

December 12, 2023

Weather:

- U.S. hard red winter wheat areas and West Texas cotton country as well as much of Texas will benefit from rain tonight into Friday
 - Relief from long term dryness is expected with 0.50 to 1.50 inches of rain common and 1.50 to 3.00 inches in parts of Texas from the eastern Panhandle to north-central parts of the state and in western Oklahoma
- **Dry weather in the northern U.S. Plains, Canada's Prairies and the Midwest in the coming week to ten days will have a low impact, although moisture will be needed in some of these areas prior to spring to ensure good planting potentials in the spring**
- **Temperatures in North America will be quite warm over the next ten days**
- Bitter cold in the CIS New Lands will be shifting to China over the next week, but no crop damaging cold is expected in China due to snow cover in winter crop areas
- Waves of significant snow and rain will impact the western CIS (western Russia, northern Ukraine and eastern Belarus) during the next ten days to two weeks resulting in a possible rise in spring flood potential.
 - Soil moisture is already excessive and snow depths are above average in much of the region
 - New snowfall of 6 to 12 inches is expected in the coming week and 12-20 inches over the next ten days
- Eastern Australia summer crops will see increasing rainfall next week after a week of net drying
- Victoria and South Australia weather will improve over the next ten days after recent heavy rain delayed harvesting of winter crops and raises concern over crop quality
- Europe weather will stay abundantly moist for the next ten days, although the heavier rain events will become more infrequent
- Eastern and southern Spain, southern Portugal and Morocco remain too dry with little opportunity for change in the next ten days
- Argentina will see a good mix of weather over the next two weeks supporting most crops in a favorable manner
 - Northeastern crop areas may trend a little too wet in this next week to ten days

- Much needed and welcome rain is expected in La Pampa and Buenos Aires for summer crops, but the moisture may raise a little concern over winter grain quality
- Southern Brazil rainfall is expected to be favorably mixed over the next two weeks
- Center south, center west and northeastern Brazil will be experiencing a net drying bias for the coming week, but rain in the following week should offer some welcome relief from moisture stress in the driest areas

News:

- **USDA reported private sale of 198,000 metric tons of soybeans for delivery to unknown destinations during the 2023/2024 marketing year.**
- Trade sources say Algeria made purchases in their 120,000 mt Argentina corn tender and 35,000 mt soymeal tenders, but the exact volumes purchased were unclear.
- Brazil's ABIOVE lowered their 23/24 Soybean production estimate to 161.9 mln mt down -2.8 mmt from the previous outlook, while they lowered their 2024 Soybean export estimate to 100.2 mmt, up +0.2 mmt from the previous outlook. The group said it raised their 2024 soybean crush forecast to 54.5 mmt, up from the prior outlook at 54.0 mmt.
- Dr. Cordonnier left his Brazilian soybean crop estimate at 157 MMT, though he believes “there is a definite downside risk,” especially if rains remain erratic. Cordonnier left his Brazilian corn crop estimate at 118 MMT as he awaits more information about safrinha corn acreage, which will “largely determine” the country’s production. He says safrinha corn acreage will likely decline more than the 4.5% Conab forecast last week, with some reporting purchases of seed and fertilizer for the second corn crop are down 18% to 20%. Cordonnier left his Argentine crop estimates at 50 MMT for soybeans and 52 MMT for corn, though he has a differing bias – neutral/higher for soybeans and neutral/lower for corn.
- France is expected to see a sharp drop in the sowing of winter grains after heavy rain disrupted field work in the European Union’s largest grain producer, the country’s ag ministry said. In its first sowing estimates for the 2024-25 harvest, the ministry projected the country’s area sown with soft wheat at 4.49 million hectares, down 5.1% from 2023-24 and a four-year low. Winter barley area was pegged at 1.31 million hectares, down 4.0% from 2023-24, though that would be 3.1% above the five-year average. Durum wheat acreage was projected at 205,000 hectares, down 10.5% from 2023-24 and 15.7% below the five-year average.
- Malaysian Palm Oil Board data pegged November 2023 palm oil production at 1.788 mln mt, that's below analysts' expectations at 1.808 mln mt and well off October's 1.937 mln mt pace. Exports in November were estimated at 1.396 mln mt, below expectations for 1.525 mln mt of exports, October's exports were 1.480 mln mt. They pegged end of November 2023 palm oil stockpiles at 2.420 mln mt, that's slightly below expectations at 2.437 mln mt. End of October stocks were 2.447 mln mt.

