NESVICK TRADING GROUP, LLC

Tuesday, April 28, 2026
NTG Morning Comments
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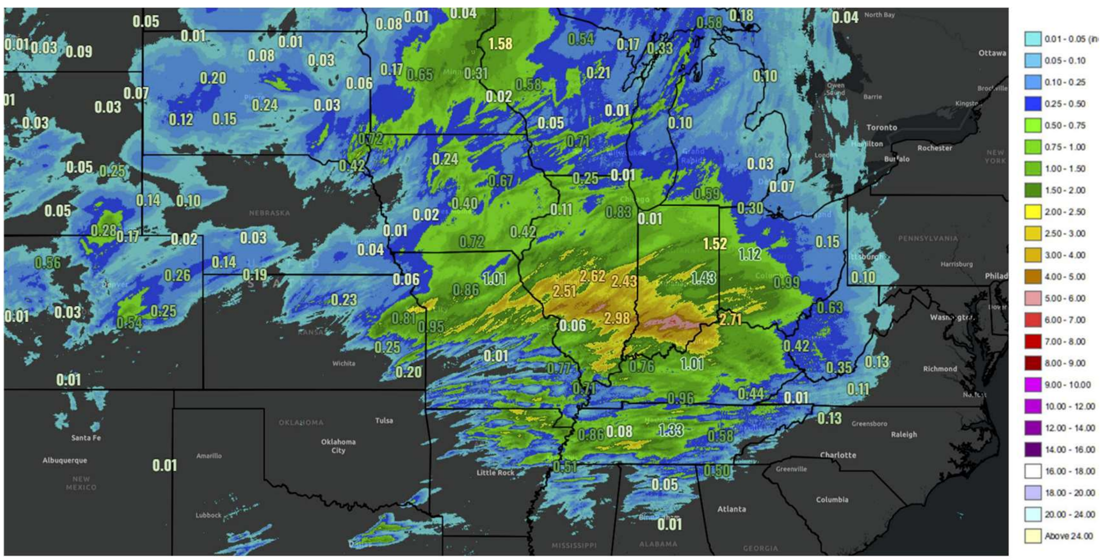
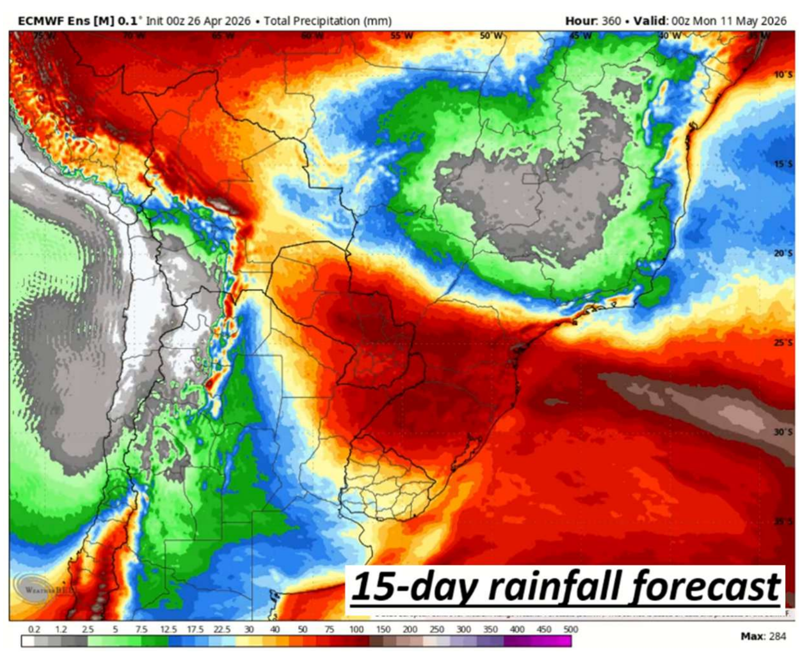
Weather

Following heavy 2-5” rainfall totals that triggered flash flooding across southern Indiana and the Ohio River Valley, the Corn Belt is transitioning into a notably drier pattern featuring below and well-below-normal precipitation through at least May 4, which will alleviate immediate fieldwork delays and allow planting progress to accelerate rapidly. In a significant divergence from previous expectations for widespread moisture, the forecast for the Hard Red Winter wheat belt has trended notably drier over the next 15 days, with anticipated rainfall proving highly disappointing for western Nebraska, northwestern Kansas, and northeastern Colorado, where totals under half an inch will fail to reverse severe soil moisture deficits and leave developing winter wheat stressed. Meaningful precipitation of over an inch will remain largely confined to Texas during the near-term period. Meanwhile, a uniformly cooler air mass will dominate the central and eastern United States over the next 15 days, entirely removing any abnormal warmth from the forecast and sustaining widespread below-normal readings that will culminate in a particularly cold threat for northern areas during the 6-10 day window.



