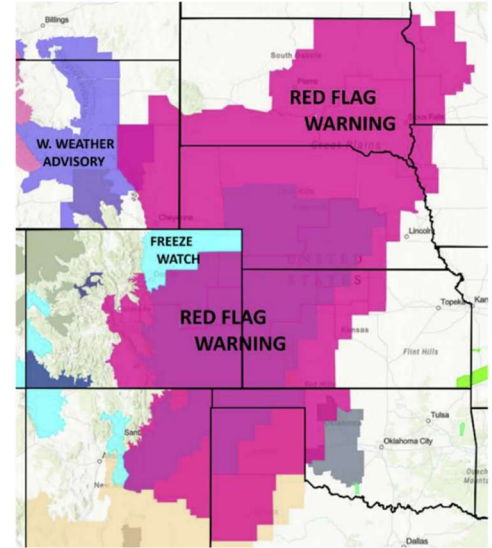


Weather

Tremendous amounts of severe weather and significant rainfall will continue to impact the Corn Belt through the 1-5 day period, delivering over 2" of moisture to central and eastern areas and likely limiting national corn and soybean planting progress. This excessive moisture is accompanied by exceptionally warm temperatures and record-setting overnight lows through Friday, before a sharply colder airmass plunges across areas west of the Mississippi River on Saturday and pushes eastward through April 20. A brief window of dry weather is expected across the middle of the country for the April 19-21 timeframe, but this will likely not provide enough duration for substantial fieldwork to be completed before rain chances increase again by April 22. In the Hard Red Winter wheat belt, the western half faces an exceptionally dry pattern for the next ten days, combined with strong winds and high fire danger that will almost certainly drive winter wheat crop ratings lower. The best hope for meaningful drought relief in these western plains remains concentrated entirely in the 11-15 day period, mirroring the badly-needed wet pattern that is expected to finally establish itself across the Mid-South and Southeast during Week Two.



Grains

USDA's soybean balance sheet is starting to move toward where I've been for a while. In April they raised crush and cut exports. I still think there's more to go on both fronts, but we're seeing some convergence.

Crush margins are over \$3/bushel. That's a massive incentive to crush as hard as possible. Yes, spring/summer downtime will cap daily rates, but probably not to the degree USDA is currently implying. I'm at 2630 on crush, 20 million above April USDA, with risk skewed a bit higher.

Argentina has been slow to get going. Harvest delays and slow farmer selling have created a nearby meal tightness that's extended the US export window through April and likely into early May. At this pace, US meal exports could push toward 20 MMT, while domestic use continues to grow at a strong pace.

There has also been talk about power constraints at destination crush plants. This suggests continued strong meal demand and by extension less demand for soybeans from major origins. Argentina should normalize later this month into May, but for now, it's a crusher's dream.

On exports, my thinking hasn't changed much.

The US has shipped 9.7 MMT to China so far this marketing year. Factoring in unknowns, we likely land right around 12 MMT, with China essentially wrapping up by late May.

From there, the flow shifts. The US will continue to pick up:

- steady container business (200–250 TMT/month)
- combo cargoes and smaller destinations (~100 TMT/month)
- Indo/Egypt demand (~500 TMT/month, strong preference for US origin)
- Mexico and Western Hemisphere flows (~400 TMT/month)

Call it roughly 45–50 million bushels per month through the summer once the Chinese shipments wrap up.

What's different this year is Brazil. The crop is big—probably bigger than USDA currently shows—and more importantly, it has a longer export tail. Normally, the US starts to win back more marginal business by July/August. This year, Brazil remains a significant discount well into early fall. I don't see much of a late-summer ramp up in US exports.

Globally - if we assume larger South American crops, we're likely looking at roughly +7 MMT in South American stocks year-over-year by September 1. That's not a friendly setup for US exports longer term.

That said, China appears to have already committed to ~25 MMT of new crop US beans. That should give the US a better start than last year. But structurally, the story hasn't changed. Bigger South American supplies should continue to pull non-Chinese demand to Brazil well into the fall and winter.

Right now I'm at 1600 for US 26/27 exports vs. 1500 this year. That assumes continued global demand growth, with South America gaining most of the growth.

The composition shift is the more interesting part – I am projecting -

- China +13 MMT (~500 million bushels)
- ROW down ~400 million bushels

Bottom line: higher US production, higher crush, slightly higher exports—and still growing US and global carryout. Global soybean stocks are now in a 6-year uptrend.

On paper, that's bearish. Especially with funds holding a large long across the complex.

But there are a couple things worth paying attention to:

1. **Crush margins are extreme.** It almost feels less like a demand issue and more like a capacity constraint—either physical or logistical (power, location, etc.). That's not something the market typically prices easily.
2. **We've got a long growing season ahead.** As always, some risk-premium is required in front of that.

