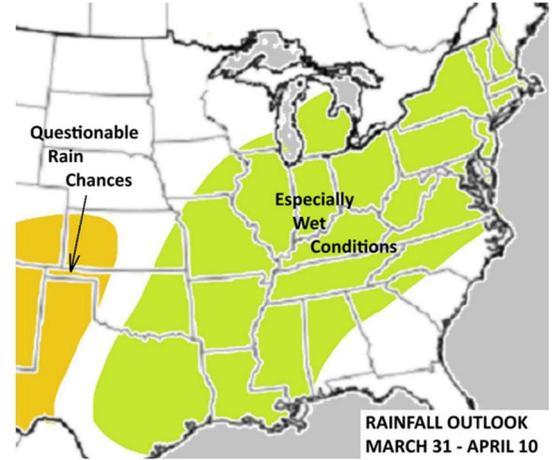


## Weather

Across the United States, an exceptionally dry pattern will persist through the weekend before a major atmospheric transition brings an active and highly stormy period to the middle of the country starting on Tuesday. This shift will predictably deliver widespread precipitation totals of two to four inches across the central and eastern Corn Belt, as well as the western Mid-South, which will significantly improve soil moisture profiles ahead of the impending spring planting season. Conversely, the forecast continues to offer absolutely no meaningful relief for the drought-stricken HRW wheat belt, where western Kansas, eastern Colorado, and the Texas and Oklahoma panhandles will remain critically parched while battling intense winds and elevated fire threats. This severe lack of moisture is exacerbated by a brutal heat wave, with temperatures soaring 15 to 20+ degrees above normal from March 29 through March 31 and threatening additional record highs across the Southern Plains, guaranteeing further degradation of struggling winter wheat stands before a much cooler, below-normal temperature pattern abruptly arrives during the 11-15 day period.



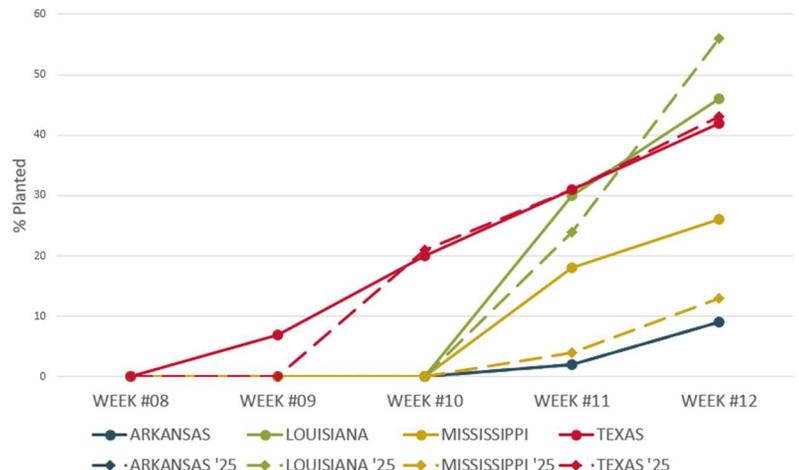
Favorable conditions continue across northern Brazil, where near-normal rainfall will support late soybean harvesting and safrinha corn development. However, significant crop stress persists in the safrinha corn areas of Paraná and southern Mato Grosso do Sul due to an ongoing lack of sufficient moisture; the 1-5 day period will be exceptionally dry, and while above-normal rainfall is forecast for the 11-15 day window, the totals will not provide the deep soaking necessary to alleviate drought conditions. This dryness is accompanied by persistent above-normal temperatures, which are expected to finally moderate late in the second week. In Argentina, a wet pattern commences tonight and will saturate southern growing areas over the next week before shifting northward during the 11-15 day period, maintaining adequate soil moisture to combat an intense heat wave that will push temperatures 10+ degrees above normal through April 1 before a notable cooling trend arrives.

## Grains

The first weekly nationwide Crop Progress and Crop Conditions data of the 2026 season doesn't drop until April 6, but USDA has already started publishing state-level planting and condition data from the early-planting southern states. Megan covered current winter wheat conditions in her comments earlier this week, so while the HRW belt looks to remain extremely dry for the next few weeks, planting progress numbers are where I want to focus today, because they're starting to paint a picture of the early row crop season.

