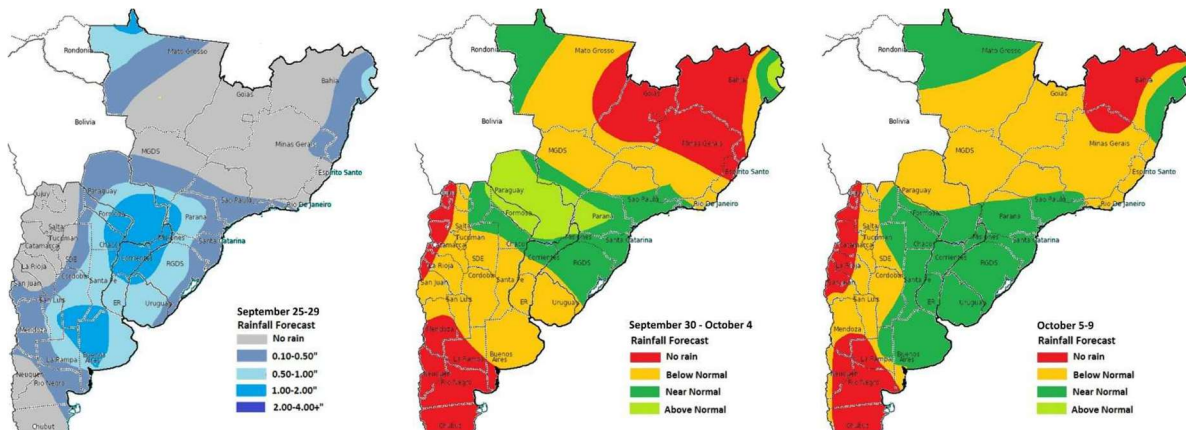
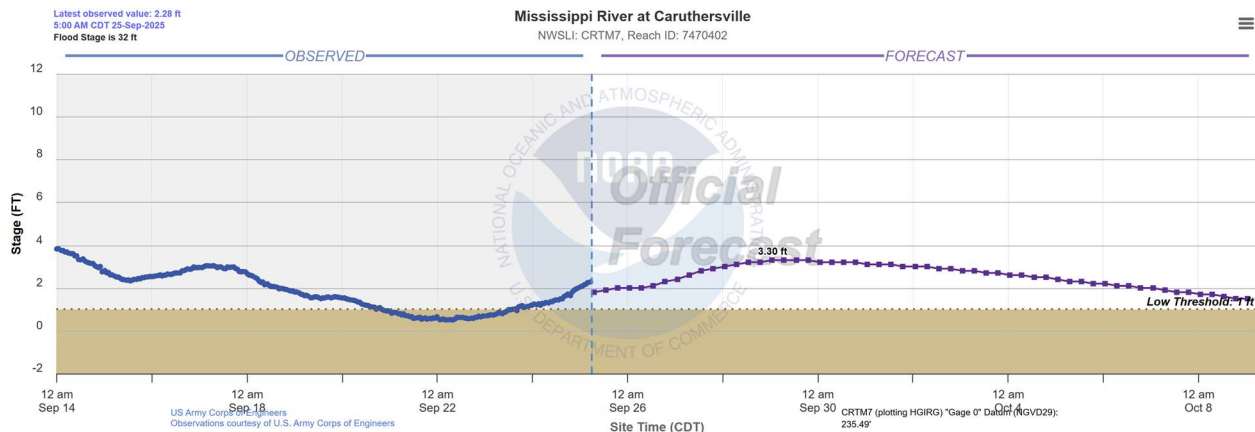


## Weather

The South American forecast continues to indicate a significant split in weather patterns. Northern Brazilian soybean areas, particularly eastern Mato Grosso, Goiás, and Minas Gerais, are projected to remain very dry for the next 15 days. Rainfall totals are expected to be less than 50% of normal, with some areas under 25%, which will likely impede soybean planting operations. In contrast, conditions in southern Brazil and Paraguay are quite favorable. After a dry end to the week, the region is forecast to receive substantial rains from September 28 through October 2, ensuring good topsoil moisture for planting and early growth. Argentina's forecast remains mostly dry, with only modest, short-term rain expected. Average temperatures are expected across South America for Week 1. Weeks 2 and 3 will continue to bring average temperatures for Southern Brazil, Paraguay, and Argentina; Northern Brazil will be solidly above-normal, but not extremely hot, in this timeframe.



