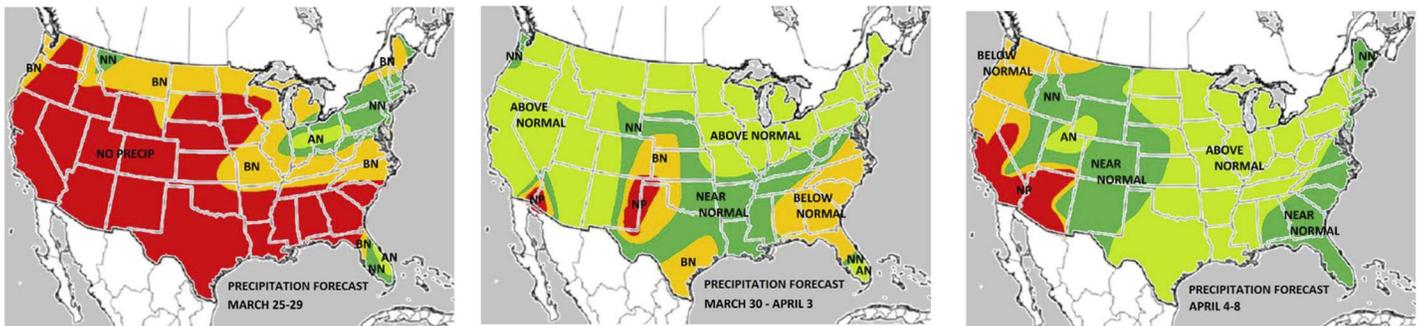


Weather

Exceptional dryness and record-setting heat will dominate the United States through Monday, featuring widespread highs in the 80s and 90s across the Plains and Mid-South. A critical pattern shift is expected to commence Monday night, introducing an especially wet environment for the central and eastern Corn Belt as well as the western Mid-South, where widespread totals of two to four inches are anticipated through April 8; this substantial moisture will be very welcome ahead of spring planting. Unfortunately, the forecast for the parched HRW wheat belt remains highly questionable, with western Kansas, eastern Colorado, and the Texas and Oklahoma panhandles likely missing out on meaningful precipitation entirely during this transition. Furthermore, after a brief weekend cooling, an exceptional heat wave will return to the Plains for the March 29 through March 31 period, featuring temperature anomalies of 10-20 degrees above normal.



The precipitation forecast for the safrinha corn crop in southern Brazil has notably dried, with areas like Paraná and southern Mato Grosso do Sul expecting little to no rainfall through April 1; this acute dryness is compounded by persistent above-normal temperatures, and the subsequent 11-15 day period offers only near-normal moisture rather than the significant soaking required to alleviate mounting crop stress. Conversely, northern soybean and safrinha corn regions remain in a favorable environment, expecting near to modestly above-normal 15-day rainfall totals that will adequately support both late soybean harvesting and safrinha corn development. In Argentina, a dry pattern will persist through Thursday before heavy rainfall initially targets southern growing areas, eventually spreading across the entire main agricultural belt during the 11-15 day period; however, this much-needed moisture for late-planted corn and soybeans will arrive alongside severe heat, as temperatures are forecast to run 10-20 degrees above normal from March 29 through April 3.

