

January 5, 2024

Weather:

- [*A large part of northern and parts of central Brazil received additional rain Thursday while Paraguay and most of southern Brazil were dry.*](#)
 - Much of the region from Mato Grosso to Minas Gerais, Espirito Santo, and Bahia received 0.35 to 1.54 inches of rain with some pockets of lighter rain and several greater totals to 4.14 inches.
 - Scattered showers occurred in western and central Mato Grosso do Sul where up to 0.83 inch of rain fell while several locations in Santa Catarina and southern and eastern Rio Grande do Sul received 0.08 to 0.59 inch with 0.91 to 1.10 inches in two eastern Santa Catarina locations.

- Eastern Sao Paulo received 0.04 to 0.55 inch with 0.04 inch in a part of north-central Sao Paulo.
- High temperatures were in the middle 70s to the lower 90s Fahrenheit with a few middle 90s to the lower 100s in the west and some lower 70s in and near southern Minas Gerais.

Forecast Overview and Crop Impacts

- ***Much of Brazil and Paraguay will see favorable conditions for crop development during the next two weeks while rain will fall frequently enough to slow fieldwork in northern Brazil while central and southern Brazil and Paraguay see adequate periods of drying to allow fieldwork to advance well.***
 - Much of northern Brazil will see additional increases in soil moisture with the moisture important for the coming Safrinha corn planting season.

News:

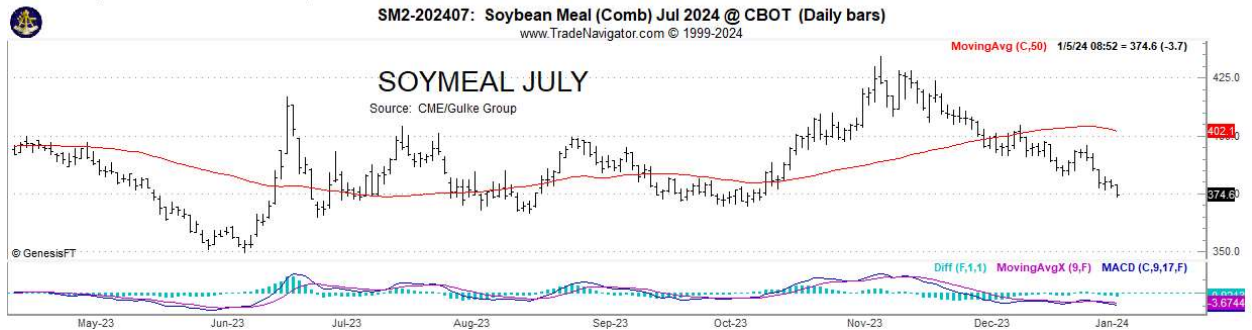
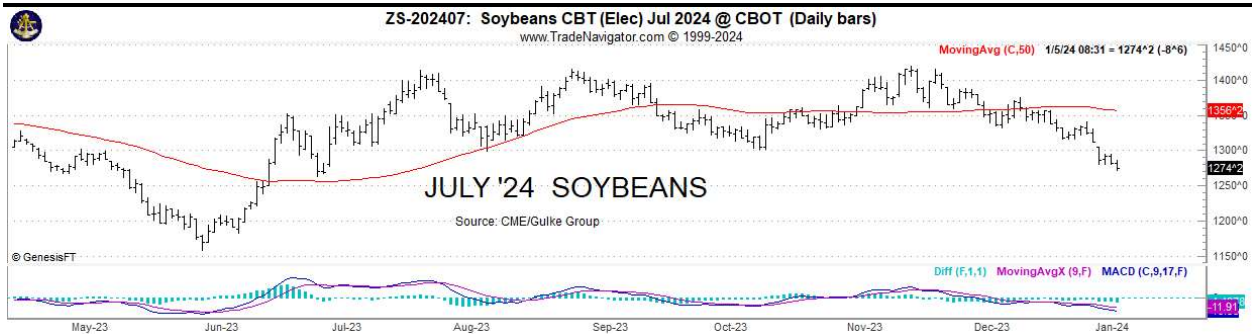
- Grain traders on Friday estimated 88,700 mt of US mill grade Wheat was bought by South Korean flour miller group. Also, the Taiwan Flour Millers' Association on Friday purchased a total of 82,975 mt of US origin mill grade wheat.
- Weekly Buenos Aires Grain Exchange crop progress report pegged Argentina Soybean conditions at 42% excellent, 56% fair, and 2% poor, that compares with the previous week's 40% excellent, 57% fair, and 3% poor. The nationwide Argentina Soybean planting progress is at 85.8% complete, that compares with the year ago week's 93.5% pace, and the long-term average at 90.3%. They pegged the nationwide Argentina Corn planting progress at 77.6% complete, with 5.509 mln ha planted out of the 7.10 mln ha expected.
- The U.S. ag attaché in Brazil cut the country's soybean crop forecast by 3.5 MMT to 158.5 MMT "due to poor weather outlooks resulting from El Niño, particularly in the Centre West states."
- China's government bonds extended gains on Friday, with 10-year yields touching the lowest in nearly four years, on rising expectations of more stimulus to aid the country's economic recovery.
- U.S. gasoline and distillate inventories posted large builds last week as demand slipped, while crude stocks fell more than expected, the Energy Information Administration said on Thursday. U.S. gasoline stocks rose by 10.9 million barrels, the largest build since May 1993, to 237 million barrels in the week to Dec 29, the EIA said, compared with analysts' expectations in a Reuters poll for a 215,000-barrel drop.

