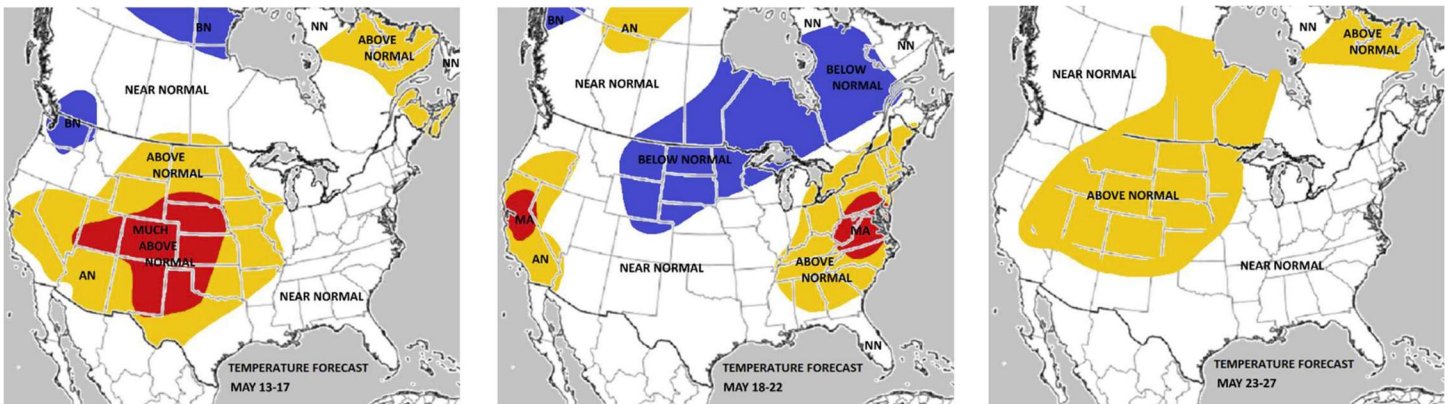


## Weather

The severely limited precipitation pattern across the Corn Belt and the hard red winter wheat belt will persist through Thursday, facilitating an extended operational window for planting progress but further depleting rapidly declining topsoil moisture levels across parched states like Iowa and Minnesota. This dryness will be compounded by an intense temperature divide featuring cooler eastern conditions and exceptional heat in the west, with temperatures soaring 10 or more degrees above normal into the 90s across the central Plains and western Corn Belt through the weekend, which will cause significant stress on developing winter wheat. A major pattern shift will commence on Friday and extend into the 6-10 day period as an active system delivers near to above-normal rainfall across the middle of the country, providing critical moisture relief to deteriorating crops while abruptly halting widespread planting operations. The most significant development in the extended outlook is a sharp transition to cooler weather across the Plains and western Corn Belt by Monday and Tuesday, which will subsequently expand into the eastern Corn Belt by Wednesday. Meanwhile, the Mid-South and Southeast will remain largely dry through the weekend to allow continued spring fieldwork before transitioning to highly welcome precipitation during Week Two to help mitigate ongoing long-term drought conditions.



## Grains

Well, I have been talking about the potential for a 500-550 HRW crop, but I didn't think the USDA would print something in that range on their first go. They published a 515 milbus HRW crop – well below the ave trade estimate of 638 milbus. There is also room for it to edge down – could end up below 500 milbus as they could lower harvested area in KS and OK. Another surprise was a low SRW crop – 301 milbus vs ave guess at 337. The last few years the ratings/scatters haven't really worked for me gauging SRW yields. Both the SRW and HRW balances could tighten considerably and may require rationing (has already started in HRW). Their white

crop forecast was 232 milbus – in line w/trade ideas and down from 244 last year. The new crop all-wheat balance sheet tightened with the lower crop more than offsetting reductions in feed/residual and exports. The world balance also tightened as expected for 26/27 with production in all of the major exporters down. Area is expected to be down generally due to fertilizer/transportation shortages. There is an added risk for Australia with El Nino expected (which typically hits their yields). World stocks are expected to be down 4 mmt in 26/27. The USDA won't update the by-class S&D until July, but attaching mine for reference.

