

# **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
- <u>Sul de Minas and northeastern Sao Paulo, Brazil coffee areas</u> 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
- <u>Center west and most of center south Brazil</u> 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 **<u>Europe</u>** over the next couple of weeks maintaining wet field conditions and the potential for minor flooding
- <u>Western CIS precipitation</u> will be limited for the next five days and the slowly increase once again
- <u>Bitter cold in northern Russia</u> will stay over snow covered areas and pose no threat to winter crops in snow-free areas of Ukraine or Russia's Southern Region
- <u>Weekend snow in China and that which occurs next week</u> will protect wheat from colder temperatures expected next week as well.
- <u>U.S. hard red winter wheat areas</u> get a little rain and snow Friday into Saturday, though the impact on soil moisture will be low
- Other areas in the <u>U.S. Plains, upper Midwest and southwestern Canada's Prairies</u> will be dry biased for the next ten days

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

### **News:**

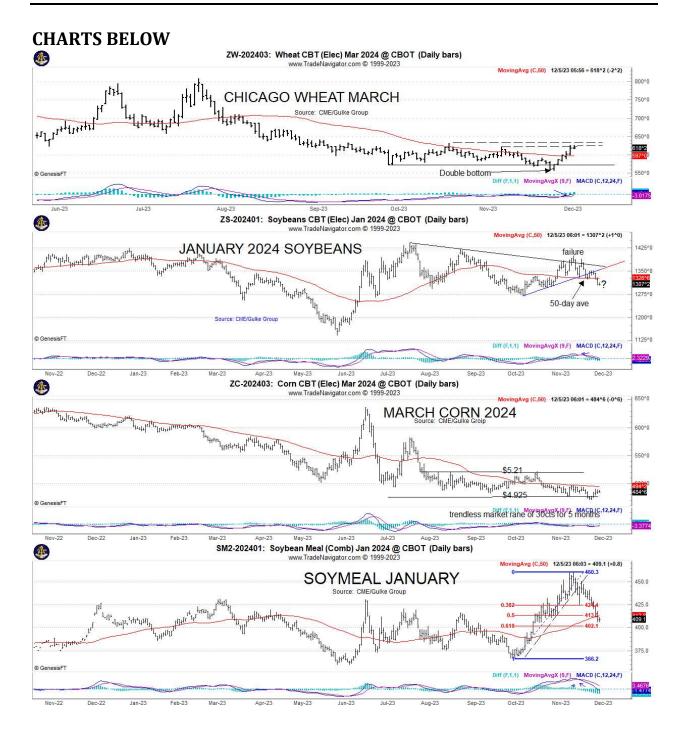
- USDA reported private sale of 198,000 metric tons of soft red winter wheat for delivery to China during the 2023/2024 marketing year.
- In a snap tender announced earlier today, Korea Feed Association bought 65,000 mt of feed Corn. Origins accepted included South Africa, South American and the United 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.

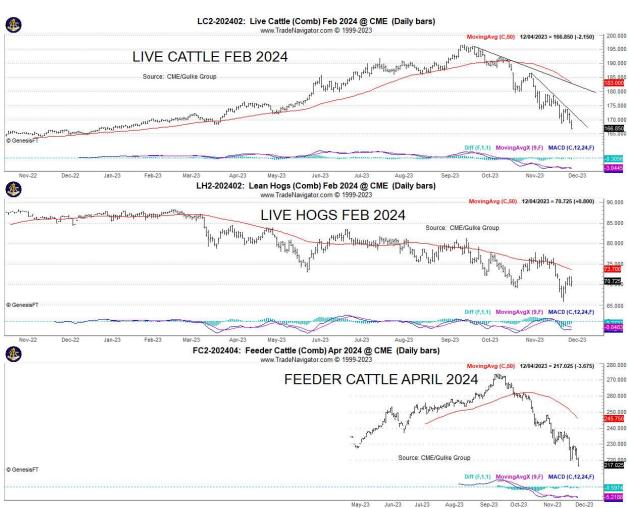
The conference will start at noon on Wednesday (Feb. 21) and conclude around noon on Friday (Feb. 23). The fee is \$695 for the conference for clients and \$2000 for nonclients. A second person within the household/company \$555. Sign up by calling or texting Jamie at 707-365-0601.

**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.** 

### **Technicals:**









## **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 <u>again</u> 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 may 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.
  - O 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.

- 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 GroupS	pec Table Buy	/Sell Stops	(*New Positions in BOLD)						
		12/5/2023		Today's	s Stops	Current Position*				
	<u>High</u>	Low	Close	Buy	<u>Sell</u>	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.

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 N\O 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.

