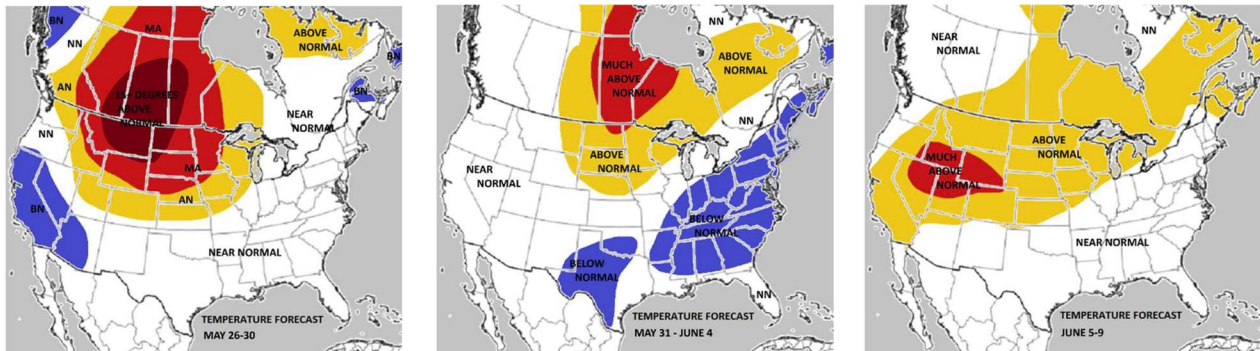


Weather

The precipitation forecast for the US Corn Belt has trended aggressively drier, with below to well-below-normal rainfall expected for the duration of the 15-day period, likely resulting in 15-day totals under 50% of normal for the vast majority of the region. This dry pattern is accompanied by persistent above-normal and much-above-normal temperatures for the western and northwestern Corn Belt, which will allow for rapid fieldwork progress but will inevitably lead to complaints of topsoil dryness before the next significant moisture arrives. Meanwhile, the Mid-South and Southeast will endure an exceptionally wet pattern throughout the 1-7 day period, with widespread 2-4" amounts halting all fieldwork operations while simultaneously providing substantial long-term drought relief. In the HRW wheat belt, consistent and widespread rain chances over the next 10 days will provide highly beneficial moisture for developing summer row crops and pastures, with most areas likely to secure over an inch of precipitation. The northern Plains face a predominantly dry outlook in the east alongside extreme heat, with temperatures soaring 10 or more degrees above-normal through the rest of the month to rapidly accelerate crop development while stressing topsoil moisture reserves.



Grains

The big headline out of Indonesia last week: President Prabowo announced he's going to route the country's commodity exports through a state-controlled trading company under the Danantara sovereign wealth fund. The coverage fixated on nickel and coal, and nickel did jump on the LME. But for the grain and oilseed crowd, the line that matters is palm oil, because nobody moves this market the way Indonesia does.

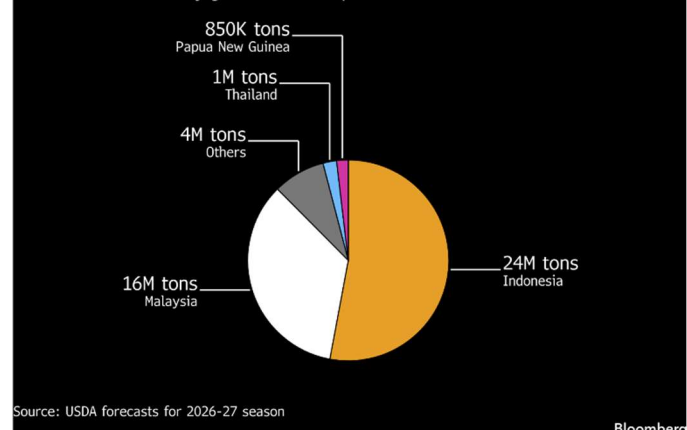
Consider the scale. Indonesia is on track to produce ~46.7 million tons of palm oil in 2025/26, roughly 57% of global output; that's more than double Malaysia's 20.2 million tons, and more than the rest of the world combined. Palm is the largest vegetable oil on the planet by volume, so a country controlling over half its production effectively sets the floor for the entire edible oils complex, soybean oil included. When Prabowo says he's tired of the price being "decided in other countries" and wants exporters reporting to Danantara by June 1, that's not a nickel story, it's a thumb on the scale of global veg oil. By the end of the week his economic minister had narrowed the scope to secondary processed products, mainly crude palm oil and RBD olein plus ferronickel, but that still captures the bulk of what Indonesia actually ships, so the read doesn't change much.

