

January 8, 2024

Weather:

- Bitter cold weather will evolve later this week into next week across western Canada and the western and north-central United States
 - Damage to winter crops is not very likely, although thin snow cover in the north-western U.S. Plains will need to be closely monitored
 - Temperatures will fall to the -20s Fahrenheit across the northern U.S. Plains and -30s and -20s in Canada's Prairies late this week and into early next week; A few extremes near or below -40 are expected in Canada's Prairies
- West and South Texas rainfall will continue restricted for at least another ten days
- Snow will fall significantly from the central U.S. Plains into the Great Lakes region early this week causing travel delays and livestock stress from Kansas, Colorado and Nebraska to the Great Lakes region where 4 to 10 inches will be common with blizzard conditions in the west-central Plains
 - Snow totals in a part of Kansas may range from 10 to 15 inches
- A second snowstorm will evolve in Missouri late this week and move through the heart of the Midwest and into the interior northeastern U.S. and southeastern Canada producing blizzard conditions and another 6 to 12 inches of snow with local totals to 18 inches
- Significant snow fell in the northeastern U.S. during this past weekend with 5 to 14 inches common and local totals to 18 inches from eastern Pennsylvania to southern New England and some areas northwest to southwestern New York
 - Lighter snow fell in the lower and eastern Midwest, upper Midwest and northern Plains and a part of the central Plains
- **Timely precipitation is expected in Brazil, Argentina, Uruguay and Paraguay over the next two weeks**
 - Recent drying in Parana, Mato Grosso do Sul and Sao Paulo will continue through Wednesday with warmer than usual temperatures and then slowly increasing showers and cooling will evolve late this week into next week
- Weekend rainfall in South America was wettest in northeastern Brazil and central Argentina while net drying occurred in other areas
 - Temperatures were very warm in northern Paraguay, southwestern Brazil and northern Argentina where 90s to over 100 degrees Fahrenheit were noted for highest afternoon temperatures
- Eastern Australia will see rainfall increase this week favoring summer crops
- South Africa will get timely rainfall supporting normal summer crop development
- India's recent showers in central parts of the nation were welcome, but more rain is needed nationwide to support winter crops as they approach reproduction in February

- China rain will continue greatest in the interior southwest this week, but some of it will expand to the northeast into east-central parts of the nation over time; temperatures will be warm
- Western Russia and northeastern Europe temperatures are quite cold, but wheat, barley, rye and rapeseed are not being threatened due to sufficient snow cover
- Europe temperatures will be cool for the next week to ten days, but non-threatening
- Southern Europe weather is trending wetter while the north is a little less wet and colder
- Some beneficial moisture fell in northern Africa during the weekend, although much more rain is needed in Morocco, northwestern Algeria
 - Additional rain is possible in many areas of northern Africa in the coming ten days
- Southern and eastern Spain were still dry through Sunday morning, but rain is possible over the next ten days

NEWS

- China's grain trade center announced they sold 14,823 mt of Wheat from state held reserves back on January 3rd. The volume sold represents 74% of the total offered into the marketplace.
- China's commodity reserve manager announced they'll release 30,000 mt of frozen Pork from state held reserves on January 10th.
- **Safra's Mercado analysts lowered their 23/24 Brazil soybean production estimate to 151.36 mln mt down from their previous forecast at 158.23.**
- Brazil gov't data pegged December 2023 Soybean exports at 3.83 mln mt, which compares to the year earlier month's 1.94 mln mt in exports. They stated that the December 2023 Corn exports were at 6.063 mln mt, which compares to the year earlier month's 6.244 mln mt in exports. They also said the December 2023 Beef exports were at 208,440 mt, which compares to the year earlier month's 152.747 mt in exports.
- India's agricultural exports will rise in 2023-24 despite limits on wheat, rice and sugar, the country's trade minister said. Items that are helping to fill the gap are meats, dairy, fruits and vegetables.
- Philippines President signed an executive order extending the reduced tariff rates on imported pork for the third consecutive year. The in-quota duty will remain at 15%, and the out-of-quota rate will be 25%. The lowered tariffs have played a key role in driving increased U.S. pork exports to the country, making it one of the top 10 markets for American pork products. For context, the US exported about \$130 million worth of pork to them last year.
- Ukraine gov't ag researchers suggest that frequent swings in Ukraine weather conditions, that lead to numerous freeze, thaw cycles may have a negative impact on winter grains.
- Top oil exporter Saudi Arabia cut the February price of its flagship Arab Light crude to Asian customers to the lowest level in 27 months amid competition from rival suppliers and concerns about supply overhang. Saudi Aramco slashed the official

selling price (OSP) for February-loading Arab Light to Asia by \$2 a barrel which is a level last seen for November 2021.

