NESVICK TRADING GROUP, LLC

Friday, February 27, 2026

NTG Morning Comments

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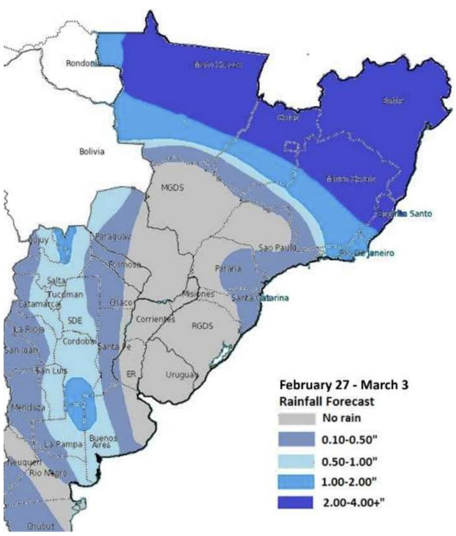
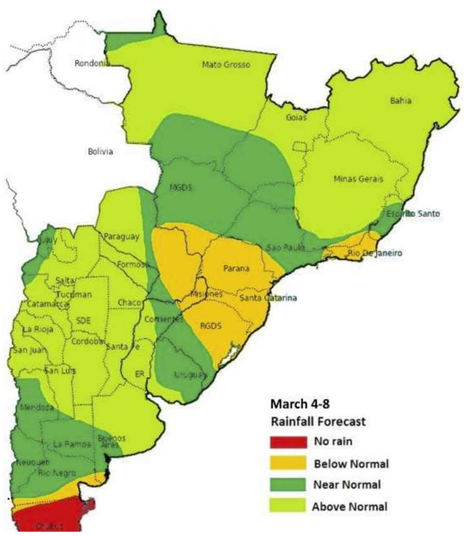
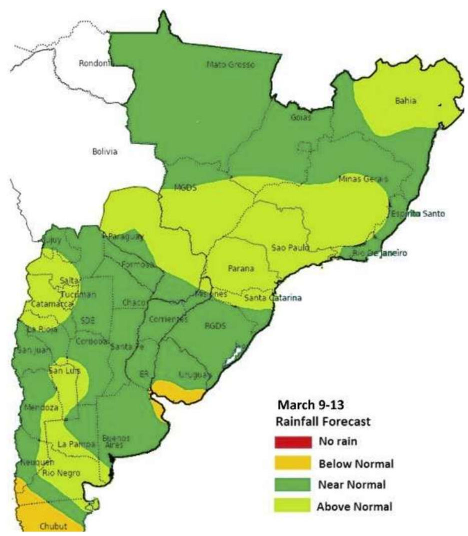
Weather

Torrential rainfall running double to triple normal levels will persist across eastern regions of northern Brazil, including Tocantins, Minas Gerais, and Bahia, for the next seven days, maintaining severe logistical delays for soybean harvesting and safrinha corn planting before moderating to near-normal levels in Week Two. In southern Brazil, a critically dry pattern will dominate Rio Grande do Sul for at least another week, though with the local soybean harvest officially commencing, the overall agricultural impact of this moisture deficit is actively waning; temperatures will concurrently transition to a notably warmer pattern for the March 3-7 window. For Argentina, the forecast maintains a bifurcated structure where immediate precipitation will strictly favor the western third of the growing region by Monday, delaying any widespread moisture expansion into eastern areas until mid to late next week, which is compounding crop stress as recent crop ratings actively decline due to mid-February rain benefits wearing off.

