

**November 13, 2023**

**Weather:**

---

- Center west, center south and interior northeastern Brazil are all advertised to see some rainfall boost next week
- Brazil weekend rainfall was heavy in southern Rio Grande do Sul and light to moderate in central parts of the state and eastern Santa Catarina
- Most of the Brazil was very warm to hot and dry during the weekend with an extreme high of 108 in northeastern Minas Gerais and western Mato Grosso do Sul and 104 in both eastern Mato Grosso do Sul and central Mato Grosso
- Brazil will be dry and warm to hot this workweek except in the far south where waves of rain will continue
- Argentina will be wet in the northeast this week and next week while alternating periods of rain and sunshine occur elsewhere
- Southern Oscillation Index (SOI) is falling once again suggesting a short term bout of El Nino strengthening which means less rain in Southeast Asia, eastern Australia, central Africa, India and Central America later this month
- A tropical disturbance along the east coast of India may bring a boost in coastal rain late this week and into the weekend from Odisha to Bangladesh
- Tropical disturbance in the Caribbean Sea may enhance Central America rainfall for a while this workweek and then bring significant rain to Hispaniola and far eastern Cuba Friday into the weekend
- Europe and the western CIS will remain wet biased for another week to nearly ten days
- Interior India and China precipitation will be restricted
- Indonesia and Philippines rainfall is increasing this week and will decrease later this month
  - Improved rainfall in southern Indonesia will be welcome
- Australia rainfall will be sporadic and light this week
- South Africa will experience net drying and warm temperatures for the next couple of weeks
- U.S. Midwest will dry down for one more week and then see some Sunday through early next week followed by some cooling and addition precipitation
- Heavy rain is likely along the central and western U.S. Gulf of Mexico Coast early this week with local flooding possible
- South Texas already reported more than 4.00 inches through early this morning with parts of the lower Rio Grande valley reporting up to 5.60 inches

- Western U.S. hard red winter wheat areas are unlikely to get much usable rain during the next couple of weeks

## News:

---

- **USDA reported private sale of 204,000 mt of Soybeans to China for the 23/24 MY and 143,637 mt of Corn to Mexico for the 23/24 delivery.**
- Safras Mercado analysts estimated 23/24 Brazil soybean planting progress at 57.1% complete as of Nov 10th, that compares with the 67.3% pace in the year earlier week. They estimated 23/24 Brazil first season Corn planting progress at 82.7% complete, that compares with the 81.6% pace in the year earlier week.
- India's Solvent Extractors' Association estimated palm oil imports in the marketing year ending Oct 31, 2023 were 9.79 mln mt, up +24% on the year and at a record high. Sunflower imports during the 22/23 marketing year totaled 3.0 mln mt, up +54% and also at a record high. Soyoil imports fell -12% to 3.68 mln mt in the marketing year.
- AgRural cut its 2023-24 Brazilian soybean crop forecast by 1.1 MMT to 163.5 MMT. The Brazil-based consultancy warned it could make additional cuts to the forecast this month if weather doesn't improve, as other areas of the country are also experiencing unfavorable conditions. Besides the erratic weather, there is a need for some replanting of soybeans.
- China, the world's top importer of liquefied natural gas, is increasingly re-selling some of the fuel to other Asian buyers as it looks to profit from price swings. Armed with a growing portfolio of long-term supply deals recently struck with Qatar and U.S. exporters, as well as extensive terminal capacity, Chinese companies led by state giant PetroChina are more actively trading LNG, but still lag far behind global majors such as BP, Shell and TotalEnergies.

**Gulke Group 2024 Winter Palm Springs Conference** Rancho Las Palmas in Rancho Mirage, CA on Feb. 21-23. Current speakers include Drew Lerner on Weather, Roger Wallace on Livestock, Jamie Wasemiller on insurance, Michael Drury on economy and Jerry Gulke. **New Addition: Brian Phillips has agreed to preset his views via computer.**

**The conference will start at noon on Wednesday (Feb. 21)** and conclude around noon on Friday (Feb. 23). The fee is \$695 for the conference for clients and \$2000 for non-clients; a second person within the household/company \$5550. Sign up by calling or texting Jamie at 707-365-0601.

