

December 5, 2023

Weather:

- **Southeastern Australia** rainfall late this week and into the weekend may slow wheat and barley maturation and harvesting and follow up moisture next week could lead to some grain quality concerns
- **Southern Brazil from Sao Paulo into Rio Grande do Sul and southern Paraguay** will receive frequent rain over the next ten days maintaining excessively wet field conditions
- **Sul de Minas and northeastern Sao Paulo, Brazil coffee areas** may get some needed rain late this week through next week easing long term dryness, though other coffee areas to the north will not be nearly as wet
- **Northeast Brazil** rainfall is expected to remain restricted during the coming ten days, although not completely absent
 - Bahia, Piaui, northern Minas Gerais and northern Espirito Santo will be driest and warmest relative to normal
- **Center west and most of center south Brazil** will get sufficient rain to fulfil crop needs over the next two weeks, although the daily precipitation will continue erratic
- **Argentina weather** will continue favorably mixed over the next two weeks, although rain frequency and intensity will be down for a while – that should provide a great opportunity for increased field progress
- An active weather pattern will continue in **Europe** over the next couple of weeks maintaining wet field conditions and the potential for minor flooding
- **Western CIS precipitation** will be limited for the next five days and the slowly increase once again
- **Bitter cold in northern Russia** will stay over snow covered areas and pose no threat to winter crops in snow-free areas of Ukraine or Russia's Southern Region
- **Weekend snow in China and that which occurs next week** will protect wheat from colder temperatures expected next week as well.
- **U.S. hard red winter wheat areas** get a little rain and snow Friday into Saturday, though the impact on soil moisture will be low
- Other areas in the **U.S. Plains, upper Midwest and southwestern Canada's Prairies** will be dry biased for the next ten days

- **Snow Iowa to Michigan** this weekend will melt quickly
- **U.S. lower and eastern Midwest** will get enough precipitation to main moisture abundance
- **Low water levels on the Panama Canal will not improve for the next few months**

News:

- **USDA reported private sale of 198,000 metric tons of soft red winter wheat for delivery to China during the 2023/2024 marketing year.**
- In a snap tender announced earlier today, Korea Feed Association bought 65,000 mt of feed Corn. Origins accepted included South Africa, South American and the United States.
- CEO of COAMO, Brazil's largest grain farmer co-op, said the country's 23/24 soybean crop is in overall good condition, but there are some weather issues remaining. He added that second season corn acres could fall slightly due to delayed soybean plantings. They expect the overall 23/24 crop to be in line with the 22/23 crop.
- CEO of Brazil's largest grain farmer co-op on Tuesday said they plan on investing in a corn-based Ethanol plant that could produce up to 258 million liters per year.
- Dr. Cordonnier cut his Brazilian soybean crop estimate 1 MMT to 157 MMT, saying recent rains came too late for a full recovery in early planted soybeans in central Brazil. He noted soybean harvest started in remote areas of Mato Grosso last week, a month earlier than normal, with yields predictably well below average. Cordonnier cut his Brazilian corn crop estimate 3 MMT to 118 MMT, saying "all indications point to smaller safrinha corn acreage." Cordonnier left his Argentine crop estimates at 50 MMT for soybeans and 52 MMT for corn.
- Brazil exported 5.196 MMT of soybeans in November, slightly topping the previous record for the month. For the first 11 months of 2023, Brazil exported nearly 98 MMT soybeans, up almost 18% from the prior record from two years ago. Brazil exported a record 7.406 MMT of corn during November, far exceeding the previous high for the month. For August through November, Brazil shipped almost 34 MMT of corn, 28% more than the prior record for that four-month period.
- Roughly one-third of U.S. government spending to insure the nation's crops since 2011 has gone to insurance companies that derive more than \$1 billion in profit from the program each year, according to a government watchdog's report released.

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.

