NESVICK TRADING GROUP, LLC

Wednesday, February 11, 2026
NTG Morning Comments
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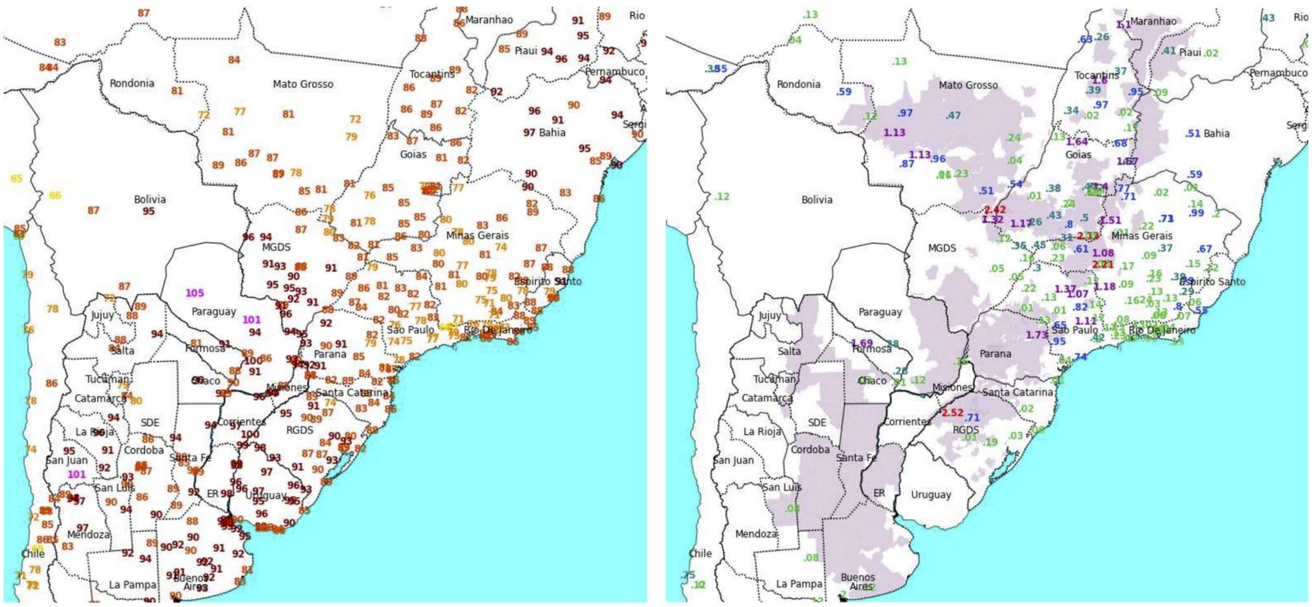
Weather

The forecast for northern Brazil confirms a decisive drying trend for the 1-5 day period, providing a crucial window for soybean harvesting and safrinha corn planting to accelerate before moisture returns to mostly above-normal levels in the 11-15 day period. In southern Brazil, while Rio Grande do Sul retains a daily threat of rainfall, the outlook for the 6-10 day period has trended lighter, suggesting that the accumulated moisture—though beneficial—may be less intense than previously projected. Argentina is entering a period of excellent rainfall over the next 10 days, particularly for the northern and northeastern growing regions, but the longer-term 11-15 day forecast remains consistent in showing a reversion to a drier pattern.



High temperatures yesterday (left) and 18-hour rainfall through midnight CST (right, soybean areas shaded)

In the U.S., the upcoming late-week storm system is now firmly projected to track further south, delivering significant rainfall to Oklahoma, Texas (excluding the panhandles), and the Mid-South, while leaving the Northern Plains and the vast majority of the Corn Belt completely dry. This precipitation deficit in the north will be accompanied by exceptional warmth, with temperatures averaging 15-20 degrees above normal across the Western Corn Belt and Plains through February 19, a pattern that will rapidly degrade any remaining snow cover.

Grains

Let's take a quick dive into the February WASDE report to see how it compared to expectations.

25/26 USDA US Ending Stocks (MM Bu)

	USDA February Ending Stocks	Average of Trade Analyst Estimates	Range of Trade Analyst Estimates	USDA January Ending Stocks
Corn	2,127	2,215	2,022-2,315	2,227
Soybeans	350	348	265-375	350
Wheat	931	918	876-933	926
Cotton*	4.40	4.21	4.10-4.40	4.20

**in Millions of Bales*

Starting with US ending stocks for the current crop year, not much changed in the last month, just as we expected leading up to the report. Wheat stocks got moved upwards by 5 MM bushels due to a reduction in food usage. Corn stocks dropped by 100 MM bu to 2,127 MM bu, with higher foreign demand for the crop than the USDA expected leading to a higher export number. Cotton saw a 200,000-bale reduction to exports based on low demand, with an ending stocks increase of the same amount. Soybeans saw no changes in the USDA balance sheets, with the USDA likely waiting to see what comes of the discussions between Trump and Xi in the coming weeks regarding further soybean purchases by China from the US.