**GROUP RATES: Rooms for Tuesday-Friday will be \$299 + tax.** Available on days before and after the conference. In case you want to extend your stay: **The cut-off date is January 16, 2024. Call the Omni at 1-800-843-6664 to make your room reservations and mention the Gulke Group.**

## Technicals:



## Market Fundamentals:

**Yesterday's Trades:** No new trades.

### COMMENTS:

USDA reported private sale of 204,000 mt of Soybeans to China for the 23/24 MY and 143,637 mt of Corn to Mexico for the 23/24 delivery.

Volatility back on track for soy complex as the “carry” narrows somewhat for soybeans but continues to even widen in corn. See position matrix for positions.

**SOY COMPLEX:** Jan beans opened with a small 1/2 cent gap higher—normally a good sign especially after holding week's lows on Friday. Holding the gap without closing below it would be positive.

- Meal back on fire again—up \$12
- Soy oil taking the weak side of the crush—down over 100
- Beans up 12 with lows \$13.50 ¼ gap at \$13.4975
- S American weather ---see weather section

5Disclaimer: Commodity trading and other speculative/ hedging investment practices involve substantial risk of loss. PAST RESULTS ARE NOT NECESSARILY INDICATIVE OF FUTURE RESULTS when utilizing the commodities markets. Gulke Group and its officers, directors, employees and affiliates may take positions for their own accounts that are the same or that are different to the positions and to the contracts referred to herein. This material and any views expressed herein are provided for informational purposes only and should not be construed in any way as an endorsement or inducement to invest. Prices used in trade recommendations are already reflective of known information

- **China premier in town this week to make nice**
- **Canola Jan –posting a massive KR up today**
- **“Palm Oil getting squeezed to break out up or down----will be key to soy oil and US crush etc. etc.**

**CORN/WHEAT--- lackluster unless Brzl weather affects Safrina but a long way off. In the meantime WASDE deal a blow to corn with a lot of un-competitive wheat and corn at 2.2 bil-bu too much and needs a demand shock. Selling call options against inventory or making a deal with short-bought buyers to pay the carry only decent options short term. Wheat down 7-8 to start the week.**

- **Corn flirting with 3 year lows with the supply side AND demand side about as negative as it has been for a long, long time with carry-in to 2024 over two billion that suggests a normal crop will equal a 3 bil-bu carryover –we disparagingly need a nasty crop in S America.**

**LIVESTOCK: LC and FC liquidation and hogs up against 50 day average.**

**PLANTING INTENTIONS FOR 2024--- The market needs about a 4 mil-ac drop and a 3-4 mil-ac increase---The trade is trying to influence—THE KEY IS WHETHER OR NOT YOUR ACREAGE MIX IS INFLUENCED???**

**ADVICE: No new advice pending mid-day**

Gulke Group Spec Table Buy/Sell Stops				(*New Positions in BOLD)			
	11/13/2023			Today's Stops		Current Position*	
	High	Low	Close	Buy	Sell	Long	Short
CZ23	469	461 3/4	464	471 3/4	456 1/4	478 1/2	
CH24	483 3/4	477	479	486 1/4	471 3/4	493 1/2	
SF24	1349 3/4	1337	1347 1/2	1360 3/4	1334 1/4		1341 3/4
SN24	1376 3/4	1366	1374	1385 1/4	1362 3/4		1371 1/4
SMZ23	451.1	445.0	449.4	455.7	443.2	382.4	
BOZ23	51.69	50.49	51.20	52.90	49.50		60.17
WZ23	583	570 3/4	575 1/4	588	562 1/2	588 1/2	
WH24	608 1/4	596 1/4	599 1/4	611 3/4	586 3/4	613 1/4	
KWH24	659 1/2	650	650 3/4	660 3/4	640 3/4	658 3/4	
MWH24	747 3/4	740	742 1/2	750 3/4	734 1/4	736	
LCZ23	174.900	173.150	174.175	176.425	171.925		181.925
LCG24	175.300	173.650	174.650	176.500	172.800		185.000
LHZ23	73.125	70.625	71.900	74.600	69.200	72.475	
LHG24	76.700	74.550	75.575	77.925	73.225	75.550	
FCF24	227.550	223.625	226.425	230.550	222.300		236.600
CTZ23	77.75	75.53	77.320	79.59	75.05	77.09	
CTH24	80.17	78.02	79.500	81.85	77.15		85.37
SBH24	27.87	27.20	27.290	28.01	26.57	27.60	
GCZ23	1965.6	1936.9	1941.10	1970.30	1911.90		1988.80
NRH24	17.00	16.74	16.95	17.25	16.66	16.180	
DJZ23	34373.00	33913.00	34338	34818	33858	33799	
CLZ23	77.73	75.31	77.17	79.79	74.55		85.56
NGZ23	3.077	2.989	3.033	3.136	2.930		3.376
DXZ23	105.96	105.595	105.700	106.27	105.14		105.430
USZ23	114 1/32	112 22/32	113 12/32	114 31/32	111 25/32		112 21/32