24-hour precipitation/24-hour radar-estimated precipitation through around 4:30 AM CDT

Grains



The 15-day rainfall forecast for central Brazil is about as ugly as it gets for safrinha corn. From Mato Grosso down through Goiás and into Mato Grosso do Sul, the next two weeks look essentially dry in the window where a significant portion of the crop is still trying to pollinate or is just entering grain fill. The wet season isn't winding down gradually this year; it seems like it’s shutting off.

The setup for this has been building for months. Excessive early-season rain delayed the soybean harvest, which pushed safrinha planting to its slowest pace since 2022. The crop then went into soil that was already running 75–100+ mm below normal on moisture across core producing states, and the wet season never made up the deficit – January, February, and March all came in below normal on precipitation. So now you have late-planted corn, thinner-than-usual soil moisture reserves, and a dry season arriving right on time. That's the same combination that produced a 20% production collapse in 2020/21, when USDA estimates eroded from 109 MMT in April to 87 MMT by the time the final numbers came in.

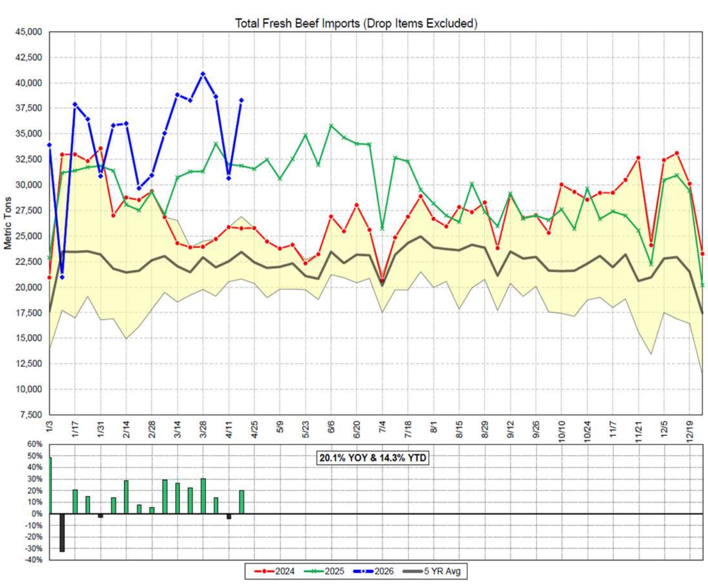
CONAB's current safrinha estimate sits at 109.1 MMT, with total corn at ~139.5 MMT. With the forecast looking this dry, these numbers could be too high. Mato Grosso – which accounts for nearly half of safrinha production and is the furthest along developmentally – carries more downside risk than the official estimates reflect. Paraná and Mato Grosso do Sul seem to be where the real damage is concentrating – Paraná's state government described the outlook as "unfavorable under ongoing irregular precipitation" back on April 9, and MGDS is already projecting yields down over 22% from last year. There is some rainfall hitting both states in the near-term forecast windows, which helps, but it's more likely to slow the bleeding than reverse losses that have already consolidated in crops that are already in their reproductive phase.

