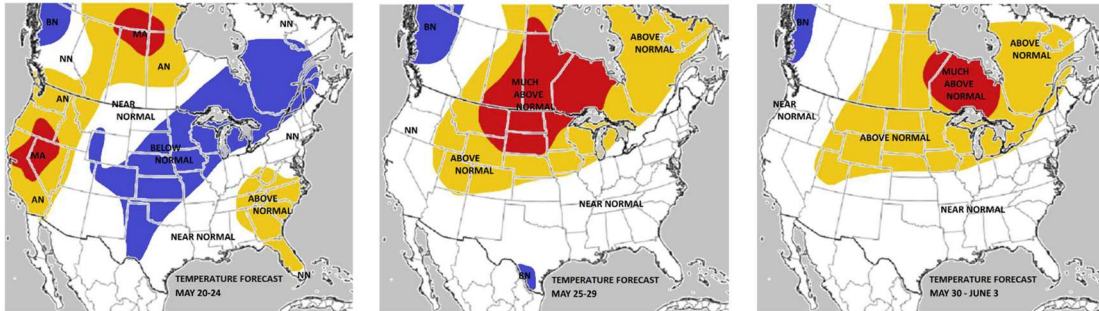


## Weather

The exceptionally wet pattern in the Mid-South has materialized over the past 24 hours with significant widespread precipitation, and the forecast now explicitly extends this extreme moisture into the Southeast by the coming weekend, delivering 4-8" that will equate to 2-3x normal rainfall levels and inevitably spark widespread fieldwork complaints and localized flooding. In the southeastern Corn Belt, conditions remain highly problematic for remaining fieldwork with no substantial break in precipitation expected over the next 15 days, compounding the saturation from recent heavy rains. For the northern Plains and northwestern Corn Belt, the forecast maintains a near to slightly below-normal precipitation outlook that will safely support crop development following recent topsoil improvements; critically, the active frost threat previously expected to last through the week will likely conclude this morning, serving as the final freeze event before temperatures remain cool through Saturday and then sharply moderate into a much warmer, above-normal pattern for next week. Meanwhile, the HRW wheat belt is actively receiving its most significant precipitation of the spring tonight through Friday, guaranteeing above-normal 15-day totals that will benefit developing summer row crops and pastures.

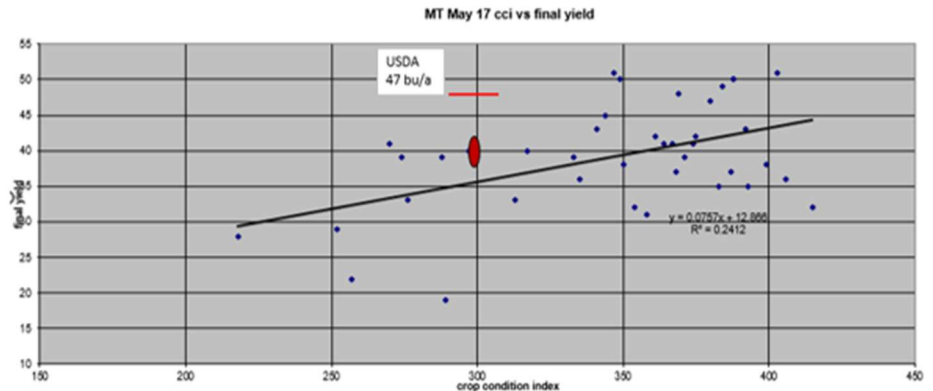


## Grains

Let's look on crop progress/ratings closer. Corn planting advanced to 76% complete, in line with last year and above 70 ave. Emergence was 39% vs 47 last year and 37 ave. There is some concern about the cold temps and emergence – with planting in line with last year and emergence 8% behind. Beans were 67% planted – fastest pace – vs 63 last year and 53 ave. Emergence was 32% vs 32% last year and 23 ave. Spring wheat was 73% seeded vs 80 last year and 66 ave. Spring wheat was 39% emerged vs 42 last year and 34 ave. Winter wheat was 71% headed vs 62 last year and 58 ave (likely indicating an early end to the growing season).

