Monday, November 17, 2025

NTG Morning Comments

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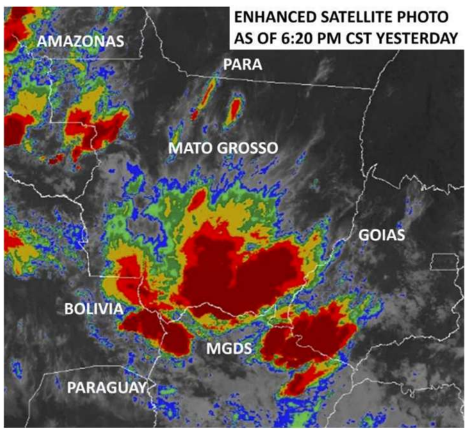
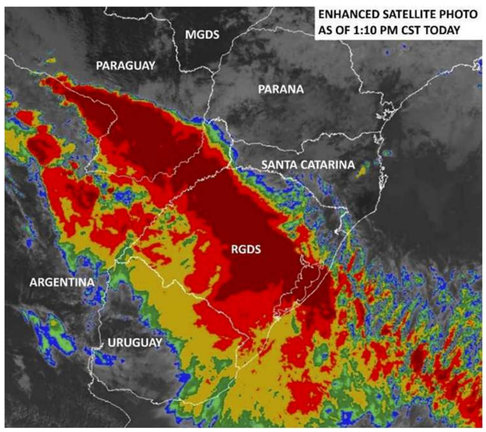
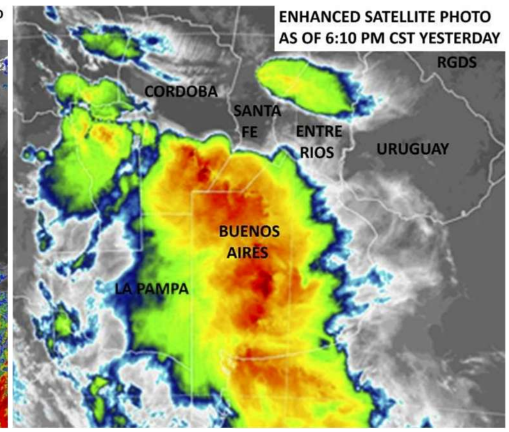
Weather

For northern Brazil, scattered thunderstorms continue on a daily basis, but coverage will remain poor through Tuesday for key regions like eastern Mato Grosso, northern Goiás, and the MaToPiBa region. This dryness is coupled with significant heat in Week One, with temperatures averaging 5+ degrees above normal. A more active and wetter pattern is expected to begin on Wednesday, eventually encompassing the entire region and bringing 15-day rainfall totals to near-normal levels, and even above-normal for the MaToPiBa region. IMEA reported that soybean planting in Mato Grosso was 96.36% done as of this past Friday, compared with last year's 98.98% and the 5-year average of 97.01%. Soybean areas in southern Brazil and Paraguay are experiencing big thunderstorms and heavy rains through this morning, with many spots seeing over 2 inches; this marks the third consecutive weekend of severe weather. Following this event, a drier pattern is set to begin, which will be welcome as conditions had become "too wet". In Argentina, heavier-than-expected rains fell over the weekend, but the 15-day forecast is not wet, with totals expected to run near- to below-normal. This rain was beneficial for most of the country, but was not good news for Buenos Aires.







The U.S. forecast features a major pattern shift from the completely dry first half of November to a much wetter second half, with rainfall expected to be well above-normal. An active and stormy 15-day period begins with light rains in the Corn Belt this afternoon and a notable storm Wednesday night through Friday; the Ohio Valley should expect 2-4 inches. This pattern remains warm through November 26, but forecasts show clear colder trends for November 28 and beyond, with the strong possibility of a major snow in the 11-15 day period. The Mid-South and Southeast will see a stormy and wet pattern takes hold mid-week, with heavy rains of 2-4 inches and a threat of severe weather developing for the Mid-South. For the southern Plains/HRW wheat belt, an active pattern will begin Wednesday, bringing rain and thunderstorms. This area will turn much colder after November 26, and faces the possibility of a major snowstorm in the 11-15 day window.

Grains

After the long-awaited release of new data from the USDA in Friday's (Nov 14th) WASDE Report, the first since the September WASDE before the government shutdown, I thought it would be worth briefly reviewing the corn and soybean data, and the market impact of this data. Here is a table showing the yield and production estimates from the Sept. WASDE, the Nov. StoneX and S&P Global reports, the analysts before the Nov. WASDE report, and the official USDA Nov. WASDE. Also, before getting into the data, it is worth mentioning that after the release of the WASDE report, the USDA released a statement that data to produce the November report was limited compared to a normal report, but did not provide details as to what exactly was missing; as such, we should hold less confidence in this data than a normal WASDE report.

Crop Production Estimates

Crop	Yield (Bushels/Acre)					Production (Million Bushels)				
	USDA - Sept.	USDA Analyst Est. - Nov.	USDA - Nov.	StoneX - Nov.	S&P Global - Nov.	USDA - Sept.	USDA Analyst Est. - Nov.	USDA - Nov.	StoneX - Nov.	S&P Global - Nov.
Corn	186.7	184.0	**186.0**	186.0	185.5	16,814	16,557	**16,752**	16,748	16,803
Soybeans	53.5	53.1	**53.0**	53.6	53.0	4,301	4,266	**4,253**	4,303	4,260

