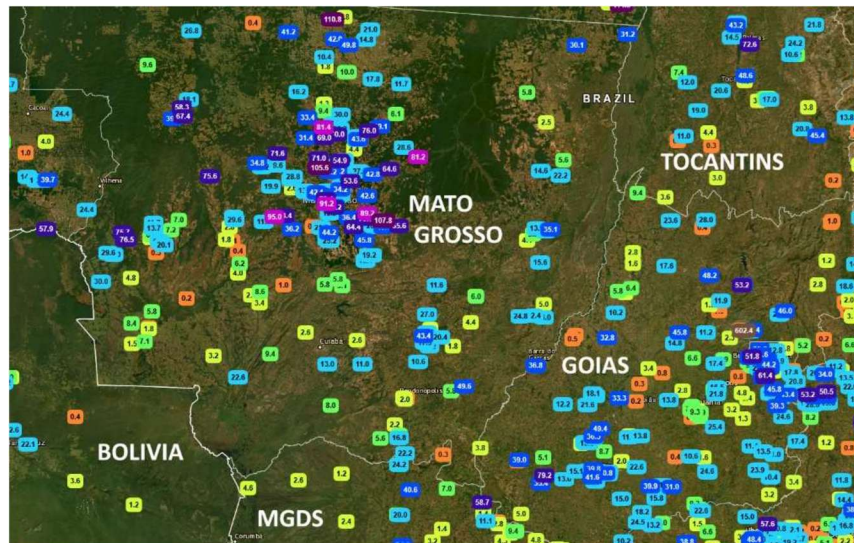


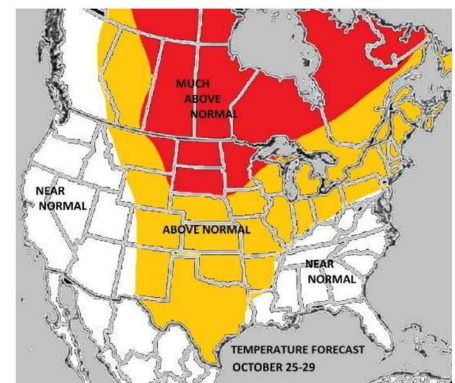
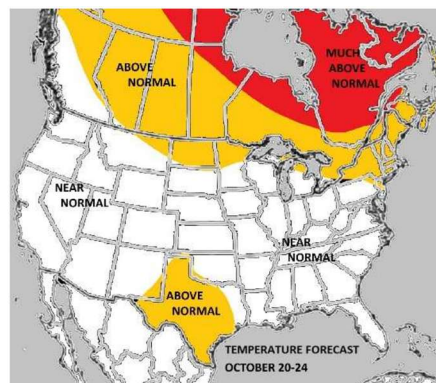
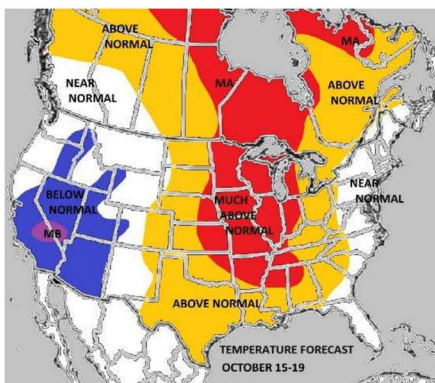
Weather

Rains have been falling in northern Brazil over the past few days, with regular chances for moisture expected to continue through about October 22. The wettest period still appears to be from October 18-22. However, the most significant change in the forecast is a major shift to a drier pattern from October 23 onwards, with models showing below-normal rainfall and many dry days. This means that any soybeans planted in the next week will likely have to endure a period with little to no additional rain. For southern Brazil and Paraguay, big rains are forecast from tonight into Saturday, and with no heat in the outlook, conditions are described as near-perfect. The Argentine forecast is unchanged, with mostly below-normal rainfall expected for another week before a wetter pattern returns around October 23.



4-day rainfall totals in northern Brazilian soybean growing areas (values are in mm)

