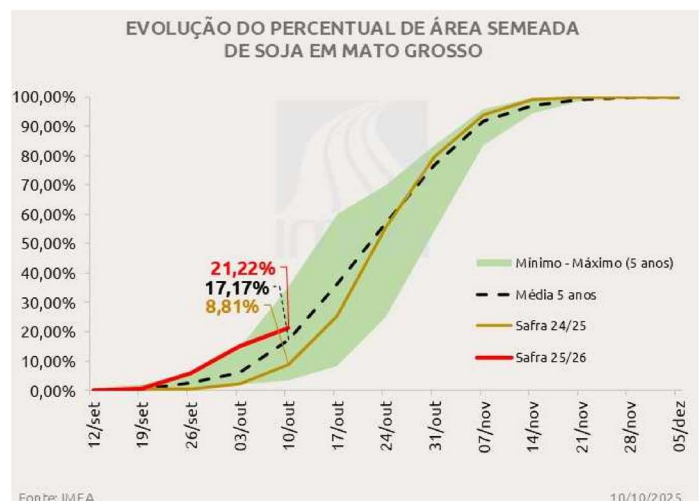
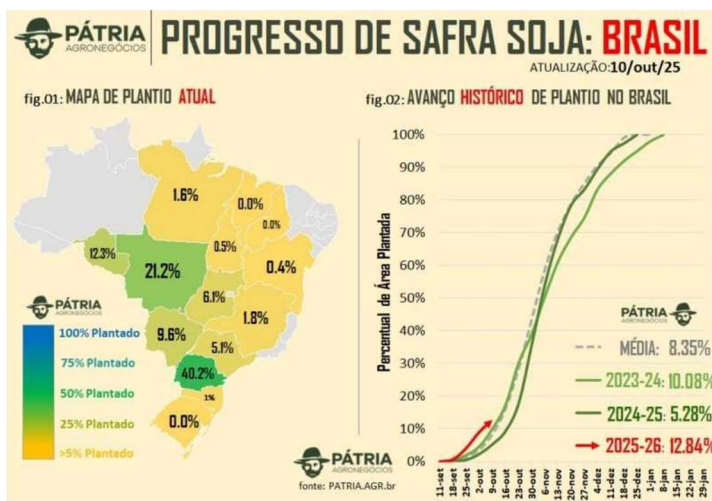


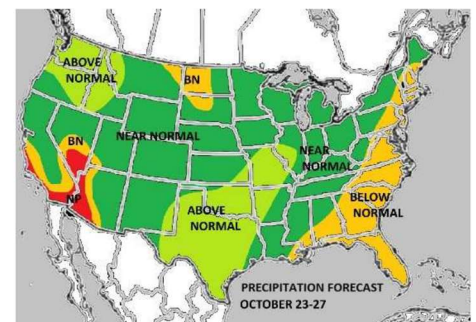
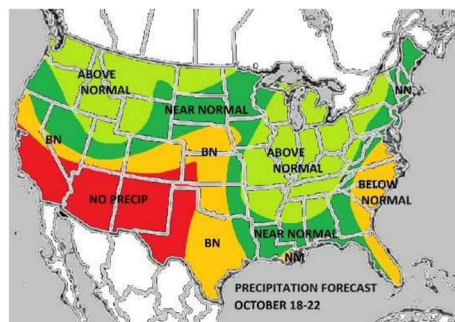
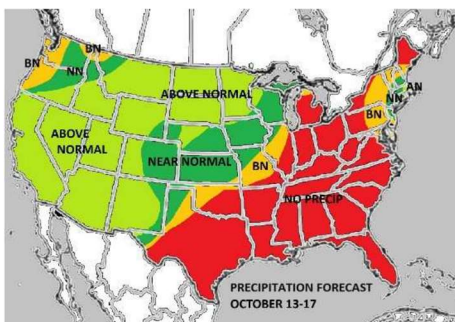
Weather

The Brazilian forecast remains favorable this morning, featuring regular, near-normal rains over the next two weeks for northern soybean areas, which should continue to support planting progress. Southern Brazil and Paraguay are drying out in the near term after recent heavy rains, but more significant rain is forecast for the end of the work-week. Importantly, no lasting big heat is anticipated for any key growing areas over the next 15 days. For Argentina, the forecast remains consistent, with mostly below-normal rainfall expected for the next 10+ days before a wetter pattern emerges in the 11-15 day period.