2025/2026 Palm Oil Production

Market	% of Global Production	Total Production (2025/2026, Metric Tons)
Indonesia	57%	46.7 Million
Malaysia	25%	20.2 Million
Thailand	5%	3.9 Million
Colombia	2%	2 Million
Nigeria	2%	1.5 Million
Guatemala	1%	995,000

Indonesia Accounts for More Than Half of Global Palm Oil Exports

Production has steadily grown over the past few decades



The biodiesel angle cuts in an interesting direction; Jakarta just delayed its move from B40 to B50, holding the blend flat through 2026 and deferring more than ~70,000 b/d of incremental demand. That means more palm oil stays available for export than the B50 path implied, which is a bearish offset that partly cushions the tightening we've seen in Europe.

We also got a preview of how this plays out in real time, and it wasn't the squeeze you'd expect. Sellers rushed to clear inventory ahead of rules nobody has fully seen, and physical crude palm oil at Dumai got hammered ~23% in two sessions. Indonesian CPO blew out to roughly a \$97.50/ton discount to Malaysian futures, the widest gap since February, and that discount did exactly what discounts do: Indian buyers, the world's largest edible oil importers, mopped up about 100,000 tons for June delivery in a matter of days. So, the first move was a fire sale, not a tightening, even as Malaysian futures whipsawed on the confusion.

Indonesia now holds control at both ends of the market, how much palm gets burned at home and who's allowed to sell the rest abroad and at what price, all while Jakarta leans on the same export revenue to defend a record-low rupiah. I wouldn't extrapolate a clean price call from a chaotic first week with governance and execution still unresolved. But the setup hasn't changed, and if veg oil makes an outsized move over the next few months, I'd bet Jakarta is at the center.

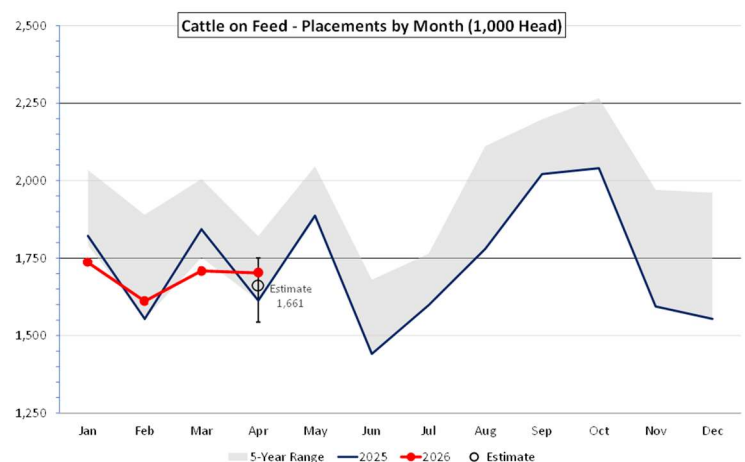
Grains commentary provided by Zachary Davis. For questions or comments, Zachary can be reached by email at zdavis@nesvick.com or on Trillian at zdavis@nesvick.com.