WHEAT: U.S. SUPPLY AND DEMAND (JUNE - MAY MARKETING YEAR)								
				12-May USDA	MB	12-May USDA	MB	12-May USDA
	2021/22	2022/23	2023/24	2024/25	2025/26	2025/26	2026/27	2026/27
Planted Area	46.7	45.8	49.6	46.3	45.3	45.3	43.9	43.8
Harvest Area	37.1	35.5	37.1	38.6	37.2	37.2	32.9	32.9
Yield	44.3	46.5	48.7	51.2	53.3	53.3	48.7	47.5
Carry-in	845	674	570	696	855	855	911	935
Production	1,646	1,650	1,804	1,979	1,985	1,985	1,603	1,561
Imports	96	122	138	149	120	125	140	140
<b>Total supply</b>	<b>2588</b>	<b>2446</b>	<b>2512</b>	<b>2823</b>	<b>2960</b>	<b>2964</b>	<b>2654</b>	<b>2636</b>
Seed	58	68	62	61	62	60	60	59
Domestic Mill	971	972	961	969	975	960	970	960
Feed/Residual	88	76	86	113	95	100	65	80
Exports	796	761	706	826	917	910	850	775
<b>Total Use</b>	<b>1913</b>	<b>1876</b>	<b>1815</b>	<b>1968</b>	<b>2049</b>	<b>2030</b>	<b>1945</b>	<b>1874</b>
Carry-out	674	570	696	855	911	935	709	762
Carryout/use	35.2%	30.4%	38.3%	43.5%	44.5%	46.1%	36.5%	40.7%

US Durum Wheat Supply/Usage				USDA	USDA	MB	MB
	2021/22	2022/23	2023/24	2024/25	2025/26	2025/26	2026/27
Carry-in	27	24	28	21	28	28	40
Production	38	64	59	80	86	86	83
Imports	40	51	45	51	46	40	35
<b>Total supply</b>	<b>105</b>	<b>139</b>	<b>132</b>	<b>152</b>	<b>160</b>	<b>155</b>	<b>158</b>
Seed	2	3	3	3	3	3	3
Domestic Mill	79	85	83	88	86	85	85
Feed/Residual	-14	0	-2	15	5	5	5
Exports	14	23	27	19	30	22	20
<b>Total Use</b>	<b>82</b>	<b>111</b>	<b>111</b>	<b>125</b>	<b>124</b>	<b>115</b>	<b>113</b>
Carry-out	24	28	21	28	36	40	45

US White Wheat Supply/Usage				USDA	USDA	MB	MB
	2021/22	2022/23	2023/24	2024/25	2025/26	2025/26	2026/27
Carry-in	70	54	74	85	80	80	88
Production	201	272	234	276	283	283	279
Imports	5	7	6	7	5	5	5
<b>Total supply</b>	<b>276</b>	<b>333</b>	<b>314</b>	<b>368</b>	<b>368</b>	<b>367</b>	<b>373</b>
Seed	5	6	6	6	6	5	5
Domestic Mill	83	85	84	84	83	85	85
Feed/Residual	-14	-22	-12	-25	-10	-15	-15
Exports	148	190	152	223	200	204	225
<b>Total Use</b>	<b>222</b>	<b>259</b>	<b>229</b>	<b>288</b>	<b>279</b>	<b>279</b>	<b>300</b>
Carry-out	54	74	85	80	89	88	73

US HRS Supply/Usage				USDA	USDA	MB	MB
	2021/22	2022/23	2023/24	2024/25	2025/26	2025/26	2026/27
Carry-in	235	142	155	190	218	218	212
Production	297	446	465	505	458	458	424
Imports	43	56	63	79	62	65	70
<b>Total supply</b>	<b>575</b>	<b>644</b>	<b>683</b>	<b>774</b>	<b>738</b>	<b>741</b>	<b>707</b>
Seed	12	17	15	15	14	17	16
Domestic Mill	245	266	253	258	255	260	255
Feed/Residual	-33	-8	-10	33	10	10	-10
Exports	209	214	235	251	235	242	235
<b>Total Use</b>	<b>433</b>	<b>489</b>	<b>493</b>	<b>557</b>	<b>514</b>	<b>529</b>	<b>496</b>
Carry-out	142	155	190	218	224	212	211

US SRW Supply/Usage				USDA	USDA	MB	MB
	2021/22	2022/23	2023/24	2024/25	2025/26	2025/26	2026/27
Carry-in	85	99	90	126	127	127	137
Production	361	336	449	344	353	353	301
Imports	3	4	6	5	4	5	15
<b>Total supply</b>	<b>449</b>	<b>439</b>	<b>545</b>	<b>474</b>	<b>484</b>	<b>485</b>	<b>453</b>
Seed	13	14	11	12	11	11	11
Domestic Mill	154	163	158	153	152	155	155
Feed/Residual	71	65	91	66	65	60	60
Exports	112	107	158	118	125	122	120
<b>Total Use</b>	<b>350</b>	<b>349</b>	<b>418</b>	<b>349</b>	<b>353</b>	<b>348</b>	<b>346</b>
Carry-out	99	90	126	127	131	137	107

