly 50 cents lower than we were a week ago, and closing slightly higher. There was a Chinese trade envoy that met with a delegation from the Midwest, which may have provided support.

China wasted no time jumping to buy Argentine beans with 10 cargos reportedly bought for Nov shpt. The peso has strengthened since the weekend announcement. There is roughly 18-20 mmt that haven't been sold from the last bean crop and with estimates near 10-12 mmt in corn. There is a much larger tax break for beans and products vs grains so soy should take precedence.



After going through all of the states and ratings, my yield estimates came down slightly – corn to 181.3 bu/a from 181.9 and beans to 52.1 bu/a from 52.2 last week. We finally had some moisture in most areas, but the forecast is drier going forward which should be beneficial for harvest progress. I did go through my bean matrix and raise Arg exports and lowered US. I am now using 25/26 crop year exports of 1558 milbus, vs the USDA at 1685 and last year's 1878 milbus. I'm attaching both my bean and corn S&Ds for reference.

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	52.1	53.5	53.5
Carryin	925	538	257	274	264	342	342	312	330	316
Production	3552	4216	4464	4270	4162	4366	4366	4182	4301	4441
Imports	15	20	16	25	21	25	27	20	20	20
Total Supply	4492	4774	4737	4569	4446	4734	4736	4514	4651	4776
Crush	2165	2141	2204	2212	2285	2445	2430	2540	2555	2600
Exports	1679	2266	2152	1980	1700	1878	1875	1558	1685	1750
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	4200	4350	4445
Carryout	538	257	274	264	342	312	330	316	300	332
Carryout % Use	13.6%	5.7%	6.1%	6.1%	8.3%	7.1%	7.5%	7.5%	6.9%	7.5%



CORN: U.S. SUPPLY AND DEMAND (September - August Marketing Year)											
								12-Sep			
	18/19	19/20	20/21	21/22	22/23	23/24	24/25	24/25	25/26	12-Sep	
							MB	USDA	MB	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	181.3	186.7	183.5
Begin Stocks	2140	2221	1919	1235	1377	1360	1763	1763	1304	1325	1842
Production	14340	13620	14111	15018	13651	15341	14867	14867	16324	16814	15781
Total Supply	16508	15883	16055	16277	15067	16729	16654	16650	17652	18164	17648
Exports	2066	1777	2747	2472	1662	2255	2850	2830	2740	2975	2800
Feed Use	5429	5900	5607	5671	5486	5832	5680	5675	6100	6100	6000
Food/Ind/Seed	6793	6286	6467	6757	6558	6879	6820	6820	6970	6980	7000
Ind Use-Swtmr/Star	1090										
Ind Use-Bevg/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	15349	15325	15810	16055	15800
End Stocks	2221	1919	1235	1377	1360	1763	1304	1325	1842	2110	1848
End Stks/Use %	15.5%	13.7%	8.3%	9.2%	9.9%	11.8%	8.5%	8.6%	11.7%	13.1%	11.7%

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

Heifer retention does not necessarily mean herd rebuilding. There's been a lot of chatter in recent weeks on the subject of heifer retention. It seems like the default is to automatically conclude this means a bigger cow herd. I'm not in that camp; granted, I think I'm probably in the minority.

I can't get my head wrapped around a couple of important points. First, the beef cow culling rate has dropped (from 13% 2 years ago to less than 10% currently) while *at the same time* beef cow slaughter has plunged (down 17% this year, following at 19% drop last year). It seems to me that we can't build the herd with both at the same time. We can get down in the weeds on average age of the cow herd and impact of Beef on Dairy cattle, but I still struggle to connect the dots.

Second, anecdotally, the retiring rancher isn't being replaced by new ranchers due to all the usual obstacles.

If I'm in the ballpark and - at best - the industry is just trading water with a steady cow herd, that means the much-anticipated fed beef supply rebuild is years further down the road than many believe. This has meaningful bullish implications for calf and feeder prices, rancher profitability, feedlot and packing capacity utilization, and domestic beef production.

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).