Soybean planting in Brazil was 12.84% done as of this past Friday according to Pátria Agronegócios. This compares to 5.28% last year, 10.08% in 2023, and a 5-year average of 8.35%. Soybean planting in Mato Grosso was 21.22% done as of this past Friday according to IMEA. This compares with 8.81% last year and a 5-year average of 17.17%.



For the U.S., the forecast continues to show a split pattern for the week ahead, with rain in the northwestern Corn Belt while the southeastern Corn Belt remains dry. The dry areas in the east, as well as the Mid-South, are expected to see rains return during the October 19-22 timeframe. A significant change from Friday is a somewhat drier trend for the southern Plains winter wheat areas, where 15-day rainfall totals are now forecast to run near-normal at best. The outlook remains devoid of any significant cold, with another period of warmth for the middle of the country set to begin on Wednesday and continue through the end of the week.

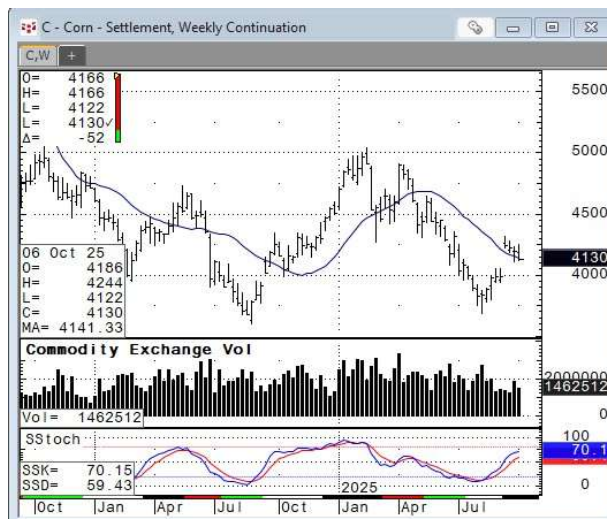


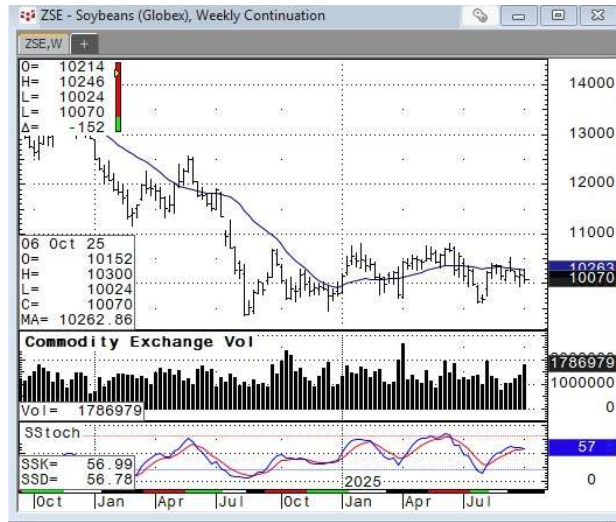
Grains

Thoughts on last week's trade – the first full week of shutdown, and what is happening this week. Friday was a bombardment of headlines with China tensions intensifying in a big way. It started Thursday with China further restricting the export of rare earth metals. Then Trump said the US may halt massive imports from China while saying he will discuss soybeans with Xi. In the overnight trade leading up to Friday's session, China said they would add retaliation levies on port fees for US ships. Following this, Trump threatened massive tariff increases and saying there was no reason to meet in Korea at the end of the month. Needless to say, everything got hit hard. Before Friday's trade, beans were a bit higher on the week with corn and wheat mixed. Everything ended under pressure with corn finishing the week down 6. Chgo was down 17 with KC down 14, and Mpls down 8. Beans were down 11 (closed 4 cents off the lows) while meal was down \$3.50 and oil lost 8 points (was up 155 mid-week). Oil had rallied during the week with support from firm world oils markets and expectations for a tightening Malaysian palm situation. MPOP released Sept data and stocks were 200 thousand above trade ideas. The aid package for producers will not happen until the gov't reopens and there is really no sign of when this may happen. Federal layoffs are expected to begin this week without a compromise reached, and the EPA is expected to be affected. This will likely just prolong clarification on the biofuels policies. The US ended up buying \$20 billion in Argentine pesos. The only good news was the cease fire agreement and expected release of hostages early this week.