Corn is the furthest along, and the story so far is mostly unremarkable. Texas is 42% planted through Week 12, right on its five-year average of 43%. Arkansas is at 9%, matching last year and well ahead of its 3% average. Louisiana is the one state running a bit behind at 46% versus a five-year average of 57%, a gap worth monitoring but not alarming this early. The number that jumps off the page is Mississippi at 26% planted versus a five-year average of just 9%, nearly triple the normal pace. That's a big early move that suggests favorable weather windows through February and early March kept planters rolling in the Delta.

Corn Planting Progress by State - 2026 vs 2025



Soybeans have just barely gotten started in the past week, at 1% across Arkansas, Louisiana, and Mississippi – all in line with where you'd expect them for late March. Cotton planting is limited to Arizona so far, with 8% of the crop planted, which is slightly ahead of both last year's 7% and the five-year average of 5%.

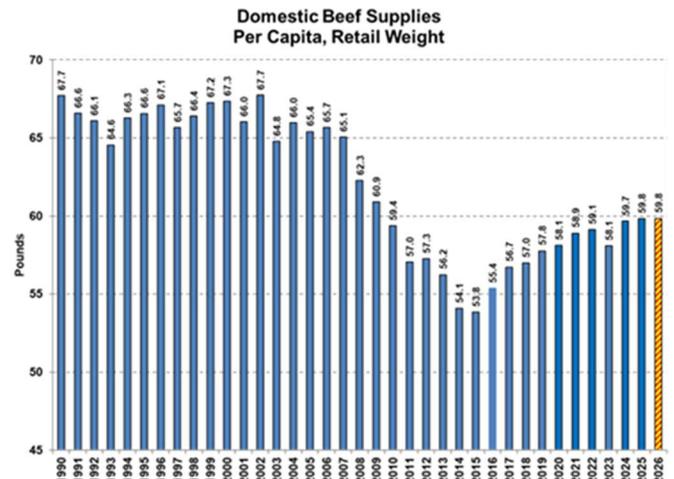
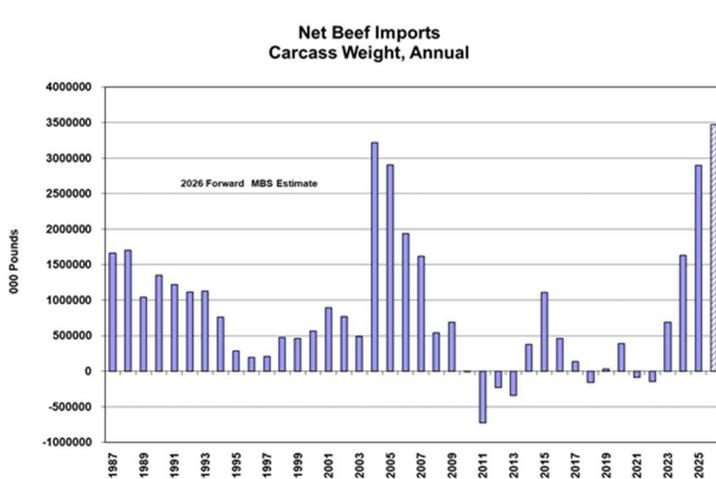
The broader takeaway is that nothing here should concern the market on timing. Corn planting in the states that go first is tracking at or ahead of normal, and the Mississippi number in particular signals that conditions have been cooperative. The Corn Belt states have started showing up in the planting data between Weeks 13-15 in the past several years, so we could start to see a much more significant amount of state-level planting data as early as next week. Until then, the early southern reads suggest 2026 planting is getting off to an orderly start.

