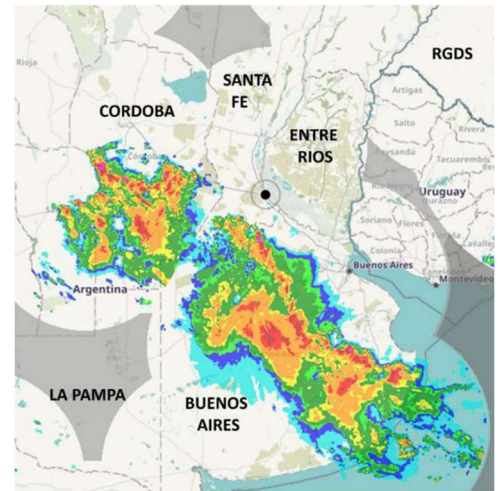


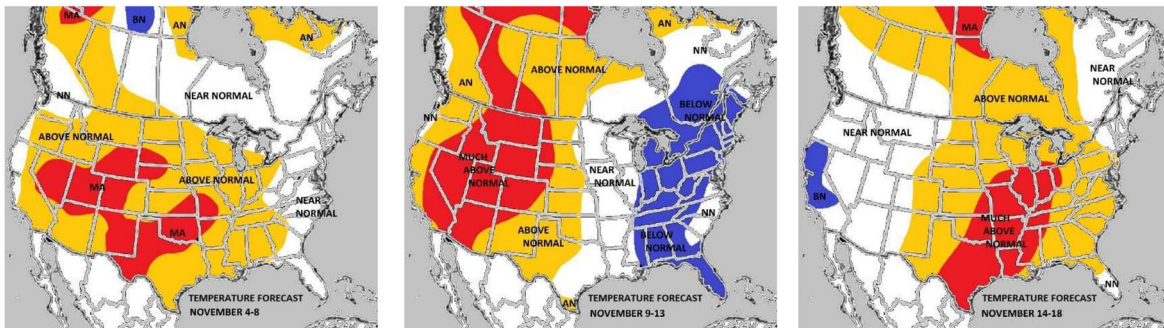
Weather

The forecast for northern Brazil remains largely unchanged, continuing to call for a daily pattern of scattered thunderstorms over the next 15 days. This pattern is expected to deliver mostly near-normal rainfall totals of 2.50-5.00 inches, which follows the recent beneficial rains and should allow for a continued expansion of planting, though some below-normal amounts are possible in the MaToPiBa region. The most significant development is in southern Brazil and Paraguay, where a powerful storm is now expected to impact the region later Thursday night into Friday. This powerful system is forecast to bring heavy rain and likely severe weather, with Rio Grande do Sul expected to get the worst of this event. The forecast for Argentina is steady, with close-to-normal rainfall expected to be wettest through Friday, and a notable cool-down for November 6-9, with temperatures 10+ degrees below-normal, also remains in the outlook.



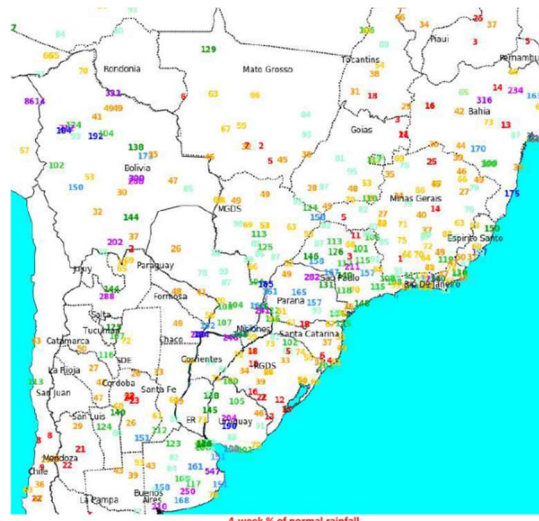
Argentine radar picture as of 3:30 AM CST

The U.S. forecast remains defined by an exceptionally dry pattern for the middle of the country, expected to last through November 14. This pattern continues to show a complete lack of rain for the HRW wheat belt and amounts under half of normal for the western Corn Belt, Mid-South, and Southeast. The most significant change to the U.S. forecast is the introduction of an impressive cold shot expected to impact the eastern Plains and areas to the east from November 9-11, with large areas forecast to run 10+ degrees below-normal during that period. This new cold is forecast ahead of a major pattern change, which models are now "emphatically" calling for, expected around November 15; this trough west/ridge east pattern is expected to bring a much stormier and wetter 11-15 day period to the middle of the country.



