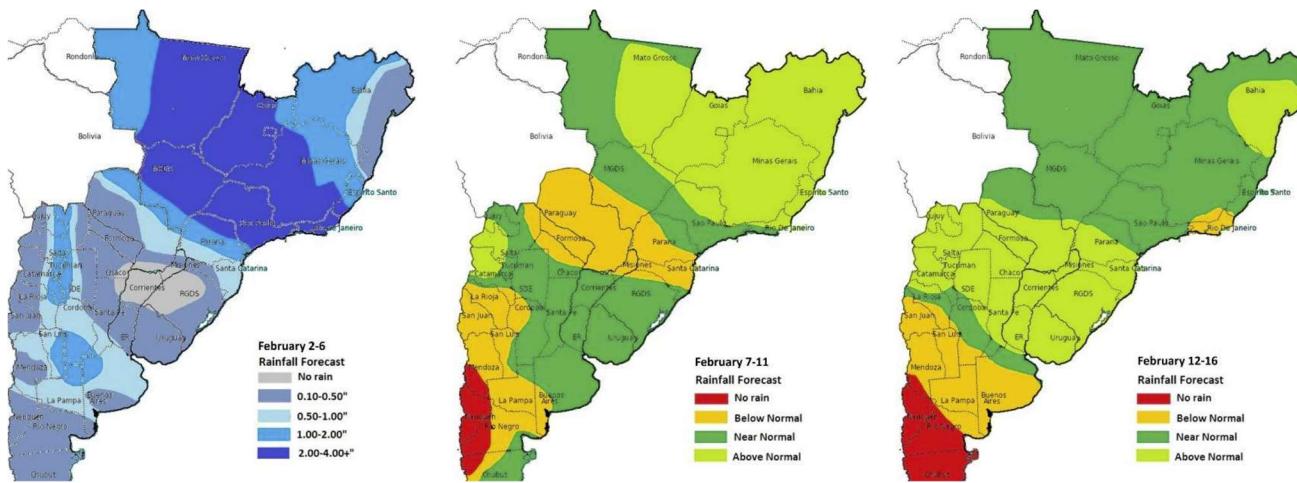


Weather

Rainfall across northern Brazil will remain extensive and locally heavy over the next ten days, particularly in states like Goiás and Minas Gerais where 5-6 inch totals will likely impede soybean harvesting and safrinha corn planting progress; however, the forecast for the 11-15 day period shows a distinct drying trend that will be welcome for fieldwork. In southern Brazil, Rio Grande do Sul faces a continued run of dry weather and returning heat for the next week which will maintain stress on crops, though the outlook for the 11-15 day period has trended notably wetter with beneficial moisture expected to return. The forecast for Argentina has shifted to a more optimistic scenario, where after a few days of heat and limited moisture through Tuesday, a significant and widespread rain event is expected to begin in southwestern areas around Wednesday and spread northeastward, bringing critical moisture to the entire growing region through the 6-10 and 11-15 day periods.



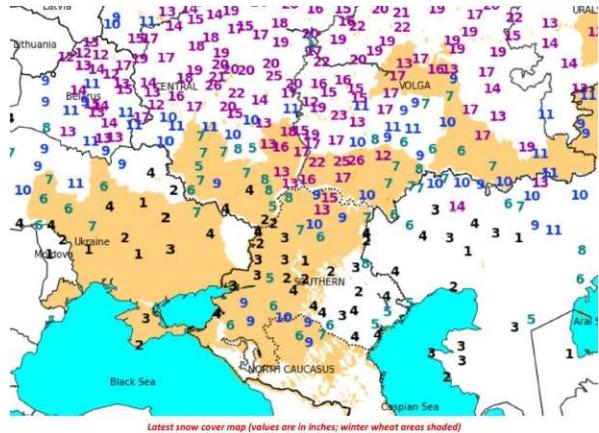
The weather pattern for the United States remains exceptionally dry for the next 9-10 days, with most of the Corn Belt and cattle feedlot areas of the Southern Plains expected to see precipitation running less than 25-50% of normal or remaining completely dry. Temperatures will feature a sharp divide over the next week, with the Eastern Corn Belt and Southeast remaining 5-15 degrees below normal while the Plains and Western Corn Belt experience sustained warmth running 5-15 degrees above normal. This stable pattern is expected to break down in the 11-15 day period, where models are now consistently showing a shift toward a more active weather pattern that brings near to above-normal precipitation chances to the bulk of the nation alongside a widespread warming trend that will finally displace the cold air in the East.