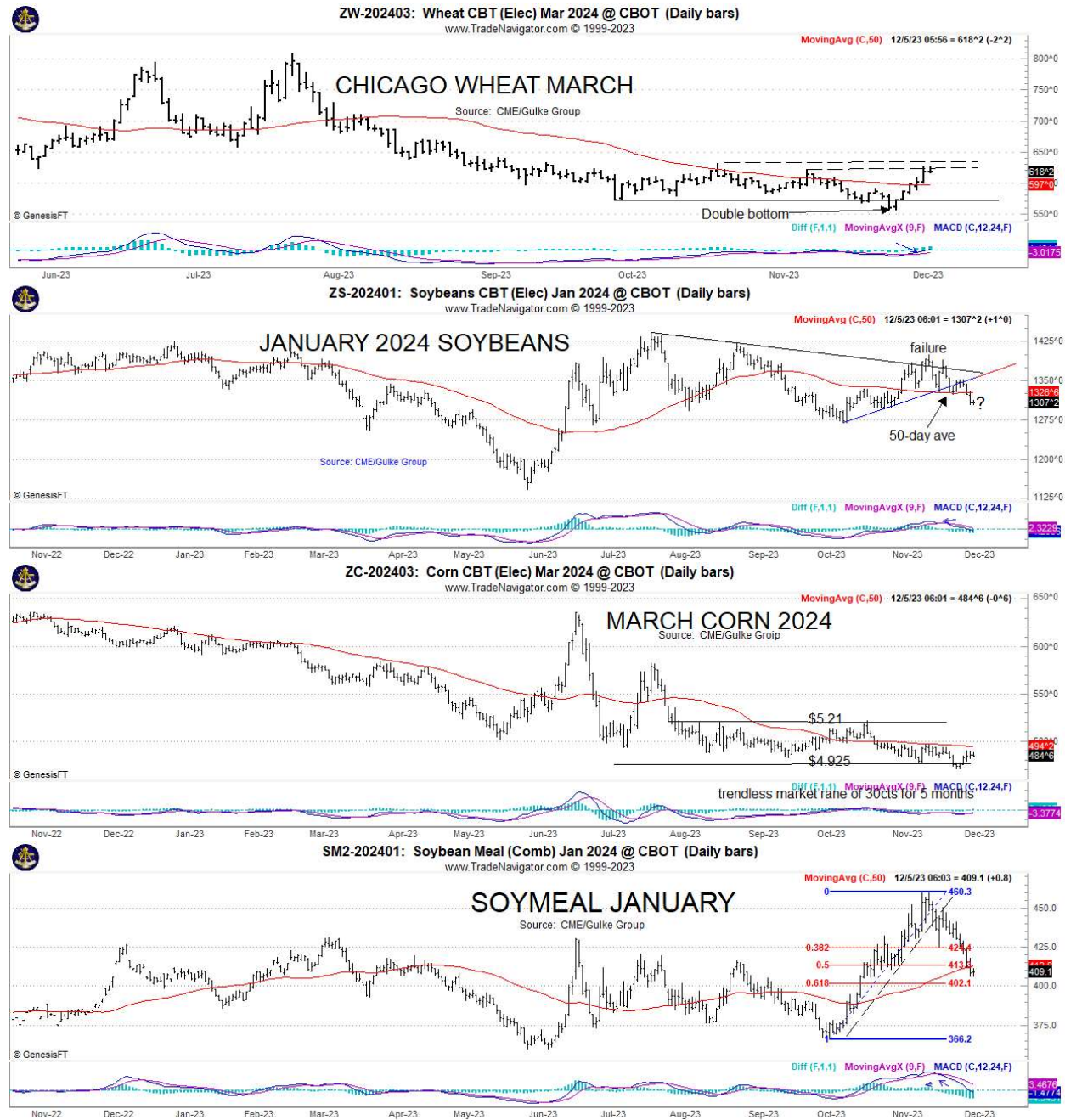
The conference will start at noon on Wednesday (Feb. 21) and conclude around noon on Friday (Feb. 23). The fee is \$695 for the conference for clients and \$2000 for non-clients. A second person within the household/company \$555. Sign up by calling or texting Jamie at 707-365-0601.