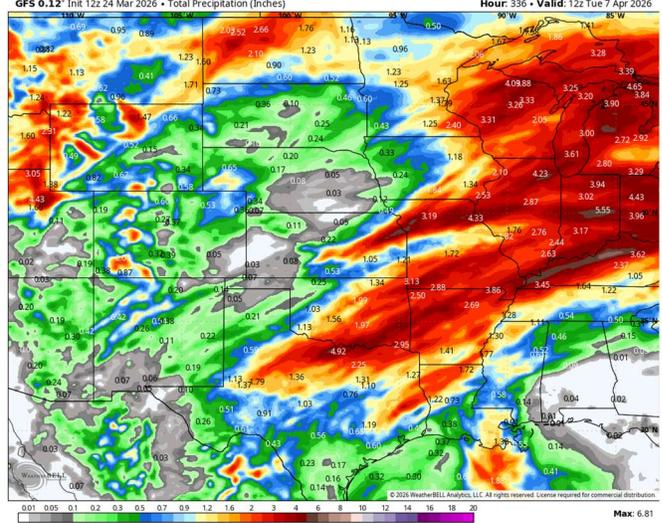
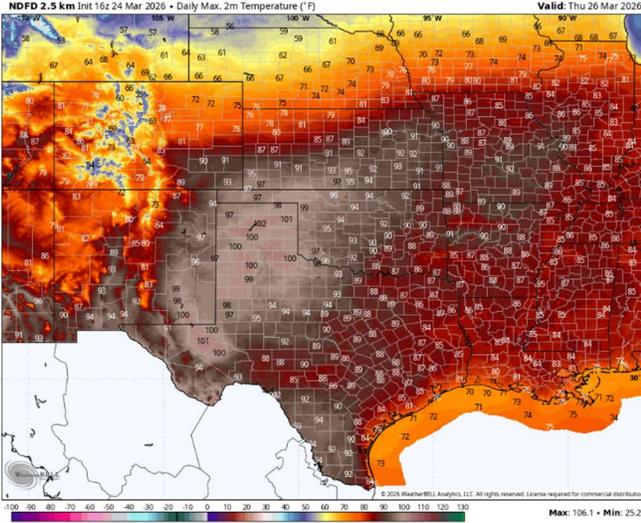
Grains

Let's take a closer look at wheat as HRW condition ratings continue to decline and we have a dry forecast for the next 10 days with some heat followed by fluctuating temps. Temps are forecast to reach 100 Thursday in the TX panhandle. Only select states are releasing weekly crop progress reports, but they are the major HRW states and all declined from last week and all are below year ago. See attached table.

Winter Wheat Crop Ratings			
Good-Excellent/Fair/Poor-Very Poor			
	Mch 23, 2026	Mch 16, 2026	Mch 23, 2025
KS	46/35/19	52/32/16	49/34/17
OK	14/47/39	18/43/39	37/34/29
TX	16/35/49	15/42/43	31/32/37
CO	24/40/36	29/49/22	66/25/9

Topsoil moisture in KS is rated 60% short/very short vs 45 at the same time last year with subsoil 54% s/vs vs 46 a year ago. Overall wheat in KS is 6% jointing. Also attaching a map of forecast high temps for Thursday and the GFS two-week moisture forecast with western HRW remaining dry. HRW has large carry-in stocks, but if dryness continues and harvested area is reduced, it could tighten up fairly quickly. I am currently using a 715 milbus crop but it's looking increasingly likely that it could be in the mid-low 600's depending on upcoming weather. See attached HRW balance. Funds are holding small length in KC. Russian FOB values continue to inch higher and there was a piece in Bloomberg today about Australia reducing area by a considerable amount due to expected fertilizer shortages. ABARE's initial 26/27 crop forecast was 33 mmt, but with lower area and considering it will likely be El Nino, it's not a stretch to expect something in the 20's (down

from 36 mmt this year). Planting gets underway in the next couple months. We had oversupply in wheat this year (on paper), but the market stopped going down. We could be facing a much tighter situation in 26/27.