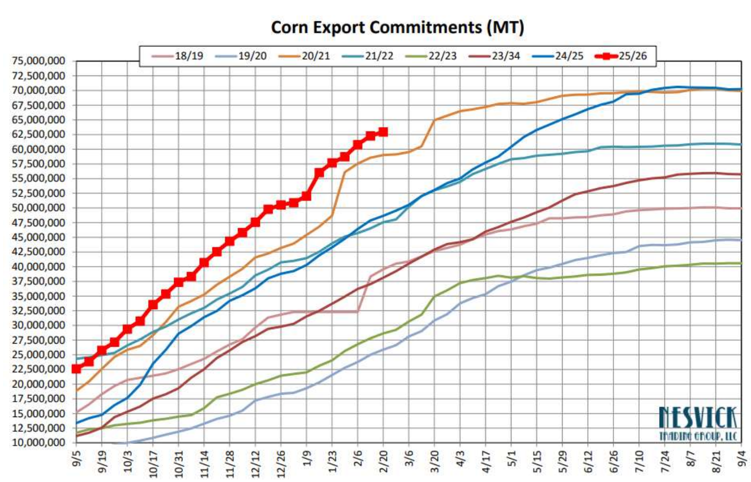




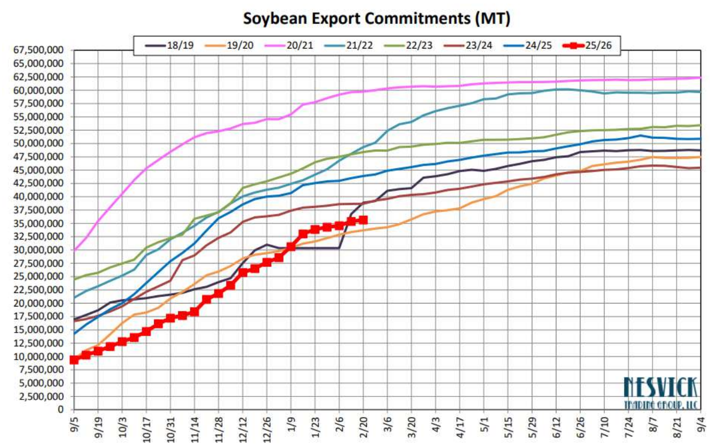


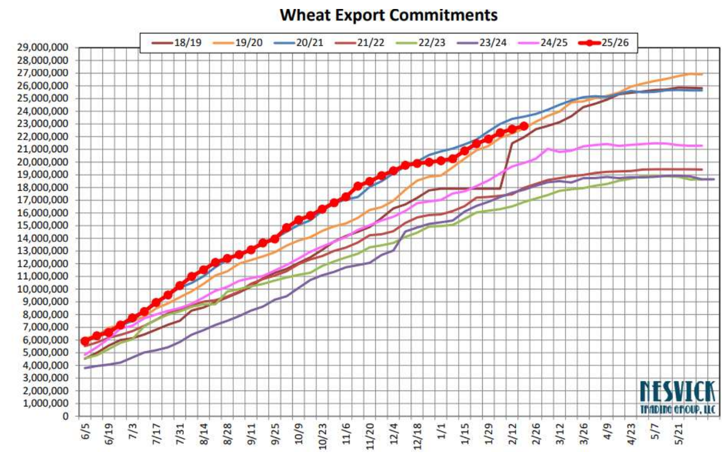
Grains

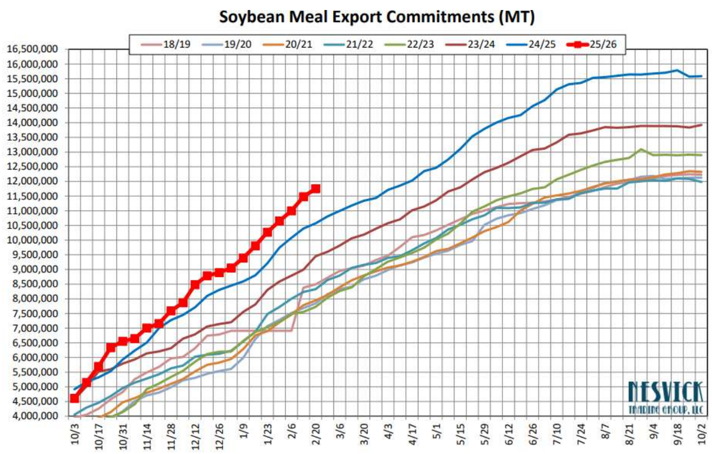
Another wild day Thursday. Oil resumed leadership as reports surfaced that the EPA would shift at least half of biofuel obligations that were exempted from small refineries to big refineries. Oil and oil spreads made new highs for the move (albeit in a whippy fashion). The final rules are expected before the end of March. Beans rallied from this news until rumors made the rounds that the much-anticipated Trump/Xi meeting scheduled for early April was in flux. The market feels jumpy at current levels. Friday could be whippy again with month end and FND.

