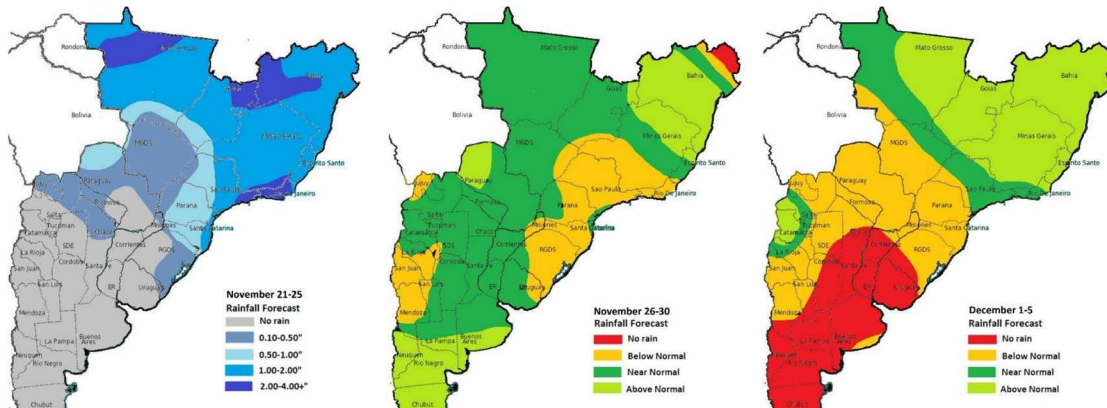
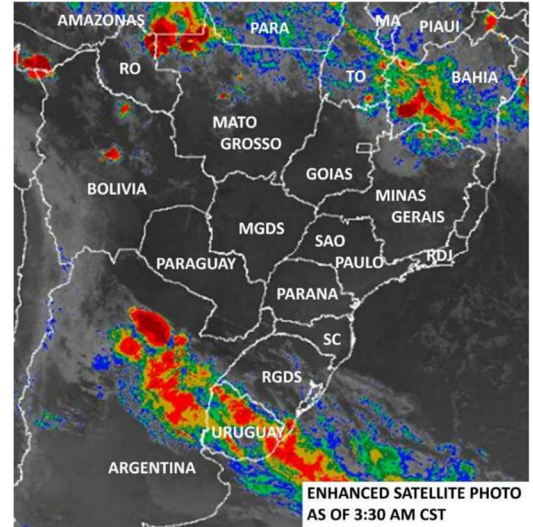


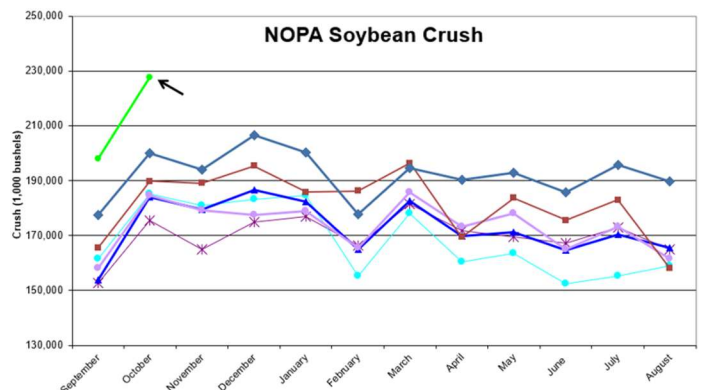
Weather

Rainfall has initiated in the MaToPiBa region and northern Argentina this morning, but the broader forecast features a staggering divergence between weather models; the European model is forecasting inundating rains for northern Brazil over the next 15 days, whereas the GFS restricts the heaviest anomalies to Bahia, though a blend of the two still points to widespread 4-7 inch totals that will eliminate dryness concerns. The precipitation pattern is expected to evolve from concentrated activity in the MaToPiBa and northern Mato Grosso through the weekend to a southward expansion that covers southern Mato Grosso, Goiás, and Minas Gerais by Monday or Tuesday. In contrast, southern Brazil and Paraguay are entering a period of limited moisture where heavy rains are notably absent; Rio Grande do Sul is expected to remain largely dry until light rains appear around November 29-30, followed by another dry spell to start December. Argentina's forecast features a confirmed dry window extending through November 27, and while decent rains are targeted for November 28-30, they will be followed by a return to dry conditions for the December 1-5 period. Temperature volatility will be high in Argentina, where "normal" average readings will be the result of significant heat during November 24-27 being offset by distinct cool spells.



Grains

Just going to going through some odds and ends and try to make sense of the action this week. We surprisingly continued the rally Monday with a strong outside day in beans on reports of additional China buying. There have since been dailies totaling 1.6 mmt to China. There was also a report of 132 tmt white wheat to China. We had a NOPA stocks report for Oct that was off the charts, well above even the highest trade idea (there was a very wide range). It was a record for Oct and for any month at 227.6 milbus and implied both meal and oil demand was off the charts.



