

January 4, 2024

Weather:

WEATHER HIGHLIGHTS FOR JANUARY 4, 2024

- <u>Stratospheric warming continues to occur raising the potential for polar vortex</u> displacement and possible splitting into two vortices
 - Bitter cold has already been present because of this event over Scandinavia and most of northern Russia in recent days with lowest temperatures in the -30s and -40s Fahrenheit
 - The cold will shift out of Scandinavia and moderate somewhat over northern Russia in the next few days while the remainder of Europe cools down in a seasonable manner
 - Cold air in Russia may retrograde back to the west in the second week forecast (Jan. 12-18)
 - A new (secondary) polar vortex is expected to evolve over eastern Canada during the latter part of next week through mid-month and into the third week of January
 - This will bring much colder air to the central and eastern United States and central and eastern Canada after most of the cold in this first week to ten days of the outlook will be in western North America
- Waves of snow and possible blizzard conditions will impact portions of the central Plains and U.S. Midwest in this coming week before shifting farther to the east and south during weeks two and three of the outlook
- A close watch on snow cover is warranted for winter wheat in Montana and South Dakota, although World Weather, Inc. believes at least some snow will be present in those areas before the coldest air arrives in the middle to latter part of next week
- A close watch on U.S. Gulf coast states temperatures will be warranted for weeks
 2 and 3 of the forecast due to possible frost and freeze threats that might threaten sugarcane and citrus
- <u>Southern Russia and Ukraine</u> wheat, rye and barley should get sufficient snow cover to protect crops from bitter cold
- <u>U.S. hard red winter wheat areas</u> will be closely monitored for snow cover during mid-month as cold air reaches those areas, but the odds are good that snow will be present to protect crops

- Additional rain fell on much of northern and parts of central and southern Brazil Wednesday while most areas from Paraguay to Parana were dry.
 - o Rain was greatest from central Sao Paulo to the western and southern halves of Minas Gerais, southern Espirito Santo, and southern into central and eastern Goias.
 - Totals there were 0.43 to 2.68 inches with some pockets of lighter rain and a total of 3.27 inches in a part of north-central Sao Paulo.
 - o Many other areas from western and northern Mato Grosso do Sul to Mato Grosso to western and central Bahia, northeastern Minas Gerais, and northern Espirito Santo received 0.04 to 0.59 inch with 0.67 to 1.61 inches a few western locations.
 - o Much of Santa Catarina, parts of southern and eastern Parana, and north-central, northeastern, and southern Rio Grande do Sul received 0.08 to 0.83 inch of rain with 1.18 inches in a part of southern Rio Grande do Sul.
 - o High temperatures were in the upper 70s to the lower 90s Fahrenheit with a few middle and upper 90s in the west and some lower to middle 70s from the south to central Minas Gerais to northeastern Goias.

Southern and eastern U.S. weather is expected to become a little more stormy over the next two weeks with increased precipitation likely

- Rain and snow will impact the Midwest and Atlantic Coast states beginning next week and lasting through mid-month
- A couple of significant snow events are likely to impact the Midwest and northeastern U.S. as well as eastern Canada
 - The first strong storm is likely early next week
 - Blizzard conditions may evolve from Nebraska and Kansas to the Great Lakes region
 - Snowfall of 6 to 12 inches is possible in a part of the region causing travel delays and livestock stress
 - The greatest snow should be from Missouri to Michigan
 - Snowfall in Nebraska and Kansas will vary from 2 to 6 inches with some of that reaching parts of lowa as well
 - Heavy rain, flooding and severe thunderstorms may impact the southeastern states next week in association with the same storm

News:

- Grain trade sources reported around 68,000 mt of feed Corn was bought by Major Feedmill Group from South Korea in a privately negotiated deal. Origins accepted include South Africa, South American and the United States.
- Ahead of the monthly Malaysian Palm Oil Board analysts are forecasting December palm oil production at 1.604 mln mt, if realized that would be off 10.3% from the prior month. End of December palm oil stockpiles are seen at 2.365 mln mt, that compares

- with the 2.420 mln mt at the end of November. Palm oil exports in December are forecast at 1.335 mln mt, off -4.4% from the prior month.
- Venezuela's oil exports increased 12% last year to almost 700,000 barrels per day (bpd) as the United States eased sanctions imposed since 2019 on the OPEC country's energy sector, according to data and documents viewed by Reuters.

