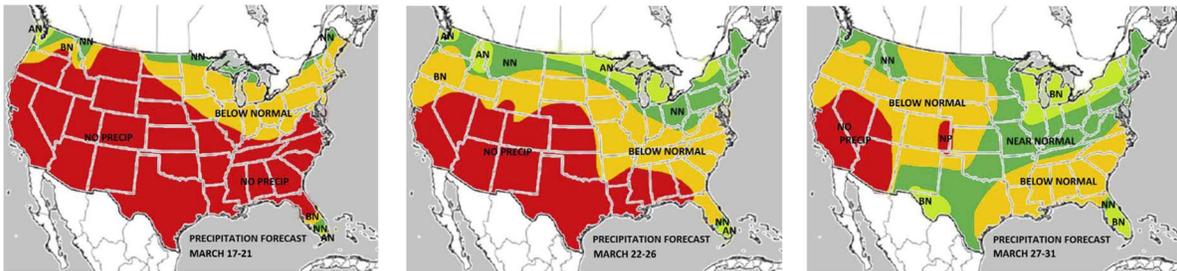
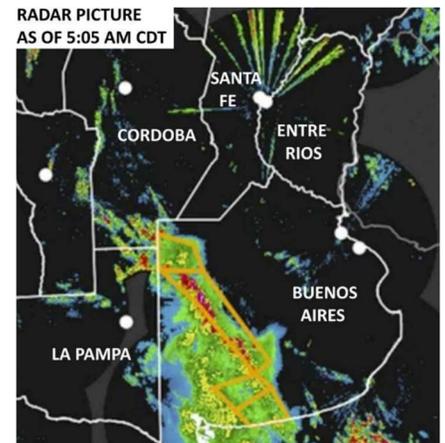


## Weather

In the United States, the weather pattern remains exceptionally concerning for the HRW wheat crop in the Southern Plains, as the region is forecast to remain completely dry through the entire 1-10 day period; this severe lack of moisture will be directly compounded by extreme temperature volatility featuring sub-freezing lows today transitioning rapidly into record-setting heat later in the week, aggressively exacerbating crop stress. In the Corn Belt, a profoundly dry pattern will dominate through the 1-10 day period before precipitation chances finally begin to improve during the 11-15 day window; this dry stretch will initially feature a severe cold outbreak plunging temperatures well below-normal and producing widespread record lows tomorrow morning before a sustained warming trend establishes itself by Wednesday. Finally, severe thunderstorms will aggressively impact the Southeast today before the entire Mid-South and Southeast transition to a completely dry pattern for the remainder of the 10-day forecast, accompanied by an immediate threat of detrimental record-low freezing temperatures arriving tomorrow morning.



The forecast for northern Brazilian soybean and safrinha corn growing areas has trended modestly drier, though near to above-normal rainfall is still anticipated over the next 15 days; this moderating break in the previously saturated pattern will allow ongoing soybean harvesting operations to speed back up in states like Mato Grosso, Goiás, and Minas Gerais while continuing to maintain near-optimal soil moisture conditions for the developing safrinha corn crop. In southern Brazil, while a minor precipitation event has returned to Rio Grande do Sul this morning and more regular rain chances are expected going forward, the overall 15-day outlook remains decidedly pessimistic with accumulations running no better than near-normal, meaning the late-planted soybean crop will continue to struggle. For Argentina, notable thunderstorm activity traversed southern Córdoba and southwestern Buenos Aires early this morning, setting the stage for a highly beneficial, widespread wet pattern expected to arrive later this week and persist into early next week, delivering substantial moisture that is fully expected to finish off the corn and soybean crops for the growing season.