The outlook for the United States is defined by an exceptionally dry and warm pattern across the Corn Belt, southern Plains, and Mid-South for the next 15 days. Rainfall will be well below normal, which will accelerate the harvest and cause a rapid decline in corn and soybean moisture levels. On the plus side, these conditions will also facilitate rapid winter wheat planting, and the topsoil moisture from recent rains should help the crop emerge quickly). However, the extended dryness is forecast to cause a significant drop in river levels, once the rainfall we've had over the past few days passes downstream, and elevate the risk of field fires. Temperatures will remain consistently above-normal, with no freeze anticipated for the northern Plains or the broader Corn Belt during this period. A single European model that ran overnight forecast that a currently unnamed system could hit South Carolina by Monday afternoon, but all other models show the system staying offshore.



## Grains

It's been a pretty quiet week so far, even in light of all the developments out of Argentina. China reportedly bought an additional 10 cargoes of Argentina beans. It's been kind of a double whammy since nothing came of the Trump/Xi call last week and then Argentina removed export taxes. Trump and Bessent met with Milei Tuesday in an effort to support Argentina and get Argentina to end the tax holiday they just ordered. The US is willing to offer a \$20b credit line with the Central Bank and to purchase Argentina's USD bonds. Right near our day session close Wed, the Argentinian government ratified that they will maintain the export tax removal through Oct 31. The peso continued to regain value. South American meal values have been under pressure with Argentina down \$10/ton this week and Brazil down \$3-5. I've attached the Argentine semi-annual b/s. For clarity, the current 6-mo period is highlighted in blue.

ARGENTINA SOYBEANS SEMI-ANNUAL SUPPLY AND DEMAND (March-August/September-February)								
	2018-19	2019-20	2020-21	2021-22	22-23	23-24	24-25	25-26
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025-26	2026-27
Area Harvested	17.50	17.60	17.30	16.40	16.00	16.00	16.00	15.50
Yield	3.16	2.78	2.67	2.68	1.31	3.01	3.18	3.13
Production	55.30	48.84	46.19	43.87	20.96	48.08	50.88	48.52
Mar-Aug Imports	0.50	0.50	0.50	0.50	5.00	6.00	6.50	6.50
Mar-Aug New Sply	65.35	58.87	58.78	53.76	35.68	55.42	60.91	61.15
Crush	23.63	21.06	23.44	21.57	16.13	22.32	22.26	22.00
Exports	5.11	5.98	4.13	1.27	0.88	4.00	4.97	4.40
Other	1.75	1.75	1.50	1.75	3.75	3.60	2.75	2.75
Mar-Aug Use	30.49	28.79	29.06	24.59	20.76	29.92	29.98	29.15
s1 stoiz % of prod	0.62	0.62	0.64	0.66	0.71	0.63	0.61	0.66
Sep 1 Stocks	34.87	30.09	29.72	29.17	14.92	25.50	30.93	32.00
Sep-Feb Imports	0.50	0.50	1.00	2.00	3.00	3.00	3.00	3.00
Sep-Feb Supply	35.37	30.59	30.72	31.17	17.92	28.50	33.93	35.00
Crush	17.71	16.13	18.08	15.17	12.06	20.91	22.30	21.00
Exports	5.12	0.36	1.25	4.27	1.02	0.57	2.00	2.00
Other	3.00	2.00	2.00	2.00	3.50	3.50	3.50	3.50
Sep-Feb Use	25.84	18.50	21.33	21.45	16.58	24.97	27.80	26.50
Stock Change	-0.02	2.56	-2.70	0.34	-8.38	2.19	2.60	2.37
hidden - Feb use								
Mar 1 Stocks	9.53	12.09	9.39	9.72	1.34	3.53	6.13	8.50

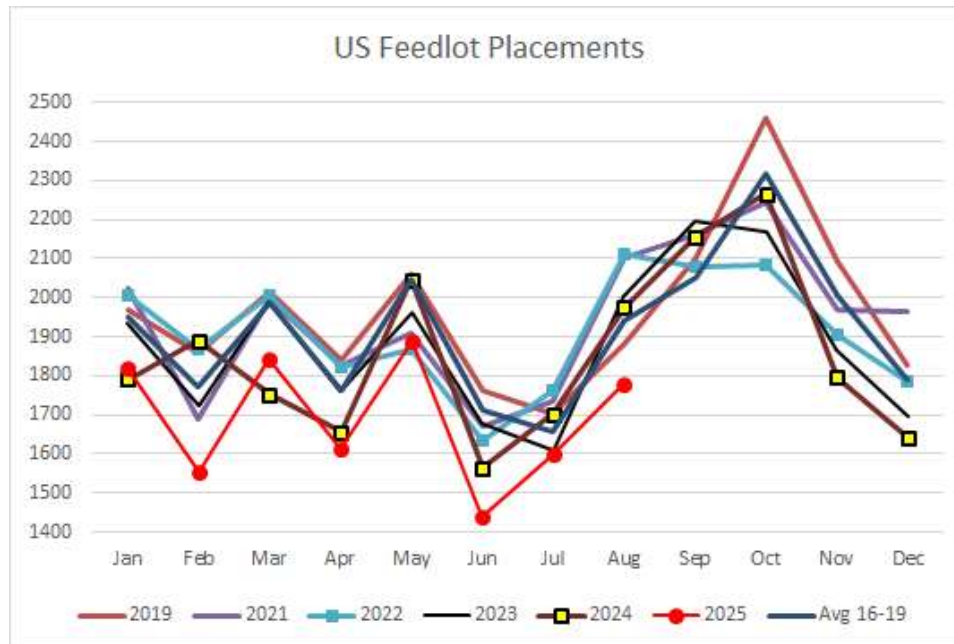
There haven't been a ton of yield reports this week as we've finally seen some rain. Even the Mid-South got some relief as well as the ECB. Forecasts are soon turning back to dry and warm which should be favorable for harvest progress. Northern Brazil received some rain this week but is now expected to be dry again for the next two weeks. Argentina is forecast to receive rain over the weekend. Not sure this is welcome as it's already saturated with flooding in some areas.