US HRW Supply/Usage				USDA	USDA	MB	MB
	2021/22	2022/23	2023/24	2024/25	2025/26	2025/26	2026/27
Carry-in	428	356	223	274	402	402	433
Production	750	531	596	773	804	804	515
Imports	4	5	18	6	6	5	15
<b>Total supply</b>	<b>1182</b>	<b>892</b>	<b>837</b>	<b>1054</b>	<b>1212</b>	<b>1211</b>	<b>964</b>
Seed	26	29	27	26	26	26	25
Domestic Mill	411	374	384	387	384	390	390
Feed/Residual	72	42	18	25	30	35	25
Exports	317	224	134	215	320	327	250
<b>Total Use</b>	<b>826</b>	<b>669</b>	<b>563</b>	<b>653</b>	<b>760</b>	<b>778</b>	<b>690</b>
Carry-out	356	223	274	402	453	433	274

There was nothing too exciting in the corn numbers. The ending stocks forecasts were close to trade ideas. In old crop, they didn't raise exports or lower ethanol. They did raise new crop exports by 50 milbus and feed by 100 milbus from the Outlook Conference. New crop c/o was forecast at 1957 milbus, down from 2142 this year. The risk is a further reduction in area by 1-2 mil acres, at which point there won't be much room for any yield issues. They raised Argentina's crop 7 mmt to 59 mmt (not quite the attaché's 61 mmt) and pegged next year's production at 55 mmt. They also raised Brazil by 3 mmt to 135 mmt. They had been low, but it seems premature now given the risks to safrina production with the dry pattern. They forecast next year's Brazil crop at 139 mmt. They lowered this year's China import forecast to 6 mmt from 8 mmt and also put next year at 6 mmt. I maintain there is a risk that they may need considerably more given their flooding issues at harvest last year. World corn stocks were forecast to be down almost 20 mmt next year.

CORN: U.S. SUPPLY AND DEMAND (September - August Marketing Year)								
	21/22	22/23	23/24	12-May 24/25 USDA	12-May 25/26 MB	12-May 25/26 USDA	12-May 26/27 MB	12-May 26/27 USDA
Planted Acres	92.9	88.2	94.6	90.9	98.8	98.8	94.3	95.3
Harvested Acres	85.0	78.7	86.5	83.0	91.3	91.3	86.3	87.4
Yield (Bu/Ac)	176.7	173.4	177.3	179.3	186.5	186.5	183.0	183.0
Begin Stocks	1235	1377	1360	1763	1551	1551	2032	2142
Production	15018	13651	15341	14892	17021	17021	15797	15955
<b>Total Supply</b>	<b>16277</b>	<b>15067</b>	<b>16729</b>	<b>16677</b>	<b>18596</b>	<b>18597</b>	<b>17854</b>	<b>18163</b>
Exports	2472	1662	2255	2858	3450	3300	3230	3150
Feed Use	5671	5486	5831	5454	6248	6200	6000	6100
Food/Ind/Seed	6757	6558	6880	6814	6866	6955	6975	6955
Ind Use-Swtnr/Starch								
Ind Use-Bevg/Mfg Alcohol								
Ind Use-Fuel Alcoh	5320	5176	5489	5436	5504	5600	5650	5600
Food/Seed								
<b>Total Usage</b>	<b>14900</b>	<b>13707</b>	<b>14966</b>	<b>15126</b>	<b>16564</b>	<b>16455</b>	<b>16205</b>	<b>16205</b>
End Stocks	1377	1360	1763	1551	2032	2142	1649	1957
End Stks/Use %	9.2%	9.9%	11.8%	10.3%	12.3%	13.0%	10.2%	12.1%