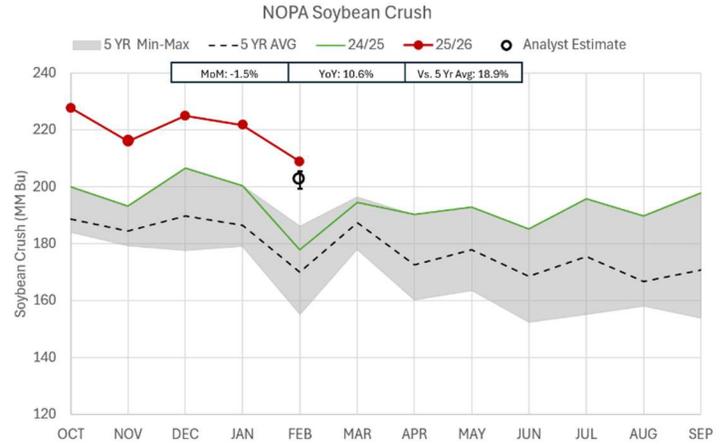
## Grains

 NOPA Soybean Crushings Reports As of: February 2026								
	Actual	Survey Results			Previous		Percent Change	
		Avg	Low	High	Month	Year	MoM%	YoY%
Soybean Crush (MM Bu)	208.785	202.725	199.400	205.453	221.564	177.870	-5.8%	17.4%
Oil Stocks (MM Lbs)	2,080	1,928	1,701	2,100	1,900	1,503	9.5%	38.4%

NOPA members crushed 208.785 million bushels of soybeans in February; this isn't just a record for the shortest month on the calendar, but a number that blew past every single analyst estimate. The highest pre-report forecast was 205.453 million, and the actual print topped it by more than 3 million bushels. While total crush was down 5.8% compared to January, it was with 3 fewer days of crushing. With a daily crushing rate of ~7.457 million bushels, February crush comfortably set a new record for daily pace – well above January's 7.147 million. The +17.4% year-over-year jump is

inflated by a weak comparison, with 2025's 177.870 million came during a stretch of winter weather disruptions. It is worth noting, however, that the US experienced severe winter weather disruptions in the early days of February 2026 as well, and was still able to hit these record crush numbers.

Soybean oil stocks surged to 2.080 billion lbs – up 9.5% from January's 1.900 billion and +38.4% year-over-year from 1.503 billion. That's near the top of the analyst range (1.701–2.100 billion) and well above the 1.928 billion average estimate. While this sounds bearish for soybean oil, what's worth keeping in mind here is that these stocks estimates were made with the assumption of significantly lower crush numbers; this actually means that there was greater-than-expected demand for soybean oil in February.



There are a few more quick points I want to make regarding soybean crush. NOPA estimates that it currently represents ~98% of US soybean crush; based on the NOPA and NASS crush numbers for the 2025/26 product year, NOPA crush has averaged 97.4% of total NASS crush. Based on this, the NASS Fats & Oils report for February – due April 1 – should see soybean crush around **214.5 million bushels**. There are some supply factors to keep in mind as we get further into the year. March marks the beginning of planned seasonal downtime for the crush plants, with the largest chunk of seasonal downtime expected for April and May of this year. A positive supply factor is that Louis Dreyfus is getting close to opening a new crush plant (expected to be operational this summer) which will add an additional 55 million bushels of annual soybean crush capacity. With all this in mind, and assuming that the average year-over-year growth stays relatively consistent, I estimate that the full-year total NOPA crush to exceed 2600 million bushels. This would be a record by a large margin (~300 million bushels higher than last year), and would result in the USDA needing to increase their crush estimates by ~100 million bushels.

Grains commentary provided by Zachary Davis. For questions or comments, Zachary can be reached by email at [zdavis@nesvick.com](mailto:zdavis@nesvick.com) or on Trillian at [zdavis@nesvick.com](mailto:zdavis@nesvick.com).

### Livestock

USDA is scheduled to release their estimates for the March 1<sup>st</sup> Cattle on Feed report this Friday, March 20<sup>th</sup>.



February Placements are estimated to be 102% of last year's levels. Placements were affected by some carryover from the late January winter storm and by larger supplies as movement off winter pasture began. USDA's weekly average feeder cattle summary reports showed that average auction volume in 2025 was 15% higher than in 2025. Marketing's are estimated to be slow and low, at 92% of a year ago, a pattern that has persisted since last summer. The result should

be 100% total cattle on feed. Rather than placements driving the data, it's the lack of marketing's that has been pushing cattle out into the future. Despite being comparable to a year ago, this is the lowest March 1st total recorded since 2017.

We continue to believe that expansion from the beef on dairy herd has masked the legacy analyst data. The legacy data indicate a high number of heifers on feed and a high heifer-to-total-slaughter percentage. This legacy data analysis has led most analysts to recommend no expansion, with some agreeing with the USDA that continued liquidation was observed in 2025. We disagree with these statements. In 2025, we believe the number of heifers held for beef cow rebuilding increased and will continue to increase in 2026. Because of this continued expansion, beef heifer placements may still decline, but beef-on-dairy placements will not; these will continue to increase. 32% of the total cattle on feed are likely dairy-crossbred. As a result, the cattle herd will be larger on Jan 1<sup>st</sup> of 2027 than it was on Jan 1<sup>st</sup> of 2026.

