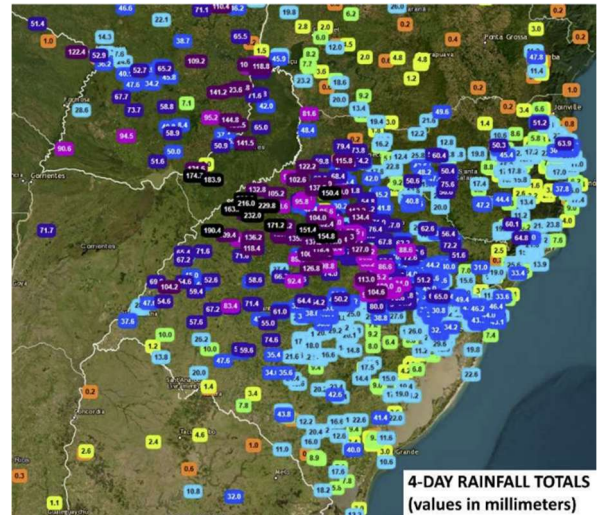
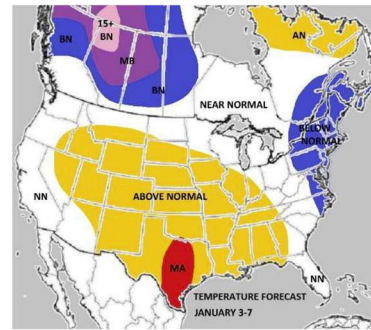
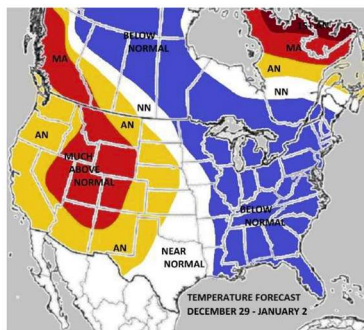
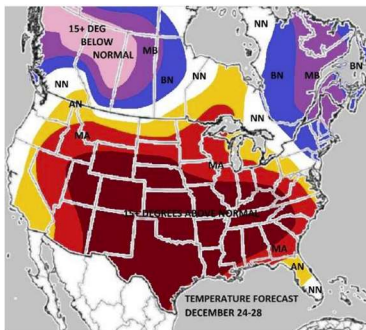


Weather

The acute moisture deficit in northern Brazil has reached its peak intensity for the current 1-5 day window, with vast swathes of Minas Gerais and Bahia now expected to record rainfall totals under 10% of normal or see completely dry conditions accompanied by temperatures averaging 5-7 degrees above normal; however, the long-term guidance remains steadfast on a recovery, with precipitation normalizing in the 6-10 day period before shifting to widespread above-normal accumulations in the 11-15 day timeframe. Southern Brazil remains under the influence of a significant precipitation event, with Rio Grande do Sul forecast to receive multiple rounds of heavy rainfall through Monday before the pattern abruptly shifts to below-normal moisture for the remainder of the 15-day outlook. In Argentina, the outlook has trended notably drier, with the 15-day forecast now characterized as clearly drier than normal overall, featuring a potential week-long stretch of zero precipitation starting Sunday coupled with temperatures consistently averaging above normal.

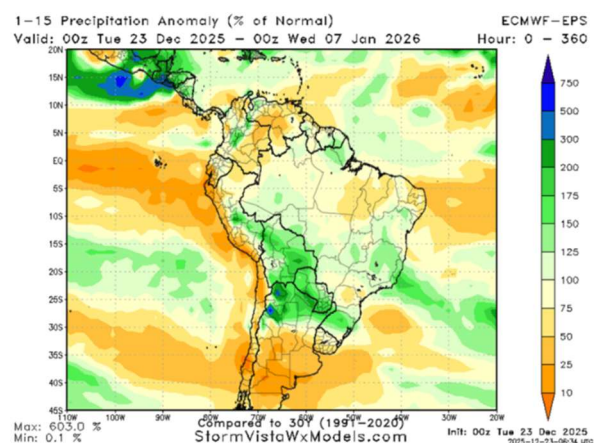


The U.S. outlook is defined by an exceptionally dry pattern across the Corn Belt and Southern Plains, with cattle feedlot areas likely to see zero precipitation for at least the next ten days. Temperatures will reach record-breaking levels through Christmas, averaging 20-30 degrees above normal, before a temporary cooling trend impacts the eastern half of the country from December 28 to January 2.