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. 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:	
UGLY!!!!	
Market Fundamentals:	

Yesterday's Trades: No New trades

COMMENTS: Positioning ahead of Jan 12th report in process---traders concerned final nail in coffin will be in report via yields and export estimates.

ADVICE: Technically hard to find anything positive, but market oversold (see discussion above) and spec table short grains--- short term hopefully yesterday's lows hold on closing basis---if not ????

CORN: Still 24 cent futures carry to July from March plus hopefully a basis carry makes selling calls still viable.

Sell the \$5.00 July calls on another 15% of 2023 crop at <u>25 cts cent pre-</u>mium.

SOYBEANS: Market psychology and rain plus a market carry plus S American (Arg plus Brzl) could equal record equals falling prices to stay competitive.

Increase 2024 coverage in SX24 by an additional 15% \$12.30 (hopefully a rally to get there).

In addition, sell the SX24 \$13 calls at a premium of 50 cents (need a bounce to get it).

WHEAT Chicago: Sell the July \$6.40 calls for 37 cents on 20% of 2023 AND 2024 production for ALL classes.

MEATS: An adjustment day today but LC and FC up against resistance. If stock market signaling some doubt, meat prices should see resistance. Quiet trading so mid-day possible.

STOCK MARKET: Faltering as suspected—May be an easier short than grains. US Debt hits \$34 trillion. CNBC's Cramer really tap dancing. Nothing changed here—if heavy into stock market this is becoming a priority.

Interesting that the spread between eating out and eating at home continues to widen nationwide, not just in my town.

HOUSEKEEPING: CROP SURVEY, OVERDUE INVOICES AND SPRING CONFERENCE SIGNUPS.

	Gulke GroupS	pec Table Buy	/Sell Stops		(*New Positions in BOLD)						
		1/4/2024		Today's	s Stops	Current Position*					
	<u>High</u>	Low	Close	Buy	Sell	Long	Short				
CH24	466	461 3/4	465 1/4	470	460 1/2		466 1/4				
CN24	489 1/4	486	488 1/4	492	484 1/2		490 1/2				
SH24	1280	1265 3/4	1277	1291 3/4	1262 1/4		1297 1/2				
SX24	1230 1/2	1217 1/2	1225 1/4	1238 3/4	1211 3/4		1227 3/4				
SMH24	381.5	375.3	380.4	386.8	374.1		390.4				
BOH24	48.97	47.66	48.60	50.41	46.79		47.98				
WH24	609 3/4	598 1/4	600 1/4	612 1/4	588 1/4		615 1/2				
WN24	629 1/4	620 1/4	622	631 1/2	612 1/2		635				
KWH24	631 3/4	615 1/2	621 1/2	638 1/4	604 3/4		630 1/4				
MWH24	716 1/4	706 3/4	708 1/2	718 1/2	698 1/2		713 3/4				
LCG24	171.950	170.625	171.850	173.375	170.325	165.550					
LCM24	172.100	170.975	171.975	173.600	170.350	166.850					
LHG24	66.200	64.575	65.300	67.125	63.475		69.475				
LHM24	88.800	87.625	88.100	89.475	86.725		89.725				
FCH24	227.250	225.050	227.025	229.425	224.625	223.125					
CTH24	81.45	80.11	80.930	82.47	79.39		80.69				
CTK24	82.53	81.28	82.080	83.38	80.78		81.64				
SBH24	21.40	20.71	20.850	21.59	20.11	21.00					
GCG24	2074.3	2038.3	2049.00	2085.50	2012.50		2043.50				
NRH24	18.14	17.29	17.32	18.20	16.44		17.450				
DJH24	38014.00	37664.00	37697	38067	37327		37608.00				
CLG24	73.23	69.28	72.70	76.85	68.55		72.02				
NGG24	2.719	2.537	2.668	2.865	2.471	2.734					
DXH24	102.42	101.770	102.180	103.03	101.33	101.620					
USH24	124 10/32	122 25/32	124 4/32	125 29/32	122 11/32		123 22/32				

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.