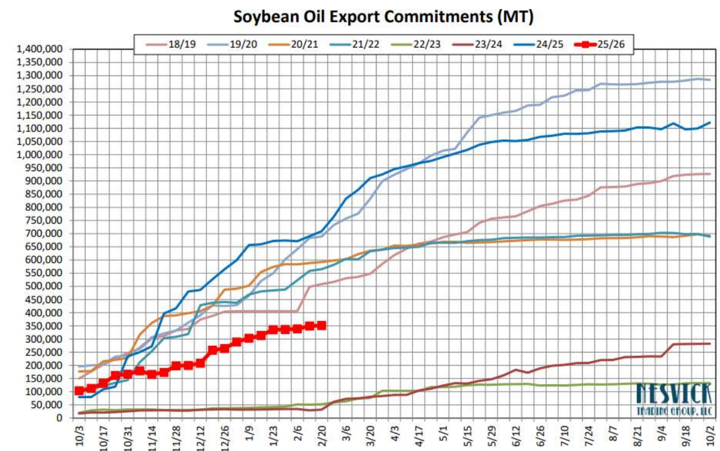


Export sales were on the slow side all around. Wheat was 243 tmt, corn 686 tmt, beans 407 tmt, meal 270, and oil 1.5. While deemed slow, they were still above the needed pace to meet my and the USDA's forecasts. For corn, to reach the USDA's 3300 milbus forecast, weekly sales need to be 594 tmt and 575 to reach mine (3205 milbus). For wheat, weekly sales only need to be 119 tmt to reach the USDA and 178 tmt to reach my forecast. In beans, the USDA's crop year export forecast is 1575 milbus, and need to maintain a 225 tmt/week pace to reach this. I lowered my forecast slightly to 1682 milbus and sales need to maintain a 315 tmt pace to reach this. Total commitments (35.7 mmt vs 43.9 at the same time last year) have dropped below the 18/19 pace (one of two very slow years that we are using in comparison to this year), but remain ahead of 19/20 (the other slow year).





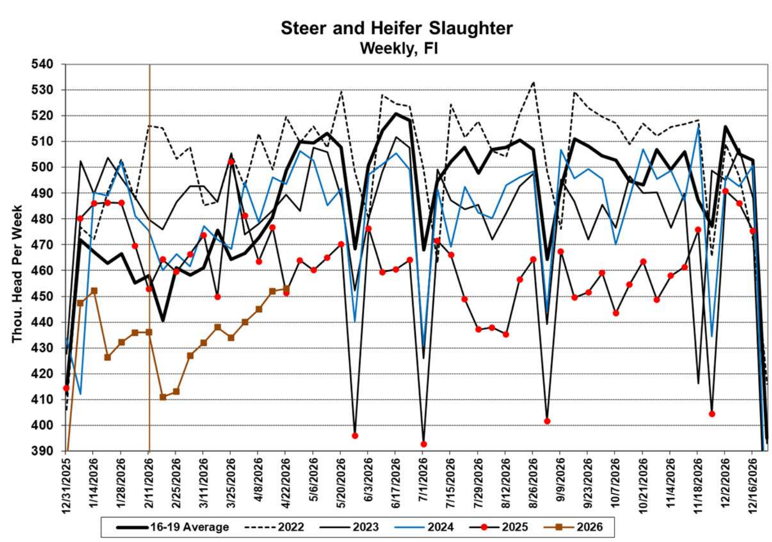




Grains commentary provided by Megan Bocken. For questions or comments, Megan can be reached by email at megan@bockentrading.com *or on Trillian at megan@nesvick.com.*