Livestock

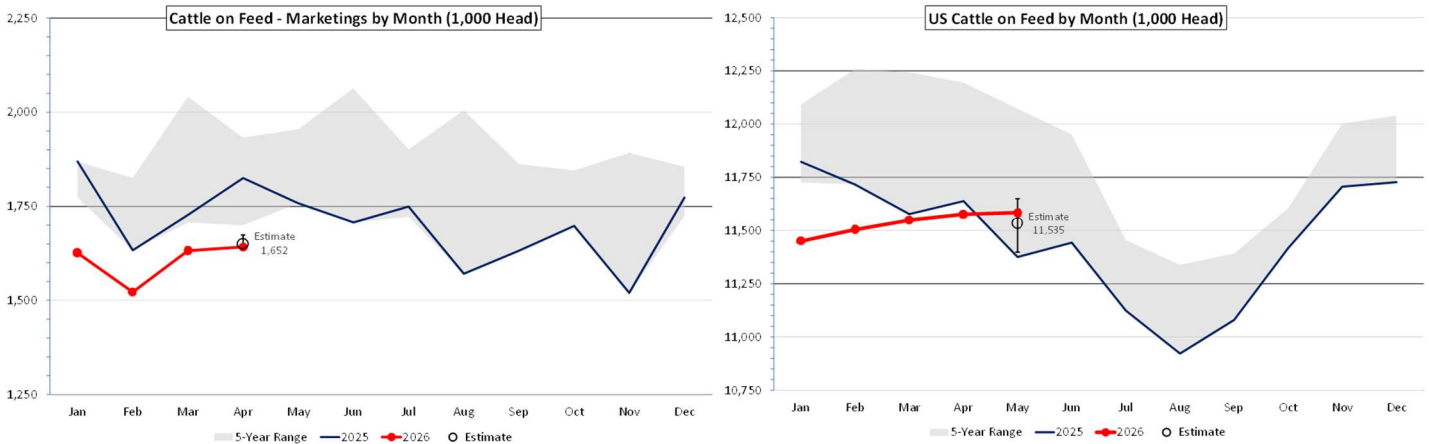
Friday's USDA Cattle on Feed report for May 1 marked the long-anticipated pivot in the feedlot inventory cycle, showing the first year-over-year increase in monthly on-feed totals in more than 18 months. The May 1 on-feed inventory came in at 11.584 million head, or 101.8% of last year – slightly above the average estimate of 101.4% – with placements at 105.5% as the upside surprise and marketings essentially in line at 90.0%.

NESVICK TRADING GROUP, LLC		Cattle on Feed May 2026					
	Actual	Head	Survey Results			Previous	
			Average (%)	Range (%)	Avg Head (mln)	Month (mln hd)	Year (mln hd)
On-Feed	101.8%	11.584	101.4%	100.2% - 102.4%	11.535	11.576	11.376
Placements	105.5%	1.702	103.0%	95.7% - 108.5%	1.661	1.709	1.613
Marketings	90.0%	1.642	90.5%	89.7% - 91.7%	1.652	1.632	1.825

April placements totaled 1.702 million head, or 105.5% of last year, running above the trade average of 103.0% and landing at the upper end of the 95.7% to 108.5% estimate range. Even at that level, the total still runs roughly 6% below the 2016–19 April average, better read as a moderation in the cumulative placement deficit than the start of a flood. The more consequential point is composition: cumulative year-to-date placements remain only about 60,000 head below last year, but adjusting for the closure of the U.S.–Mexico border to live feeder cattle imports – which has cost roughly 1 million head of typical annual supply since early 2025 – domestic placements are actually running on the order of 300,000 head higher year-to-date. That weakens the prevailing heifer retention and herd-rebuild narrative; if domestic placements are up with the border closed, heifers may be down somewhat, but not at a pace suggesting aggressive retention. The regional rebalancing continues, with Kansas and Nebraska both up roughly 3.5% year-over-year while the Texas-Kansas-Oklahoma southern complex remains well off its 2022 peak.



April marketings came in at 1.642 million head, or 90.0% of last year, matching the 90.5% trade average. Marketings have now run below year-ago for the better part of a year, and the cumulative gap is widening: trailing 12-month marketings are off roughly 1.5 million head while placements over the same window are down only about 60,000 head, a persistent inventory-build dynamic. The current weekly fed kill is running near 430,000 head, and the pace must climb above 450,000 head per week by fall just to keep the on-feed inventory from rolling into record territory. Record-heavy carcass weights, grading at or near record-high Choice-or-better, and packers managing margins through controlled kill rates continue to sustain a historically large front-end supply of market-ready cattle.