SOYBEANS: U.S. SUPPLY AND DEMAND								
	21/22	22/23	23/24	12-May 24/25 USDA	12-May 25/26 MB	12-May 25/26 USDA	12-May 26/27 MB	12-May 26/27 USDA
Planted Area	87.2	87.5	83.6	87.3	81.2	81.2	85.7	84.7
Harvested Area	86.3	86.2	82.3	86.2	80.4	80.4	84.9	83.7
Yield	51.7	49.6	50.6	50.7	53.0	53.0	53.0	53.0
Carryin	257	274	264	342	321	325	275	340
Production	4464	4270	4162	4374	4262	4262	4501	4435
Imports	16	25	21	29	25	25	25	25
<b>Total Supply</b>	<b>4737</b>	<b>4569</b>	<b>4446</b>	<b>4746</b>	<b>4608</b>	<b>4612</b>	<b>4801</b>	<b>4801</b>
Crush	2204	2212	2285	2445	2637	2630	2750	2750
Exports	2152	1980	1700	1882	1595	1530	1650	1630
Seed	102	72	75	70	73	73	75	72
Residual	5	41	44	23	30	39	30	38
<b>Total Usage</b>	<b>4463</b>	<b>4304</b>	<b>4104</b>	<b>4420</b>	<b>4335</b>	<b>4272</b>	<b>4505</b>	<b>4490</b>
Carryout	274	264	342	325	275	340	297	310
Carryout % Use	6.1%	6.1%	8.3%	7.4%	6.3%	8.0%	6.6%	6.9%

The bean S&D's were on the friendly side with old crop down 10 milbus – increase in crush more than offset reduction in exports. New crop ending stocks came in at 310 milbus – below the average trade estimate of 366 milbus with a big increase in crush (up 105 milbus from the Feb Outlook Conf) which more than offset a reduction in exports (down 70). I do think we likely end up with an increase in acres, which could buffer some of this. But the USDA printed a 17.8 mil pound forecast for biofuel use, up from 14.2 this year, which will require this crush pace to continue and bean oil imports need to almost double. It remains to be seen if meal demand can continue to absorb the crush pace. In the world numbers, they left Brazil's crop at 180 mmt and Arg at 48 mmt. For next year they printed 186 mmt and 50 mmt respectively. They left 25/26 China imports at 112 mmt and forecast next year's at 114 mmt. Despite larger US and SAm crops in 26/27 (by 13 mmt), world ending stocks were forecast to be down marginally from this year.

Grains commentary provided by Megan Bocken. For questions or comments, Megan can be reached by email at [megan@bockentrading.com](mailto:megan@bockentrading.com) or on Trillian at [megan@nesvick.com](mailto:megan@nesvick.com).

## Livestock

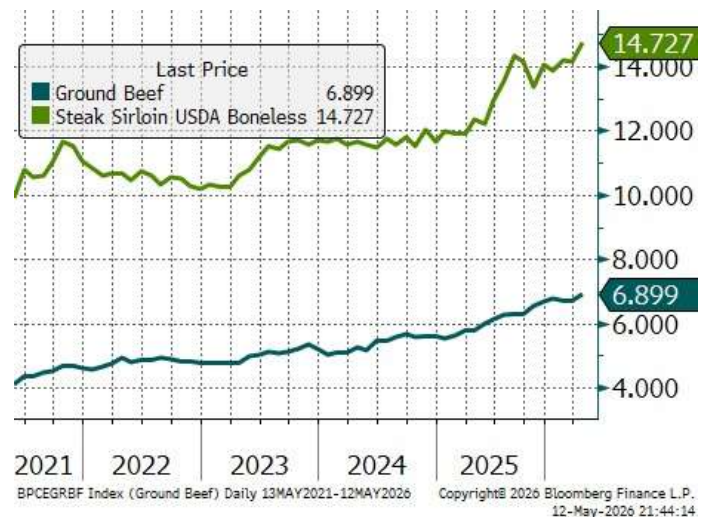
A quick follow-up to yesterday's livestock note. Between the WSJ press release that morning and the close, the White House pulled the executive orders back, with reports coming out overnight that administration is "fine-tuning" language around mitigating "temporary shortages" in the domestic market.

That doesn't unwind the trade flows already in motion. The 2,500-odd loads — roughly 45,000 mt — already on the water still clear at the existing 26.4% TRQ rate and land regardless of what happens this week. The Brazilian product that's been hunting a destination since China put its own TRQ on Brazilian beef in January is, for now, still pointed at the U.S. The piece that gets repriced is the forward import incentive. The \$1.40-\$1.50/lb landed-cost gap that Scott walked through yesterday is contingent on the TRQ actually getting suspended; if the suspension drags into June or gets watered down on volume, importers lose the urgency, and the May–June ramp probably doesn't carry into July at the magnitudes we were modeling yesterday.