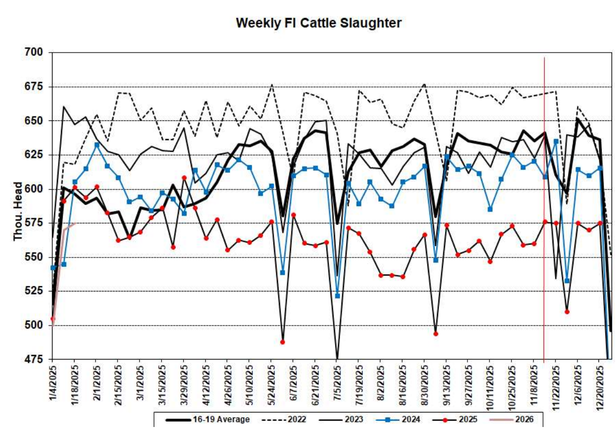
The corn market received a decisively bearish surprise, sending futures sharply lower. The primary driver was the USDA's modest yield reduction to 186.0 bushels per acre. This figure came in well above the analyst consensus of 184.0 bu/a – at least half a bushel per acre above all but 2 of the 26 analyst estimates compiled by Bloomberg – and as a significant disappointment to traders expecting that 2.7 bu/a cut, effectively removing much of the bullish fuel from the market. Notably, the USDA's final number was precisely in line with the StoneX estimate of 186.0 bu/a and slightly above S&P Global's 185.5 bu/a; many in the market considered these yield estimates to be higher than the actual yield, as I mentioned earlier this month after those releases. This alignment with the private estimates reinforced the bearish reaction, as the market had failed to fully price in this higher yield when those private numbers were released.

For soybeans, the report was largely considered neutral, with the USDA's 53.0 bu/a yield landing in line with analyst estimates of 53.1 bu/a. Here, the USDA's 53.0 bu/a figure exactly matched the S&P Global estimate, though it was considerably lower than the 53.6 bu/aa estimate from StoneX. However, the soybean market also finished sharply down. Having rallied significantly over the past four weeks, the market was looking for a more bullish report to sustain momentum; this lack of any new bullish news, combined with concerns over Chinese demand (which has still yet to come, other than those initial few cargoes), weighed on sentiment.

Grains 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.*

Livestock

Total cattle slaughter came in at 576k head last week, at the top end of the expected range – and up a solid 16k from the previous week. That's a pretty sizeable kill compared to what we have been seeing. Non-holiday kills should settle in around this 575k-ish level heading into early 2026, but out of the next seven weeks, we have three holiday shortened kill weeks (Thanksgiving, Christmas, and New Year's) and volumes are expected to drop hard during those weeks. November is still on pace to average ~7% below last year, which should be no surprise with fewer beef cows and tighter fed cattle numbers. Beef cow slaughter last week was estimated at 52k head, possibly the fall peak. Dairy cow slaughter was estimated at 54k as they continue to run consistententely above average due to a larger dairy herd and still pretty modest culling rates. Once we get past the holidays, dairy cow slaughter is expected to be the backbone of the non-fed slaughter – especially since most livestock auction barns will shut down during the last half of December. Non-fed kill will rely on dairy numbers more than usual during late December and early January.



On the fed side, kill jumped to 461k last week, up from 449k the past two weeks. Most are expecting a 460-465k non holiday kill through early January then we should see the typical mid-winter ease toward a low around 440-445k. We also cant rule out weather disruptions. After that, numbers should begin to inch higher seasonally into spring. Considering what we have placed this fall, I do not expect market ready fed cattle supplies to be burdensome for early 2026. The blended cutout should average ~373 last week, heading for ~360-365ish. Of course it can go lower, but should it? Cash in the south traded 228 last week which was 3-4 lower than the previous. Basis is strong, weights are heavy, packer will be buying for a short kill week next week, so expect live cattle cash to be steady to weak. One last thing, no weekly actual kills from the USDA since mid-September. Everything above is estimated. No clue when they will backfill the data. Frustrating, but that is where we are at. As always, keep your head on a swivel for headline risk, as it seems that has been driving the market mentality more than fundamentals.

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.*

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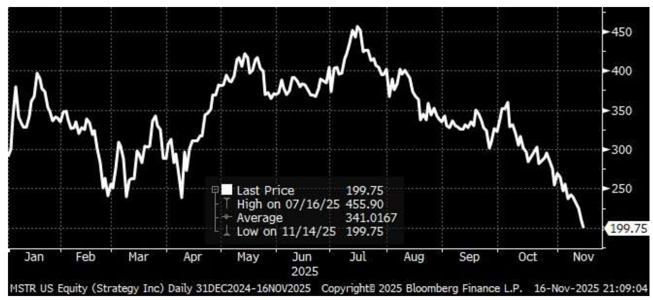
Financials

Recent market volatility, especially in crypto, points to a macro-level shift in risk appetite. The sharp selloff in Bitcoin, which has now erased all of its 2025 gains, should be seen as a canary in the coal mine for a broader market risk-off move.

This decline isn't an isolated event. It appears to be a direct consequence of macro-level uncertainty, likely set off by unexpected tariff comments that sent global markets into a tailspin. The most critical portion of this shift is the clear disengagement of institutional capital. The major buyers who fueled the 2025 rally, from ETF allocators to corporate treasuries, have quietly stepped back; this is significant because these institutions were seen as the backbone of the asset's legitimacy, reframing it as a portfolio diversifier and a hedge. This narrative, at least in the short term, seems to be breaking down.



This move away from speculative assets isn't happening in a vacuum. It lines up with the recent cooling of high-flying technology stocks and a general skepticism around capital deployment surrounding the AI industry, indicating a systemic reduction in market-wide risk appetite. Even MSTR (Strategy Inc.), largely considered a bitcoin proxy due to its large holdings, is nearing value parity to its bitcoin holdings rather than being valued well above the value of its bitcoin stash.

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)

- Export Inspections – 10:00 AM
- NOPA Crush – 11:00 AM
- Crop Progress – 3:00 PM

Thanks for reading,

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