Beans were able to hold 10.00 SX for now. Both CIF and interior bean basis firmed last week with most beans going into bins off the combine. The focus has shifted to corn harvest and we are likely going to face storage constraints which could add pressure to the corn market. Yields continue to be quite variable in corn with bean yields still holding up better than corn. Harvest weather looks generally favorable for the next week or so before a wetter pattern is forecast. We will get a NOPA crush report on Wednesday and it should be a record for Sept, possibly by 20 milbus. CONAB will update production for both old and new crops on Tuesday. Their previous bean crop estimate was 171.5 for old (USDA 169) and 177.7 for new (USDA 175.0). For corn they were 139.7 old (USDA 135.0) and 138.3 new (USDA 131.0). US corn remains competitive with SAM and we have yet to see offers out of Ukraine. We are likely still doing a decent amount of business. China's Ag Min lowered their corn import forecast to 6 mmt from 7 mmt previously a day after I wrote about it. The USDA is at 10 mmt.

Wheat made new lows across all markets. Southern Hemisphere crop ideas are getting bigger. Argentina is 22-23 mmt vs the USDA's 19.5 mmt. Russian estimates are edging closer to 88 mmt while USDA is at 85. It is a bit curious why Russian values are steady despite rising crop ideas. Matif didn't make new lows last week either. We will see if US wheat can stabilize below 500 or if world FOB values turn lower. I added the weekly charts for reference. Corn still has a gap to fill below the market.





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

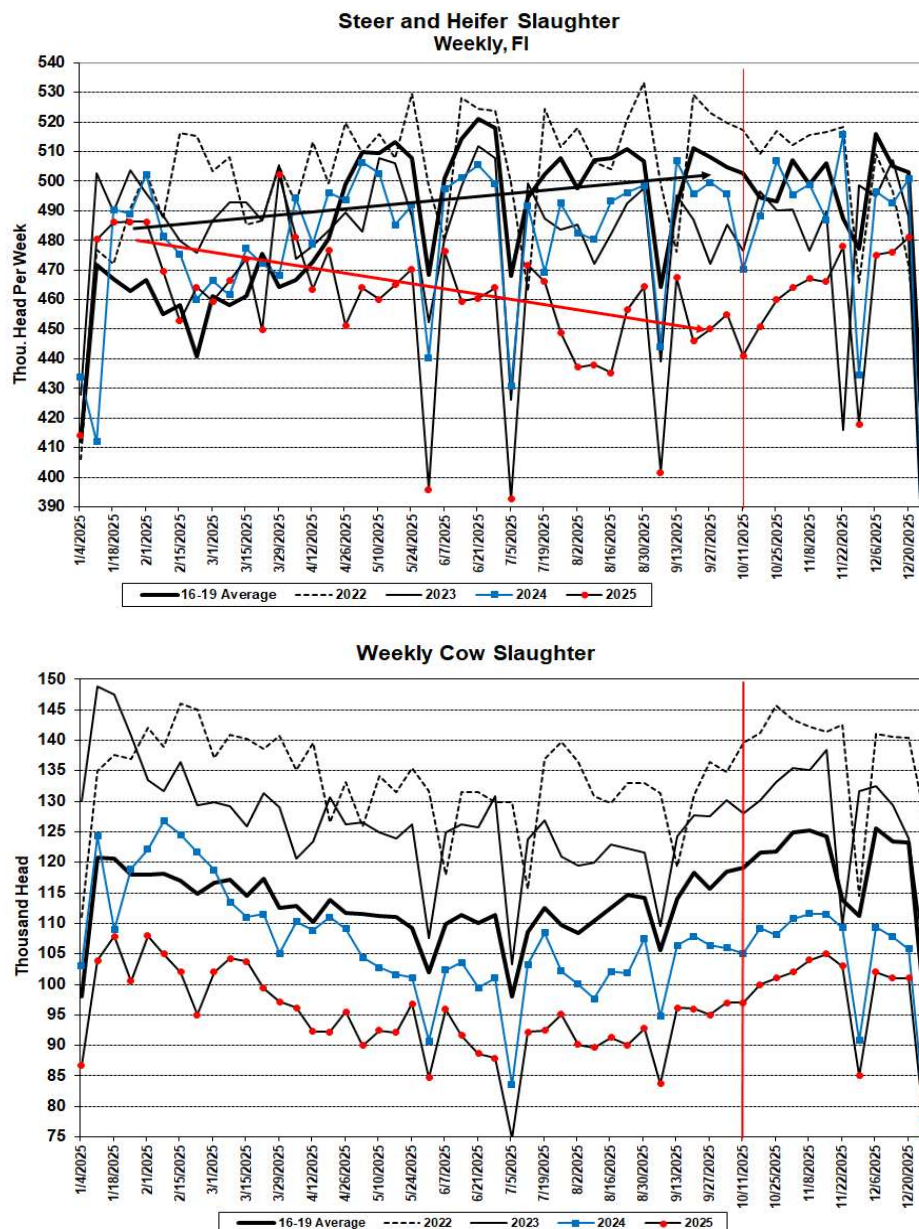
Last week's cattle slaughter reached 547,000 head, down 15,000 from the prior week and marking the lowest total since mid-August. This continues a trend of underperforming supply expectations, driven mainly by a counter-seasonal drop in the steer and heifer kill. This decline, ongoing since April, saw last week's fed kill at an estimated 440,000 head, compared to 455,000 the previous week and 470,000 a year ago. I project October's fed kill to be 8% below last year, following 10% and 9% drops in August and September, respectively. Despite ample market-ready cattle in feedlots, packers are holding back on slaughter volumes due to a sluggish beef market and rising purchase costs.