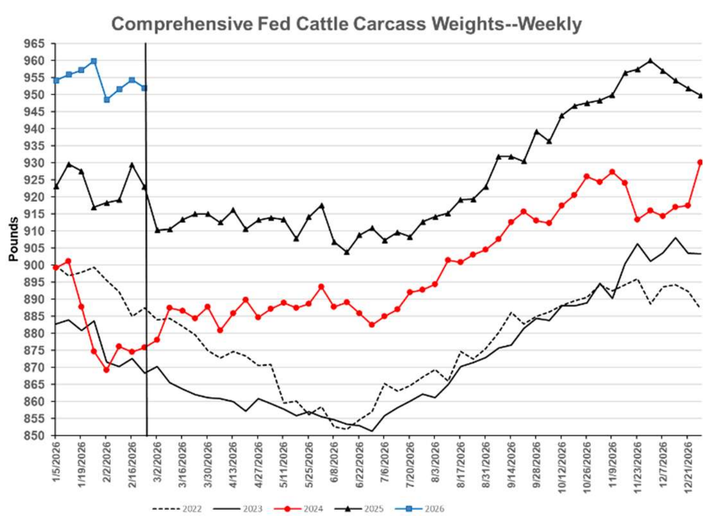
Livestock

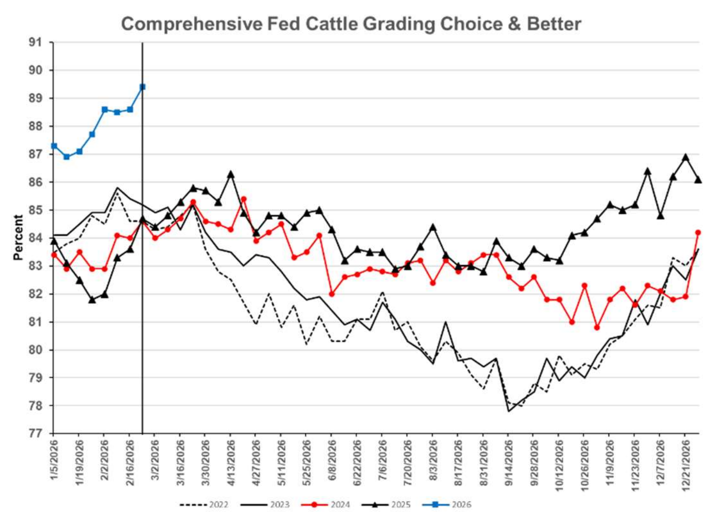
Following an active weekly fed cattle slaughter pace late last year, reaching near 490,000 head prior to the holidays, kills have declined sharply through the first couple months of 2026, dropping near 410,000 in late February. The weekly slaughter rate in January averaged near 448,000 head, down 9% from a year earlier, and may slip to around 425,000 in February, about 8% under last year. Smaller feedlot placements during the last half of last year, down about 950,000 head or 8%, set the expectation for smaller fed cattle supplies during the first half of this year. But, despite the smaller feedlot placements, feedlot inventories have ranged only 2-3% under last year and the marketing rate—marketings as a percent of the inventory—has plummeted to record



lows. Typically fed cattle marketings post seasonal lows in mid-winter and trend higher into late spring and summer—pointing to weekly volumes around 435,000 at the end of March and 450,000 in late April.

The slow marketing pace during the last half of last year helped boost carcass weights to a record high near 960 pounds at the seasonal peak last fall. Although weights typically trend lower from the fall peak to seasonal lows the following spring in May/June, that downward trajectory has yet to materialize. Last week's comprehensive weights were reported at 952 pounds, about 29 pounds heavier than last year and over 75 pounds above two years ago. Although weekly slaughter rates have been subdued, the 29-pound weight increase from last year is about the equivalent of adding 13,000 head to the weekly kill. Prospects for larger fed cattle supplies in the weeks ahead, coupled with the heavier carcass weights, will continue to bolster fed beef tonnage, posing a challenge for the market to sustain recent price gains in both cattle and beef.