Ratings dropped further for winter wheat. MT saw a big drop, CO tied with the worst ratings index ever (2002 when the yield was 22 – USDA was 21 last week), and NE dropped further to the worst ever. NE's index is 178 vs the previous worst of 242 in 2013 (yield that year was 40). USDA was 28 last week. I lowered NE to 25, KS to 35 from USDA's 37 after a further drop, and lowered MT to 40 vs USDA's 47. MT saw temps in the 20's overnight Tues. I'm including the scatter for MT's ratings vs final yield. USDA at 47 looks too high with the index at 298. My HRW crop dropped to 490 milbus on these 3 changes vs the USDA's 515 milbus.

Winter Wheat Crop Ratings			
Good-Excellent/Fair/Poor-Very Poor			
	May 17, 2026	May 10, 2026	May 18, 2025
KS	15/27/58	17/32/51	49/31/20
OK	12/40/48	9/40/51	56/35/9
TX	10/25/65	10/30/60	32/37/31
CO	7/35/58	8/40/52	46/36/18
NE	4/12/84	5/13/82	28/31/41
MT	26/55/19	39/51/10	79/12/9
OH	68/30/2	64/34/2	66/28/6
IL	73/20/7	73/20/7	60/35/5
IN	73/21/6	72/22/6	73/22/5
MO	71/25/4	70/25/5	77/19/4
AR	65/28/7	63/27/10	53/41/6
SD	32/41/27	36/39/25	23/47/30
<b>Total</b>	<b>27/30/43</b>	<b>28/32/40</b>	<b>52/30/18</b>



Select corn states released crop ratings Monday afternoon. All were below last year and the 5yr-average except for AR which was slightly above both. Table attached courtesy of Zachary. The USDA won't release nationwide corn ratings until emergence is further along (above 50% I believe). Last year they released corn ratings on May 25 and the G/E was 68%.

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

The USDA is scheduled to release its May Cattle on Feed report this Friday, May 22 at 2:00 PM Central. Expectations point to a modest pivot in the inventory trajectory, with placements running above last year for the first time in months while the marketing pace remains historically slow, setting up what would be the first year-over-year increase in monthly feedlot inventory in more than a year and a half.

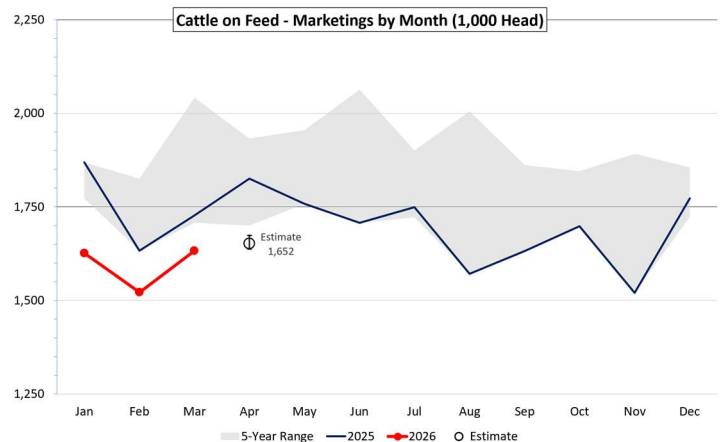
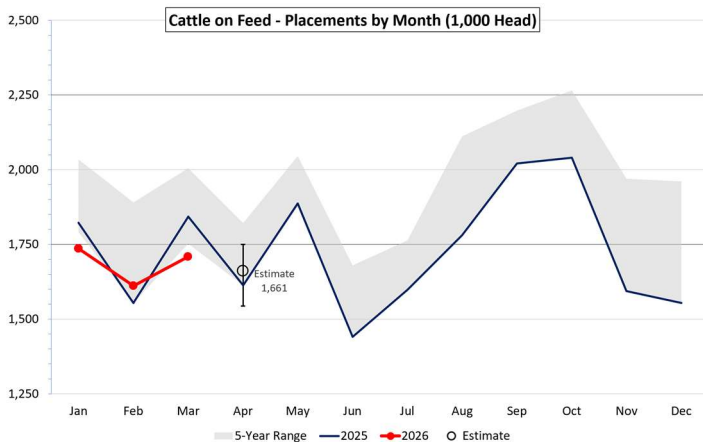
Corn Condition — Week Ending 5/17/2026