Markets have since set back in consolidating trade. We had a few bearish announcements. The EU voted to delay the implementation of EUDR, which essentially allows Brazilian products into the EU freely for another year. The EU had been buying US meal leading up to this as it was supposed to start in December. Futures and meal spreads have lost \$15 and \$8/ton respectively. Then Trump announced he may delay the cuts in subsidies for imported biofuels by 1-2 years. This

hit the bean oil market hard in the midst of a firm session Wed. We continue to get sales announcements for beans to China, but it is thought these are for reserves as US beans are still the most expensive, even after this correction.

S&P Global (Informa) released updated acreage forecasts for 26/27, pegging corn at 95.0 (up 500 thous from previous) and beans at 84.5 mil (down 500 thous from previous). From this year, corn would be down 3.7 mil with beans up 3.4 mil. This is very similar to my initial expectations. Some in the trade are throwing around a 5-6 mil acre switch. The USDA typically puts out "baseline" S&D's in Nov that show an initial acreage forecast for new crop. It is unclear if/when this will be released this year given the shutdown.

Winter wheat ratings were released this week and showed 45% of the crop in G/E condition, 36 Fair, and 19 P/VP. This compares to 46/36/15 at the same time last year. TX, MT, IL, MO were the states that stood out below year ago. Table attached for reference.

Winter Wheat Crop Ratings			
Good-Excellent/Fair/Poor-Very Poor			
	Nov 16, 2025	Nov 17, 2024	Nov 19, 2023
KS	56/34/10	49/39/12	33/35/32
OK	39/32/29	37/45/18	44/45/11
TX	23/40/37	47/31/22	45/35/20
CO	68/17/15	65/22/13	61/31/8
NE	54/37/9	34/39/27	54/37/9
MT	6/65/29	35/50/15	58/37/5
OH	63/29/8	59/36/5	84/14/2
IL	53/29/18	75/20/5	82/15/3
IN	69/25/6	64/30/6	71/23/6
MO	64/34/2	72/25/3	61/33/6
AR	54/42/4	45/47/8	54/34/12
Total	45/36/19	49/36/15	48/35/17

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

The Cattle on Feed report to be released this afternoon will contain a double-dose of feedlot data; the usual placement and marketing activity for the previous month (Oct.) along with the delayed data for Sept., including a breakout of steers and heifers on feed Oct. 1. In general, the report(s) are expected to indicate: 1) Smaller feedlot placements, continuing a persistent pattern which began last spring; 2) Smaller feedlot marketings, also a persistent pattern of recent months; 3) Only a modest decline in feedlot inventories, despite much smaller placements in recent months; 4) Large front-end supply of long-day cattle at record heavy weights; 5) Wide geographic dispersion of feedlot inventories—record large in the North and historically small in the South; and 6) Significantly fewer heifers on feed, signaling modest heifer retention.

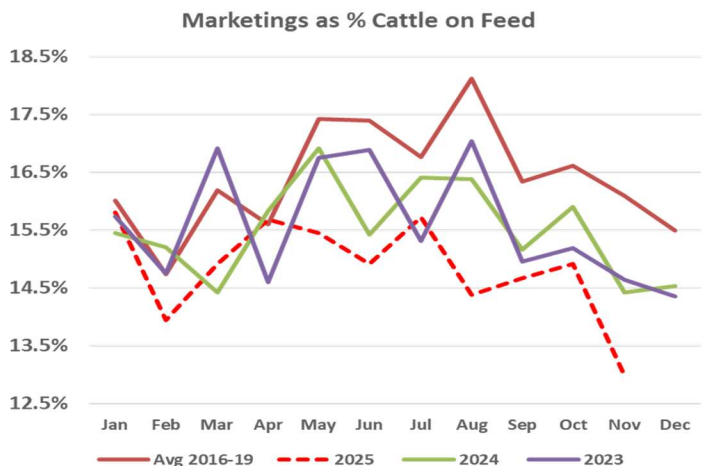
Cattle on Feed				
	Actual	MBS Research	Trade Average*	Range
November 1 Cattle on Feed		97.5	97.7	96.9 - 98.6
October Placements		91	91.6	89.5 - 95.5
October Marketings		92	92.3	92.0 - 93.1

* Expana Markets

Cattle on Feed				
	Actual	MBS Research	Trade Average*	Range
October 1 Cattle on Feed		98	98.1	97.4 - 98.4
September Placements		91	91.4	88.1 - 94.0
September Marketings		96	96.0	93.0 - 96.9

* Expana Markets

Over the past six months, feedlot placements have plunged over 8% or nearly a million head below a year earlier. Yet feedlot inventories on November 1 may be only 300,000 head below last year. The divergence between placements and inventories has been driven by a similar, concurrent decline in feedlot marketings over the past six months—also plunging nearly 8% or 850,000 head below a year earlier. Feedlot marketings as a percent of the inventory at the beginning of the month has been record small since late July and has continued through November. Despite the persistent media rhetoric about tight supplies, the November 1 feedlot count is only about 300,000 head below the record large November 1 feedlot count posted in 2020. In short, marketings have been small, but feedlot inventories are not and the result is a record large inventory of cattle on feed over 150 days, over 500,000 head or more than 20% larger than last year. This large



front-end supply at record heavy carcass weights, along with political uncertainty regarding trade policies, has cast a dark cloud over the cattle and feeder cattle markets and has severely constrained the marketing flexibility and leverage displayed by the cattle feeder in recent months.