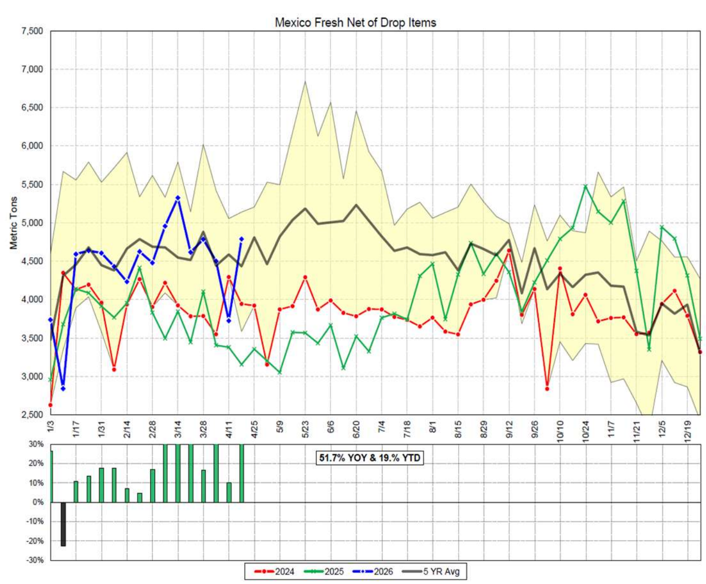
There have already been some early calls for the safrinha crop to come in 10+ MMT lower than CONAB’s current production estimate. Even Craig's working estimate – roughly a "half as bad as 2021" scenario – puts the safrinha crop closer to ~97 MMT, which would bring total Brazilian corn production down to around 127 MMT. That's 12 MMT below CONAB and about 5 MMT below the USDA. It's not a catastrophe, but it's a meaningful miss, and it could significantly offset the Argentina corn crop that looks to be shaping up well above the previous record as well as earlier production expectations. The next two to three weeks make up a significant window. If the forecast doesn’t change and rains don't come back into the forecast, conditions – and, as a result, production – will likely start moving lower in a hurry.

Grains 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.*

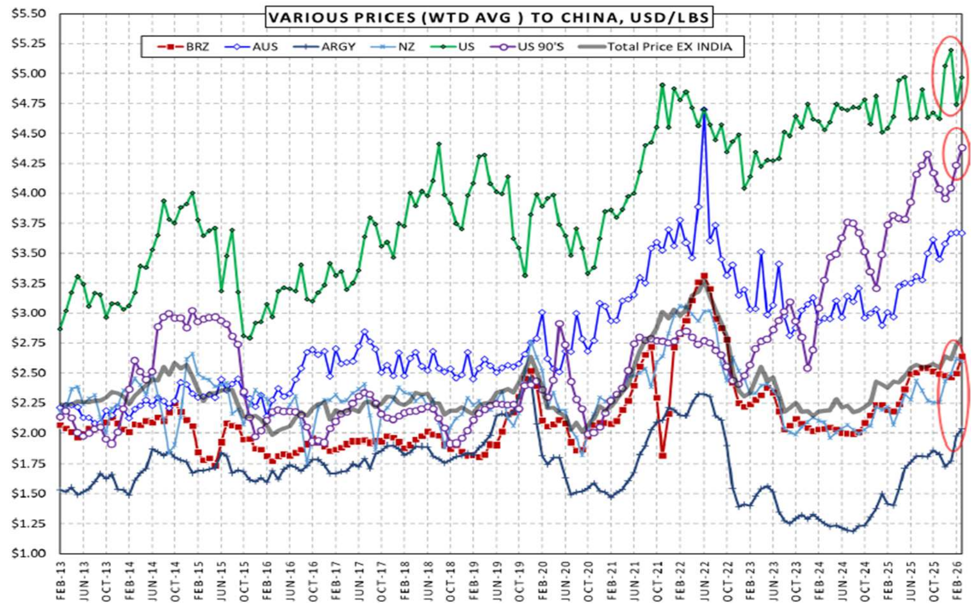
Livestock

Beef imports into the US remain strong, up 20% compared to a year ago for the most recent weekly data and +13% year-to-date in total. While most attention is focused on Brazil (+28% year-to-date) at around 10,000 metric tons per week and Australia (+12% year-to-date) at roughly 8,000 metric tons per week, Mexico should start to become a key driver for the balance of this year. Mexico is up 21% year-to-date at approximately 4,500 metric tons per week and will continue to grow as the year unfolds and into 2027. SuKarne, a major packer in Mexico, along with several smaller packers, are investing just over $1 billion to increase packing capacity, specifically geared for exporting beef to the US. This growth is entirely due to the US-Mexico border being closed to Mexican feeder cattle. We should expect Mexican imports to reach 6,000 metric tons per week in the second half of 2026 and climb closer to 8,000 metric tons per week at the start of 2027.





Brazil wholesale prices on this chart are roughly $2.75/lbs. This is for hindquarters which are closer in comparison to 85% lean grinding material. In order to price Brazil's cost into the US you need to add the USTRQ fee of 26.4%, which puts them at roughly $3.50/lbs landed. This compares to US 85's that are $3.95/lbs and US 90's that are $4.50/lbs.