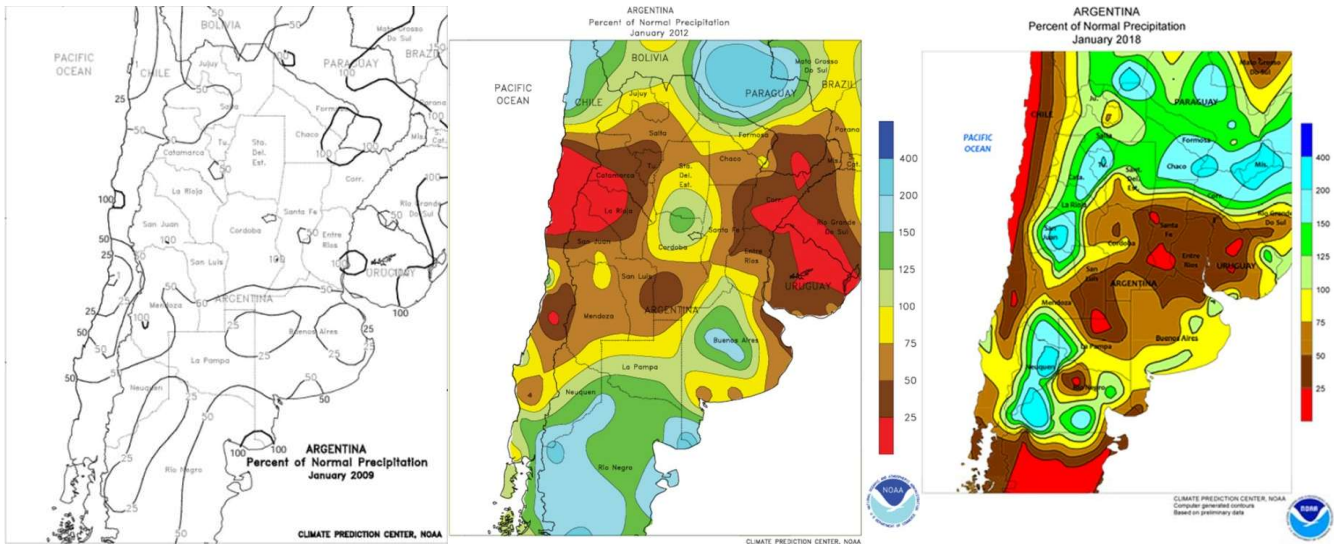


Grains

The forecast is turning drier for Argentina after this week with both the 6-10 day and 11-15 day trending dry in all of Arg with temps above normal. Parts of BA experienced excessive rains during seeding with beans 76% planted vs 83 at the same time last year. They also don't need the spicket turned off during a key stage of development. Beans are on a considerable break so it is worth looking at. I'm looking at years that turned dry in Arg in January. In the last 15 years, there are five – 2009, 2012, 2013, 2018, and 2024. 2009, 2012, 2018 and this year were/are La Niña with 2013 neutral and last year an El Niño. The years that were La Niñas were also the years that had short crops – 08/09 was 32 mmt, 11/12 was 40 mmt, and 17/18 was 37.2 mmt. Price action in these years during Jan – 2009 was unch (the market didn't



realize the crop problem until Mch and then rallied from 8.43 to 12.91). Jan of 2012 – SH was down 8 cents in Jan but rallied over a dollar during Feb-Mch. In Jan 2018, SH was up 30 cents and another 60 cents in Feb. If dryness continues after the next couple weeks, the market may take notice, especially given we're on a break. Attaching Jan precip maps for these years and the current 2 week forecast map.



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 prices have reached equilibrium. The fed cattle cash rally has stalled and futures are stuck in a consolidating trade. I don't expect much to change in the next few days, but we should be thinking about what changes that can move the market as January approaches.

Bullish inputs: placed against numbers, buoyant wholesale cutout values, record retail prices and retail margins

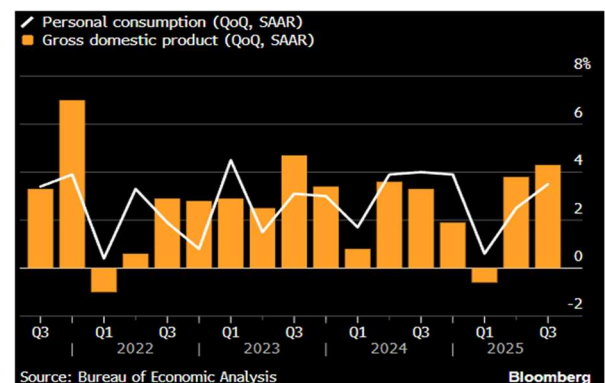
Bearish inputs: large carryover cattle supply, negative packer margins, resumption of beef imports

Technical inputs: Funds are long but the rangebound market gives them no reason to add. Basis is roughly par. LC and FC futures have exceeded the 50% Fib and are now approaching the .618 Fib. Maybe the typical year end / new year buying will be enough flow to matter. Otherwise, I think futures are going to be cash led for now.