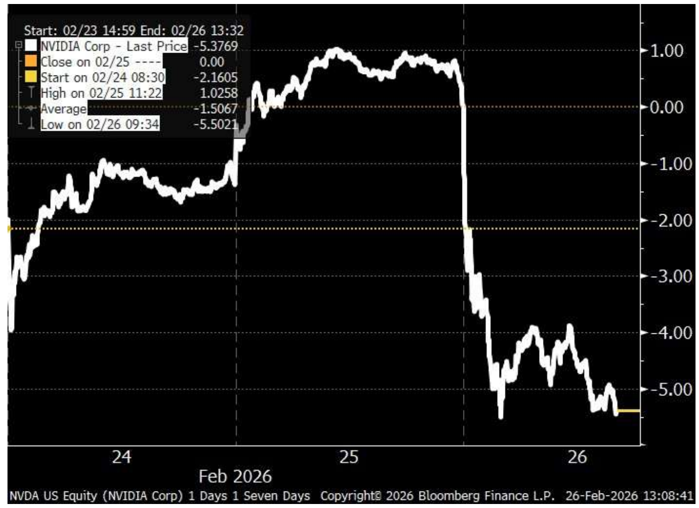
Along with the slower marketing pace and resulting longer feeding regimes, grading has continued to increase, as well. Cattle grading Choice and better climbed to a new record, above 89% last week, nearly five percentage points above last year. Most of the increase in Ch+ grading results from a higher percentage of Prime in the slaughter mix, reaching near 15% in recent weeks. Although fed slaughter has ranged 8-9% below a year earlier, the heavier carcass weights, coupled with improved grading, has limited the decline in Choice and better beef production to around 1%, while cattle and beef prices have surged to record highs at this point in the calendar. Still, sustaining these price gains may be a bigger challenge than reaching these levels in the first place.

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.*

Macro/Financials

Nvidia reported fourth-quarter results Wednesday afternoon that, on the surface, beat practically every metric that analysts look for – revenue up 73% to $68.1B, EPS of $1.62 vs. $1.53 expected, gross margins above estimates, and a Q1 guide of $78B that topped the $72.8B consensus. So why did the stock drop as far as 5.5 percent?

Nvidia's post-earnings slide is a clean example of the rotation in the index that we talked about yesterday. This isn't a company that disappointed. When a 73% revenue growth quarter gets sold, the message isn't just about Nvidia's fundamentals – it's about positioning and market psychology. Investors are looking at the circular economy that's propping up all of the AI infrastructure investment, and thinking about how these 77% Y/y revenue growth quarters from Nvidia can't keep going on forever. Unless the companies buying these chips start making a return on their investments into AI, Nvidia's gross margins will eventually be more likely to go down than up.



There are also some valid, company-specific concerns worth watching though. Nvidia's purchase obligations have ballooned to $95.2 billion, up from $16.1 billion a year ago; that's an enormous forward commitment that works beautifully if chip demand meets their forecasts, but becomes a serious liability if the AI spending cycle decelerates even modestly. Additionally, although the US government has granted Nvidia a limited license to ship H200 processors to Chinese customers, the chips must pass through US inspection before delivery and are subject to a 25% tariff. Even with that license in hand, Nvidia still doesn't know whether Beijing will approve the sales on its end. The company has excluded all China data center revenue from its forecasts entirely – another meaningful asterisk on any forward guidance. Finally, a global shortage of memory chips, driven by ever-growing AI demand, is constraining Nvidia's ability to ship products across its non-AI segments; gaming revenue came in at $3.73 billion, missing the $4.01 billion estimate. It's a reminder that Nvidia's dominance in AI accelerators doesn't insulate it from the same component bottlenecks facing the rest of the semiconductor industry. None of these issues threaten the core AI narrative on their own, but stacked together, they add texture to a quarter in which the headline numbers alone would make look bulletproof.

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)

- PPI – 7:30 AM

Thanks for reading,

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