0002.0	HYPOTHETICAL HED	GING PO	SI HON MA	IKIA	0000 0000	1/4/2024				0000 1471 15 4 5				
	- margin= \$1625			1		EANS - margin= \$2500	1		1		- margin= \$2450	T		1
Date	Action	Price	Status	% Hedged	Date	Action	Price	Status	% Hedged	Date	Action	Price	Status	% Hedge
	res price day of sale)			111111		es price day of sale)					price day of sale)			
6/22/23	Sold CASH vs. CZ	621 1/2	\$8,199.26	5.0%		Sold CASH vs. SX23	1387	\$874.26	15.0%	3/31/2022	Sold CASH vs. WN22	1021	\$11,299.26	10%
			100			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	otions			Mary Land	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%
12/19/2023	Sold CN 510 calls(15%)	23	\$127.51	15.00%	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			15.0%	10/3/2023	Sold CASH vs. SF24	1290	\$986.76	10.0%	1/4/2023	Sold CASH vs. WH23	745 1/2	\$2,911.76	5%
	Total Hedged(included Ca	(SH)		20.0%		Sold CASH vs. SF24	1366	\$4,786.76	25.0%			Total		75%
End User (Coverage - Corn	,			111012020	0014 07101110. 01 21	1000	V 1,1 0 0 0	20.070	Futures/Option	ons			
Date	Action	Price	Status	% Hedged			Total		80.0%	1 dtd100/0ptic				
1st Quarter		FIICE	Status	70 Heugeu	Futures/Op	9	IUlai		00.070		Futures/Options Hedged			0.0%
15t Quarter	2024	-				Sold SN 1340 Calls	40.4/0	0074 DC	20.00/		<u> </u>	1011)		
				0.00/	12/29/2023	Soid SN 1340 Calls	48 1/2	\$371.26	20.0%	0000 14/1/54	Total Hedged(included C/	(SH)		75.0%
		Total		0.0%							- margin= \$2450	1		
2nd Quarte	r 2024					Futures/Options Hedged			20.0%	Date	Action	Price	Status	% Hedge
						Total Hedged(included CA	(SH)		100.0%	Cash (futures	price day of sale)			
	2000	Total		0.0%	2024 Soybe	ans - margin -				9/30/2022	Sold CASH vs. WN23	906	\$13,186.76	15%
3rd Quarter	r 2024				Date	Action	Price	Status	% Hedged	12/2/2022	Sold CASH vs. WN23	785 1/2	\$7,161.76	10%
					Futures/Op							Total	,	25%
0	 	Total		0.0%		Sold SX24	1245 1/4	\$958.76	15%	Futures/Option	nns	1 Owl		2070
4th Quarter	r 2024	Total		0.0 /0	1212312023	OUID UNET	1240 1/4	ψου0.10	13/0	, uturcaroput	7110	+		
-ui Quaitei	2024	-			-	Futures/Options Hedged	+		0.0%	-	Futures/Options Hedged	+	l.	0.0%
		T-1-1		0.00/			1011)							
		Total		0.0%		Total Hedged(included CA	(SH)		15.0%		Total Hedged(included C/	(3H)		25.0%
	- margin = \$1600					a - margin = \$880CD					EAT - margin= \$2550		Status	% Hedge
Date	Action	Price	Status	% Hedged	Date	Action	Price	Status	% Hedged	Date	Action	Price		
Spring 202	4				Cash (futur	es price day of sale)		- 1111		Cash (futures	s price day of sale)			
					3/31/2022	Sold CASH vs. RSX22	964.00	\$1,017.76	15%	3/31/2022	Sold Cash vs. KWN22	1040	\$8,599.26	10%
		Total		0.0%	1/19/2023	Sold CASH vs. RSH23	825.20	\$691.36	10%	6/17/2022	Sold Cash vs. KWZ22	1141	\$13,524.26	10%
Fall 2024					3/8/2023	Sold CASH vs. RSH23	834.90	\$846.56	35%	9/2/2022	Sold Cash vs. KWZ22	878	\$374.26	10%
T GIII ZUZ-T					6/23/2023		710.00	\$155.36	15%	12/2/2022	Sold Cash vs. KWH23	872	\$2,886.76	10%
		Total		0.0%	UIZUIZUZU	Coluntox	Total	Ψ100.00	75.0%	1/4/2023	Sold Cash vs. KWH23	838 1/2	\$1,211.76	5%