In general, I think the corn S&D is likely getting tighter despite a record crop looming. Futures held support and demand is holding up while yield ideas are coming down. US corn is still more competitive than Brazil. There is still a gap in CZ at 432.75. Bean balance sheet considerations are likely expanding with yield ideas not coming down much, but export ideas are coming down more (bad enough without China, now Argentina incentivized to move). It may take until much deeper in harvest to see the effects of the dry Aug/Sep. Last year the October yield was only down marginally, but the final was down 2.4 bu/a from October.

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

So far this week, the feeder cattle futures have gained \$11 and the live cattle futures have gained \$6. Post cattle on feed being released on Friday and encouraging longs to move further out the curve; the screwworm announcement in Mexico 70 miles south of the United States border on Sunday night; and rumors of the USDA subsidizing ranchers for retaining heifers beginning mid-day Monday, bear spreads have been the star of the show. It does seem like the back end of both fats and feeders started the week undervalued. The cattle on feed report confirmed the placed against numbers for later this year and early next year have not begun to show up yet and are getting more and more unlikely to meaningfully increase at this point. The data would also suggest that front end supplies are already at a record high number and are growing to more than 20% larger than a year ago, but the key here is the numbers are being pushed into a period of time where the placed against numbers were not there to start with. The market has a way of evening out supply so the holes aren't as deep and the mounds are as high.



I wrote earlier in the week that October could turn out to be more of a trick and less of a treat if the packer decides to flex his muscles and keep the kill down to prop up the beef and help his margin. Well, so far this week the cash market does not feel like it will be much lower. As one would imagine, after a rally in the board the cattle feeder would want a piece of the pie and be less likely to sell cattle at a lower price. While the northern cattle feeders have begun to show some weakness by letting cattle go at lower money the past couple of weeks, the southern cattle feeders have not. On Wednesday, there were no serious cash bids which tells me the packer is slow playing this week hoping for a break in the board to make the cattle feeder more agreeable to sell at steady to lower prices. My guess is they will end up paying steady or higher prices in the south and mostly steady in the north. Only time will tell whether it pays off or not. Recent history would say it will not, but this week may be different. Don't hate the basis, hate the game (I guess).

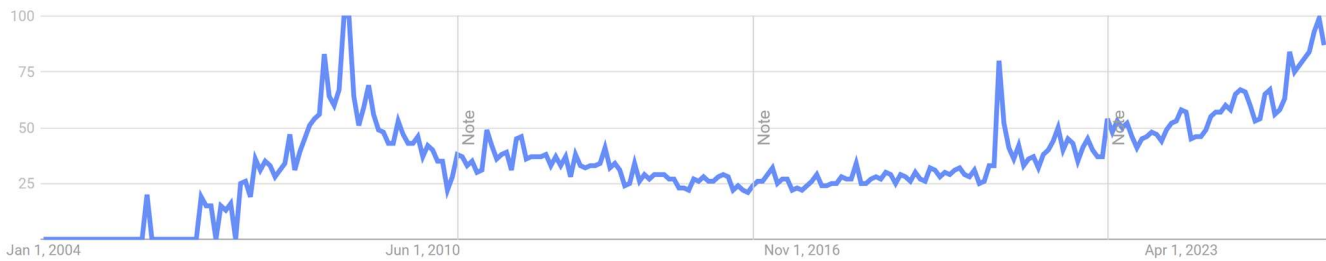
Looking at the feeder cattle, September expires today at 12pm central. I expect them to go off 363+ due to the great lineup of sales we have had this week on good volume and even better demand thanks to the Mexican border not opening anytime soon.

