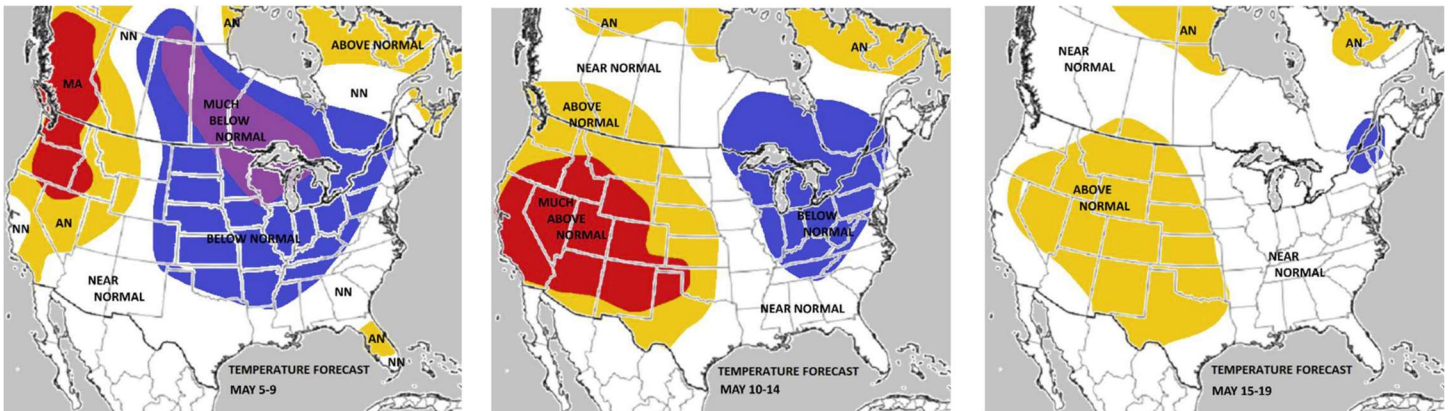


Weather

Across the United States, an exceptionally cold pattern continues to dominate the 1-5 day period, with extreme lows running 10-15 degrees below normal through Thursday producing widespread frost and freeze conditions that will complicate national planting paces. Despite these severe temperature anomalies, favorable soil moisture levels in the western Corn Belt will allow producers in states like Iowa, Minnesota, and Nebraska to maintain aggressive planting progress. Conversely, significant precipitation events starting today will completely halt fieldwork operations in the southeastern Corn Belt and Mid-South, though these above-normal rainfall totals over the next 15 days will provide critical relief to long-term drought conditions in the region. In the Hard Red Winter wheat belt, a highly localized mix of rain and snow over the next 48 hours is now viewed as extremely welcome moisture for the developing crop, though a decidedly dry pattern will resume across the central third of the Nation for the 6-10 day period. Meanwhile, topsoil moisture levels are rapidly deteriorating in the northern Plains, with states like North Dakota facing emerging dryness as precipitation totals are forecast to run under 50 percent of normal over the next 10 days. Looking ahead to Week Two, long-term moderation will take hold as sustained near- to above-normal temperatures broadly return to the Plains by Friday and spread eastward to substantially improve national growing conditions.



Grains

The bean market was chasing the Trump-Xi summit pretty hard yesterday. Soybeans rallied nearly 20 cents and printed a seven-week high, with most of the move pinned on hopes that the May 14 meeting in Beijing will produce some kind of incremental Chinese buying commitment. Soybean oil's run to a Nov-2022 high – the eighth straight up day – has added a real biofuel/Hormuz tailwind to the complex over the last week, but today's bean-specific move feels squarely about China.

The trouble is that the most recent on-the-record framing of what this meeting is supposed to deliver came from the March Paris talks between Treasury Secretary Bessent and Vice Premier He Lifeng, and that readout said something quite different. Chinese officials reportedly expressed openness to additional purchases of US poultry, beef, and non-soybean row crops, while reaffirming – not expanding – the existing commitment to buy 25 MMT of US soybeans for each of the next three years. Nothing in that framing pointed to new old-crop bean demand, and while the meeting got pushed from late March to mid-May on the back of the Iran conflict, no report has since contradicted it.