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 video.

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.

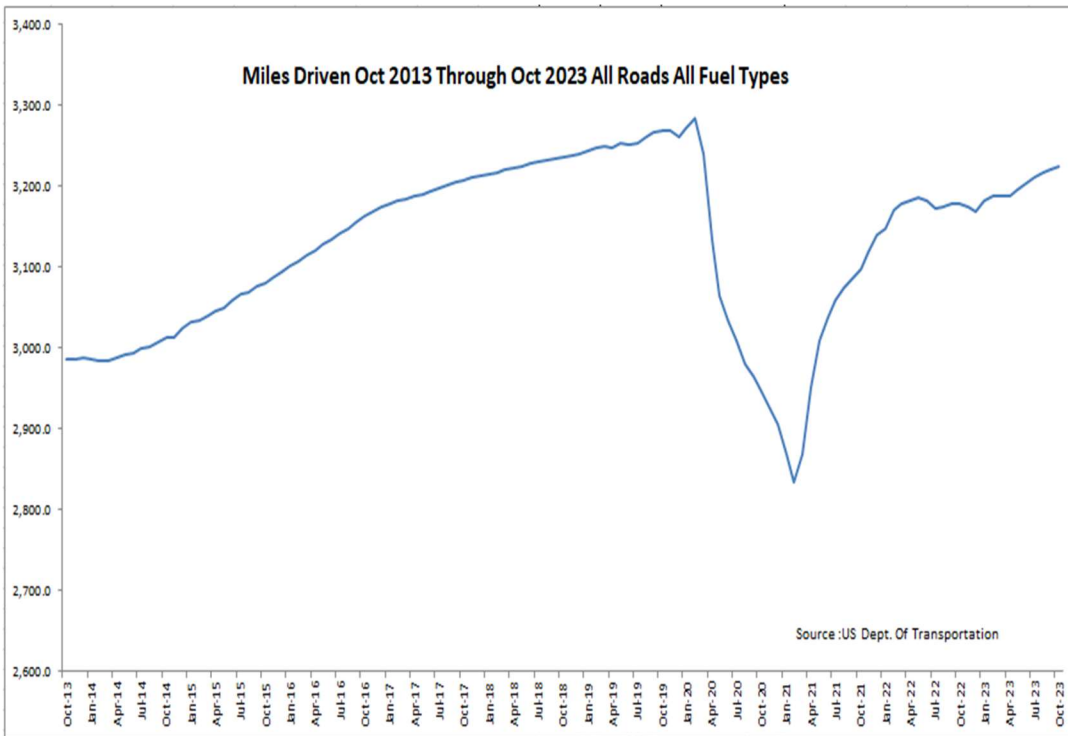
GROUP RATES: Rooms for Tuesday-Friday will be \$299 + tax. Available on days before and after the conference. In case you want to extend your stay: **The cut-off date is January 16, 2024. Call the Omni at 1-800-843-6664 to make your room reservations and mention the Gulke Group.**

Technicals:



