Monday, October 6, 2025

NTG Morning Comments

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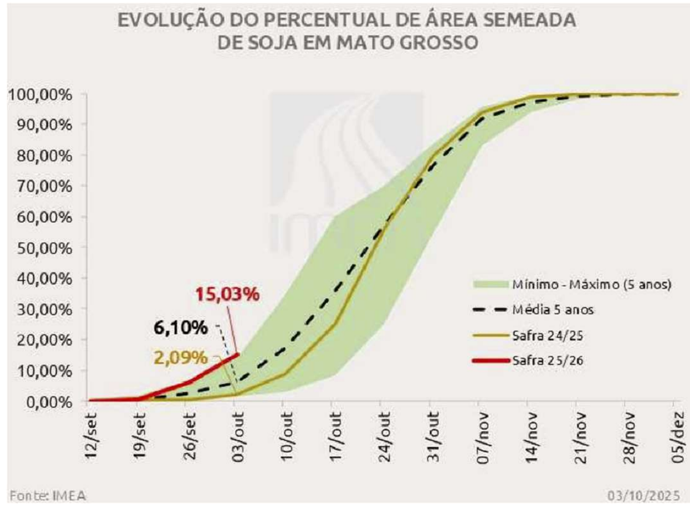
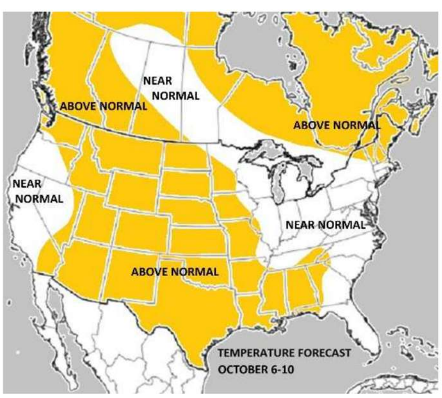
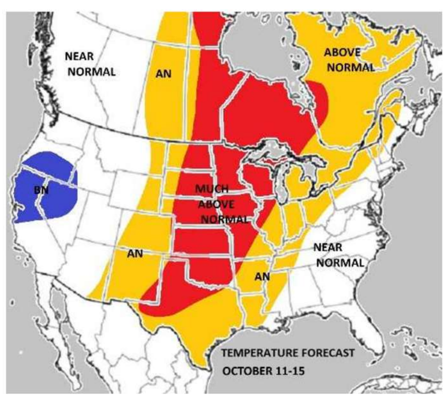
Weather

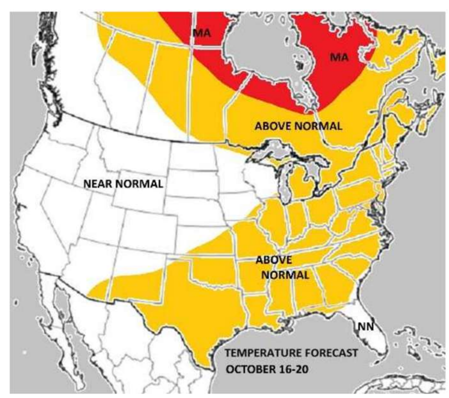


The forecast for northern Brazil remains consistent with Friday's outlook, showing very limited rainfall and considerable heat for approximately another week, which will continue to limit soybean planting progress. A return to more normal rainfall amounts is still expected in the second week, which should allow planting to resume. That being said, soybean planting in Mato Grosso was estimated at 15% complete on Friday, much higher than the 2.1% completion this time last year and the 6.1% 5-year average for completion. The primary update to the South American forecast is a more favorable outlook for southern Brazil and Paraguay. The rainfall forecast has trended wetter since Friday, with near- to above-normal rains now expected, creating favorable growing conditions. This is an improvement from Friday's "decent but not wet" description. For Argentina, the outlook is also unchanged, with mostly below-normal rainfall and dry conditions expected through the upcoming week following this weekend's precipitation.

The extremely detrimental harvest conditions forecasted on Friday have materialized over the weekend, with a combination of abnormal heat and dry, windy weather. While this has allowed for harvesting to progress quickly, there are many reports of yield losses due to very low moisture levels in the corn and soybean crops. Today's forecast reinforces the significant warming trend that emerged on Friday, which reversed the previously expected cool shot across the middle of the country. NE Montana and NW North Dakota have fallen into sub-freezing temperatures overnight, but there is still little-to-no expectation for any freezing temperatures in the corn belt. The outlook continues to be an exceptionally warm pattern to persist for the next 15 days, with no end in sight. While more rain is anticipated over the next two weeks than has been seen recently, it does not mark the beginning of a wet pattern. This outlook should cause minimal harvest delays, but will also do little to improve low river levels.