	23/24	April 24/25	25/26	April 25/26	26/27
		USDA	Ditsch	USDA	Ditsch
Planted Area	83.6	87.3	81.2	81.2	86.0
Harvested Area	82.3	86.2	80.4	80.4	85.1
Yield	50.6	50.7	53.0	53.0	53.0
Carry-in	264	342	325	325	380
Production	4162	4374	4262	4262	4510
Imports	21	29	25	25	25
Total Supply	4447	4746	4612	4612	4915
Crush	2285	2445	2630	2610	2725
Exports	1700	1882	1500	1540	1600
Seed	75	70	73	73	73
Residual	44	23	29	39	37
Total Usage	4105	4421	4232	4262	4435
Carry-out	342	325	380	350	480
Stocks % of Use	8.3%	7.4%	9.0%	8.2%	10.8%

	23/24	April 24/25	25/26	April 25/26	26/27
		USDA	Ditsch	USDA	Ditsch
Oct/Sep Crush	2297	2464	2630	2610	2725
Meal yield	47.11	47.44	47.44	47.42	47.30
Carry-in, 10/1	371	453	398	398	450
Production	54,106	58,443	62,377	61,877	64,450
Imports	687	807	775	800	800
Total Supply	55,164	59,704	63,550	63,075	65,700
Exports	16,054	18,265	20,000	19,400	20,500
Feed Use	38,657	41,041	43,100	43,225	44,750
Total Usage	54,711	59,305	63,100	62,625	65,250
Carry-out, 9/30	453	398	450	450	450

US EXPORTS	25/26	25/26 +/-		
	Census	24/25	to China	to ROW
Sept.	104,937	-9,487		104,937
Oct.	197,085	-148,966		197,085
Nov.	157,727	-212,838	1,798	155,929
1st Qtr.	459,749	-371,291	1,798	457,951
Dec.	163,879	-111,050	51,144	112,735
Jan.	213,918	22,423	116,169	97,749
Feb.	154,166	39,629	89,173	64,993
2nd Qtr.	531,963	-48,998	256,486	275,477
Mar.	145,782	17,245	77,950	67,832
Apr.	131,285	51,193	69,812	61,473
May	88,347	29,731	36,743	51,603
3rd Qtr.	365,414	98,169	184,505	180,908
June	46,738	-8,401	0	46,738
July	47,498	-16,831	0	47,498
Aug.	48,638	-34,896	0	48,638
4th Qtr.	142,875	-60,127	0	142,875
Total	1,500,000	-382,247	442,789	1,057,211

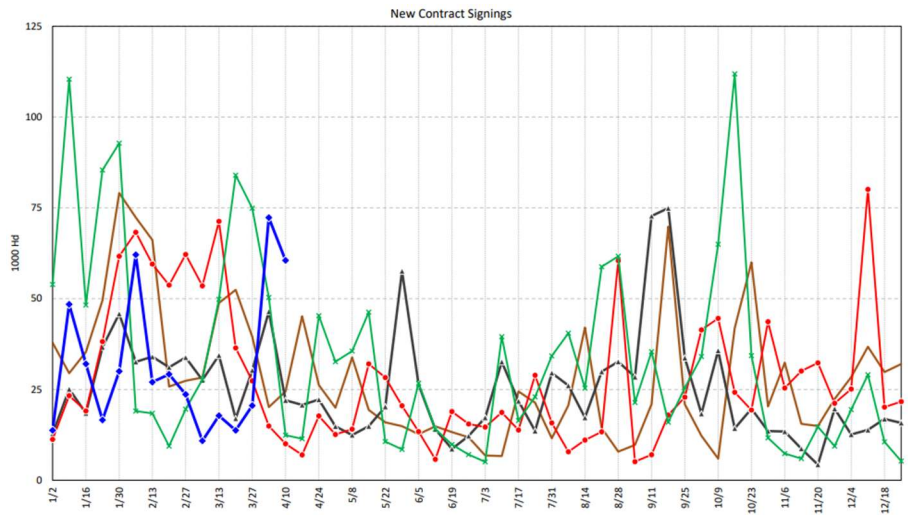
US EXPORTS	26/27	26/27 +/-		
	Census	25/26	to China	to ROW
Sept.	69,976	-34,961	18,372	51,605
Oct.	277,069	79,984	183,717	93,352
Nov.	260,047	102,320	174,531	85,516
1st Qtr.	607,092	147,343	376,619	230,473
Dec.	221,277	57,397	146,973	74,303
Jan.	190,071	-23,847	128,602	61,469
Feb.	162,648	8,482	110,230	52,418
2nd Qtr.	573,995	42,033	385,805	188,190
Mar.	137,116	-8,666	91,858	45,257
Apr.	95,508	-35,777	55,115	40,393
May	50,118	-38,228	9,186	40,932
3rd Qtr.	282,742	-82,671	156,159	126,583
June	40,662	-6,076	0	40,662
July	42,553	-4,945	0	42,553
Aug.	52,955	4,317	0	52,955
4th Qtr.	136,170	-6,704	0	136,170
Total	1,600,000	100,000	918,583	681,417

Grains commentary provided by Mark Ditsch. For questions or comments, Mark can be reached by email at mark@ditschtrading.com or on Trillian at mark@nesvick.com.