Market Fundamentals:

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Export Sales		12/22/23 - 12/28/23						
	Estimates	Net Sales			Accum. Exports	Year Ago Accum. Exports	This Week YOY % change	Last Week YOY % change
		22/23	23/24	24/25				
Wheat	150-500k	n/a	131,600	4,300	15,265,200	14,969,900	1.97%	1.41%
Corn	500k-1.3m	n/a	367,500	(200)	29,788,700	21,740,500	37.02%	37.35%
Beans	500k-1.4m	n/a	201,600	600	36,545,600	43,559,700	-16.10%	-15.28%
Meal	50-450k	n/a	81,400	0	7,148,100	6,199,900	15.29%	15.46%
Soyoil	0-10k	n/a	1,200	0	33,500	37,100	-9.70%	-11.99%
Sorghum		n/a	18,700	0	3,933,000	361,000	989.47%	984.32%
Beef		9,500	7,100	0	857,400	1,014,500	-15.49%	-17.00%
Pork		17,800	9,900	0	1,783,600	1,551,200	14.98%	10.14%

Source: USDA (FAS) - Gulke Group

Wheat: Net sales of 131,600 metric tons (MT) for 2023/2024 were down 52 percent from the previous week and 79 percent from the prior 4-week average. Increases primarily for China (65,800 MT). **Corn:** Net sales of 367,500 MT for 2023/2024--a marketing-year low--were down 70 percent from the previous week and from the prior 4-week average. Increases primarily for Mexico (171,100 MT), Colombia (165,300). **Sorghum:** Net sales of 18,700 MT for 2023/2024 were up 59 percent from the previous week, but down 83 percent from the prior 4-week average. **Soybeans:** Net sales of 201,600 MT for 2023/2024--a marketing-year low--were down 80 percent from the previous week and 85 percent from the prior 4-week average. Increases primarily for Spain (136,700 MT), the Netherlands (84,800 MT) and offset by reductions for unknown destinations (277,800 MT).

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COMMODITY	CURRENT MARKETING YEAR						NEXT MARKETING YEAR	
	NET SALES	OUTSTANDING SALES		WEEKLY EXPORTS	ACCUMULATED EXPORTS		NET SALES	OUTSTANDING SALES
		CURRENT YEAR	YEAR AGO		CURRENT YEAR	YEAR AGO		
	THOUSAND METRIC TONS							
WHEAT								
HRW	42.7	975.5	941.8	34.6	1,697.1	3,174.3	4.3	25.6
SRW	31.5	2,448.8	632.1	9.8	1,875.1	1,748.2	0.0	90.8
HRS	54.6	1,487.7	1,349.9	111.7	3,400.3	3,173.2	0.0	45.0
WHITE	2.8	926.3	1,267.3	129.7	2,093.3	2,416.8	0.0	0.0
DURUM	0.0	69.8	116.7	0.0	291.3	149.5	0.0	39.0
TOTAL	131.6	5,908.0	4,307.8	285.9	9,357.2	10,662.1	4.3	200.4
BARLEY	0.0	15.6	5.2	0.5	1.0	6.5	0.0	0.0
CORN	367.5	17,398.6	11,743.6	681.5	12,390.1	9,996.9	-0.2	1,072.7
SORGHUM	18.7	2,004.9	141.1	114.1	1,928.2	219.8	0.0	177.6
SOYBEANS	201.6	13,630.6	15,644.7	1,000.6	22,915.0	27,973.0	0.6	153.6
SOY MEAL	81.4	3,818.5	3,502.3	262.5	3,329.6	2,697.5	0.0	5.9
SOY OIL	1.2	26.2	18.2	0.6	7.3	18.9	0.0	0.6
RICE								
L G RGH	22.1	319.8	122.5	47.5	589.4	191.5	0.0	0.0