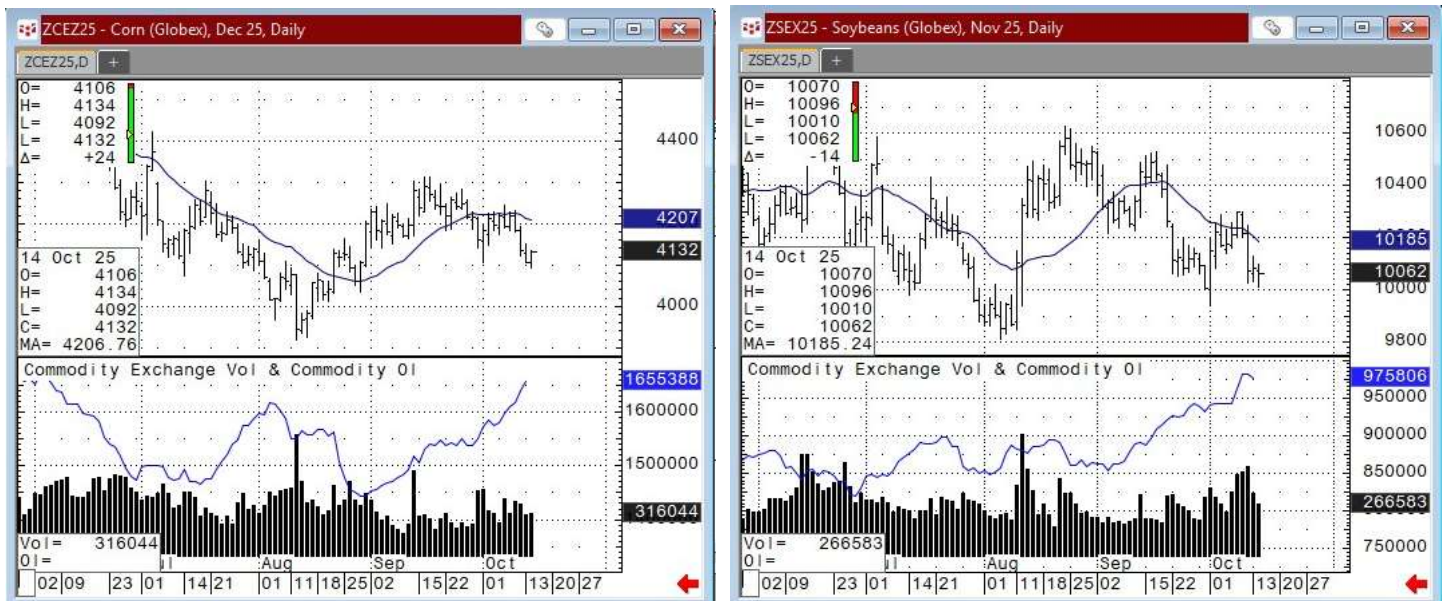
For the U.S., the forecast continues to show dry weather for the eastern Corn Belt and Mid-South through Friday, with rain and a threat of severe weather arriving over the weekend. A new and notable addition to the forecast is a period of especially dry weather for a full week for the middle of the country starting on Monday, October 20. The outlook for the southern Plains has trended drier once again, with 15-day rainfall totals now expected to be mostly below-normal, raising concerns for the winter wheat crop. There is still no cold weather in sight; instead, a period of exceptionally warm temperatures is expected for the middle of the country for the rest of this week, with some areas forecast to average 15+ degrees above normal. This easily continues what has already been one of the 10 warmest first halves of October on record for much of that area, and another stretch of above normal weather is expected in the 10-15 day window.



Grains

Just going to touch on market action and CONAB. Reversed course Tuesday in that grains were higher and soy was lower. China tensions ramped up a bit during the night session, mainly on the issue of port fees and reports that rare earth export licenses were getting harder to attain. Oil was under pressure in sympathy with weakness in crude oil and a lower palm oil market. Beans and oil clawed their way back to close slightly lower. There was no indication of getting any closer to the government reopening.

CONAB was rather ho-hum, similar to their preliminary forecast for the new crop. Beans were 177.64 mmt vs 177.68 last month and 171.5 year ago. USDA's most recent forecasts were 175 vs 169 last year. They forecast the next corn crop at 138.6 mmt vs 138.3 last month and 139.7 year ago. The USDA is expecting a decline next year to 131.0 and remains lower on last year's crop at 135.0 mmt. NOPA crush for September will be out today at 11 am. The average trade estimate is 186.3 milbus – compares to 189.8 in August and 177.3 a year ago. I have seen private estimates much higher, ranging from 194-199 milbus. The average trade estimate for oil stocks is 1220 mil pounds vs 1245 in Aug and 1066 a year ago.



Wheat showed independent strength – was hard to pinpoint anything specific, but Chgo and KC made new lows overnight and then finished higher. There is nothing bullish in the wheat balance sheets, but maybe all of the bearishness is priced in for now? Also, Russian wheat has been holding near \$230/ton despite their crop edging up to 88 mmt as well as the Southern Hemisphere crops getting bigger. It was pointed out to me that Chgo open interest is up significantly since the shutdown started. That grabbed my attention, especially since it has seemed so quiet and the ranges have been tight. Chgo open interest is up 50 thousand contracts since Sept 30 with KC up 26k. Corn open interest is up 10k. Corn has been averaging a 4-5 cent range since then with beans about 10 cents. Open interest in beans is up 43 thousand and meal is up 40 thousand. Oil is the laggard, “only” up 8 thousand. Wondering if we have added new shorts since the shutdown. Seasonally we do tend to firm in October, which could be different this year with the trade war/tweets and lack of solid data. But if we don't continue lower, new shorts could be trapped under 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

From June to October, the Live Cattle market has posted a series of higher highs in price. However, over the same period, the rise in price has been accompanied by a consistent decline in total open interest. This pattern indicates that the current uptrend is losing momentum. Rising prices on falling open interest suggest that capital is exiting the market, a signal that the conviction of bullish market participants is faltering. A divergence like this could indicate that we may be coming to the end of the upward trend. That being said, it's pretty hard to jump in front of a moving train and live to tell the tale.