Grains

Going to go through some market tidbits/weather highlights and the Stone X production estimates. It was a volatile start to the week with markets firm overnight Sun and then setting back only to come roaring back. It is fitting that Oilshare had a sizable comeback after I highlighted its weakness. Flat price oil may have gotten low enough for now. I still expect further strength in meal, but crush margins got hit and beans and bean spreads were the leaders. There was news out that China was back to buying Brazilian beans – for both Dec and Mch-Jly. The spread has come in considerably and landed Brazil may be cheaper. But the market took it the news in stride. We still need to source beans and harvest is done with much of the crop thought to go straight to storage. It feels like we have trapped shorts below the market that “sold the news” after the China agreement was made. There is expected to be a signed agreement this week, and this needs to happen. The wetter pattern is underway in central and northern Brazil with scattered rains forecast over the next couple weeks and nice amounts seen the last few days. This also needs to happen as Goias and Mato Grosso had the driest Oct since 1980. The planting pace in Goias is lagging considerably and the overall pace fell behind year ago according to Ag Rural (now 47% vs 54 a year ago). Parana had major storms/hail over the weekend and we may be talking about parts of southern Brazil being too wet as the forecast has more rain the next couple weeks with heaviest amounts expected over the next 5 days.



Stone X released their yield estimates. They forecast corn at 186.0 bu/a, up slightly from 185.9 last month. They lowered IA, IL, and MO but raised the Dakotas and MN. I maintain that they are too high on IA and IL, but at least now we can get an indication from the USDA next week. For beans, they lowered slightly to 53.6 bu/a from 53.9 which is line with my ideas. I'm attaching a corn and a bean S&D with these yields and the USDA usage along with my forecasts. The corn S&D remains unexciting while beans continue to look snug.

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	Stone X 25/26
Planted Area	76.1	83.4	87.2	87.5	83.6	87.3	87.3	81.1	81.1	84.5	81.1
Harvested Area	74.9	82.6	86.3	86.2	82.3	86.2	86.2	80.3	80.3	83.5	80.3
Yield	47.4	51.0	51.7	49.6	50.6	50.7	50.7	53.1	53.5	53.5	53.6
Carryin	925	538	257	274	264	342	342	316	316	262	316
Production	3552	4216	4464	4270	4162	4374	4374	4263	4301	4467	4303
Imports	15	20	16	25	21	25	27	20	20	20	20
Total Supply	4492	4774	4737	4569	4446	4742	4744	4598	4637	4749	4639
Crush	2165	2141	2204	2212	2285	2445	2430	2550	2555	2650	2555
Exports	1679	2266	2152	1980	1700	1875	1875	1685	1685	1750	1685
Seed	97	101	102	72	75	70	70	73	73	75	73
Residual	15	9	5	41	44	36	53	29	37	20	37
Total Usage	3956	4517	4463	4304	4104	4426	4428	4337	4350	4495	4350
Carryout	538	257	274	264	342	316	316	262	286	255	289
Carryout % Use	13.6%	5.7%	6.1%	6.1%	8.3%	7.1%	7.1%	6.0%	6.6%	5.7%	6.6%

