Monday, December 8, 2025

NTG Morning Comments

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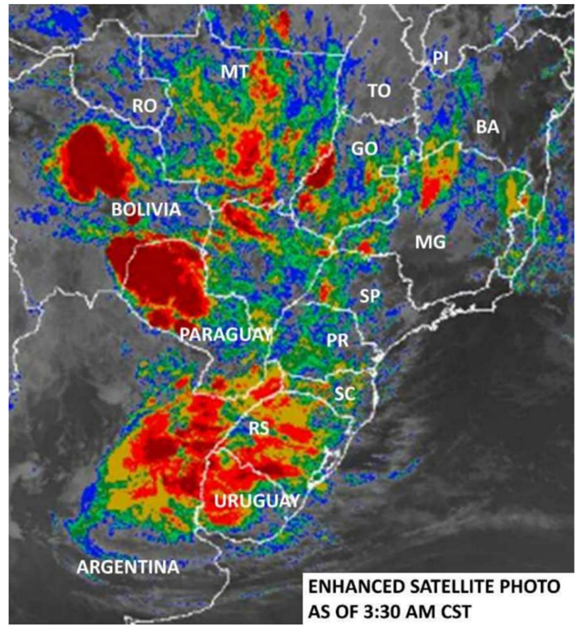
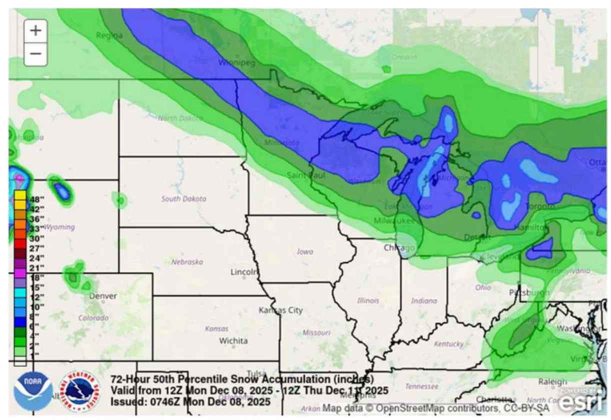
Weather

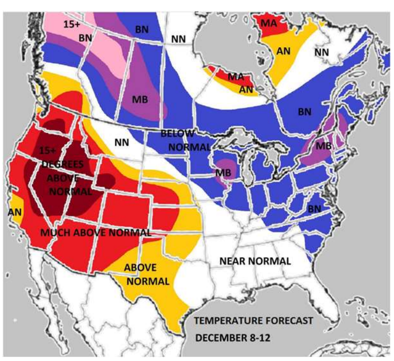


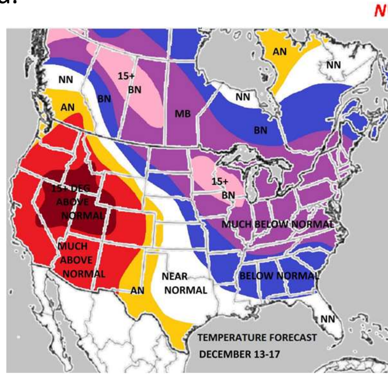
Northern soybean growing areas of Brazil will see scattered thunderstorms on a daily basis for the duration of the 15-day forecast, with rainfall totals running near to above-normal; the lightest rainfall coverage will be in the 1-5 day period, while the heaviest accumulations target the 11-15 day period. The 15-day totals of 5-8” should maintain favorable soil moisture without significant heat stress. Southern Brazil and Paraguay are entering a very active 10-day period featuring up to four notable rain events that will bring 3-5” of precipitation to states like Paraná and Mato Grosso do Sul, though the pattern shifts significantly drier starting December 16th. In contrast, the outlook for Argentina remains to have mostly below-normal rainfall over the next 15 days; while some moisture is expected in the far north, the main growing regions will see extended dry stretches, particularly later this week and again during the 11-15 day window. Temperatures are also expected to be above normal for the 15-day period, especially during December 11-14 and December 18-21 periods.

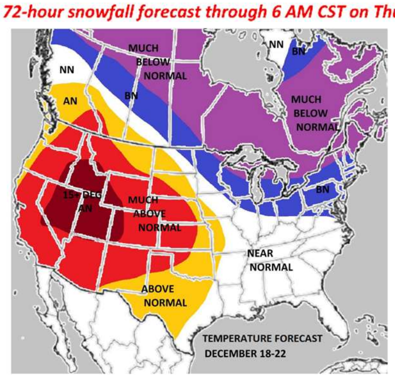
The weather setup for the major cattle feedlot areas of the southern Plains for December remains to be characterized by a dry forecast for the next 15 days and temperatures that will run above-normal outside of a brief cold window this coming weekend. Further north, the Corn Belt will not see a wet pattern, but a series of "clipper" systems will bring localized light snow to northern areas. The NWS is forecasting potential blizzard conditions in the northern Plains due to strong winds tomorrow. The most significant feature for the US remains the intrusion of bitter cold air for the December 12-14 period, where a large portion of the Corn Belt will see temperatures plummet to 20 degrees or more below-normal before any sustained warming returns late in the 11-15 day period.