Fandan Cal	#1- Desdesse washing 60			0.076	F. duma a 10 mil	l	IUlai		10.070	1/4/2023	JUIU Gasii vs. Kvvi iza	Total	\$1,211.70	45%
	tle - Producer - margin = \$2				Futures/Op	uons						Iotal		45%
Date	Action	Price	Status	% Hedged						Futures/Option	ons			
Spring 202	4					Futures/Options Hedged			0.0%					
				17.14	111111111111111111111111111111111111111	Total Hedged(included CA	(SH)		75.0%		Futures/Options Hedged			0.0%
		Total		0.0%	2023 Canol	a - margin = \$880CD					Total Hedged(included C/	(SH)		45.0%
Fall 2024					Date		Price	Status	% Hedged	2023 KC WHE	EAT - margin= \$2550			
					Cash (futur	es price day of sale)				Date	Action	Price	Status	% Hedge
		Total		0.0%	,	1 1 1 1 1 1 1 1 1 1	Total		0.0%	Cash (futures	s price day of sale)			
Live Hogs	- margin = \$1600				Futures/Op	tions				9/30/2022	Sold CASH vs. KWN23	952	\$7,099.26	15%
Date	Action	Price	Status	% Hedged	1 ataros op					12/2/2022	Sold CASH vs. KWN23	861	\$2,549.26	10%
4th Quarter		TILLE	Status	70 Fleugeu		Futures/Ontions Hadred			0.0%	12/2/2022	JUIU CASITYS. KVVIVZS	_	\$2,343.20	25%
4th Quarter	2023					Futures/Options Hedged				F 1 10 "		Total		25%
						Total Hedged(included CA	(SH)		0.0%	Futures/Option	ons			
		Total		0.0%		HEAT - margin= \$3000								
1st Quarter	2024				Date	Action	Price	Status	% Hedged		Futures/Options Hedged			0.0%
				1171.4		es price day of sale)					Total Hedged(included CA	(SH)		25.0%
		Total		0.0%	9/30/2022	Sold CASH vs. MWU23	944	\$9,524.26	15%	Energy				
2022 Cotto	n - margin = \$3500					Sold CASH vs. MWU23	906 1/4	\$7,636.76	10%	Date	Action	Contracts	Price	Status
Date	Action	Price	Status	% Hedged	LELEVEE	23.2 07.077.10.1817.020	Total	\$1,000.10	25%		and the same of th			
					Euturos/On	tions	. Juli		20/0	Snor		1		
	Sold CASH vs. CTZ22	111.53	\$11,529.76	15%	Futures/Op	UUIIS				Spec	A-#	0. 1 1	F :	61.
	Sold CASH vs. CTZ22	112.50	\$11,917.76	15%						Date	Action	Contracts	Price	Status
	Sold CASH vs. CTH23	82.89	\$1,021.76	10%		Futures/Options Hedged	M CO		0.0%			1		
	Sold CASH vs. CTN23	81.35	\$21.76	10%		Total Hedged(included CA	(SH)		25.0%					
4/20/2023	Sold CASH vs. CTK23	79.50	(\$850.24)	10%	2022 MN W	HEAT - margin= \$3000					Livestock Trading Hours			
			Total	60%	Date	Action	Price	Status	% Hedged	Mon - Fri	8:30 am to 1:05 pm CST	No Night Tr	ading	
2023 Cotto	n - margin = \$3500		WWW.			es price day of sale)	11111		9-3		Grain Trading Hours	J 11	,	
Date	Action	Price	Status	% Hedged		Sold CASH vs. MWU22	1040	\$5,661.76	10%	Sun - Fri	7pm to 7:45am and 8:30am	to 1:20nm CS	T	
	Sold Dec Futures	80.20	\$541.76	10%		Sold CASH vs. MWZ22	1188 3/4	\$12,424.26	10%	Jun 111	, parto 1. rouni una 0.00am	.o 1.20piii 00		
							_							
	Sold Dec Futures	81.65	\$1,121.76	10%		Sold CASH vs. MWZ22	896	(\$2,213.24)	10%					
	Sold Dec Futures	80.62	\$709.76	10%		Sold CASH vs. MWH23	928	\$4,086.76	10%					
8/2/2023	Sold Dec Futures	84.38	\$2,213.76	15%	1/4/2023	Sold CASH vs. MWH23	903	\$2,836.76	5%					
	AND THE STATE		Total	45%			Total		45%					
					Futures/Op	tions								
						Futures/Options Hedged			0.0%					
					1		1		2.370					
						Total Hedged(included CA	(SH)		45.0%					