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.**

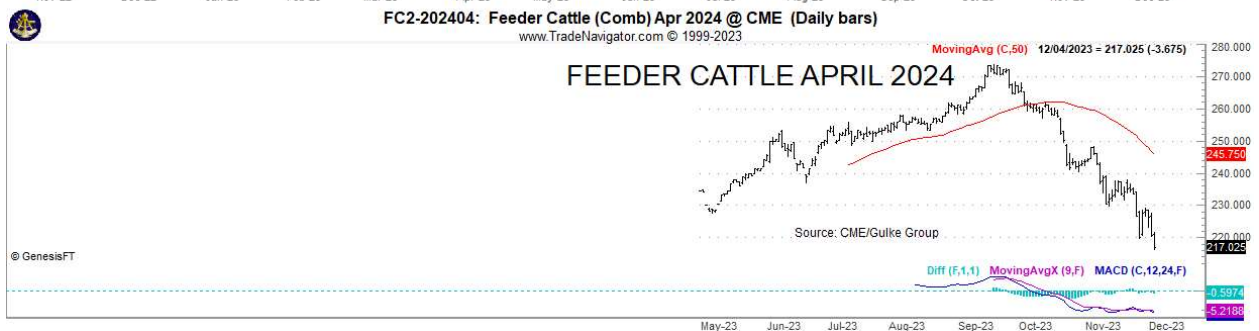
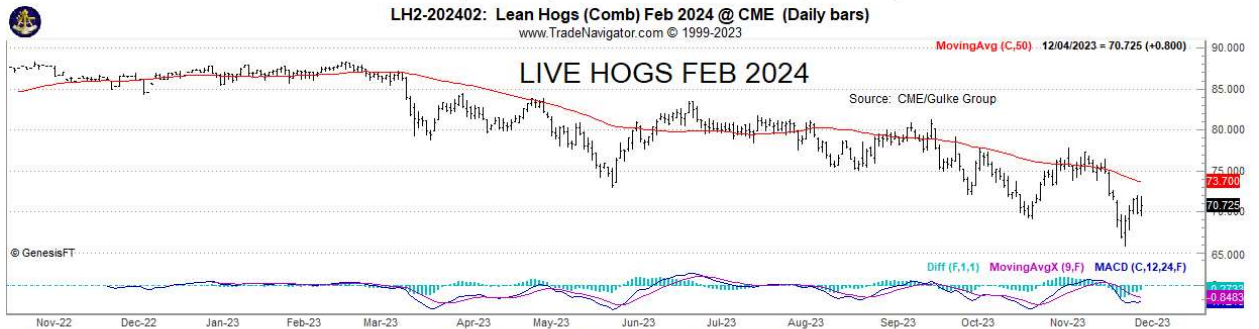
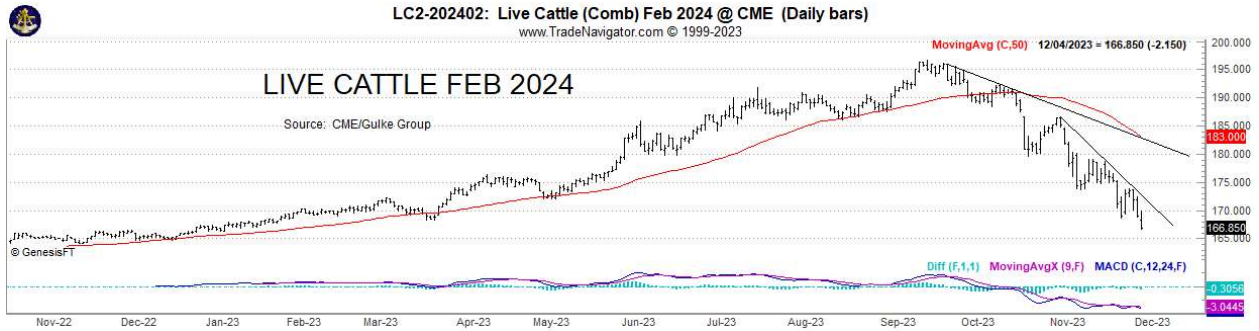
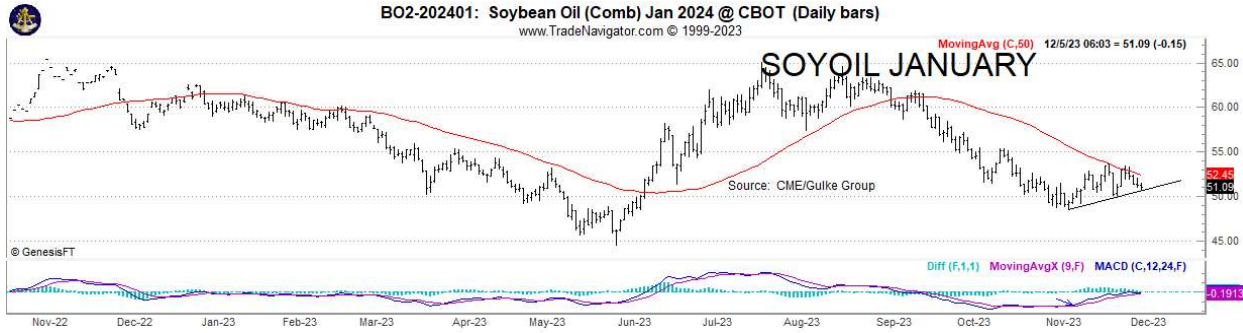
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Technical:

CHARTS BELOW



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Market Fundamentals:

Yesterday's Trades: No new trades.