Feedlot inventories are running 1-2% below last year's levels, and it seems feedlots are opting to hold cattle longer. This is likely due to a weak basis, wide October/December and October/February spreads, low cost of gain (COG), and historically high breakeven costs for replacement cattle, all slowing the marketing pace.

On the cow side, we are seeing early signs of a seasonal uptick in slaughter. With this year's smaller calf crop being weaned, more beef cows are expected to hit the sale barn this fall as open cows are culled. Still, beef cow slaughter is down 15-

17% from last October. The dairy herd, however, is larger than last year, and even with lower culling rates, a slight year-over-year rise in dairy cow slaughter is expected.

The seasonal rise in non-fed slaughter is putting pressure on demand for end cuts like chucks and rounds, keeping their prices on the defensive despite smaller overall kills. The cautious approach from packers, driven by market conditions and cost pressures, is capping slaughter volumes. Meanwhile, feedlots' slower marketing reflects economic incentives to hold cattle. While a modest uptick in slaughter is expected as seasonal beef cow culling ramps up, the smaller fed kills and ongoing market dynamics point to continued constraints on beef supply and pricing in the near term.



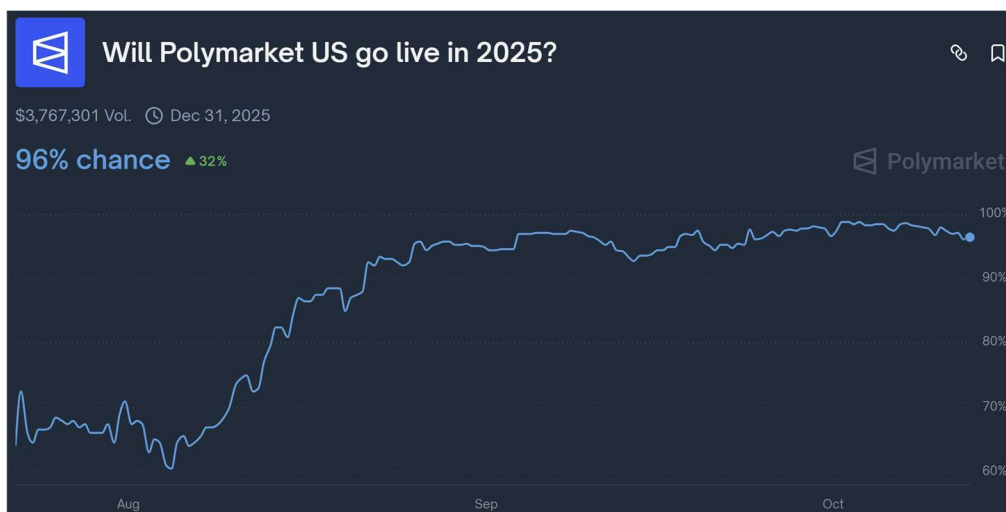
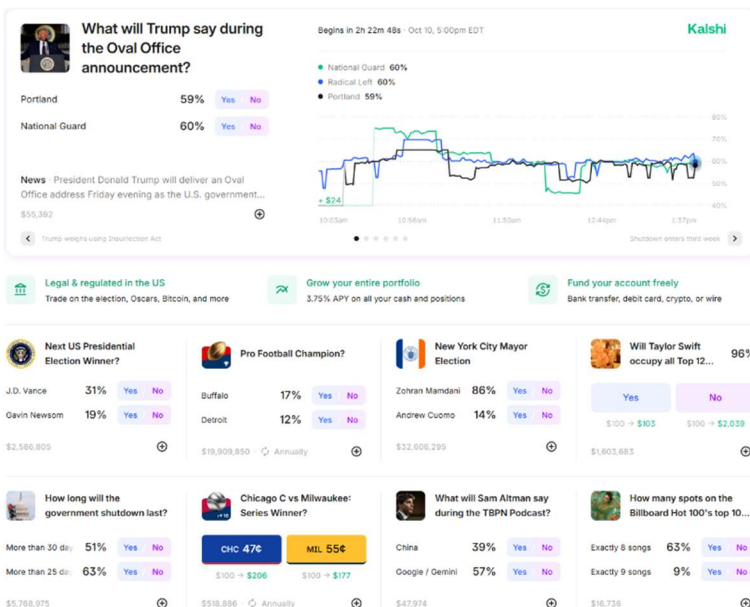
Livestock commentary provided by Ashley Lowe. For questions or comments, Ashley can be reached by email at ashley@nesvick.com or on Trillian at ashley@nesvick.com.

Financials

“Predictive Markets” seem to be, for better or for worse, changing the landscape of the financial markets, and big players are starting to take their own bets on the major players in this emerging space. Intercontinental Exchanges (ICE), owner of the NYSE, announced its plans to invest \$2 billion into Polymarket last week. This follows the CME Group’s investment into Kalshi and a newly-minted partnership with FanDuel to create a predictive market offering of its own.