Grains

Was hard to get anything done Friday watching the meltdown in metals. My 16-yr old is my new hero - selling a portion of his silver collection last Friday when it topped \$100. His dad had been giving him coins for years and I didn't even realize how much he had (or that it was being kept in a Lincoln logs tin). He literally took the proceeds to the bank and is sleeping like a baby. It was quite a month-end show with a 39% drop in silver from Thursday's high to Friday's low. Trump's nomination of Warsh for the next Fed chair was touted as a catalyst, but a correction was obviously due. Currencies corrected further and we need to see if the recent trends resume next week. Grains were under pressure most of the session. For the week, corn was down 2, wheat was up 8 in Chgo, and up 5 in KC and Mpls. Beans were down 3 cents with meal down \$6.50, and oil down 48. All the markets, aside from meal, were up on the week



prior to Friday's session. It looks like we are going to over another gov't shutdown. Trump backed down on an Iran attack, but that could change at any time. Putin agreed to halt strikes on Kyiv for a week because of the extreme cold. Temps are expected to run 20-30 degrees below normal (as cold as -30C) through mid-week in Ukraine/Russia. There is snow over, but it is light in the south. Snow cover map attached. The market is waiting to see if the forecast rains arrive in southern/eastern Arg growing areas mid-week. Another thing to keep an eye on is the wet pattern in northern Brazil, which could slow harvest progress. This week's action should be telling. We could get some details on the biofuel policy this week. Feb is also the month that insurance prices are set. Weekly charts attached.



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@neswick.com.

Livestock

Friday's cattle report was a bit of a surprise for anyone betting to see the beginning of a herd rebuild. Going into the release, the general consensus on the street was that we'd finally turned the corner, with analysts penciling in a slight year-over-year increase in the beef cow herd. The market was pricing for slight expansion, or at least stabilization; instead, the USDA dismissed that idea, showing the beef cow inventory actually dropped by 1% to 27.6 million head. That's the smallest beef cow inventory we've seen in modern history. That being said, rising carcass weights have offset this drop in inventory for beef production.

The numbers on heifer retention reinforced this tighter-for-longer reality. Pre-report estimates were looking for a solid jump in retention—somewhere in the neighborhood of 2% to 4%—as producers supposedly held back stock to grow numbers. The actual data came in softer, but directionally correct, with retention up about 1%. Combining this heifer retention number with a calf crop that shrank another 1.6%, the supply pipeline looks significantly thinner than the market anticipated. Additionally, USDA has not addressed beef-on-dairy numbers, which could be inflating heifer retention numbers from the report. Either way, the USDA isn't seeing the aggressive retention you'd expect if we were in expansion mode yet.

USDA Cattle Inventory As of: January 2026			
	Actual	Prev. Year	Avg Estimate (%)
All Cattle/Calves	86,155.3	86,472.2	99.7
Cows That have Calved	37,175.5	37,272.8	100.6
Beef Cows	27,607.2	27,892.0	100.4
Dairy Cows	9,568.3	9,380.8	101.1
Heifers (500+ lbs)	18,016.7	18,129.9	98.8
For Beef Cow Replacement	4,714.2	4,672.5	101.7
For Milk Cow Replacement	3,904.6	3,915.3	100.7
Other Heifers	9,397.9	9,542.1	97.6
Steers (> 500 lbs)	15,601.4	15,697.4	98.4
Bulls (> 500 lbs)	2,014.7	2,009.0	99.4
Calves (< 500 lbs)	13,347.0	13,363.1	99.0
Calf Crop (2025)	32,895.6	33,416.5	99.3

Note: Numbers in 1000's of head

One interesting wrinkle to keep an eye on is the movement onto winter grazing. The report showed a noticeable 12% jump in cattle on small grain pasture in Kansas, Oklahoma, and Texas, which might give us a short-term bump in placements down the road. But don't let that distract you from the bigger picture. The takeaway here is that the USDA doesn't see the liquidation phase as fully wrapped up, with the supply of feeder cattle outside of feedlots is tighter than the market expected. We might have heavier carcass weights helping to offset some of the volume loss, but from a pure headcount perspective, the supply side of this market remains tight.