*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).*

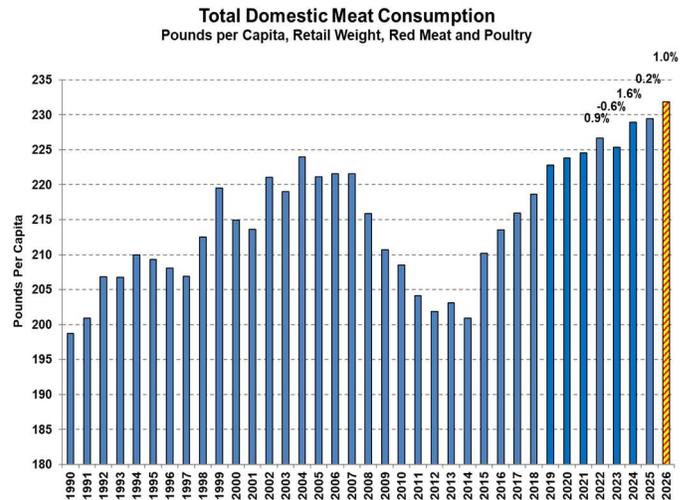
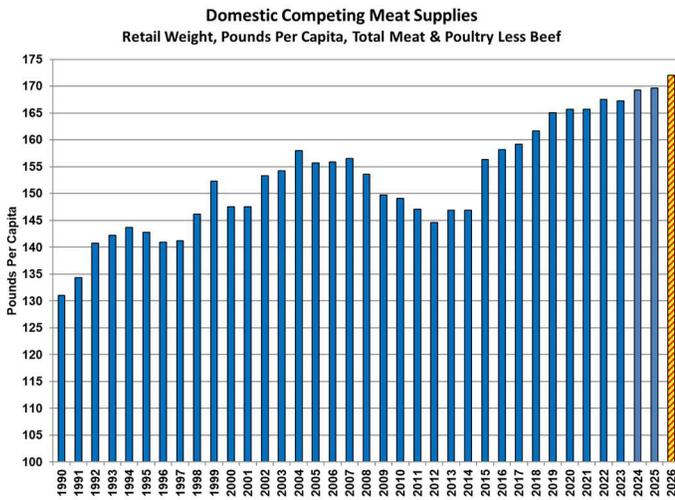
## Livestock

As the first quarter rapidly comes to a close, another reminder emerges that beef production and domestic supplies are more than slaughter and/or inventories. Despite the media lament regarding decades-small cattle inventories, the declines in production and supplies are relatively modest and likely portends more of the same during the balance of the year. Feedlot placements during the last half of 2025 dropped about 950,000 head or 8% below a year earlier. With those smaller placements and longer feeding regimes, JFM fed cattle slaughter was down about 9%, but with much heavier carcass weights, fed beef production only dropped about 6% below last year. Net trade further filled the apparent supply “hole”, with beef imports estimated about 16% larger than last year while exports are estimated 8% smaller; adding net imports of nearly 1 bil pounds means that JFM domestic beef disappearance was only about 2% smaller than a year earlier—hardly the beef “dessert” the media portrays.

To varying degrees, JFM may set the pattern for the balance of the year; fed cattle supplies likely will remain below a year earlier into mid-year, reflecting smaller feedlot placements last fall, but YoY declines in AMJ fed supplies likely will be smaller than JFM. And, declines in fed cattle supplies during the last half of the year will be even smaller as comparisons are made against the already large decline posted during the last half of 2025. In addition, net beef imports (larger imports, smaller exports) will continue to augment domestic supplies. Amid record beef imports this year and declining exports, net trade may add a record 3.5 bln pounds to domestic beef availability, nearly 12% of domestic disappearance. Despite prospects for smaller slaughter volumes this year, heavier carcass weights plus the larger net imports, domestic per capita supplies may be about the same as last year—and the year before that.



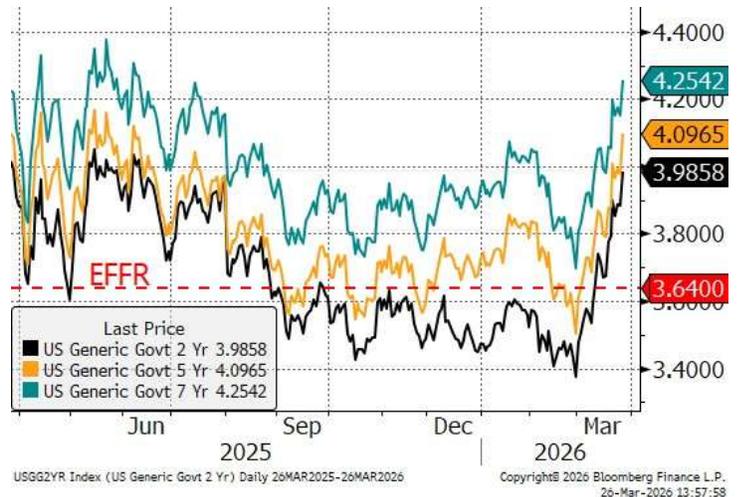
Along with little or no decline in per capita beef supplies, competing meat supplies likely will be larger, although yesterday's Hogs and Pigs report suggests increases will be more limited with the breeding herd smaller than a year earlier, most market hog categories below pre-report estimates, and farrowing intentions constrained as well. Modest, if any growth in pork production, coupled with large exports, likely will hold domestic port supplies below a year earlier. Thus, all of the projected increase in competing meat supplies and larger total meat supplies revolves around expanding chicken production, projected about 2.5% larger than last year and record large.