Predictive/Prediction markets, also known as decision markets or event derivatives, are exchange-traded markets established for trading contracts, or bets, in the outcome of various events (often sports and political events). The price of these contracts fluctuates based on the market’s expected probability in that specific outcome; for instance, a \$1 contract for a high likelihood event outcome may have a market cost of 95 cents, while an unlikely outcome may have a cost of 10 cents.

Predictive markets have been shunned by regulators for several years. Polymarket, for instance, was created in 2020, but was quickly fined by the CFTC for a multitude of regulatory violations and received a cease-and-desist blocking all US activity on the platform. This pattern has recently shifted, however, as the CFTC recently approved Kalshi to be the first fully-regulated prediction market. While many see these prediction market offerings as gambling, the CFTC’s approval of Kalshi offers them a higher level of legitimacy as a financial instrument, and allows the platform to operate legally in all 50 states. Polymarket and other platforms are now hoping to follow the playbook of Kalshi’s regulatory success, and ICE’s \$2 billion investment shows confidence in Polymarket to become the next platform to be approved by the CFTC. In fact, it was expected that Polymarket would gain its approval last week, but this timeline has been delayed by the government shutdown. The Polymarket odds on “Will Polymarket US go live in 2025?” are currently holding steady at 96%.



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](https://trillian.im/zdavis@nesvick.com).

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

- CONAB – 7:00 AM
- Export Inspections – 10:00 AM
- Crop Progress – 3:00 PM

Thanks for reading,

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