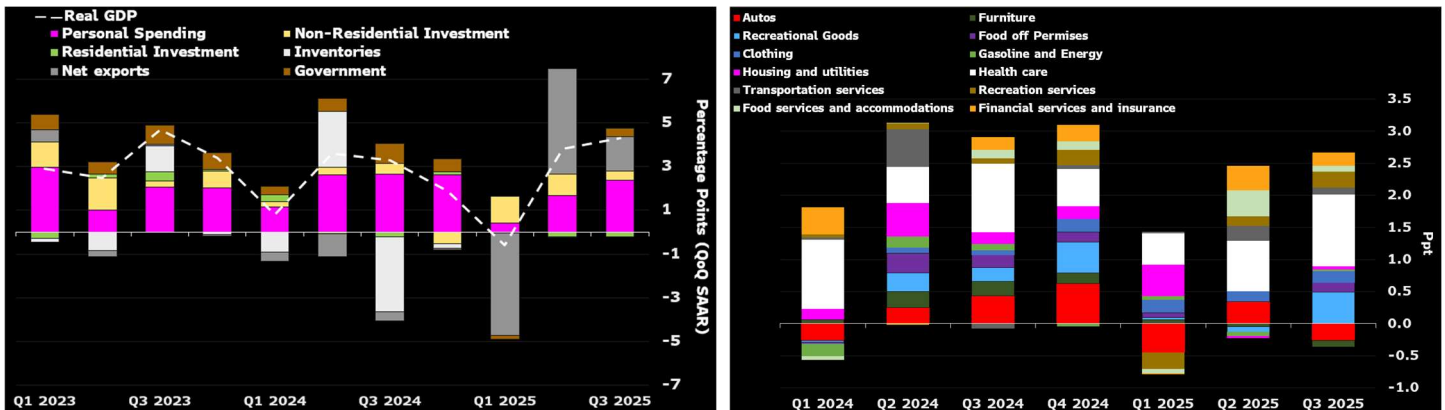
Livestock commentary provided by David Holloway. For questions or comments, David can be reached by email at david@holloway-trading.com or on Trillian at dholloway05@trillian.im.

Macro/Financials

The US economy demonstrated significant resilience in the third quarter, expanding at an annualized rate of 4.3%, the fastest pace in two years. This robust performance exceeded consensus expectations and marked a clear acceleration from the 3.8% growth recorded in the previous period. The primary engine of this expansion remained the consumer, with personal consumption expenditures surging 3.5%. Additionally, trade dynamics played a pivotal role, with net exports contributing approximately 1.59 percentage points to the headline number as exporters moved to front-run potential policy shifts.



From a bullish perspective, the data suggests that the economy has successfully weathered recent uncertainty surrounding tariffs and trade policy. Corporate profitability remains a bright spot; profits rose 4.2% in the quarter, with margins tightening slightly but remaining well above historical averages. Investment trends also point to continued structural growth, particularly in technology, where spending on computer equipment and AI-related infrastructure—specifically data centers—climbed to fresh records. This momentum, combined with anticipated fiscal stimulus and deregulation, has many analysts projecting a reacceleration of growth heading into 2026.



However, from a bearish perspective, one may focus on the nuances of the spending data and the continued divergence in sentiment. Bears would likely highlight that while consumption is up, consumer confidence has declined for a fifth consecutive month, reflecting the K-shaped dynamic where spending is increasingly driven by higher-income households. Furthermore, skeptics might point out that the surge in services spending was heavily concentrated in healthcare—a necessary cost rather than a sign of discretionary strength—while premiums are set to rise further. Finally, with core inflation remaining sticky at 2.9%, the Federal Reserve may be compelled to maintain a restrictive policy stance longer than markets anticipate, potentially challenging the "soft landing" narrative.

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)

- MBA Mortgage Applications – 6:00 AM
- Jobless Claims – 7:30 AM
- EIA Energy Stocks – 9:30 AM

Thanks for reading, and have a Merry Christmas!

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