S No Comdty (SOYBEAN FUTURE Jul26) Daily 04MAY2025-04MAY2026 Copyright© 2026 Bloomberg Finance L.P. 04-May-2026 15:38:18

Meanwhile, managed money is leaning hard into the trade. Funds are net long ~185k bean contracts, sitting at 73% of their historical range, and the broader ag complex is at 98% – basically maxed out. So, the bid isn't short covering; it's new length added to an already-stretched position, on news that, if anything, cuts against the trade.

That's the part that bothers me. The market is essentially front-running a meeting whose most current official framing argues against incremental old-crop bean demand, and it's doing it from a position with very little dry powder if the meeting underdelivers. I'd give the rally a lot more benefit of the doubt with old-crop flash sales on the daily reporting line, or even just a verbal nod from a Chinese official toward old-crop beans specifically. Until then, this looks like hope-trading layered on top of a complex that's already long. How I see it: yesterday's move was overdone, and the asymmetry from here looks skewed to the downside if the May 14 meeting delivers what the March readout actually telegraphed.

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

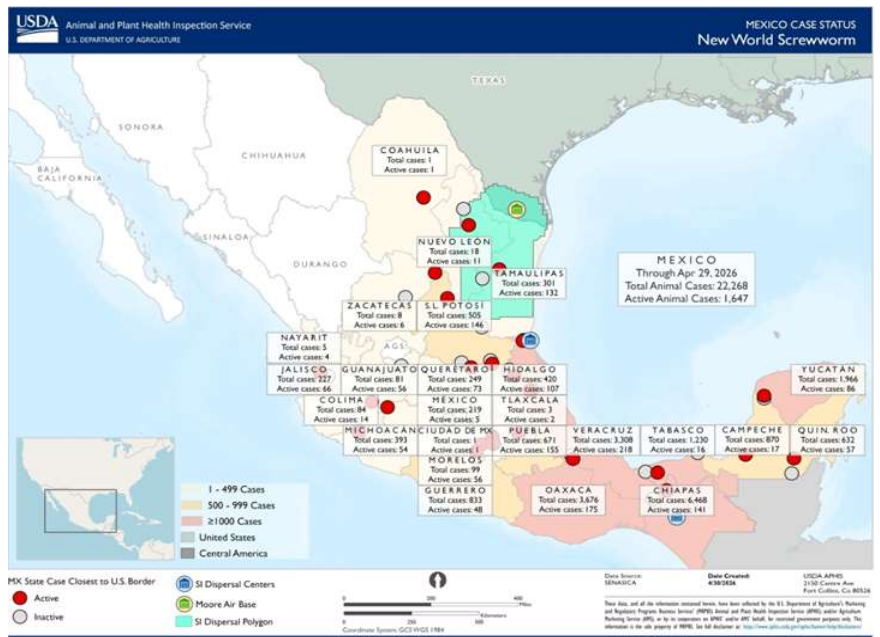
For those of you who missed it today, Secretary Rollins and the DOJ had a press conference that read like an R-Calf bulleted script of what is wrong with the beef industry. The following is a summary of the speech:

- DOJ says it is actively investigating the big beef packers for possible antitrust violations.
- Rollins said the issue is bigger than prices; she framed it as a food-security and national-security concern.
- The companies at the center are Tyson, Cargill, JBS, and National Beef, which together control most of the U.S. beef-processing market.
- The government is looking at whether they coordinated cattle purchases or used market power unfairly against ranchers and consumers.
- In plain English: the administration is saying the meat industry may be too concentrated, and it wants to know whether that concentration was used to suppress competition and raise beef prices. They did mention that the DOJ would have more to say on this Friday.

Do they have plans to break up “big beef” and if so, what is their plan? Regardless of your opinion on this, you should assume to some degree that the resulting decisions will resonate with an R-Calf bias and likely result in higher beef prices and lower cattle prices.

Now for an update on the latest screw worm cases as they continue to migrate north. As of last Thursday, Mexico posted the first active case in Coahuila; compared to Apr 22nd; 5 new cases and 3 active cases in Nuevo Leon; 55 new cases and 20 new active cases in Taumaulipas. More cases, more active cases and closer to the US border.

