

**December 11, 2023**

**Weather:**

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- Dryness relief is expected in the southern half of the U.S. Plains Tuesday night into Friday morning with 0.50 to 1.50 inches common and local totals of 1.50 to 3.00 inches
  - Western Texas (including the Texas Panhandle) and western Oklahoma will be wettest while beneficial rain impacts many areas in Kansas and southeastern Colorado as well as central Oklahoma to central Texas from this same event
- Snow fell in the far northern Plains late last week and early in the weekend and the region will now be dry for the next ten days and perhaps longer
- Rain and strong thunderstorms occurred from the central Gulf of Mexico coast region into the lower eastern Midwest and Appalachian Mountain region during the weekend with rainfall of 1.00 to 3.00 inches and locally more
  - An outbreak of 13 tornadoes impacted Tennessee two strong tornadoes near Nashville causing extensive urban damage
- Brazil's weekend rainfall was light and sporadic leaving more concern about center west, some center south and many northeastern crop areas in the nation due to persistent dryness
- Brazil's weather over the next two weeks is unlikely to change much with a poor distribution of rain in the first week to ten days in center west, northern parts of center south and northeastern Brazil
- Southern Brazil will see a good mix of rain and sunshine over the next two weeks supporting crop development
- Argentina will also experience a good mix of weather over the next two weeks with dryness in the south quickly abating this week and a wetter scenario expected to kick in quickly
- South Africa rainfall is still advertised to be significant in the next two weeks raising soil moisture for better summer crop emergence, establishment and early growth
- Eastern China received snow and rain during the weekend and another wave of it is expected this week that will add protection to winter wheat and rapeseed against bitter cold air that is expected to follow the snow event
- Europe weather will remain active this week and then take a short term break followed by another bout of rain and snow
- Europe Temperatures will be near to above normal
- CIS weekend temperatures were bitterly cold in the New Lands, but the cold air will abate from western and central Asia in the coming week settling into eastern China by the weekend and it will stay there into next week

- Waves of significant snow are returning to western Russia, far northern Ukraine and some neighboring areas this week and it will last for up to ten days with 12 inches of new snow likely in southwestern Russia (including the Central Region)
- Eastern Australia will experience some periodic shower activity this week and again next week, although much of it will be light relative to that of the weekend when heavy rain fell in South Australia and a part of Victoria.
- Morocco, southern and eastern Spain and southern Portugal will remain drier than usual for the next ten days and perhaps longer

## News:

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- **USDA reported private sale of 132,000 mt US soybeans to Unknown for the 23/24 MY.**
- Safras y Mercado analysts lowered their 23/24 Brazil soybean production forecast 3.15 MMT down to 158.23 MMT. The group also noted 23/24 marketing year forward sales of soybeans are 27% of expected production, which is lagging the 37% long-term avg pace. Forward sales are seen at 27% compared to the long-term average of 37%.
- AgRural says Brazil's soybean planting reached 91% done as of last Thursday, behind last year's 95% pace. The Brazil-based consultancy said, "Although the biggest concern remains in Mato Grosso, where rainfall is still below normal and very high temperatures continue to weigh on productivity, the North/Northeast region of the country is also a concern, as scattered precipitation and heat make progress difficult for planting and harm the initial development of crops." They estimated Brazil's 23/24 Corn planting progress at 95% complete, that's up from 91% last week, but lagging the year ago pace by one percentage point.
- New Argentine President Javier Milei took office on Sunday, warning in his first official speech he had no alternative to a sharp, painful fiscal shock to fix the country's worst economic crisis in decades. "There is no alternative to a shock adjustment," he said. "There is no money. The outgoing government has left us on track towards hyperinflation. We are going to do everything we can to avoid such a catastrophe." While the speech was light on details, he said key steps would include a fiscal adjustment equivalent to 5% of the country's GDP through cuts that he said would fall on "the state and not the private sector."
- Bulk shippers hauling grains from the U.S. Gulf to Asia are sailing longer routes and paying higher freight costs to avoid vessel congestion and record-high transit fees in the drought-hit Panama Canal. Ships moving crops have faced wait times of up to three weeks to pass through the canal as container vessels and others that sail on more regular schedules are scooping up the few transit slots available. The restrictions could continue to impede grain shipments well into 2024, as the region's rainy season won't come until spring. The Panama Canal Authority restricted vessel transits this autumn as a severe drought limited supplies of water needed to operate its lock system. Only 22 daily transits are currently allowed, down from around 35 in normal conditions. By February, transits will shrink further to 18 a day.

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- Chinese pork prices experienced a decline of more than 6% in the past week, despite efforts by Chinese authorities to support the market, raising concerns about deflation in the largest economy in Asia, Bloomberg News reports. The average national price for pork dropped to the lowest level since April 2022. Moreover, prices have fallen by almost 25% from their peak in early August. In response to these falling prices, the Chinese government announced in late November it would purchase pork to stock the nation's strategic reserves. This marked the third round of such purchases this year, but these efforts have not been sufficient to halt the decline. Authorities are also encouraging farmers to sell their hogs when they are ready for market instead of holding onto livestock.