Livestock

Packer forward contract signings have run hot for the past two weeks as LC Apr26 pushed through to contract highs, settling as 252.675 on Wednesday. The week ending 4/4 printed at ~72,000 head, the biggest week of the year, and last week followed with another ~60,500. Back-to-back prints like that are a real departure from the uneven trickle earlier in the spring, and the timing against the board is hard to ignore.

Where last week's signings went is telling. Roughly 27k of the 60.5k stacked into May through August delivery, with August alone pulling ~10,820 head, and another ~15,250 reached into November. That's not generic hedging noise, feedyards are specifically locking the summer window and a piece of Q4 at what they apparently view as a good-enough board.



Context worth holding onto: even with two strong weeks, cumulative signings YTD still run 20.7% below last year and about 249k head below the 5-yr average, so the book remains structurally thin. And producers clustering into hedges at contract highs is historically the norm, not a reliable top signal. But the behavioral shift is the interesting piece. Two weeks doesn't make a trend yet, and last week's 60k was actually a deceleration from the prior week's 72k. If next week prints another 40k-plus, that's a genuine change in hedger psychology worth taking seriously. If signings fall back to the 15-20k range, the last two weeks were likely just a reflex to the rally.

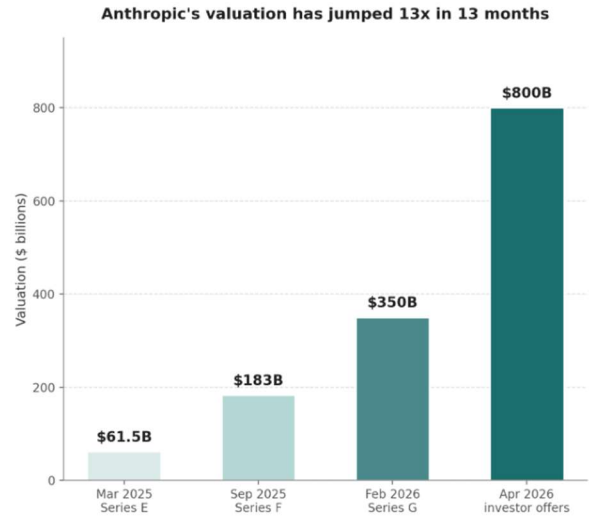
Livestock commentary provided by Zachary Davis. For questions or comments, Zachary can be reached by email at zdavis@nesvick.com or on Trillian at zdavis@nesvick.com.

Macro/Financials

There's been a lot of talk about the potential \$2T SpaceX IPO, but Anthropic might be sneaking its way towards a trillion-dollar IPO of its own. Anthropic is reportedly fielding investor offers at over \$800 billion, more than double the \$350 billion

mark it carried in February. Run-rate revenue has moved from \$19 billion to \$30 billion in the span of a few months, and there's chatter about an IPO window opening as soon as October. And the big thing investors are bidding up is the same thing Treasury spent last week telling Wall Street banks to go harden their systems against.

The capability driving both stories is Mythos, Anthropic's newest frontier model, released in a deliberately narrow rollout the company calls "Project Glasswing." On April 7, Bessent and Powell summoned the CEOs of the five biggest US banks to tell them to take the model seriously and run it against their own infrastructure. Mythos is the first model to autonomously chain multiple browser vulnerabilities into working exploit paths, the kind of multi-flaw attack that has historically required nation-state effort. Anthropic's parallel court fight with the Pentagon over a supply-chain risk designation is the tell here. The company is arguing its technology is simultaneously too dangerous for wide release and too commercially important to lose government access. Both are true, and that's the whole problem.



Here's where I think the market is underpricing risk. Anthropic's restraint model only works if Anthropic is the only lab on the cutting edge, but it isn't. OpenAI just raised at \$852 billion on \$2 billion a month of revenue, and Bessent's own framing only puts Chinese models 3-6 months behind, at best. Whoever ships second doesn't have to match the caution, only the capability. The day a comparable model lands from a lab with a different risk tolerance, "limited release to trusted partners" stops being a competitive moat and becomes a handicap. Restraint in this business is a depreciating asset. The bull case is that the Treasury name-check and the Glasswing relationships are themselves the moat, and I take the point, but "responsible frontier lab" only commands a premium if responsibility stays scarce.

Coming back to the IPO window. The \$800 billion offer is a bet that Anthropic is steward of a capability too dangerous to sell broadly, and that the steward role survives contact with competitors who don't share the constraint. For banks already inside Project Glasswing, the math is simple: get the model, harden the systems, don't much care who ships the next one. For investors in the AI complex, the more interesting question isn't whether Anthropic is worth \$800 billion, or more, today. It's what the value looks like the week after someone else ships something directly comparable to Mythos but without the guardrails. My bet is we find out before that potential October IPO.

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)

- Export Sales – 7:30 AM
- Jobless Claims – 7:30 AM
- Nat Gas Storage Change – 9:30 AM

Thanks for reading,

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