*Livestock commentary provided by Scott Shepard. For questions or comments, Scott can be reached by email at [scott@mnrcapital.us](mailto:scott@mnrcapital.us) or on Trillian at [scott@nesvick.com](mailto:scott@nesvick.com).*

## Macro/Financials

Apollo, which manages \$938 billion and is arguably the most important name in private credit, announced last week that it's moving to monthly NAV reporting on its credit funds, with daily marks and third-party valuations as the eventual target. The firm traded nearly \$10 billion of high-grade private loans last year and is building a real-time pricing marketplace. On the surface, this looks like a transparency win. But you don't build price discovery infrastructure for a \$1.8 trillion asset class because things are going well. You build it because the alternative – investors demanding their money back from a black box they no longer trust – is worse.

The backdrop makes the timing hard to ignore. Blue Owl Capital suspended quarterly redemptions on its retail private credit fund in late February. BlackRock's \$26 billion HPS Corporate Lending Fund, one of the largest non-traded BDCs in the industry, saw shareholders request 9.3% of their shares back in Q1, and management capped repurchases at the preset 5% limit. JPMorgan is restricting lending to some private credit funds after marking down the value of loans to software companies in their portfolios. Roughly 15% of private credit borrowers can no longer fully service their interest payments. Tech-heavy private credit portfolios are seeing spreads widen by ~110 basis points. And yet broad high-yield spreads sit near historic tights at 286bp. The public credit market says everything is fine. The private credit market – bigger, less liquid, and marked to model rather than marked to market – is telling a different story.

That divergence matters more than it might seem, because for the past several decades, credit spreads have been one of the most reliable leading indicators for recessions and equity drawdowns. HY blew out before the GFC, before COVID hit earnings, before every meaningful risk-off event in modern memory. But the market's plumbing has changed. Post-GFC bank regulation pushed middle-market lending out of the banking system and into private credit, which quadrupled in AUM from ~\$400 billion in 2018 to \$1.8 trillion today – most of it originated during zero rates. That lending now sits outside the Fed's transmission mechanism, outside public price discovery, and outside the dashboard that most macro investors use to gauge credit stress. If you're waiting for HY spreads to widen before getting cautious, you might be reading the wrong scoreboard.

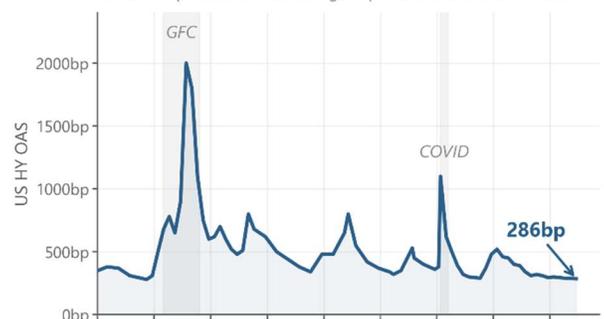
### Global Private Credit AUM

Industry estimates | Shaded regions = near-zero Fed funds rate



### The Credit Signal Is Split

Public HY spreads near historic tights | Private credit stress invisible



The counterargument is that this is a liquidity-mismatch story, not a credit-quality story – investors spooked by gates and redemption caps, but the underlying loans are fine. Maybe. But JPMorgan isn't marking down software company loans and pulling back from warehouse lending because of sentiment. The question isn't whether private credit has a problem – the redemption data answers that. The question is whether the stress stays contained in a corner of the market that most people can't see, or whether it's the early read on a credit cycle that the public market hasn't priced yet.

*Macro/Financials commentary provided by Zachary Davis. For questions or comments, Zachary can be reached by email at [zdavis@nesvick.com](mailto:zdavis@nesvick.com) or on Trillian at [zdavis@nesvick.com](mailto:zdavis@nesvick.com).*

### Today's Calendar (all times Central)

- ADP Employment Change – 7:15 AM
- Pending Home Sales – 9:00 AM

Thanks for reading,

Zachary Davis

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