State	This Week (5/17/26)		Last Year		5-Yr Average	
	G/E	P/VP	G/E	P/VP	G/E	P/VP
Alabama	79	6	84	0	90	1
Arkansas	71	4	68	3	70	3
Georgia	49	13	70	4	71	5
Louisiana	53	7	89	0	83	1
Mississippi	64	4	78	1	77	2
Missouri	65	2	79	3		
North Carolina	52	2	86	1	77	3
Oklahoma	33	27				
South Carolina	44	12	75	2	71	5
Texas	41	14	54	6	57	12

Source: USDA NASS Crop Progress. G/E = Good+Excellent share; P/VP = Poor+Very Poor share, both in % of acreage.

*Convenience Table*						
Cattle on Feed						
May 2026						
	Survey Results			Previous		
	Average (%)	Range (%)	Avg Head (mln)	Month (mln hd)	Year (mln hd)	
On-Feed	101.4%	100.2% - 102.4%	11.535	11.576	11.376	
Placements	103.0%	95.7% - 108.5%	1.661	1.709	1.613	
Marketings	90.5%	89.7% - 91.7%	1.652	1.632	1.825	

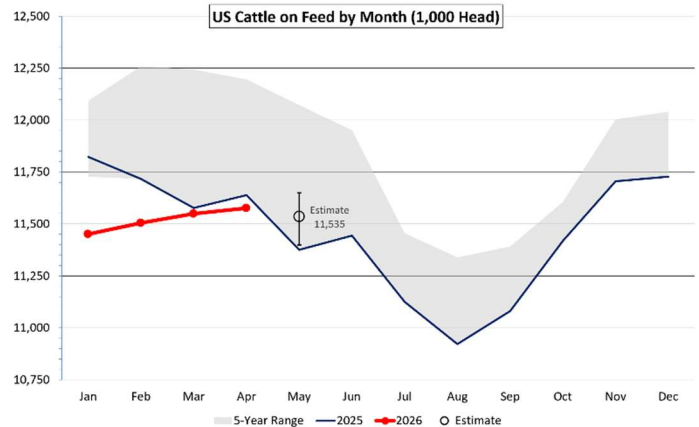
The Bloomberg survey average estimates anticipate April placements at 103.0% of a year ago, or 1.661 million head, with estimates ranging from 95.7% to 108.5%. Even at the survey midpoint, placements would still run roughly 6% below the 2016–19 average, and January-through-April cumulative placements remain about 75,000 head, or roughly 1%, below last year; with that in mind, this is better read as a moderation in the placement deficit than the start of a flood. The primary swing factor remains drought: as of last week, ~62% of the cattle inventory sits in moderate-or-worse conditions, a sharp deterioration from the end of the 2025 grazing season.



Estimates peg April marketings at 90.5% of last year, or 1.652 million head. If realized, this would run roughly 7% below the 2016–19 average and mark the smallest April marketing total on record, setting aside the COVID disruption in 2020. Feedlot sales as a percentage of the March 1 inventory slipped near 14%, a record low, and the persistently slow pace

continues to sustain a historically large front-end supply of market-ready cattle. Cattle on feed over 180 days now sit at a record ~540,000 head, or 37% above a year earlier, alongside record-heavy carcass weights and grading percentages running at or near record highs.