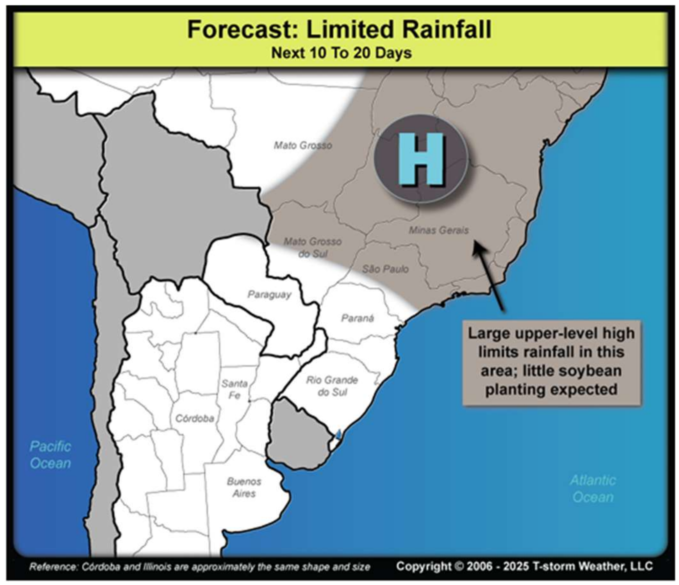


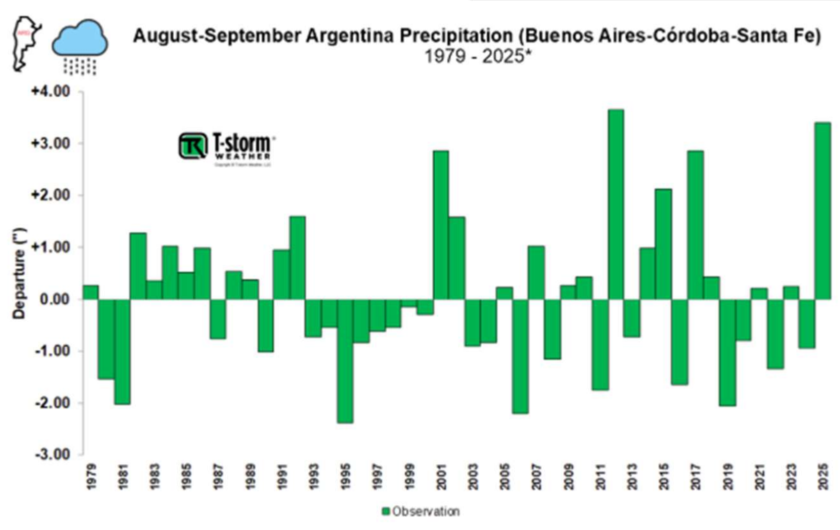
The North China Plain has experienced much-above-normal rainfall over the past month, and their forecast is looking exceptionally wetter. In the next 15 days, almost all of the region will see at least double the normal precipitation levels, most will see triple the normal levels, and some areas are expected to see five times their normal precipitation. This will almost certainly have a massively negative effect on row crop harvesting and winter wheat planting.

Grains

Friday was quiet in narrow ranges. Beans and meal saw a bit of follow through strength. There was a lack of fresh input. For the week, beans finished 3 cents higher (23 off the lows), meal was up 3.50 (8.00 off the lows), and oil was down 15 points. Corn was down 3 and wheat was down 5 in Chgo and 10 in KC. Doesn't look like there will be any agreement/opening of the gov't and we will likely be without regular weekly reports as well as the Oct crop report. Trump said there would be an announcement Tues for the farmers – he made reference to beans, but it may be about the aid package ($10+ billion is being talked about). We will have to wait until the end of the month for the Trump/Xi meeting.

Going to look more closely at South American weather. We had thought the rainy season was underway in Brazil. There were rains at the end of September, but the pattern reverted to hot and dry with temps the next 10 days expected in the 100-105°F range with no rain. As last week went on, some rain was added to the 11-15 day forecast with some rain chances now likely in the Oct 13-17th timeframe. Mato Grosso has seen a few showers here and there, but there is growing concern about Goias and Minas Gerais. There is definitely plenty of time for this to change, but the world is expecting a record bean crop in Brazil. CONAB's initial forecast is 177.7 mmt (171.5 this year) with the USDA at 175 mmt. Argentina, on the other hand, experienced their wettest Aug-Sep period since 2012 and was the second wettest in the 1979-2025 time period. It is worth pointing out as Argentinian soils can stay saturated/hold water longer than other regions. Right now, we are in a neutral ENSO pattern, with a weak La Nina expected this fall. Typically, La Nina's mean dry conditions in Argentina during Aug-Dec. The trade is expecting Argentine bean production to be down roughly 2 mmt, with a significant increase in corn area at the expense of beans. Attaching a couple graphs from T-Storm Weather, LLC.