The number of heifers on feed October 1 is estimated near 4.375 mil head, down about 5% from last year and the smallest since 2018. That would be about 38% of the feedlot inventory, well below the 40% of recent years and also more anecdotal affirmation of a modest rise in heifer retention. It's increasingly apparent that implied heifer retention is far short of the levels that spurred a rapid increase in the beef cow herd during the last cyclical expansion.

Livestock commentary provided by Mike Sands. For questions or comments, Mike can be reached by email at msands@nesvick.com or on Trillian at miksan66@trillian.im.

Financials

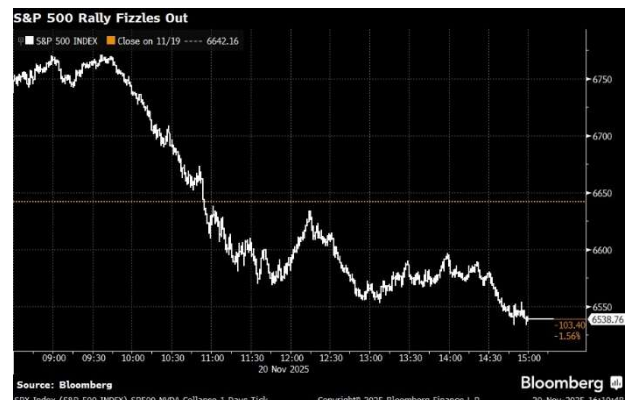
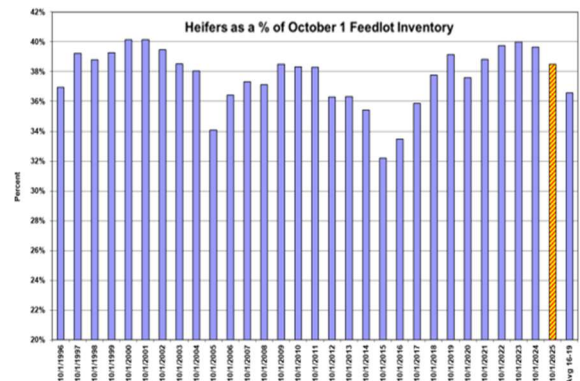
The market finally answered the question of what happens when "perfect" results are no longer good enough. In a session defined by a massive rejection of early strength, the S&P 500 posted its biggest intraday reversal since April, signaling that the safety net beneath this rally has snapped. What began as a celebration of Nvidia's earnings—with the index surging 1.4% in the morning—collapsed into a liquidation event that saw the benchmark finish down 1.6%. The price action sends an unambiguous message: investors are no longer willing to overlook structural risks for the sake of momentum.

The catalyst for this reversal was the realization that Nvidia's earnings, while technically a beat, exposed cracks in the growth narrative. Despite hitting revenue targets, the stock fell 3% as institutional investors fixated on the quality of the growth rather than the headline number. We are witnessing the friction of the Blackwell GPU transition, evidenced by year-over-year gross margin compression, but the primary anxiety stems from the company's ballooning accounts receivable. As noted by market observers, the discrepancy between "flying off the shelves" demand and the actual cash collection has spooked traders, forcing a repricing of the stock's perfection-level multiple.

This disappointment triggered a structural liquidation rather than a simple sector rotation, confirmed by the lockstep correlation between Big Tech and speculative assets. As Nvidia faded, Bitcoin simultaneously collapsed below \$87,000 for the first time since April, signaling that algorithms are currently treating the chip giant and cryptocurrencies as identical liquidity proxies. When the market leader retreats, the speculative excess is flushed out immediately, creating a systematic de-risking event that drags down the broader indices regardless of individual sector fundamentals.

Exacerbating this volatility is a sudden "macro fog" that has descended on the market just as the Federal Reserve approaches its December decision. The Labor Department confirmed yesterday that critical October employment data will be delayed until December 16 due to the government shutdown impact, leaving the Fed effectively once again "flying blind" for its next meeting. Markets can digest bad news, but they struggle to price information asymmetry. With the data blackout in effect, risk models are defaulting to a defensive posture, selling the rips until clarity returns on both the Fed's policy path and the durability of the tech trade.

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)

- S&P Global PMI – 8:45 AM
- U. of Mich. Sentiment – 9:00 AM
- Cattle on Feed (Sept. & Oct.) – 2:00 PM
- Commitment of Traders (10/7) – 2:30 PM

Thanks for reading,

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