USDA World Production Estimates (MMT)			
2025/2026			
	February USDA Estimate	January USDA Estimate	Average Guess
Argentina Corn	53.00	53.00	52.80
Brazil Corn	131.00	131.00	132.30
Argentina Soybeans	48.50	48.50	48.10
Brazil Soybeans	180.00	178.00	179.20

For South American production, the average guesses had USDA taking Argentina corn and soybean production down due to the persistent dry weather that the country has had, but they left the production estimates for both crops unchanged. My guess is that they are waiting to see more data on the yields before making a change to the production numbers. Brazil's corn production estimates have been left alone for the time being, despite the average guesses expecting a 1.3 MMT increase. With the planting of safrinha corn really just getting started, so there's a lot of time for weather to change and affect the main corn crop yields. Soybeans saw an increase from 178 MMT to 180 MMT, with USDA citing both an increase to planted area and higher yields due to the near-perfect weather the country has had across the majority of the crop land. Paraguay's production also saw a 0.5 MMT increase, to 11.5 MMT, due to favorable weather.

USDA World Ending Stocks (MMT)			
2025/2026			
	February USDA Estimate	January USDA Estimate	Average Guess
World Soybeans Stocks	125.51	124.41	125.40
World Corn Stocks	288.98	290.91	291.10
World Wheat Stocks	277.51	278.25	278.60
World Cotton Stocks*	75.11	74.48	74.56

*in Millions of Bales

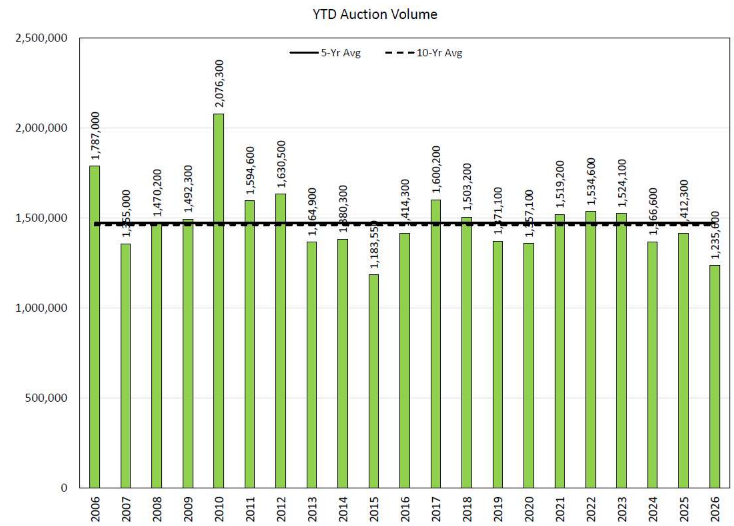
Finally, let's take a look at World ending stocks. Corn and Wheat stocks were both expected to be raised a touch, but were actually reduced by ~2 MMT and ~0.75 MMT, respectively, based on increased demand for the crop. Cotton stocks were expected to remain largely unchanged, but have actually grown by 600,000 bales due to lagging sales; the USDA notes that they are seeing an ending stocks-to-use of 32%. For soybeans, the February ending stocks estimate came right in line with the average survey guess, with an increase of 1 MMT, ending at stocks of 125.5 MMT. The USDA did note in the report that – assuming China does buy the 8 MMT of soybeans that President Trump discussed – these sales would not be a net creation of demand; any new soybean exports to China from the US would result in reduced US sales to other countries and/or reduced sales from other countries to China. It could also very well be that the US exports this 8 MMT of current crop, and then loses that business to Brazil later in the year with new crop.

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

Cattle slaughter started the week slightly lower than last week at 107,000 head for Monday. Last week totaled 536,000 head, and I am looking for this week to reach approximately 540,000 head. To date, we have killed about 50,000 head fewer than last year. Packers are still bleeding red, with margins estimated at losses between $150 and $250 per head, depending on whether one utilizes Texas or Nebraska costs. The comprehensive cutout was basically flat to slightly lower last week, and this week is expected to be much of the same; it is February, after all.