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Commodity	Symbol	Weekly Net Change
March 24 Corn	CH24	-6
Dec 24 Corn	CZ24	-6 1/2
March 24 Beans	SH24	-34 1/2
Nov24 Beans	SX24	-28 1/2
March 24 Meal	SMH24	-14.00
March 24 Bean Oil	BOH24	0.08
March 24 Canola	RSH24	-21.90
March 24 Kansas City	KEH24	-12 3/4
July Kansas City	KEN24	-10 3/4
March 24 Minneapolis	MWEH24	-6
Sep24 Minneapolis	MWEU24	-2
March 24 Wheat	WH24	-12 1/2
July Wheat	WN24	-11 1/4
Feb 24 Live Cattle	LEG24	2.625
Feb 24 Hogs	HEG24	1.075
March Feeder Cattle	FCH24	2.550
March 24 Cotton	CTH24	-1.12
Feb Crude	CLG24	1.49
Feb Heating Oil	HOG24	0.0704
Feb Unleaded Gasoline	ERBG24	0.0121
Feb Nat Gas	ENGG24	0.202
March Dollar	DXH24	1.361
March Dow	YMH24	-376.00
March Nasdaq	NQH23	-619.00
Feb 24 Gold	GCG24	-24.40
March 24 Bitcoin	BTCH24	1420.00

Yesterday's Trades: Wheat For 2023 and 2024 sold 20% WN640 calls at 37 cents.

COMMENTS: Employment data not necessarily deflationary, Export Sales Terrible (holiday week) , weekly changes in prices all above in fundamental section and for only 3 days trading ahead of next week's Jan 12 final-final USDA/NASS report which trade is expecting to be negatively biased.

Charts updated today reflect graphically what the weekly changes above point out.

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There is a big debate in the industry about farmer cash sales. Media guys say a LOT of corn is unsold and in bins on farm? When we were near 100% cash sales back in May/June. So while we were hedged significantly early we have no way of knowing **so when you fill out crop survey maybe you could indicate percentage of cash grain unsold and in bins. The interest in selling calls for the premium and carry does not seem to fashionable so maybe as a base we have very little in bins???????**

ADVICE: No new advice----we still technically negative given price action but this week's further collapse after gapping lower in soybeans is not good----meal sucks and soy oil continues to disappoint ---Wheat is the surprise having broken to upside and downside from channel (see chart above) with no followthrough of any significance yet---might have known it would rally after selling calls—but better than shorting futures for now. Cold weather threatens Montana wheat so a watchful eye on lack of snow there and SD next week.

Gulke Group Spec Table Buy/Sell Stops				(*New Positions in BOLD)			
	1/5/2024			Today's Stops		Current Position*	
	High	Low	Close	Buy	Sell	Long	Short
CH24	469	463 1/2	466 1/2	472 1/2	460 1/2		466 1/4
CN24	491	486 1/4	488 3/4	494	483 1/2		490 1/2
SH24	1280 3/4	1265	1267 1/2	1283 3/4	1251 1/4		1297 1/2
SX24	1227 3/4	1217	1220 3/4	1232	1209 1/2		1227 3/4
SMH24	381.1	375.3	376.2	382.2	370.3		390.4
BOH24	48.72	47.90	48.16	49.48	46.84		47.98
WH24	614 1/2	591 1/4	613 1/2	637 1/4	589 3/4	612 1/4	
WN24	633	614	632	651 1/2	612 1/2	631 1/2	
KWH24	627 1/4	611 1/2	625 3/4	642	609 1/2		630 1/4
MWH24	712 3/4	703	711 1/4	721 1/2	701		713 3/4
LCG24	171.900	170.700	171.125	172.525	169.725	165.550	
LCM24	172.100	171.200	171.550	172.950	170.150	166.850	
LHG24	69.050	65.000	69.050	73.300	64.800	67.125	
LHM24	90.100	87.825	89.850	92.325	87.375	89.475	
FCH24	227.600	225.400	225.650	228.050	223.250	223.125	
CTH24	81.25	80.08	80.120	81.49	78.75		80.69
CTK24	82.37	81.25	81.320	82.49	80.15		81.64
SBH24	21.25	20.86	21.080	21.52	20.64	21.00	
GCG24	2058.1	2043.3	2051.00	2066.30	2035.70		2043.50
NRH24	17.43	17.21	17.29	17.54	17.05		17.450
DJH24	37985.00	37699.00	37715	38021	37409		37608.00
CLG24	74	71.06	72.19	75.33	69.05		72.02
NGG24	2.863	2.681	2.821	3.018	2.624	2.734	
DXH24	102.25	101.865	102.130	102.71	101.55	101.620	
USH24	124 5/32	122 18/32	122 27/32	124 22/32	121		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.

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