*Livestock commentary provided by Ashley Lowe. For questions or comments, Ashley can be reached by email at [ashley@nesvick.com](mailto:ashley@nesvick.com) or on Trillian at [ashley@nesvick.com](mailto:ashley@nesvick.com).*

## Financials

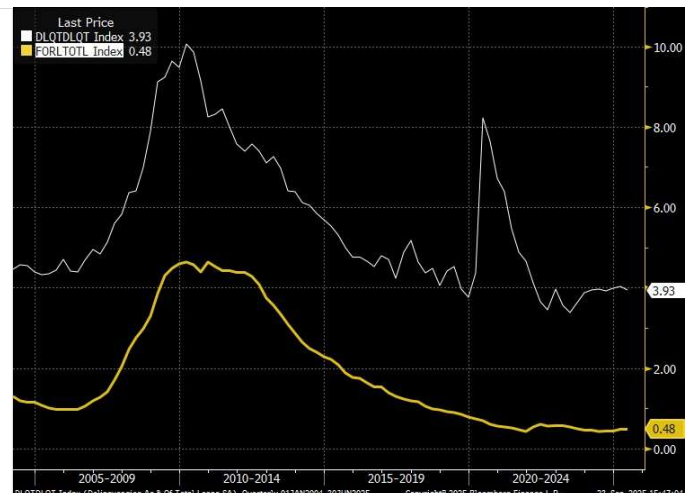
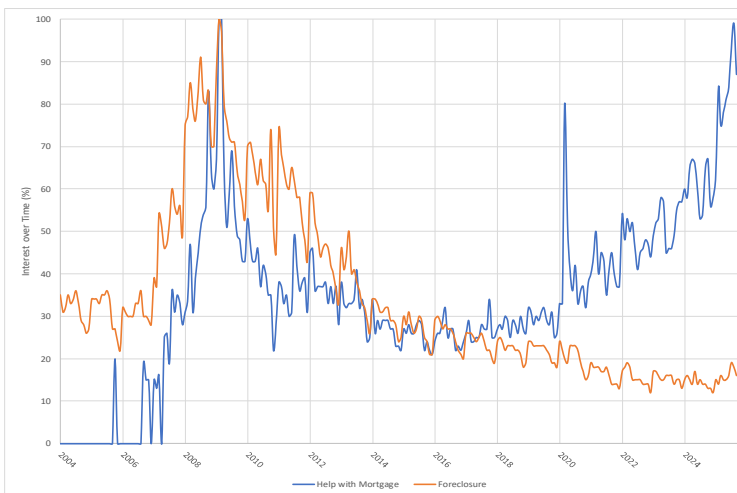
This chart from Google Trends has been going around on my social feeds for the last few days:

Interest over time ?



Searches for “help with mortgage” last month have matched the peak in 2008 during the Great Recession. On its face, this looks extremely concerning for the current state of the US economy; but maybe there’s more to the story.

The first thing I checked was the Google search trend for “foreclosure.” Overlayed on the “help with mortgage” search trends graph, it’s immediately apparent that the charts line up almost identically at the peak of 2008, but the “foreclosure” line is near its lowest point ever as the “help with mortgage” peaks in August 2025. Looking deeper, foreclosures and delinquencies as a percent of total loans are similarly near their 20+ year lows, at only 0.48% and 3.93% as of 6/30/2025.



This raises the question: if not impending defaults, then what is driving these searches? A possible answer is that these searches represent an attempt by homeowners towards somewhat-proactive financial management, rather than a last resort before foreclosure. Maybe homeowners are looking to leverage home equity to consolidate other high-interest debts. While I don’t believe this is the primary driver of this search term, maybe the searches are also being influenced by people buying new homes and are looking for advice on what type of mortgage they should use. In my opinion, this seems to be a signal of financial strain, but not of an imminent mortgage collapse like many people online seem to believe.

*Livestock commentary provided by Zachary Davis. For questions or comments, Zachary can be reached by email at [zdavis@nesvick.com](mailto:zdavis@nesvick.com) or on Trillian at [zdavis@nesvick.com](mailto:zdavis@nesvick.com).*



## Today's Calendar (all times Central)

- Export Sales – 7:30 AM
- GDP Price Index/Core PCE – 7:30 AM
- Retail Inventories/Durable Goods – 7:30 AM
- Jobless Claims – 7:30 AM
- Existing Home Sales – 9:00 AM
- Natural Gas Storage Change – 9:30 AM
- USDA Hogs and Pigs – 2:00 PM

Thanks for reading,

Zachary Davis

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