Data source: T-storm Weather

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.*

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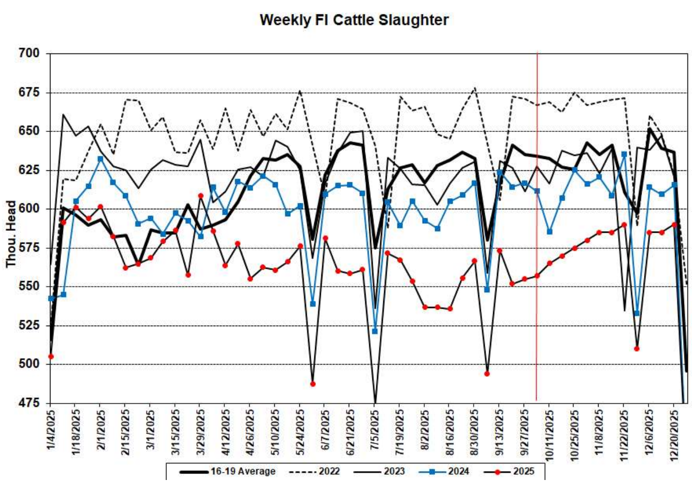
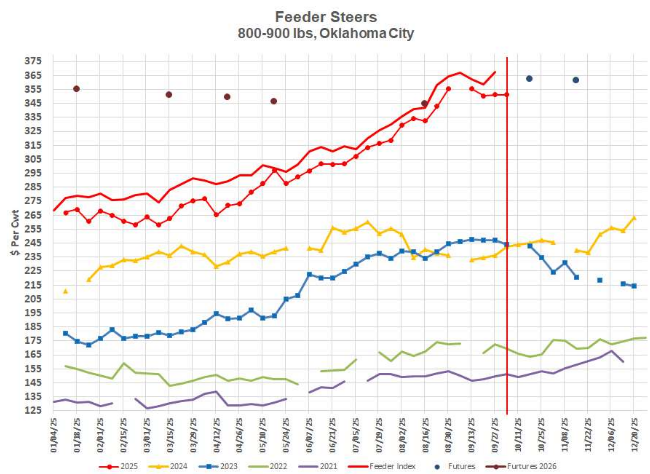
Livestock

Overall, last week's live cattle market had a bearish undertone driven by declining boxed beef prices and lighter trade volume at lower prices as the packers maintained a passive procurement strategy. Live cattle futures made new lows amid these softening fundamentals as we head into first notice day for October Live cattle at the close of business today. Cash last week was $5 lower in the north and $3-4 lower in the south. The south is now premium to the north by $3-5, which has encouraged some north to south cattle movement. Yet another week of lackluster live cattle trade will make way for another small kill this week. It has been well advertised that Cargill in Ft. Morgan, CO will be down for the next ten days due to planned maintenance. Back in June, they announced they were investing $90 million in automation and technology at the plant. With a capacity of ~4,500hd per day, that will put a sizeable dent in the number of cattle they will have to buy in order to maintain inventory or will they try to build one? There was no official slaughter or weight data released this week due to the government shutdown but the estimated weekly slaughter for last week was 557k and is expected to be about steady again this week. Beef prices fell last week which ate into packer margins once again. Seasonally, the downward pressure on boxes should subside in a couple weeks but be ready for more downside near term.



