

January 4, 2024

## Weather:

### WEATHER HIGHLIGHTS FOR JANUARY 4, 2024

- **Stratospheric warming continues to occur raising the potential for polar vortex 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**
- **Southern Russia and Ukraine** wheat, rye and barley should get sufficient snow cover to protect crops from bitter cold
- **U.S. hard red winter wheat areas** 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.**

- 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.
- 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.
- 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.
- 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 north-eastern 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 Iowa as well**
    - **Heavy rain, flooding and severe thunderstorms may impact the southeastern states next week in association with the same storm**

## **News:**

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- Grain trade sources reported around 68,000 mt of feed Corn was bought by Major Feed-mill 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 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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UGLY!!!!

## **Market Fundamentals:**

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### **Yesterday's Trades: No New trades**

**COMMENTS:** Positioning ahead of Jan 12<sup>th</sup> 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 25 cts cent premium.**

**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 Group Spec Table Buy/Sell Stops				(*New Positions in BOLD)			
	1/4/2024			Today's Stops		Current Position*	
	High	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		<b>2043.50</b>
NRH24	18.14	17.29	17.32	18.20	16.44		<b>17.450</b>
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	<b>2.734</b>	
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.

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