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

I saw what I thought was a very interesting headline on Sunday: GameStop publicly offered to buy eBay for ~\$55.5B, or \$125 a share, half cash and half stock. Ryan Cohen would run the combined company, and the pitch is that GameStop's ~1,600 stores become a physical fulfillment and authentication backbone for eBay. It's definitely not the type of headline you read every day.

What's interesting here isn't really the strategic logic, but the extreme asymmetry of the bid. GameStop's market cap going into the weekend was ~\$11B against eBay's ~\$56B, so the buyer is offering for a target five times its size, half-funded with its own equity. The cash side leans on \$9.4B of GameStop's balance sheet (built up via meme-era equity issuance) plus a non-binding "highly confident" letter from TD Bank for ~\$20B of debt. The stock side would issue roughly \$28B of new GME, leaving current GameStop holders with only ~28% of the combined company. The components reconcile on paper, but only the \$9.4B in existing cash is hard money; the other ~\$46B is debt that isn't actually committed and dilution that hasn't actually been absorbed. That's not really an acquisition, it's closer to a reverse merger dressed as one.

The market is telling you what it thinks. eBay opened Monday at ~\$110, well below the \$125 offer. That ~\$15 spread is wide. Deals expected to close trade within a couple percent of the offer, and a 12% gap is the market saying it doesn't believe the deal closes as proposed. The reasons aren't hard to identify. eBay's board hasn't engaged, the financing is non-binding, and the stock currency is volatile, which means the offer's real value is a moving target. The size mismatch alone gives every institutional eBay holder a reason to push back on taking concentrated GME equity. Additionally, GameStop disclosed a 5% stake in eBay that is 99% held through cash-settled put/call pairs expiring in 2028. That structure built the position without moving the tape or triggering early disclosure, and it leaves Cohen with optionality: take a cash gain on options already several hundred million in the money, or convert to physical shares for a hostile fight once HSR clears.

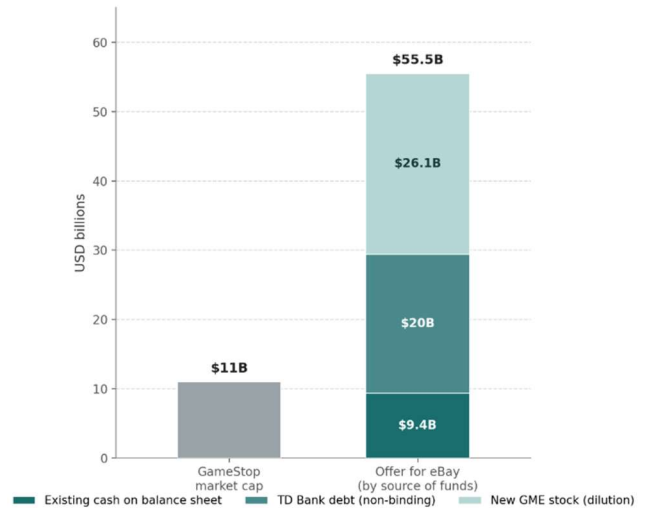
So, what does this actually tell us? Whether the deal closes or not, the fact that the bid is even in the conversation says something about where we are in the cycle. Aggressive, stock-funded, semi-hostile M&A against a much larger target doesn't seem like normal market behavior, it feels more like late-cycle behavior. GameStop only has \$9B in cash because Cohen issued stock at elevated multiples during the 2021 and 2024 runs, and now he is trying to deploy that war chest as M&A currency to bid for a real cash-flowing business.

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)

- Purdue Ag Sentiment – 8:30 AM
- S&P Global Services PMI – 8:45 AM
- ISM Services Index – 9:00 AM
- New Home Sales – 9:00 AM
- JOLTS Job Data – 9:00 AM

GameStop's \$55.5B offer for eBay: only \$9.4B is hard money



Thanks for reading,

Zachary Davis

zdavis@nesvick.com

(901) 604-7712

Trillian IM: zdavis@nesvick.com

Bloomberg IB: zrdavis@bloomberg.net

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