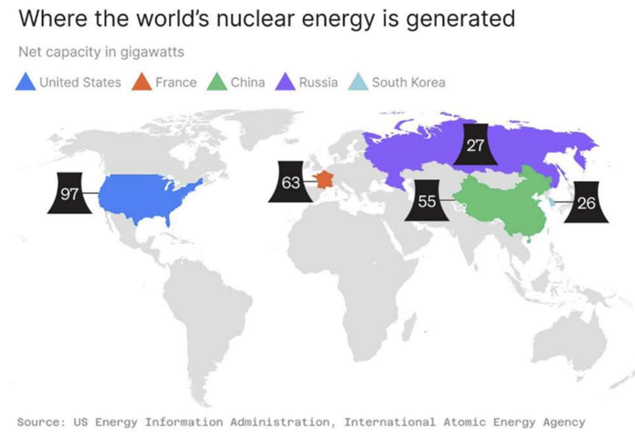


Looking at the feeder cattle market, feeder cash prices started the week much softer around $8-10 lower but finished up the week $8-10 higher. Index went from $365 down to $361 and finished the week back around $363. I expect this sort of chop to continue near term while the beef and live cattle weigh on the feeder market. While the market is a bit softer, I don't expect the index to go very much below $360 for now. October futures expiration is four weeks away on October 30, which feels very far away the way this market has been trading wide 500-700 point ranges and chasing rumors and headlines down. It is extremely early to start talking about October expiration but I will take a swing at it anyway, for now I'm thinking somewhere around $360 which would be $5 lower than where both August and September expired. A month is a long time though.

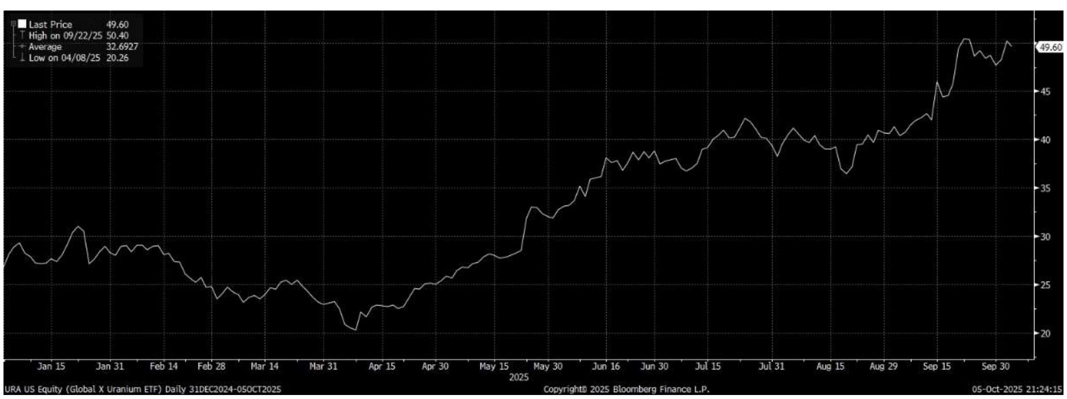
Livestock commentary provided by Ashley Lowe. For questions or comments, Ashley can be reached by email at ashley@nesvick.com *or on Trillian at ashley@nesvick.com.*

Financials

A renaissance in nuclear power is beginning to reshape the American energy landscape, fueled by bipartisan consensus and an increasing need to grow the country's power generation to keep up with the energy demand of the AI boom. Once relegated to the background due to high costs and safety concerns, nuclear energy is now viewed as a critical source of scalable power. While the US currently still produces the most nuclear energy in the world, China is quickly expanding their nuclear program and already has 150+ new reactors planned to go online in the next 15 years. This shift is creating significant investments in everything from raw materials to advanced technology as old reactors are being brought back online and new reactors are being developed.



The most direct financial beneficiaries of this renewed focus on nuclear power so far have been uranium miners, with the Global X Uranium ETF (URA) surging over 76% year-to-date. Beyond miners, reactor developers and operators are also gaining traction. Companies like NuScale Power (SMR), specializing in Small Modular Reactors (SMRs), and established operators like Constellation Energy (CEG), are pivotal players in this revival. The reopening of the Palisades plant in Michigan, backed by a $1.5 billion federal loan, and the restart of a Three Mile Island reactor to power Microsoft data centers represent real, ongoing support and progress in expanding nuclear power by both the federal government and the private sector.



This domestic revival is being amplified by international capital and expertise. South Korea, a global leader in nuclear efficiency, has pledged a massive $350 billion investment into U.S. industries, with a significant focus on nuclear energy. Partnerships between firms like Korea Hydro & Nuclear Power and U.S. tech companies aim to deploy advanced reactors, injecting both capital and proven technology into the market. President Trump also signed an agreement with the UK to collaborate on technical and safety assessments for new reactor designs, in an effort to accelerate the path to next generation nuclear power facilities in both countries.

Financial commentary provided by Zachary Davis. For questions or comments, Zachary can be reached by email at zdavis@nesvick.com *or on Trillian at zdavis@nesvick.com.*

Today's Calendar (all times Central) – Subject to Gov't Shutdown

- Export Inspections – 10:00 AM
- Crop Conditions – 3:00 PM

Thanks for reading,

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