**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.

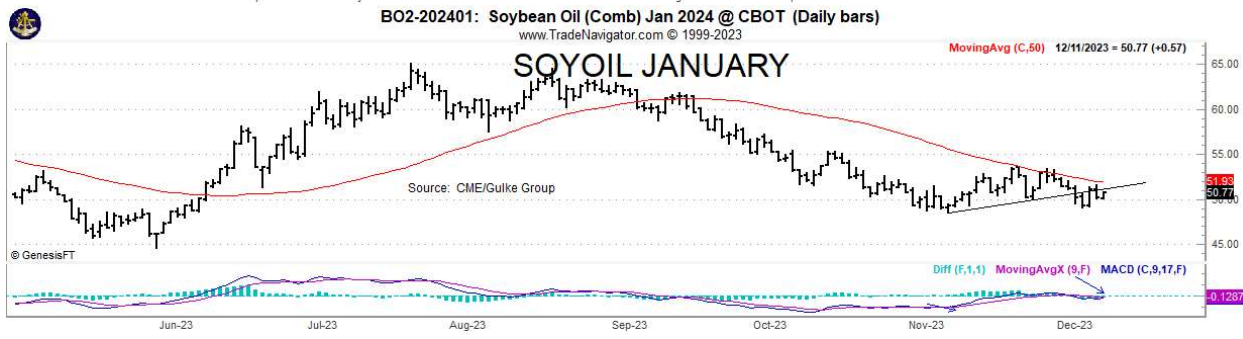
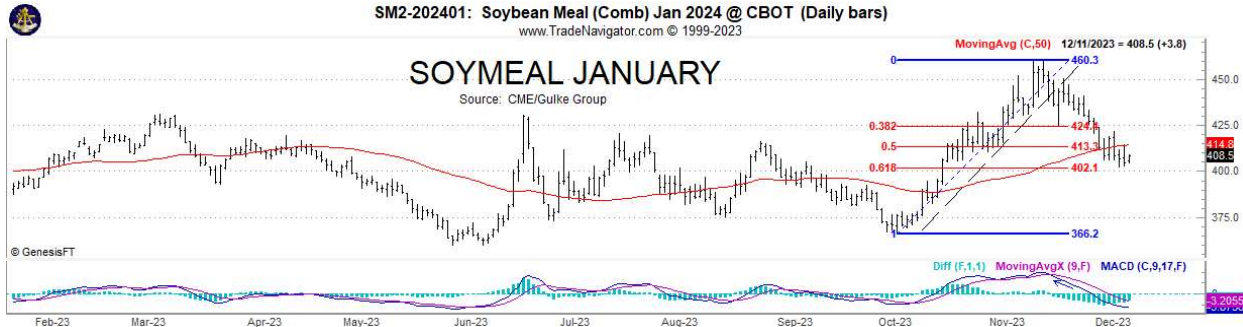
**The conference will start at noon on Wednesday (Feb. 21)** and conclude around noon on Friday (Feb. 23). The fee is \$695 for the conference for clients and \$2000 for non-clients. A second person within the household/company \$555. Sign up by calling or texting Jamie at 707-365-0601.

**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.**

## Technical:



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## Market Fundamentals:

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

### **COMMENTS:**

- **Flash Sales to unknown again to start the week—**
- **Weather about the same for Brazil -variable but still a concern as time marches on ==**
- **Fundamentals still tipping in favor of soy complex with beans, oil and meal all higher. Short positions dangerous with SF now attacking the 50 day ave again.**
- **Technically corn gapped above 50 day when March came on as lead contract Dec 2 gapping higher on a continuous basis and so far is holding. Soy looking to turn positive if support/adverse weather holds. Meal made a 62% retracement and soy oil held positive bias all along. Wheat has attention of trade but failed last week so caution there.**
  - **Bias positive soy medium term, corn could take a while, wheat has had a big run of over 90 cents from double bottom in just 7 days; time for a reset there.**
  - **A Brazilian firm lowered production 3 mmt admitting there are problems.**
  - **If spreaders unwind wheat will get sold and soy benefit while corn is still weak sister and basically sideways for 5 months—**
  - **Unwinding spreads distorts the market but gave us opportunities to sell more inventory ---so that focus has changed—it happens quick !**
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- **LIVESTOCK---like catching a falling knife ==**

Gulke GroupSpec Table Buy/Sell Stops				(*New Positions in BOLD)			
	12/11/2023			Today's Stops		Current Position*	
	High	Low	Close	Buy	Sell	Long	Short
CH24	492	484	485 1/2	494	477	483	
CN24	511	504 1/2	506	513	499		504 1/4
SF24	1330 3/4	1299	1304	1336 1/4	1271 3/4	1315 3/4	
SN24	1366 1/4	1339 1/4	1344	1371 1/2	1316 1/2		1369 1/4
SMF24	414.3	403.2	404.7	416.0	393.5		434.1
BOF24	51.63	50.07	50.20	52.26	48.14		49.73
WH24	645	628 3/4	631 3/4	648 1/2	615	624 1/4	
WN24	654	642	645 1/2	658	633	647 3/4	
KWH24	675 1/2	658	661	679	643	619	
MWH24	740	728	729 1/2	742	717	727 3/4	
LCG24	166.325	162.675	165.725	169.575	161.875	165.550	
LCM24	166.975	163.700	166.325	170.100	162.550	166.850	
LHG24	69.300	67.250	68.975	71.225	66.725		73.125
LHM24	91.675	90.175	91.425	93.125	89.725		89.875
FCF24	216.575	210.400	215.300	221.675	208.925	214.075	
CTH24	83.13	81.12	81.440	83.65	79.23	81.36	
CTK24	83.45	81.73	82.040	83.81	80.27	81.69	
SBH24	23.60	23.10	23.360	23.91	22.81		27.40
GCG24	2050.4	2010.6	2020.70	2061.00	1980.40		2047.50
NRH24	17.55	17.26	17.27	17.59	16.95	17.430	
DJZ23	36335.00	36006.00	36280	36629	35931	33799	
CLF24	71.63	69.5	71.23	73.56	68.90	71.22	
NGF24	2.610	2.538	2.581	2.668	2.494		2.842
DXZ23	104.27	103.410	103.960	105.02	102.91		103.580
USH24	120 4/32	118 14/32	119	120 30/32	117 2/32		118 27/32

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 SPIITE 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.

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