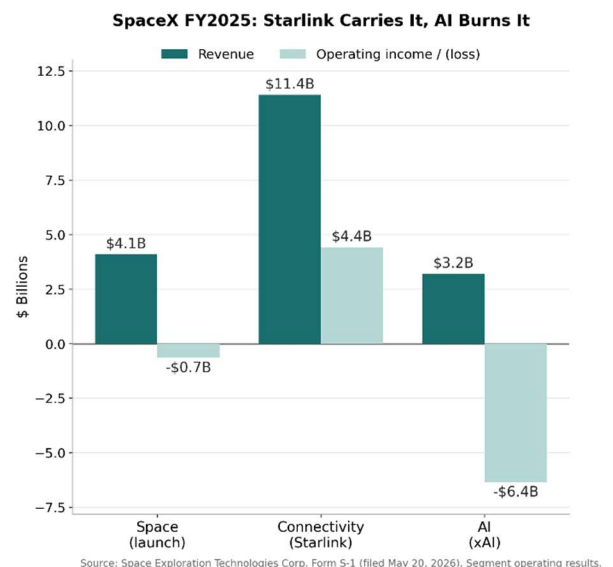
The forward path is the more consequential takeaway. At the current trajectory, the on-feed inventory tracks toward roughly 103% of year-ago by June 1, and the accumulated overhang – cattle placed but not yet marketed at a year-ago pace – sits at roughly 800,000-900,000 head of carryover that has to clear over the back half of 2026. Without a higher weekly kill, the second half of the year risks record-large on-feed inventories alongside record-heavy carcass weights, a combination that would push fed beef production above year-ago levels despite the smaller cow-herd narrative anchoring much of the bullish positioning.

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

The SpaceX S-1 landed last week, and after 24 years out of public view, we finally get to see the books from what's become the most valuable private company on earth. The framing writes itself: largest IPO in history, a valuation north of \$2 trillion, \$75 billion raised, a third of the deal carved out for retail. Here's the thing, though. None of those numbers are actually in the filing. The price range and share count are still blank, which means the figures everyone is quoting come from the bankers and the rumor mill, not the actual prospectus. What the document does give us is the financials, and they tell a more complicated story than the headline valuation suggests.

Strip it down and SpaceX is really three businesses sharing a balance sheet. Starlink is the engine, ~\$11.4 billion in revenue last year and growing 50%, and it actually makes money. The launch business is profitable too, once you back out the ~\$3 billion in Starship R&D running through it. And then there's the AI segment, absorbed when SpaceX bought xAI in February, which lost \$6.4 billion at the



operating line and burned \$12.7 billion in capex in a single year. Consolidated, the company did \$18.7 billion in revenue but lost \$4.9 billion and carries a \$41 billion accumulated deficit. The bull case leans on a claimed \$28.5 trillion total addressable market, 93% of which is AI, the very segment losing the most money today.

So how does a company losing \$5 billion a year price as one of the largest equities on the planet? Demand, and a lot of it. The deal reportedly reserves ~30% for retail, routed through Schwab, Fidelity, Robinhood, SoFi and E*TRADE, versus roughly 10% for Facebook back in 2012. Secondary marks have been running above the IPO target, and the scarcity of finally owning a piece of SpaceX, plus the Musk halo, all but guarantees the book is oversubscribed many times over. This thing will be packed. The bid is about access and momentum, not a discounted cash flow.

And that's why I'd watch this one less as a SpaceX story than as a referendum on how far late-cycle risk appetite has stretched. The prior record IPO, Alibaba in 2014, landed just as China optimism was cresting. A deal priced near ~100x sales, stuffed with retail, and backstopped by forced index buying is the kind of thing that tends to mark a sentiment top, not a beginning. If the AI trade wobbles, this is the sort of name that sits at the center of it. Worth keeping one eye on as June approaches.

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 – 7:30 AM
- Conf. Board Consumer Confidence – 9:00 AM
- Export Inspections – 10:00 AM
- Crop Progress/Conditions – 3:00 PM

Thanks for reading,

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