The May 1 Cattle on Feed inventory is consequently projected at 101.4% of a year ago, or 11.535 million head, with the estimate range a comparatively tight 100.2% to 102.4%. If realized, this would be the first year-over-year increase in monthly feedlot inventory in more than 18 months and run nearly 3% above the 2016–19 average. Looking ahead, by mid-year the comparisons begin lapping last summer's aggressively extended feeding regimes, which means that despite a smaller cumulative placement base, second-half fed cattle supplies may match or exceed 2025, and heavier carcass weights could push fed beef production above last year; that's a meaningful divergence from the prevailing narrative around a multi-decade low in the cattle herd.



*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

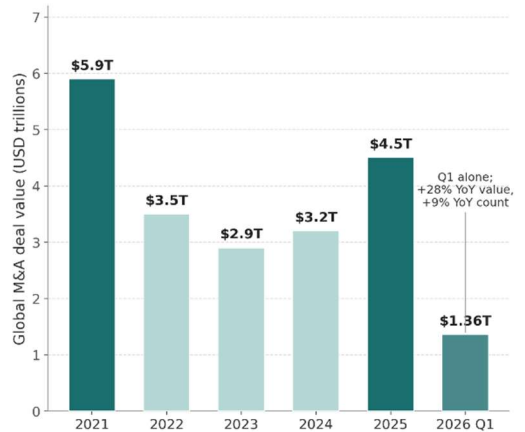
On Tuesday, JPMorgan led a \$6.2B loan sale for Warner Bros., and bankers signaled the larger \$49B Paramount/Warner financing starts marketing to investors within weeks. The Warner Bros. piece priced at 2.75-3 percentage points over base lending rates, sold at 99 cents on the dollar, with only a 1% refinancing premium for the first six months. Those are easy terms that read like a credit market still in its sweet spot. Bank of America and Citigroup already trimmed the original \$57.5B February bridge to \$49B across 18 banks; converting that into permanent debt is what hits the market next.

The frame here is credit conditions, not media drama. Riskier corporate bonds are paying just 2.83 percentage points more than safe Treasuries today, with investment-grade at only 0.75 points above. Both sit near the tightest of this credit cycle, the backdrop that lets a deal this size even happen. Add the bigger picture: \$4.5T of global merger and acquisition activity in 2025 (second-highest on record) plus another \$1.36T in Q1 2026 alone, and the megadeal pipeline that paused during the 2022–24 rate spike is fully back.

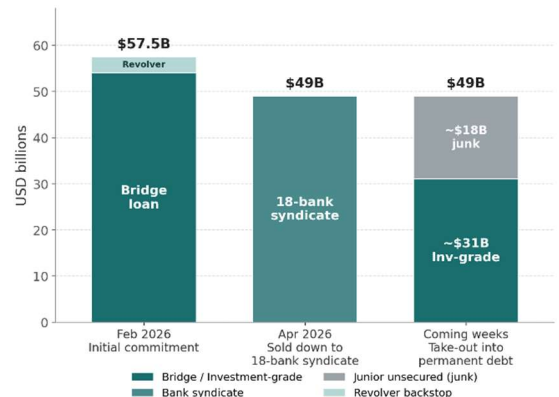
The unusual piece is structural. The Paramount permanent financing is expected to mix ~\$31B of investment-grade secured debt with ~\$18B of riskier high-yield junk bonds, which borrowers almost never combine. The only recent comparable on the junk piece is the Electronic Arts buyout. S&P and Moody's already telegraphed downgrades at close given the combined leverage, so investment-grade buyers know they're buying bonds destined for a downgrade.

So I'd take that at face value as a signal: when investors are willing to absorb this structure at these premiums, the cycle still has legs. The

**Megadeal cycle is back: global M&A value rebounded 40%+ in 2025, accelerating into 2026**



**Paramount's Warner financing: \$57.5B bridge shrinks and splits into IG + junk take-out**



variable I'd watch is whether the deal prices at the terms bankers are indicating. If it doesn't, that's the first concrete sign credit's hospitality is wearing thin.

*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
- EIA Energy Stocks – 9:30 AM
- FOMC Meeting Minutes – 1:00 PM

Thanks for reading,

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