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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.**

Technicals:



Market Fundamentals:

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GRAINS INSPECTED AND/OR WEIGHED FOR EXPORT
 REPORTED IN WEEK ENDING DEC 07, 2023
 -- METRIC TONS --

GRAIN	WEEK ENDING			CURRENT	PREVIOUS
	12/07/2023	11/30/2023	12/08/2022	MARKET YEAR TO DATE	MARKET YEAR TO DATE
BARLEY	0	472	0	1,614	1,855
CORN	711,733	1,176,452	517,417	9,179,830	7,168,150
FLAXSEED	0	0	0	0	200
MIXED	0	0	0	24	0
OATS	0	0	0	3,794	6,486
RYE	72	0	0	72	0
SORGHUM	340,384	117,797	4,168	1,426,031	357,021
SOYBEANS	984,410	1,173,257	1,878,449	19,741,363	23,547,948
SUNFLOWER	576	96	0	3,965	2,160
WHEAT	281,697	187,955	219,358	8,605,992	11,136,492
Total	2,318,872	2,656,029	2,619,392	38,962,685	42,220,312

CROP MARKETING YEARS BEGIN JUNE 1 FOR WHEAT, RYE, OATS, BARLEY AND FLAXSEED; SEPTEMBER 1 FOR CORN, SORGHUM, SOYBEANS AND SUNFLOWER SEEDS. INCLUDES WATERWAY SHIPMENTS TO CANADA.

ADVICE: No new advice---seems like a 50-50 crap shoot from day to day.

COMMENTS: No New Advice:

Being short calls for the premium and carry have worked slowly, and the idea is getting more media attention than what it would have gotten 10 yrs ago. Since Nov 1 corn futures have fallen some while call options have deteriorated. Wheat went the other way on China buying and soybeans getting some movement with China buying. Weather in Brazil seems to hold crop at about 156—158 with a bias to lower, but speed of reduction slowed.

Since the double bottoms posted about Nov 27th, corn is up about 6-8 cents, wheat still up 60 even after the pull back last few days, and soybeans up about 35. Some days there is little to move markets. Today seems like one of those so perhaps a Tuesday risk of day? Post 8:30 beans nothing like overnight; seems like any sale of beans a disappointment.

TECHNICALLY: Markets short term seem on the verge of a new positive bias with beans already there. Basis and flat price cash grains seem to govern sentiment.

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Gulke Group Spec Table Buy/Sell Stops				(*New Positions in BOLD)			
	12/12/2023			Today's Stops		Current Position*	
	High	Low	Close	Buy	Sell	Long	Short
CH24	487 1/2	479 3/4	481 1/2	489 3/4	473 1/4	483	
CN24	507 3/4	501 1/4	503 1/2	510 1/2	496 1/2		504 1/4
SF24	1338 1/2	1307	1336	1368	1304	1315 3/4	
SN24	1370 3/4	1347	1369 3/4	1394	1345 1/2		1369 1/4
SMF24	413.9	404.4	413.2	422.9	403.6		434.1
BOF24	51.24	50.07	51.11	52.78	49.44		49.73
WH24	633 1/4	607 1/4	609 1/2	636	583		615
WN24	645 1/2	624	625 3/4	647 3/4	603 3/4		633
KWH24	663 1/2	630 1/4	632 1/4	666	598 1/2		643
MVH24	730 3/4	710	711 3/4	733	690 1/2		717
LCG24	168.150	164.875	167.900	171.375	164.425	165.550	
LCM24	168.450	165.425	168.250	171.775	164.725	166.850	
LHG24	70.225	66.725	67.325	71.025	63.625		73.125
LHM24	92.450	90.300	91.150	93.500	88.800		89.875
FCF24	218.300	213.250	217.950	223.200	212.700	214.075	
CTH24	82.50	81.39	82.000	83.31	80.69	81.36	
CTK24	82.87	82.00	82.560	83.48	81.64	81.69	
SBH24	23.49	22.17	22.470	23.84	21.10		27.40
GCG24	2023.7	1991.2	1997.60	2030.60	1964.60		2047.50
NRH24	17.36	17.13	17.33	17.59	17.08	17.430	
DJH24	36818.00	36602.00	36806	37042	36570	36643	
CLF24	71.81	70.35	71.32	72.98	69.66	71.22	
NGF24	2.490	2.294	2.431	2.642	2.220		2.842
DXH24	103.88	103.565	103.695	104.21	103.19		103.633
USH24	119 5/32	118 9/32	119	120 4/32	117 28/32		118 27/32

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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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