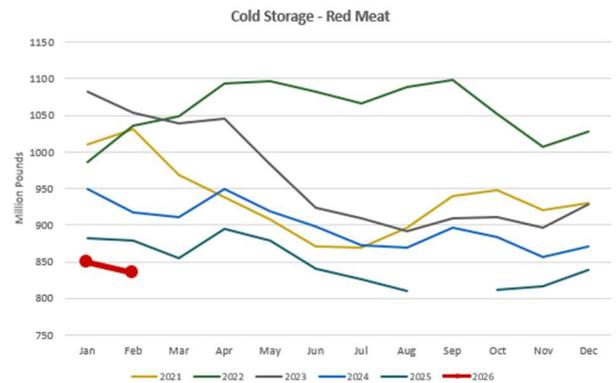


	U S HRW Supply/Usage					USDA	USDA	MB	MB
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2025/26	2026/27
Carry-in	516	506	428	356	223	274	402	402	427
Production	845	659	750	531	596	773	804	804	715
Imports	2	4	4	5	18	6	5	5	5
Total supply	1363	1169	1182	892	837	1054	1211	1211	1147
Seed	24	26	26	29	27	26	26	26	26
Domestic Mill	378	377	411	374	384	387	390	390	400
Feed/Residual	78	-1	72	42	18	25	25	40	45
Exports	376	340	317	224	134	215	320	328	335
Total Use	856	742	826	669	563	653	761	784	806
Carry-out	506	428	356	223	274	402	450	427	341

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

USDA released its monthly Cold Storage report this afternoon, and the story hasn't changed: protein inventories continue to grind lower. Total red meat in freezers fell to 834 million pounds at the end of February, down 5% from a year ago and 2% below January. Beef accounted for the bulk of the decline at 413 million pounds, down 5% year-over-year and 3% month-over-month. Pork came in at 403.5 million pounds, also down 5% from last year, though essentially flat on the month. Looking at the seasonal overlays going back to 2021, the 2026 lines in nearly every red meat category are tracking at or near the bottom of the historical range. This isn't a one-month anomaly; it's a trend that has been building for years. Fewer cattle means less beef flowing into cold storage, and the demand side hasn't let up enough to offset that.



Chicken has been the one protein that bucked this multi-year drawdown, running above prior-year levels for most of 2022 through 2025. That's starting to change. February chicken stocks came in at 780 million pounds, down 2% from last year. We'll have to wait and see if stocks increase starting in the summer months like they have for the last couple years, or if

they stay relatively stable throughout the year, like in 2021 or 2023. More concerning, HPAI (bird flu) has escalated into the largest animal health emergency in U.S. history, with over 350,000 birds depopulated in Indiana alone since the beginning of March and spring migration season raising further risk. If poultry production takes a meaningful hit, the one category that had been providing a floor under total protein inventories starts to look vulnerable too. Turkey stocks, while up 19% from January's post-holiday low, are still running 13% below year-ago levels, which underscores how tight the poultry complex already was before the latest HPAI wave.