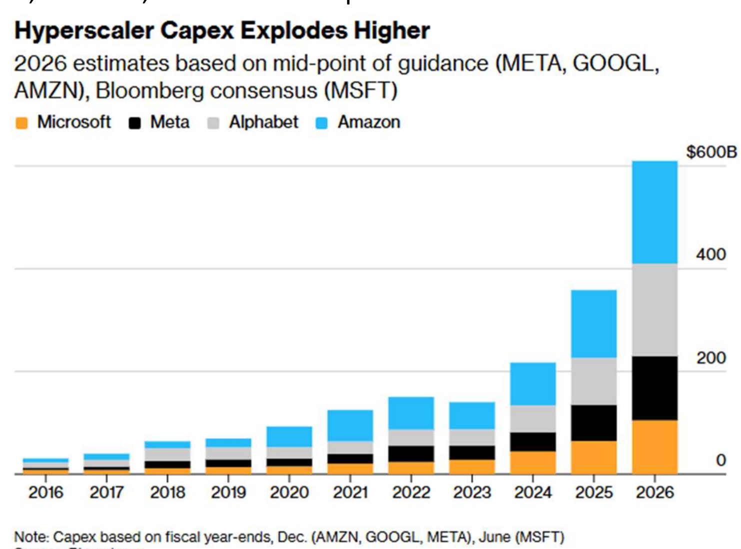
Livestock commentary provided by Scott Shepard. For questions or comments, Scott can be reached by email at scott@mnrcapital.us *or on Trillian at scott@nesvick.com.*

Macro/Financials

Over the past three weeks, Q1 earnings season has been quietly humming along, with 32% of S&P 500 having already reported. And so far, these calls have gone well, with 84% of these companies beating EPS estimates by an average of 12.3%, blended earnings growth running at 15.1%, and the sixth consecutive quarter of double-digit growth. But everything so far has been a warmup act. This week, 180 S&P 500 companies report (including 11 Dow components) and the calendar is stacked in a way that feels almost deliberately designed to stress-test the market.

But here's the big deal: on Wednesday, Microsoft, Alphabet, Amazon, and Meta all report after the close – one of the most concentrated technology earnings day in market history – and it coincides with the FOMC decision and Powell's presser. Apple follows Thursday. 5 of the Mag 7 all reporting in just over 24 hours.

This will be interesting because of how strongly the tech/AI sector has led the equities rally over the past month. The semiconductor ETF is up ~40% in April. Amazon is up ~27% month-to-date, Alphabet ~20%, Meta ~18%, Microsoft ~15%. AMD has nearly doubled off its lows. A lot of this has been sentiment-driven (renewed AI optimism, easing geopolitical tensions, OpenAI's $853B valuation round) rather than any fundamental adjustment. Earnings estimates haven't moved up nearly as fast as stock prices, which means this week's reporters are walking into their reports priced for perfection.



And the quarterly numbers themselves are almost secondary to the capex guidance. Combined 2026 capex plans for just the four Wednesday reporters sit at roughly $594B, with the broader hyperscaler total expected to hit $646B; that's a near-vertical ramp from ~$250B just two years ago, virtually all tied to AI infrastructure. The problem is that AI-related revenue segments are growing ~34% year-over-year while capex is growing ~70%. Last quarter, most hyperscalers saw double-digit post-earnings sell-offs even on clean beats because the spending trajectory spooked investors. ASML offered a fresh preview of this dynamic two weeks ago – beat on revenue, beat on EPS, raised full-year guidance, and still dropped 6-7% on the print because the market had already priced in the good news.

The question isn't really whether these companies will beat, because they probably will. It's whether the beats are big enough to justify the April rally, and whether the forward capex commentary gives the market a reason to keep buying at these levels. If any of the Wednesday reporters signal even modest capex hesitation, it reverberates through the entire AI supply chain – Nvidia, Broadcom, the power utilities. And if they raise capex further without showing proportional revenue acceleration, the tolerance for "investing for the long term" may finally run out. Either way, Thursday morning is going to feel very different than Wednesday morning.

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)

- ADP Weekly Employment Change – 7:15 AM
- FHFA House Price Index – 8:00 AM
- S&P Cotality Housing Index – 8:00 AM
- Conf. Board Consumer Confidence – 9:00 AM

Thanks for reading,

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