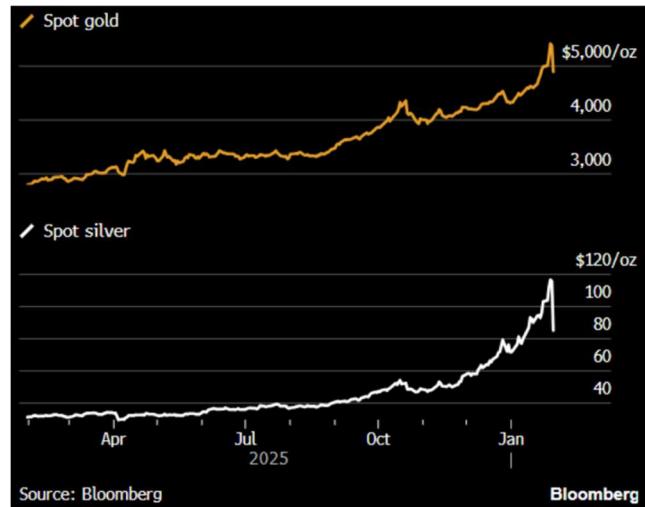
Livestock commentary provided by Zachary Davis. For questions or comments, Zachary can be reached by email at zdavis@neswick.com or on Trillian at zdavis@neswick.com.

Macro/Financials

Friday wasn't just a bad day for the metals complex; it was a statistical anomaly that belongs in the history books. We witnessed a move in Silver that defies normal market gravity—a 26% plunge in less than 20 hours, marking the single biggest drop on record. But the carnage wasn't limited to the white metal; Gold plunged 9% in a single session, and when the dust settled, a staggering \$7.4 trillion in market value had been wiped out of the precious metals complex in a single day.

It is tempting to look for a single smoking gun to explain a wipeout of that magnitude, but the reality is that there wasn't just one cause. It appears to have been a "perfect storm" driven by multiple factors working in concert. First, President Trump's nomination of Kevin Warsh as Fed Chair acted as the catalyst, immediately spiking the dollar and pressing down on dollar-denominated assets. The resulting dollar strength crushed demand from global buyers. The market was already technically overbought and ripe for profit-taking after a parabolic run. Technical factors then took over as volatility fed on itself, triggering gamma squeezes that exacerbated the selling. It seems like a classic leverage reset, flushing out the speculative froth that had piled in during the final leg of the rally.

The ripples from this liquidity shock didn't stop at metals; we are seeing signs of a broader forced liquidation event across the financial system. In the immediate aftermath of the crash, we saw the first U.S. bank failure of 2026 with the closure of Metropolitan Capital Bank & Trust in Chicago. While likely an isolated incident, the timing suggests hidden stress. And



Source: Bloomberg

Bloomberg

then on Saturday, Bitcoin had a \$6,000 plunge itself, dropping below \$76,000 and shedding 40% from its 2025 peak. This crypto crash seems like a forced liquidity event, with leveraged positions are being aggressively unwound to cover margin calls as the coin dropped under \$80,000.

Yet, despite enduring one of the most violent crashes in commodity history, the bigger picture remains looking strong. Here is the statistic that matters: even after Friday's plunge, Gold finished January with its biggest monthly gain since 1999. Both Gold and Silver managed to end the first month of the year in positive territory, which is remarkable given the violence of the close. It's also worth noting that while Kevin Warsh has historically been seen as hawkish, it would be very surprising for Trump to hire a hawkish Fed Chair to replace the current chair, who he already complains about being too hawkish. It seems more likely that Trump and Warsh came to some agreement on cutting rates, otherwise Trump would have proposed a different candidate; and this likely means that the dollar will continue to weaken and metals will continue to rally over the longer term. Ultimately, when you step back from the hourly charts, this crash begins to look less like the end of the bull market and more like a healthy, albeit painful, drawdown—a necessary reset to clear the froth and improve the structural health of the rally moving forward.

Macro/Financials commentary provided by Zachary Davis. For questions or comments, Zachary can be reached by email at zdavis@neswick.com or on Trillian at zdavis@neswick.com.

Today's Calendar (all times Central)

- S&P Global Manufacturing PMI – 8:45 AM
- ISM Manufacturing Index – 9:00 AM
- Export Inspections – 10:00 AM
- USDA Ethanol Crush – 2:00 PM
- USDA Fats and Oils – 2:00 PM

Thanks for reading,

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