RESULTS HAVE MANY INHERENT LIMITATIONS, SOME OF WHICH ARE DESCRIBED BELOW. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL OR IS LIKELY TO ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN. IN FACT, THERE ARE FREQUENTLY SHARP DIFFERENCES BETWEEN HYPOTHETICAL PERFORMANCE RESULTS AND THE ACTUAL RESULTS SUBSEQUENTLY ACHIEVED BY ANY PARTICULAR TRADING PROGRAM.

ONE OF THE LIMITATIONS OF HYPOTHETICAL PERFORMANCE RESULTS IS THAT THEY ARE GENERALLY PREPARED WITH THE BENEFIT OF HINDSIGHT. IN ADDITION, PROGRAM IN SPITE OF TRADING LOSSES ARE MATERIAL POINTS WHICH CAN ALSO ADVERSELY AFFECT ACTUAL TRADING RESULTS. THERE ARE NUMEROUS OTHER FACTORS RELATED TO THES IN GENERAL OR TO THE IMPLEMENTATION OF ANY SPECIFIC TRADING PROGRAM WHICH CANNOT BE FULLY ACCOUNTED FOR IN THE PREPARATION OF HYPOTHETICAL PERFORMANCE RESULTS AND ALL OF WHICH CAN ADVERSELY AFFECT ACTUAL TRADING RESULTS.

THE GULKE GROUP HAS HAD LITTLE OR NO EXPERIENCE IN TRADING ACTUAL ACCOUNTS FOR ITSELF OR FOR CUSTOMERS. BECAUSE THERE ARE NO ACTUAL TRADING RESULTS TO COMPARE TO THE HYPOTHETICAL PERFORMANCE RESULTS, CUSTOMERS SHOULD BE PARTICULARLY WARY OF PLACING UNDUE RELIANCE ON THESE HYPOTHETICAL PERFORMANCE RESULTS. This composite performance records are hypothetical and are used as a guide for position tracking purposes. Execution prices are an average execution price of the first ten trades recorded after advice has been posted and are net of average round turn commissions of \$33.00 for futures and \$36 for options and round turn fees of \$5.24 for grains and \$5.40 for livestock. In the event less than 10 trades are executed, prices will be determined by looking at fills, in relation to when the advice was given to clients, and a commonsense price will be determined. The closing price on the previous day is used to determine the P/L listed in the Morning Comments. One of the limitations of a hypothetical composite performance records is that client decisions relating to the recipient's advice may or may not elect to act upon such advice and timing of execution by clients of advice may create a difference in the execution price represented in the matrix below. Therefore, composite performance records may differ which may materially affect trading results.

**5Disclaimer: Commodity trading and other speculative/ hedging investment practices involve substantial risk of loss. PAST RESULTS ARE NOT NECESSARILY INDICATIVE OF FUTURE RESULTS when utilizing the commodities markets. Gulke Group and its officers, directors, employees and affiliates may take positions for their own accounts that are the same or that are different to the positions and to the contracts referred to herein. This material and any views expressed herein are provided for informational purposes only and should not be construed in any way as an endorsement or inducement to invest. Prices used in trade recommendations are already reflective of known information**