2022.0	HYPOTHETICAL HE	DGING PU	SI HON WA	IKIN	2002 001/2	12/5/2023				2022 147 15 4				
	- margin= \$1625					EANS - margin= \$2500					- margin= \$2450		21.1	10/11/1
Date	Action	Price	Status	% Hedged	Date	Action	Price	Status	% Hedged	Date	Action	Price	Status	% Hedg
	res price day of sale)	004.4/0	00.004.00	F 00/		es price day of sale)	4007	007400	45.00/		s price day of sale)	4004	A44 000 00	400/
6/22/23	Sold CASH vs. CZ	621 1/2	\$8,024.26	5.0%		Sold CASH vs. SX23	1387	\$874.26	15.0%	3/31/2022	Sold CASH vs. WN22	1021	\$11,299.26	10%
					1/4/2023	Sold CASH vs. SX23	1389 1/2	\$999.26	5.0%	6/17/2022	Sold CASH vs. WZ22	1076	\$17,349.26	10%
		Total		5.0%		Sold CASH vs. SX23	1386 1/4	\$836.76	5.0%	9/2/2022	Sold CASH vs. WZ22	804	\$3,749.26	10%
Futures/Op	tions				1/20/2023	Sold CASH vs. SX23	1352 1/2	(\$850.74)	5.0%	9/14/2022	Sold CASH vs. WZ22	860	\$6,549.26	20%
	1000			10.00%	3/13/2023	Sold CASH vs. SX23	1340 1/4	(\$1,463.24)	5.0%	9/16/2022	Sold CASH vs. WZ22	836 1/2	\$5,374.26	10%
					4/4/2023	Sold CASH vs. SX23	1317 1/4	(\$2,613.24)	10.0%	12/2/2022	Sold CASH vs. WH23	767	\$3,986.76	10%
	Futures/Options Hedged	i		10.0%	10/3/2023	Sold CASH vs. SF24	1290	(\$850.74)	10.0%	1/4/2023	Sold CASH vs. WH23	745 1/2	\$2,911.76	5%
	Total Hedged(included (	CASH)		15.0%	11/8/2023	Sold CASH vs. SF24	1366	\$2,949.26	25.0%			Total		75%
End User C	Coverage - Corn						Total		80.0%	Futures/Opti	ons			
Date	Action	Price	Status	% Hedged	Futures/Opt	tions								
1st Quarter	2024		177.14			Miles					Futures/Options Hedged			0.0%
											Total Hedged(included CA	SH)		75.0%
		Total		0.0%		Futures/Options Hedged			0.0%	2023 WHEAT	- margin= \$2450	,		
2nd Quarte	r 2024					Total Hedged(included CA	SH)		80.0%	Date	Action	Price	Status	% Hedge
ziia quartoi					2024 Soybe	ans - margin -					s price day of sale)			701110
		Total		0.0%	Date	Action	Price	Status	% Hedged	9/30/2022	Sold CASH vs. WN23	906	\$13,186.76	15%
3rd Quarte	- 2024	Total		0.070	Futures/Opt		FIICE	Status	/o ricuycu	12/2/2022	Sold CASH vs. WN23	785 1/2	\$7,161.76	
ord Quarte	1 2024	-			rutures/Op	lions				12/2/2022	SUIU CASIT VS. WINZS		\$1,101.70	10%
					_							Total		25%
	****	Total		0.0%		Futures/Options Hedged	•••		0.0%	Futures/Opti	ons			
4th Quarter	r 2024					Total Hedged(included CA	SH)		0.0%					
						a - margin = \$880CD		<u> </u>			Futures/Options Hedged	pro		0.0%
		Total		0.0%	Date	Action	Price	Status	% Hedged		Total Hedged(included CA	SH)		25.0%
Live Cattle	- margin = \$1600				Cash (futur	es price day of sale)				2022 KC WH	EAT - margin= \$2550		Status	% Hedge
Date	Action	Price	Status	% Hedged	3/31/2022	Sold CASH vs. RSX22	964.00	\$1,017.76	15%	Date	Action	Price		
Spring 202	4				1/19/2023	Sold CASH vs. RSH23	825.20	\$691.36	10%	Cash (future:	s price day of sale)	F-1117		
					3/8/2023	Sold CASH vs. RSH23	834.90	\$846.56	35%	3/31/2022	Sold Cash vs. KWN22	1040	\$8,599.26	10%
		Total		0.0%	6/23/2023	Sold RSX	710.00	\$155.36	15%	6/17/2022	Sold Cash vs. KWZ22	1141	\$13,524.26	10%
Fall 2024		1.0			0.20.2020	0000000	Total	V.00.00	75.0%	9/2/2022	Sold Cash vs. KWZ22	878	\$374.26	10%
					Futures/Opt	tions				12/2/2022	Sold Cash vs. KWH23	872	\$2,886.76	10%
		Total		0.0%	T dtdroorop		1			1/4/2023	Sold Cash vs. KWH23	838 1/2	\$1,211.76	5%
Ecodor Cat	ttle - Producer - margin = \$			0.070	-	Futures/Options Hedged			0.0%	11412023	Oold Oddil Vo. IVVI I20	Total	Ψ1,Z11.10	45%