CORN: U.S. SUPPLY AND DEMAND (September - August Marketing Year)													
								12-Sep	12-Sep	Initial	Stone X		
	18/19	19/20	20/21	21/22	22/23	23/24	24/25	24/25	25/26	26/27	25/26		
							MB	USDA	MB	USDA	MB		
Planted Acres	88.9	89.7	90.7	92.9	88.2	94.6	90.9	90.9	98.7	98.7	95.0	98.7	
Harvested Acres	81.3	81.3	82.3	85.0	78.7	86.5	83.0	83.0	90.0	90.0	86.0	90.0	
Yield (Bu/Ac)	176.4	167.5	171.4	176.7	173.4	177.3	179.3	179.3	180.9	186.7	183.5	186.0	
Begin Stocks	2140	2221	1919	1235	1377	1360	1763	1763	1533	1533	1999	1533	
Production	14340	13620	14111	15018	13651	15341	14892	14892	16286	16814	15781	16748	
Total Supply	16508	15883	16055	16277	15067	16729	16679	16675	17844	18372	17805	18306	
Exports	2066	1777	2747	2472	1662	2255	2850	2830	2776	2975	2800	2975	
Feed Use	5429	5900	5607	5671	5486	5832	5476	5492	6100	6100	6000	6100	
Food/Ind/Seed	6793	6286	6467	6757	6558	6879	6820	6820	6970	6980	7000	6980	
Ind Use-Swmt/Star	1090												
Ind Use-Bevg/Mfg A	150												
Ind Use-Fuel Alcoh	5378	4857	5028	5320	5176	5489	5450	5435	5600	5600	5700	5600	
Food/Seed	240												
Total Usage	14288	13963	14821	14900	13707	14966	15145	15142	15846	16055	15800	16055	
End Stocks	2221	1919	1235	1377	1360	1763	1533	1533	1999	2318	2005	2251	
End Stks/Use %	15.5%	13.7%	8.3%	9.2%	9.9%	11.8%	10.1%	10.1%	12.6%	14.4%	12.7%	14.0%	

Wheat was also a leader again Monday on further reports that China bought US soft white. Chgo was the strongest of the three US markets and Matif was up the equivalent of about 3-4 cents. CIF SRW was firm Monday. US wheat has been pricing itself out of the market, but we don't know the depths of China's needs/potential crop problem, and the market is still thought to be short.

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

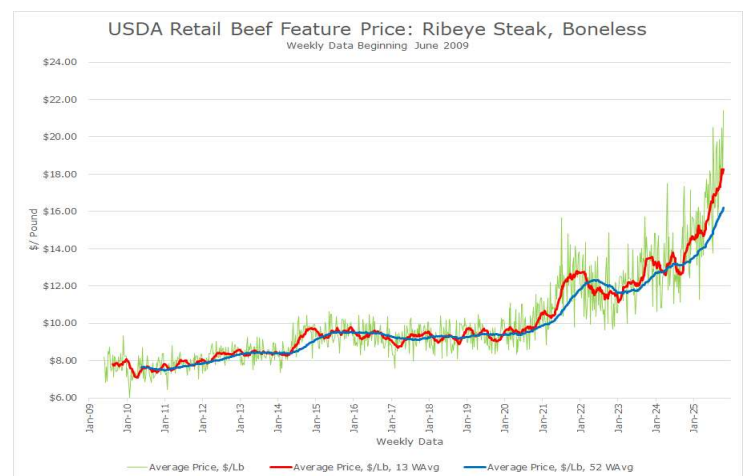
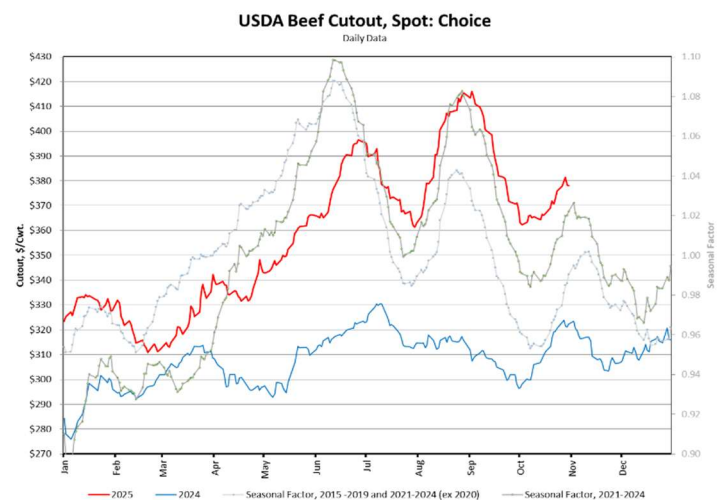
Beef prices have been in the news nearly every week recently, even on *60 Minutes* Sunday night. According to the Trump Administration, prices are high, but they are "working on bringing them down." As we have written in past weeks, their announcement about Argentina is expected to have limited to no effect on US beef prices. This leads us to ask if the Administration is making things up as they go along or if there is another announcement coming this week about how they plan to do this.