NWS 72-hour snowfall forecast through 6 AM CST on Thursday







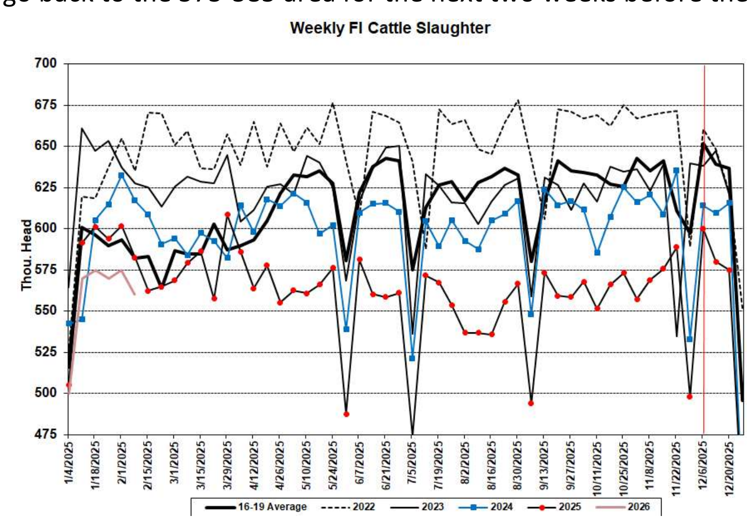
Grains

Weekly recap and WASDE expectations. Last week corn was down 3 cents with wheat down 3 in Chgo, up 3 in KC, and down 3-4 in Mpls. Beans were down 30 cents. Meal lost $10.00/ton and oil lost 30 points. Beans were under pressure even as there were daily sales announcements to China nearly every day last week. Technically beans and meal turned negative. The timeline on the 12 mmt the trade has been counting on to ship to China by the end of the year now appears to be shifted to only purchases by the end of February, which is much more doable. In addition, the drier areas of central and northern Brazil received better amounts and coverage of rain last week with rains expected to continue. There won't be a fresh crop report until Jan, but the USDA will release an updated WASDE Tuesday. The trade is expecting a slight c/o increase in beans to 302 milbus, from 290. The trade is highly aware that the swing point in the US b/s is exports and the trade will likely dial them down more confidently. They are expecting a slight reduction in corn to 2124 from 2154 milbus and wheat is expected at 890 vs 901 in Nov. As mentioned previously, the wheat numbers should look quite bearish again with another big jump in production expected.

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

Cattle slaughter last week came in at 600k head, solidly beating expectations and in hindsight, pretty normal for the post-Thanksgiving rebound week. Total cattle slaughter should go back to the 575-585 area for the next two weeks before the holiday reduced kills for Christmas and New Years and then back to the 575 area once again. Dairy cow kill last week was the largest of the year at 58k head. The herd is still growing so expect year over year dairy slaughter to remain elevated. Nothing in the December and January forecasts screams herd liquidation, just normal culling. Looking at the beef cow side, beef cow kill probably peaked right before Thanksgiving. Most of this year's calf crop is weaned and most producers have already made their cull decisions, so it will probably be pretty quiet until the spring calves start to hit the ground and the next round of weaning kicks in. Most of the sale barns shut down for two to three weeks for the holidays anyway and that will affect the feeder market as well.



The choice cutout prices dropped $4-5 last week, but the packer does not seem to mind, yet. This past week's large kill on top of record carcass weights and following the normal seasonal pattern the cutout should continue its path lower through the end of the year and eventually ending up somewhere around $350. Packer margin certainly took a hit last week with the cutout down $5 and the cash cattle prices up $10-15 in the north from $220-225 and up $5 to 225 in the southern plains. The $10 spread between the north and south was probably too wide, if we were able to chew through a large portion of the heavy front-end cattle up there. One has to think with cash jumping as much as it did the cattle feeder was a willing seller and most likely was able to get those big cattle cleaned up.

First thoughts for this week are steady to higher cash, cutout probably lower and feeder index probably higher.

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.*

Macro/Financials

On Friday (12/5/2025), Netflix entered exclusive negotiations to acquire the film and television studios of Warner Bros. Discovery, along with the HBO Max streaming service, in a deal valued at approximately $72 billion. Warner Bros. linear cable assets (CNN, TBS, TNT), however, will be spun off into a separate entity, allowing Netflix to acquire only the high-value growth assets.

This majority cash deal, which will pay out $27.75 per share to Warner Bros. shareholders, is being largely financed by a $59 billion unsecured bridge loan, one of the largest loans of its kind in history. The willingness of major banks, led by Wells Fargo, to underwrite this amount of unsecured debt suggests a belief that market stability is strong enough to support massive leverage and take on this additional risk. This renewed banking aggression is likely underpinned by the perception of a significantly friendlier regulatory environment. The financing indicates that lenders view the antitrust risk as manageable and betting on less scrutiny from the current, business-friendly administration.

Further evidence of this confidence is the breakup fee. Netflix has agreed to a $5.8 billion reverse termination fee if the deal is blocked by regulators. This is an exceptionally high figure, signaling that Netflix leadership—and their financial backers—possess extreme conviction in the deal's ability to clear regulatory hurdles.

If it goes through, this deal will consolidate a massive volume of top-tier IP—including the *Harry Potter* franchise and the HBO library—under the Netflix umbrella. This won't crown Netflix as the definitive winner of the "streaming wars," per se, but even considering that 75% of HBO Max subscribers also having Netflix accounts, it will give the streaming service a massive new advantage in building its lead over 2nd place. However, the path to this deal isn't entirely clear. Paramount Skydance has already accused the bidding process of being "tainted," raising the potential for litigation and volatility that could delay, or even cancel, this deal. Additionally, President Trump has raised concerns about the market share growth that this purchase would bring to Netflix as a potential anti-trust concern.

Macro/Financials 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 Sales (11/6/2025) – 7:30 AM
- Export Inspections – 10:00 AM

Thanks for reading,

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

Trillian IM: zdavis@nesvick.com
Bloomberg IB: zrdavis@bloomberg.net