The political math is worth taking seriously. The administration is threading a needle between record ground beef (nearly \$7/lb in April per BLS, up ~16% YoY) and a cattle-state base going into November midterms. My best guess is that some version of this gets signed within a few weeks – the consumer-price pressure is just too loud – but the final volume language will likely get tightened, and the import incentive may end up smaller than yesterday's draft orders implied.

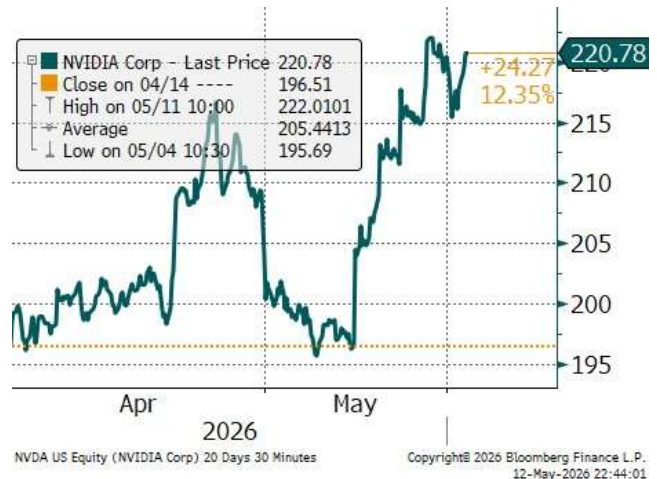
To the QSR piece I ran yesterday on the Shake Shack print, none of this changes the multi-year setup. Even if the orders get signed later this week at full strength, the U.S. herd is still at a 75-year low and any meaningful supply response is 18-to-24 months out at the earliest. Cheaper Brazilian 90s blended into the grind helps scale buyers and packer margins, but it doesn't rebuild the domestic cow-calf base or unwind the boxed-beef pressure on premium-burger formats. The QSR dispersion keeps widening either way.

Livestock 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).



### Macro/Financials

The Mag 7 earnings parade is nearly done, and the scoreboard is impressive: six of the seven have reported, every one beat, and the cloud names in particular delivered the kind of reacceleration that has seemingly re-validated the AI capex narrative to the market. Azure grew 40%, AWS posted its fastest growth in 15 quarters at 28%, and Google Cloud ran +63% while Pichai openly saying the business is actively compute-constrained. Combined 2026 capex guides across the four biggest AI capex names now sit somewhere north of \$650B, all of it ultimately routed through the accelerators Nvidia sells. Hard to draw up a better demand backdrop heading into a print.



And Nvidia is the last to present, which will happen on May 20<sup>th</sup> after the close. The setup, on paper, looks like a layup – last quarter the company guided Q1 FY27 revenue to \$78B, up ~78% YoY, and analysts have been creeping that number higher since. The stock spent most of 2026 as a bit of a laggard though, up only 15% YTD through last Friday while Intel and AMD ran on the "inference is moving to CPUs" thesis. However, it's now had four straight up days, with ~\$550B of market cap added and a record close Monday at \$219.44.

Then yesterday evening, the wild card. Huang got a last-minute call from Trump and boarded Air Force One in Anchorage to join the China summit alongside Cook and Musk. Shares ticked another 2.3% in after-hours trade on the headline. The market is now pricing in a non-trivial probability that the trip produces a thaw on H200 shipments. This is a market Nvidia has explicitly excluded from its forecasts since the export controls changed, and one Huang has previously sized at ~\$50B annualized. This could genuinely be a new growth vector, and the market looks like it is starting to capture that value in the stock price before the call even happens.

So here's the problem, as I see it. Nvidia spent the year being doubted, just punched through to fresh highs on a rotation back in, and is now catching a political-optionality bid a week before earnings. If the summit produces anything concrete, that upside gets pulled forward into the run-up rather than released at the earnings call. The February playbook is instructive; last quarter Nvidia beat, guided +78% growth, but still fell 5.6% because whispers had crept past the guide. Every dollar the stock gains between now and May 20 raises the bar for this earnings call. A clean beat-and-raise plus a constructive China hint might be exactly what's needed to clear that bar. The asymmetric long was a week ago at \$194; at \$219, a major post-earnings rally needs the print, the China deal, the guide, and gross margin to all land cleanly. That's a tall order for a stock that's already done a quarter of its job in four sessions.

*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)

- MBA Mortgage Applications – 6:00 AM
- PPI – 7:30 AM
- EIA Energy Stocks – 9:30 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)

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