Wholesale beef prices have come down approximately 10% since their late-August/early-September top. The collapse in prices during September came mostly from the end cuts (chucks and rounds) and fat trimmings prices, while holiday cuts (ribeyes and tenderloins) held steady. As you can see in the chart to the right, this recent increase in prices into early November is very seasonal and is being supported by hopes that demand will be strong for ribeyes and tenderloins into the holidays.

What is concerning is that while wholesale prices have eroded from their late summer highs, retail prices have continued to move higher. Consumer demand begins and ends with what they see at the retail counter, and prices at retail have not budged despite some relief at the wholesale level. Talk in the cash trade this week is that packers have a plentiful supply of end cuts and ground beef they need to move and are looking for bids. Soon, the demand for holiday-traded items will be behind us, and those items will move lower as well. This is what creates that strong seasonal down-trend from early November into mid-December.

We are very concerned that holiday demand for ribeyes and tenderloins will follow the same pattern that chuck rolls and round cuts found in September, which was not good. If that is true, we will see ribeyes fall to \$9/lbs (they are \$15 today) and tenderloins will fall to sub-\$14/lbs (they are \$20/lbs today). Taking \$0.50/lbs off all the end cuts and ground beef items gives us an implied cutout at the \$345 area for the middle of December. This compares to choice beef prices today that are at \$380.

Beef prices today are at \$380, and cattle prices last week were roughly \$236 in the south and \$230 in the north. Packer margins are roughly -\$100/hd. If beef prices move to \$345 and packer margins remain at -\$100/hd, that would imply cattle



prices might be \$215. Meanwhile, the market is expecting cash trade to be +\$5.00 this week, to \$235 in the north and \$240 in the south. If this happens and prices remain there, that implies packer margins would be looking at -\$400/hd for what those cattle might actually get sold for in the beef into early December.

Livestock commentary provided by Scott Shepard. For questions or comments, Scott can be reached by email at scott@mnrcapital.us or on Trillian at scott@nesvick.com.

Financials

There's been a lot of news around Nvidia over the last few days to discuss. The big news is that, as of last Wednesday, Nvidia is the first company in history to record a market value of \$5 trillion. Since the launch of ChatGPT, NVDA's market cap has increased at a break-neck pace. It took over 24 years for Nvidia to reach its \$1 trillion milestone in 2023, but accelerated from that \$1 trillion valuation to a \$5 trillion valuation in just 2 years. Its most recent trillion dollar move took only 4 months.



However, hot on the heels of Nvidia reaching its record market cap, the Trump Administration shut down Nvidia's hopes of selling its newest generation Blackwell AI chips to China. Several top officials in the administration have warned against allowing sales of current generation chips to China, as this technology would be a boost for China's AI capabilities and a potential threat for national security. Jensen Huang, Nvidia's CEO, has discussed several times with Trump the possibility of re-opening up China sales of current generation chips, which would potentially be worth tens of billions of dollars in sales for the company. Trump ultimately decided to follow the advice of his advisers, blocking state-of-the-art Nvidia chips from export to China, although he is looking to allow the sale of less powerful or older chips to China.

The news turned back in Nvidia's favor this morning though, with Amazon announcing that it has inked a \$38 billion deal with OpenAI to provide cloud compute built on hundreds of thousands of Nvidia GPUs. This marks Amazon's first major foray into AI cloud compute outside its own Alexa AI models, and will require significant investment into the latest Nvidia chips to meet the targeted server capacity of the deal by the end of next year. This news caused NVDA shares to rise 3.3% as the market opened, before slipping back a touch and settling at the close up 2.25% on the day. The AI circular economy won't go on forever, but it appears to still be working for now.

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

- CONAB Sugar Production – 6:00 AM
- JOLTS Job Data – 9:00 AM
- Factory Orders/Durable Goods – 9:00 AM

Thanks for reading,

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