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

This week's coupon auction cycle has been a rough one for the Treasury. Tuesday's \$69 billion 2-year sale drew a 2.44 bid-to-cover ratio, the weakest since May 2024, and tailed 1.8 bps against a six-month average that had been stopping through. Direct bidders took just 16.5% of the auction, roughly half their recent average of 32.1%, leaving dealers to absorb 24.12%, more than double their norm and the highest share since October 2022. Wednesday's \$70 billion 5-year wasn't any better: a 2.29 bid-to-cover (worst since September 2022), a 1.4 bp tail (largest since October 2024), and nearly 90% of competitive bids filled at the stop. The one modest bright spot was indirect participation on the 5-year holding roughly near its 10-auction average, but that's a thin silver lining on two otherwise ugly results.



The macro backdrop makes this easy to diagnose but hard to solve. Crude has surged ~31% in March on the Iran conflict, layering a supply-driven oil shock on top of core PCE already running at 3.1% in January. Five-year TIPS (Treasury Inflation-Protected Securities) break-evens have hit one-year highs, and the front end has repriced violently, with the 2-year yield climbing ~53 bps in just three weeks to ~3.91%. That puts it firmly above the effective fed funds rate (currently 3.64%) for the first time since November 2023, a historically meaningful signal that markets are no longer pricing the next move as a cut. The Fed held at 3.50-3.75% last week, but the dot plot tells you everything about the uncertainty: half the committee sees no cuts this year, the other half sees at least one, and futures markets are pricing a coin flip on whether rates move

at all in 2026. When the people setting the policy rate can't agree on direction, it's no surprise that buyers bidding on rate-sensitive paper are stepping back.

Thursday's \$44 billion 7-year told a slightly different story. The bid-to-cover came in at 2.43, modestly below the six-month average of 2.46 but nowhere near the kind of miss we saw on the 2-year or 5-year. Indirect participation landed right on the average at 62.6%, and the allotted-at-high was just 24.47%, which actually suggests decent demand depth near the stop. Dealers took 12.4%, a touch above average but not alarming. It wasn't a strong auction by any stretch, but it was a passable one, and after Tuesday and Wednesday that counts for something.

The real demand problems seem to be concentrated at the front end, where uncertainty about Fed direction is most acute and where the 2-year breaking above the fed funds rate has forced a repricing of expectations. The 7-year, further out on the curve and less tethered to near-term policy guessing, absorbed at 4.255% without drama. That tells you the market's issue isn't with Treasuries broadly, it's specifically with the part of the curve that requires a view on what the Fed does next, and right now nobody has one. If oil stays above \$100 and the April inflation prints confirm what break-evens are suggesting, the front end could very well have further to reprice.

*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)

- U. of Mich. Sentiment – 9:00 AM
- KC Fed Services Activity – 10:00 AM

Thanks for reading,

Zachary Davis  
[zdavis@nesvick.com](mailto:zdavis@nesvick.com)

(901) 604-7712

Trillian IM: [zdavis@nesvick.com](mailto:zdavis@nesvick.com)

Bloomberg IB: [zrdavis@bloomberg.net](mailto:zrdavis@bloomberg.net)

### DISCLAIMER:

**This communication is a solicitation for entering into derivatives transactions.** It is for clients, affiliates, and associates of Nesvick Trading Group, LLC only. The information contained herein has been taken from trade and statistical services and other sources we believe are reliable. Opinions reflect judgments at this date and are subject to change without notice. These materials represent the opinions and viewpoints of the author and do not necessarily reflect the opinions or trading strategies of Nesvick Trading Group LLC and its subsidiaries. Nesvick Trading Group, LLC does not guarantee that such information is accurate or complete and it should not be relied upon as such.

Officers, employees, and affiliates of Nesvick Trading Group, LLC may or may not, from time to time, have long or short positions in, and buy or sell, the securities and derivatives (for their own account or others), if any, referred to in this commentary.

There is risk of loss in trading futures and options and it is not suitable for all investors. PAST RESULTS ARE NOT NECESSARILY INDICATIVE OF FUTURE RETURNS. Nesvick Trading Group LLC is not responsible for any redistribution of this material by third parties or any trading decision taken by persons not intended to view this material.