COMMENTS:

- **WHEAT: Chicago H** has posted 5 higher straight days since the double bottom and the positive buy signal on the slow macd for a gain of over 50 cents. There were fundamental reasons as well, but again technical indicators signaled the turn. We have witnessed many times in past years where wheat can change direction and leave shorts in the dust. Wheat led the market down 20 months ago and has the makings of leading markets higher. After being well hedged in early 2023 we were long in the bin for 2023 and unsold for 2024—stay tuned.
- **CORN: CZ/CH** widened again yesterday with CH generally higher. Export demand is considered terrible by many traders, but US end users viewed as short bought especially ethanol and some feeders—yet basis in N IL has widened again to where there is little price gain into 2024—a **license to steal with media guys hugely bearish but some cracks in their thinking. If wheat is an indicator, seller beware.**
- **SOYBEANS:** Drew Lerner feels the low pressure trough that is forecast to bring rain and potential change in trend, causing a 20 cent drop, will not materialize as well as other think due to the strength of overhead high pressure that will keep storms subdued for lack of being able to rise in height thus amounts of moisture will disappoint in further forecast.
 - **But soybeans continue to be negatively biased (short signals or non-buying keeping us out of long recommendations.**
 - **In the meantime, sources in Brazil suggest crop worse than trade believes---satellite images can be misleading.**

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- **OTHERS charts on other commodities and S&P 500 are shown above including meats---pretty much self-explanatory –but for stocks the 5-6% return on interest from various sources looks even better after a big rise in stocks—odds are I will personally divert some or all stocks in IRA or 401K and cash to interest bearing stuff. The question can stock indexes rise another 5-7-10% o 2024 versus interest rates still high relative.**

- **MARKET CARRY and selling Call Options--- still a valid scenario but no formal action yet on our part---would have been a mistake in wheat –and soybeans volatile on weather---corn is another matter as the 2.2 carryout will look huge later in the year IF S AMERICA CAN WEATHER THE WEATHER!!!!**
 - **Concern is someone is buying those wide-carry call options????**

Gulke GroupSpec Table Buy/Sell Stops				(*New Positions in BOLD)			
	12/5/2023			Today's Stops		Current Position*	
	High	Low	Close	Buy	Sell	Long	Short
CH24	488 1/2	481 1/4	485 1/2	493 1/4	477 3/4	483	
CN24	509	503 1/4	505 3/4	512	499 1/2	504 1/2	
SF24	1329 1/4	1303 1/2	1306 1/4	1332 1/2	1280		1330
SN24	1369 3/4	1348 1/4	1350 1/4	1372 1/4	1328 1/4		1369 1/4
SMF24	417.9	406.3	408.3	420.1	396.6		434.1
BOF24	52.07	51.06	51.24	52.75	49.73	52.84	
WH24	626 1/2	600 1/4	620 1/2	647 1/4	593 3/4	624 1/4	
WN24	648	625 1/2	643 1/2	666 1/2	620 1/2	647 3/4	
KWH24	660 1/2	642	657 3/4	676 3/4	638 3/4	619	
MWH24	739 3/4	722 1/2	736 1/4	754	718 1/2	727 3/4	
LCG24	170.000	166.625	167.075	170.650	163.500		171.900
LCM24	168.575	165.000	166.275	170.350	162.200		166.675
LHG24	71.925	69.500	70.800	73.425	68.175		73.125
LHM24	93.550	91.650	93.250	95.350	91.150		89.875
FCF24	214.525	209.150	210.525	216.100	204.950		236.600
CTH24	80.20	78.59	78.680	80.49	76.87		79.25
CTK24	80.81	79.35	79.420	80.93	77.91	81.69	
SBH24	25.98	24.58	25.810	27.26	24.36		27.40
GCG24	2152.3	2038.4	2048.30	2162.70	1933.90		2047.50
NRH24	17.41	17.15	17.17	17.46	16.87		17.510
DJZ23	36332.00	36093.00	36268	36527	36009	33799	
CLF24	75.03	72.63	73.04	75.64	70.44		76.79
NGF24	2.752	2.649	2.694	2.812	2.576		2.842
DXZ23	103.80	102.980	103.595	104.62	102.58	103.510	
USH24	118 16/32	117 9/32	117 18/32	119 1/32	116 3/32	118 9/32	

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.

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