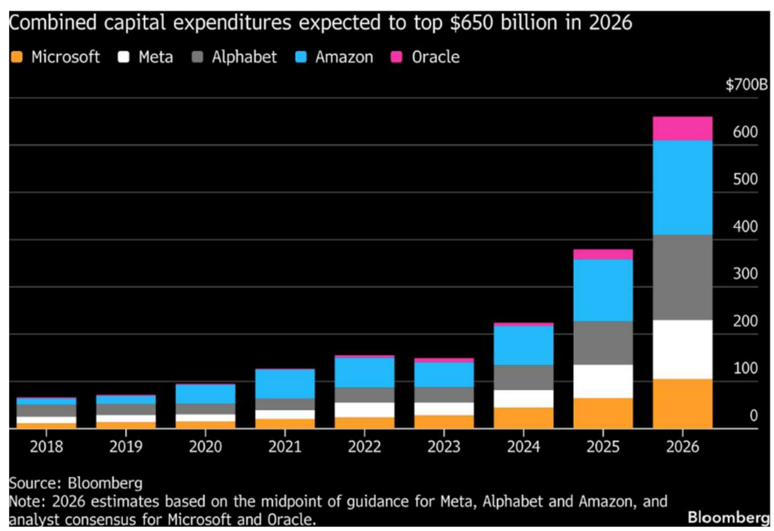
Cash last week jumped another $5 higher in the South to $245 live for a new record average cash price for both Kansas and Texas of around $243.75. It is important to note that we do not usually make our spring highs in the cash market in February. The trade in the North was a little more muted than in the South, where packers were able to buy cattle between $240 and $245 live and at $378 dressed. The North appears to be carrying more weight and larger inventories into the next couple of weeks; if there is a weak spot, it will likely be in that region. National negotiated volumes were down about 20,000 head from the previous week, but I am not certain that switches the leverage away from the cattle feeder. Export sales have been a decent bright spot lately, running 8–10% above a year ago, aided by the weaker dollar (down 13% from the January highs). As long as the dollar remains soft, export demand could absorb tonnage. Imports of grinding material remain large, up 5% year-to-date, and will stay that way for the foreseeable future.



Feeder cattle volumes remain the real story right now. Last week's total receipts were down 25% from last year and the previous five-year average. Auction sales dropped 33% from the previous week and 22% from the five-year average. Year-to-date auction volumes are down 15% from the five-year average, marking one of the worst starts to the year in recent history. The feeder cattle cash index has remained stable over the past week or two, hanging around $375, which makes March feeders look a bit cheap in the low-to-mid $360s. April is similarly priced. We should see some cattle beginning to move off wheat pasture over the next few weeks, and they will continue to move until May. Demand for lightweight cattle to run on summer grass should remain strong. The feeder supply is noticeably tighter year-over-year, which is supporting the cash market for now. Packers remain deep in the red and have attempted to keep the live cattle cash market and futures in check, but so far, they have been unsuccessful.

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



Alphabet (Google) just pulled a move that makes most government treasury departments look like amateurs. In a 24-hour global blitz, they vacuumed up $32 billion in debt across the USD, GBP, and Swiss franc markets. The headline-grabber? A massive 100-year "century bond" issued in sterling. To put that in perspective: investors just signed up to get paid back by Google in the year 2126.

Why the sudden thirst for cash? Alphabet isn't broke—far from it, with $127 billion in the bank—but they are staring down the barrel of a massively expanded AI arms race. Management has estimated a 2026 capex spend of $175B-$185B, nearly doubling last year's expenditures. They're locking in long-term, relatively cheap capital now to build out the data centers and TPUs needed to keep Gemini in the lead, all while also getting preparing for the $37 billion in pending purchases of tech startups Wiz and Intersect.

The market's reaction was strong, with significantly more demand than could be satisfied by the bonds issued. The US dollar tranches were expanded from the initial $15 billion up to $20 billion after seeing over $100 billion in orders. In the UK, the century bond alone was 10x oversubscribed. With an AA+ rating, Alphabet is effectively being treated as a "quasi-sovereign" issuer—a safe haven for investors who trust Google's solvency more than many actual countries.

So, the market seemed to really like this move from Alphabet. Let's look at the last time a tech giant decided to issue a 100-year bond: Motorola, back in 1997. At the time, Motorola was a Top 25 powerhouse with a brand more valuable than Microsoft. Within a year, Nokia blew past them in cell phones, and the rest is history. They missed the digital shift, missed the smartphone wave, and, while they still exist today, they're a fraction of their former selves. Alphabet's 90% search dominance feels like an unshakeable fortress today, but a century is a long time in tech. I'm not going to say that Google will follow the same path as Motorola, but history suggests that the moment a company starts financing for the next hundred years is often the exact moment they've reached their peak. One more fun fact about Motorola: as they were struggling to remain relevant in the early 2010s, guess who bought them? That's right, Google.

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
- Non-Farm Payrolls – 7:30 AM
- EIA Energy Stocks – 9:30 AM

Thanks for reading,

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