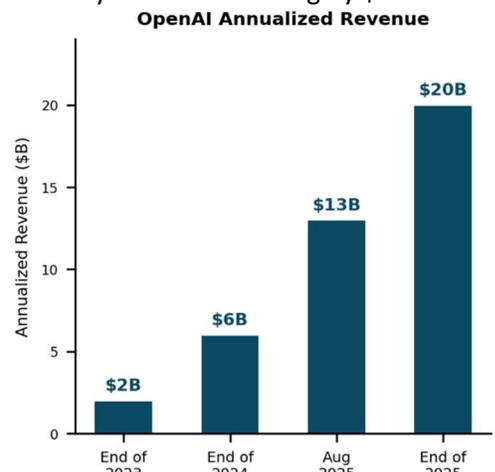
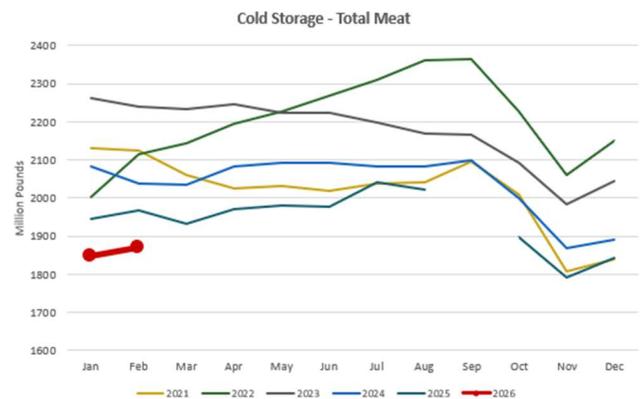
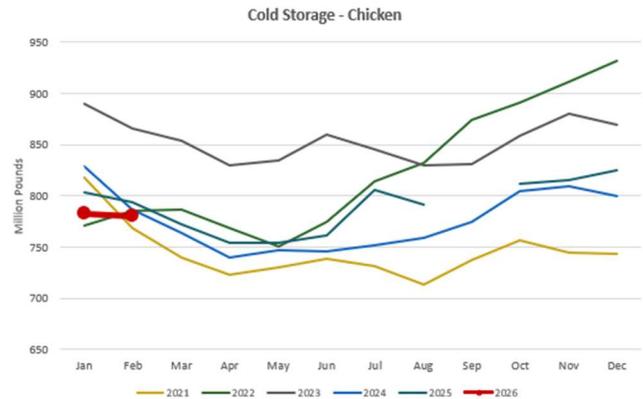
So, what does historically low red meat storage combined with a newly pressured poultry complex actually mean? Less cushion. When cold storage inventories are thinning across the board, there's simply less buffer against any demand surge, export spike, or production disruption. The cattle herd isn't going to rebuild overnight; that's a multi-year cycle that, is really only in early stages. And if HPAI continues to claim birds through the spring, the protein supply picture tightens further. For livestock pricing, this backdrop continues to support the case for sustained elevated prices, particularly in beef where the supply constraints are the most structural and the least likely to reverse quickly.

Livestock 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.

Macro/Financials

There's been some interesting news out of OpenAI this week. It is offering private equity firms preferred equity stakes with a guaranteed minimum return of 17.5%, significantly higher than typical preferred instruments, as it races to build out an enterprise-focused joint venture. The deal includes early access to unreleased models and targets ~\$4 billion in commitments from firms like TPG, Advent, Bain Capital, and Brookfield at a pre-money valuation of roughly \$10 billion. Because PE firms control portfolios of hundreds of established companies and directly influence how those businesses budget for technology, a joint venture gives OpenAI a shortcut past the slow, deal-by-deal enterprise sales cycle. Additionally, once a customized AI model is integrated into a client's systems, switching costs become substantial. Anthropic is pursuing a parallel arrangement with Blackstone, Hellman & Friedman, and Permira, but notably without offering a comparable financial guarantee.

Here's the tricky part: OpenAI's annualized revenue crossed \$20 billion in 2025, a 233% year-over-year increase, but the company is still projecting \$14 billion in losses for 2026 and doesn't expect profitability until 2029. Earlier this year it raised \$110 billion from Amazon, SoftBank, and Nvidia. So, the 17.5% guarantee isn't being backstopped by operating cash flow. It's being backstopped by continued access to capital markets. That's not unusual for high-growth tech companies in land-grab mode, but the scale here is genuinely unprecedented.



Not everyone is buying it. Thoma Bravo, a private equity company, declined after managing partner Orlando Bravo questioned the long-term profit profile, noting that many portfolio companies are already deploying AI independently. At least one other firm walked away too. The core objection is sharp: large PE firms already have direct access to both OpenAI and Anthropic without committing billions in capital. What exactly does the JV buy that they can't get on their own? Some of the interest could be driven less by economics and more by pressure on PE firms to demonstrate an AI strategy.

So, what does it tell you when a company generating \$20 billion in revenue still needs to guarantee 17.5% returns to attract capital into its enterprise strategy? I think it tells you the enterprise AI sale is harder than the headline growth numbers suggest, and OpenAI's willingness to pay up this aggressively says a lot about how the market is pricing AI's near-term path to profitability.

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
- EIA Energy Stocks – 9:30 AM

Thanks for reading,

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