In contrast, the Feeder Cattle market appears considerably more robust. This chart displays a pattern where both price and total open interest have both been trending higher together. This alignment of price and open interest signals that capital is continuing to flow into the market, indicating stronger conviction behind this upward move in Feeder Cattle than in Live Cattle. This pattern seems to suggest that the upward trend for Feeders remains intact and has further upside potential.

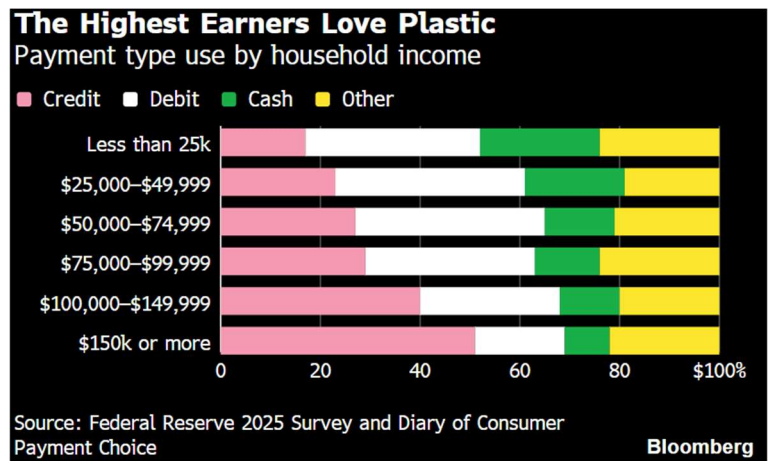
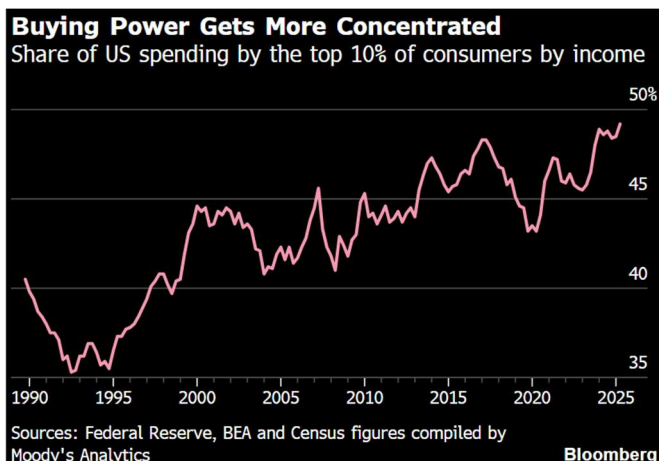


Livestock commentary provided by Zachary Davis. For questions or comments, Zachary can be reached by email at zdavis@nesvick.com or on Trillian at zdavis@nesvick.com.

Financials

A battle has been escalating between premium credit card issuers, notably American Express and JPMorgan Chase, to capture the increasingly valuable affluent consumer segment. This "perks war," characterized by exclusive events and lounges, service and product credits, and rising annual card fees is not merely a contest for market share; it's a direct response to a significant macroeconomic shift in consumer spending power.

The primary driver of this intense competition is the growing concentration of wealth. The top 10% of US households now account for nearly half of the country's consumer purchases, and these higher income households are much more likely to use credit cards for purchases than those with lower incomes. Given this reality, securing the loyalty of this demographic has become a critical objective for these financial institutions.



The business model for this segment has pivoted away from reliance on interest revenue, as these households typically pay their balances in full. Instead, profitability is driven by two core components:

1. Substantial Annual Fees: Issuers have started aggressively increased fees, with flagship cards from Amex and Chase now costing \$895 and \$795, respectively.
2. Transaction Volume: Banks earn significant processing fees from the sheer volume of spending conducted by these high-earning customers.

This model also serves a strategic, risk-mitigating purpose. By framing the high annual fee as a subscription for a suite of services and perks, issuers are able to hedge against the possibility of future US regulatory caps on transaction fees, similar to the regulations in Europe. The acquisitions of platforms like Resy and The Infatuation, alongside the expansion of proprietary airport lounges, represent a strategy to build a durable, profitable ecosystem around a small but increasingly valuable segment of the American economy.

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)

- MBA Mortgage Applications – 6:00 AM
- NOPA Crush – 11:00 AM
- Fed Beige Book – 1:00 PM

Thanks for reading,

Zachary Davis
zdavis@nesvick.com
(901) 604-7712
Trillian IM: zdavis@nesvick.com

Bloomberg IB: zrdavis@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.