Date	Action		Otatua	0/ Hadaad	-		OLI)		75.0%	Future 10mH		TOTAL		40 /0
		Price	Status	% Hedged	0000 01	Total Hedged(included CA	эн)		75.0%	Futures/Opti	ons			-
Spring 202	4					a - margin = \$880CD								
					Date		Price	Status	% Hedged		Futures/Options Hedged			0.0%
		Total		0.0%	Cash (futur	es price day of sale)					Total Hedged(included CA	SH)		45.0%
Fall 2024							Total		0.0%	2023 KC WHEAT - margin= \$2550			1	
				1,111	Futures/Opt	tions				Date Action Price		Price	Status	% Hedge
		Total		0.0%		1000				Cash (future:	s price day of sale)			
Live Hogs	- margin = \$1600					Futures/Options Hedged			0.0%	9/30/2022	Sold CASH vs. KWN23	952	\$7,099.26	15%
Date	Action	Price	Status	% Hedged	100000000000000000000000000000000000000	Total Hedged(included CA	SH)		0.0%	12/2/2022	Sold CASH vs. KWN23	861	\$2,549.26	10%
4th Quarter	r 2023	11000	1000		2023 MN WI	HEAT - margin= \$3000	2011	20-0000000				Total		25%
					Date	Action	Price	Status	% Hedged	Futures/Opti	ons			
		Total		0.0%	Cash (future	es price day of sale)								<b>T</b>
1st Quarter	2024					Sold CASH vs. MWU23	944	\$9,524.26	15%		Futures/Options Hedged			0.0%
						Sold CASH vs. MWU23	906 1/4	\$7,636.76	10%		Total Hedged(included CA	SH)		25.0%
		Total		0.0%	TEEEccE	0000 07 0011 10: 1111 020	Total	\$1,000.F0	25%	Energy	To an it to a go a land a control	,		20.070
2022 Cotto	n - margin = \$3500	Total		0.070	Futures/Opt	lione	Total		2070	Date	Action	Contracts	Price	Status
		Drine	Chahra	0/ Hadrad	rutures/op	lions				Date	ACUOII	Contracts	FIICE	Status
Date	Action	Price	Status	% Hedged		F ( 10 ft 11 1 1			0.00/					
	Sold CASH vs. CTZ22	111.53	\$11,529.76	15%		Futures/Options Hedged			0.0%	Spec	To be			
	Sold CASH vs. CTZ22	112.50	\$11,917.76	15%		Total Hedged(included CA	SH)		25.0%	Date	Action	Contracts	Price	Status
	Sold CASH vs. CTH23	82.89	\$1,021.76	10%		HEAT - margin= \$3000								
4/4/2023	Sold CASH vs. CTN23	81.35	\$21.76	10%	Date	Action	Price	Status	% Hedged					
4/20/2023	Sold CASH vs. CTK23	79.50	(\$850.24)	10%	Cash (future	es price day of sale)					Livestock Trading Hours			
			Total	60%		Sold CASH vs. MWU22	1040	\$5,661.76	10%	Mon - Fri	8:30 am to 1:05 pm CST	No Night Tr	ading	
	n - margin = \$3500					Sold CASH vs. MWZ22	1188 3/4	\$12,424.26	10%		Grain Trading Hours			
2023 Cotto	Action	Price	Status	% Hedged		Sold CASH vs. MWZ22	896	(\$2,213.24)	10%	Sun - Fri	7pm to 7:45am and 8:30am to	1:20pm C.S	T	
		80.20	\$969.76	10%		Sold CASH vs. MWH23	928	\$4,086.76	10%	Jun 111	. p.n to 1. Tourn and 0.00dill to			
Date	Sold Dec Futures		\$1,549.76	10%		Sold CASH vs. MWH23	903	\$2,836.76	5%					
<b>Date</b> 3/10/2023	Sold Dec Futures	21 EL	01.045.70	1 1070	114/2023	OUID OAOLI VS. WWWIZO		\$2,030.10						
Date 3/10/2023 4/4/2023	Sold Dec Futures	81.65												
Date 3/10/2023 4/4/2023 4/2/2023	Sold Dec Futures Sold Dec Futures	80.62	\$1,137.76	10%	Future 10		Total		45%					
Date 3/10/2023 4/4/2023 4/2/2023	Sold Dec Futures		\$1,137.76 \$2,641.76	10% 15%	Futures/Opt	tions	Total		45%					
Date 3/10/2023 4/4/2023 4/2/2023	Sold Dec Futures Sold Dec Futures	80.62	\$1,137.76	10%	Futures/Opt		Total							
Date 3/10/2023 4/4/2023 4/2/2023	Sold Dec Futures Sold Dec Futures	80.62	\$1,137.76 \$2,641.76	10% 15%	Futures/Opt	ions Futures/Options Hedged Total Hedged(included CA			0.0% 45.0%					