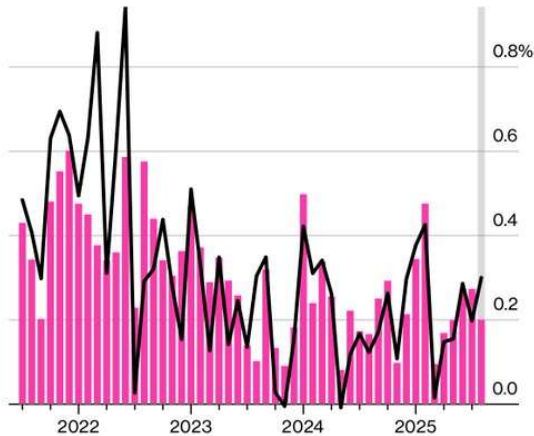
## Financials

PCE (Personal Consumer Expenditures), a big report, comes out Friday. They always point out this is the Fed's favorite inflation gauge. It covers more categories than CPI (Consumer Price Index), heavier weight on healthcare, financial services, and broader coverage of spending. Core PCE is expected to cool to 0.2% from July's 0.3%.

## US Core Inflation Probably Decelerated in August

Fed's preferred gauge of underlying price pressures seen easing

Change in PCE price index (MoM)  
Core PCE price index (MoM) Estimate



Source: Bureau of Economic Analysis, Bloomberg  
Note: Core personal consumption expenditures price index excludes food and energy

August PCE price index forecasts

	Headline		Core	
	m/m	y/y	m/m	y/y
Bank of America	0.25%	2.7%	0.23%	2.9%
Barclays	0.25%	2.7%	0.21%	2.9%
Citi			0.20%	2.9%
Deutsche Bank			0.22%	2.9%
Employ America	0.20%	2.7%	0.16%	2.85%
Goldman Sachs	0.24%	2.7%	0.20%	2.9%
Inflation Insights			0.18%	2.9%
JP Morgan			0.23%	2.9%
Nomura	0.24%	2.7%	0.20%	2.9%
Oxford Economics	0.24%	2.7%	0.19%	2.9%
Pantheon Macroeconomics			0.22%	2.9%
TD Securities	0.23%	2.7%	0.19%	2.9%
Underlying Inflation	0.27%	2.7%	0.22%	2.9%
<b>Median forecast</b>	<b>0.24%</b>	<b>2.7%</b>	<b>0.20%</b>	<b>2.9%</b>
Previous month (July)	0.20%	2.6%	0.27%	2.9%

Source: The Wall Street Journal

@NickTimiraos

## Today's Calendar (all times Central)

- MBA Mortgage Applications – 6:00 AM
- New Home Sales – 9:00 AM
- EIA Energy Stocks – 9:30 AM

Thanks for reading,

Zachary Davis

[zdavis@nesvick.com](mailto:zdavis@nesvick.com)

(901) 604-7712

Trillian IM: [zdavis@nesvick.com](mailto:zdavis@nesvick.com)

Bloomberg IB: [zdavis@bloomberg.net](mailto:zdavis@bloomberg.net)

## DISCLAIMER:

**This communication is a solicitation for entering into derivatives transactions.** It is for clients, affiliates, and associates of Nesvick Trading Group, LLC only. The information contained herein has been taken from trade and statistical services and other sources we believe are reliable. Opinions reflect judgments at this date and are subject to change without notice. These materials represent the opinions and viewpoints of the author and do not necessarily reflect the opinions or trading strategies of Nesvick Trading Group LLC and its subsidiaries. Nesvick Trading Group, LLC does not guarantee that such information is accurate or complete and it should not be relied upon as such.

Officers, employees, and affiliates of Nesvick Trading Group, LLC may or may not, from time to time, have long or short positions in, and buy or sell, the securities and derivatives (for their own account or others), if any, referred to in this commentary.

There is risk of loss in trading futures and options and it is not suitable for all investors. PAST RESULTS ARE NOT NECESSARILY INDICATIVE OF FUTURE RETURNS. Nesvick Trading Group LLC is not responsible for any redistribution of this material by third parties or any trading decision taken by persons not intended to view this material.