- China's oil trade with Iran has stalled as Tehran withholds shipments and demands higher prices from its top client, tightening cheap supply for the world's biggest crude importer, refinery and trade sources said. The cutback in Iranian oil, which makes up some 10% of China's crude imports and hit a record in October, could support global prices and squeeze profits at Chinese refiners.

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:



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Market Fundamentals:

Yesterday's Trades: **Corn** – For 2023 Sold 15% CN500 Calls at 20 ½ cents. For 2024 Sold 15% CZ500 Calls at 36 ¼. **Soybeans** – For 2024 Sold 15% SN1260 calls at 52 ½ cents. **Wheat** – For 2022 Sold 20% WN640 calls for 43 ¾ cents for all classes.

COMMENTS: Storms as expected brought snow with lots of it that will help dry areas and help river levels. El Nino has peaked, US weather transitioning. Brazil getting rains as forecast. Cordonnier was on WILLAG.org radio Friday saying USDA has to lower Brazil 5 mmt—saying also some in Brazil saying 146 mmt not 151 where he is and 156-159 others. Snodgrass on WILLAG.com Friday suggested rain may now be too much of a good thing if it continues in northern Brazil ?????

POST 8:30: Wheat and bean complex continues to collapse, corn lower as are canola and soy oil. Commodities are deflating helping Fed to look better and Biden given a lot of ammunition. Oil collapsing despite warnings two-three years ago that oil production would falter. Money talks!

SPEC TABLE: Short corn and beans with WH/WN getting hit overnight. All the meats long but struggling today, stock markets short, bonds short and US \$ long---no bullishness there. Crude oil down \$3.

ECO-POLITICAL headwinds exist, shipping channels bad or worse, yet our economist who is scheduled to speak in PSP Conference saying no recession 2024 but is concerned regarding foreign countries. It haunts me daily that those believing no recession or up and away in stocks weren't around to see the Fed do its thing before—old people still control the Fed and Congress.

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AG INPUT COSTS stable to down including fuel. N32 stable and down a lot from last year. I was astonished at what I got when I asked local fert/chemical deal to recommend inputs--- \$100 N32/ \$70 chemicals plus seed which is higher than last year. He is saying interest in soybean planting surfacing.

TECHNICALLY mostly negative and has been for awhile--- still no low risk buying target even for end users. If a bullishly construed black-swan event Friday, we have time to adjust.

ADVICE: We had some coverages, added more Friday and likely more needed (we never have enough when prices go down). Friday mega report that needs something bullish but media doesn't see anything on the surface. No new advice but it is concerning the direction going into Friday's report.

CANOLA: Few if any participate but get rid of the rest of 2022 inventory by selling 25% of 2022 crop in the cash market basis July 2024. No advice on 2023 or 2024 but we should have been sold further when we sold beans ---we have no buying advice in anything—maybe a collapse into Friday will mean it will be hard to get more negative lest the stock markets collapse further---

Gulke Group Spec Table Buy/Sell Stops				(*New Positions in BOLD)			
	1/8/2024			Today's Stops		Current Position*	
	High	Low	Close	Buy	Sell	Long	Short
CH24	467 3/4	460	460 3/4	469	452 1/2		466 1/4
CN24	490	482 1/2	483 3/4	491 3/4	475 3/4		490 1/2
SH24	1271 1/2	1255	1256 1/4	1273 1/4	1239 1/4		1297 1/2
SX24	1223 3/4	1207 3/4	1208 1/2	1225	1192		1227 3/4
SMH24	376.2	369.1	369.4	376.7	362.2		390.4
BOH24	48.50	47.51	47.63	49.12	46.14		47.98
WH24	621 1/2	611 1/2	616	626 1/2	605 1/2	612 1/4	
WN24	639	630 1/2	635	644	626	631 1/2	
KWH24	636	623 1/2	628	641	615		630 1/4
MWH24	721 1/4	708	712	725 3/4	698 1/4		713 3/4
LCG24	172.325	170.100	170.575	173.000	168.150	165.550	
LCM24	172.500	170.275	170.550	173.275	167.825	166.850	
LHG24	70.500	68.000	70.000	72.700	67.300	67.125	
LHM24	91.400	89.575	91.350	93.375	89.325	89.475	
FCH24	228.125	223.475	224.150	229.000	219.300	223.125	
CTH24	80.57	79.59	80.190	81.37	79.01		80.69
CTK24	81.75	80.82	81.350	82.33	80.37		81.64
SBH24	21.21	20.60	21.110	21.77	20.45	21.00	
GCG24	2071.1	2030.8	2052.90	2093.70	2012.10	2066.4	
NRH24	17.68	17.28	17.63	18.06	17.19	17.540	
DJH24	37882.00	37504.00	37719	38117	37321		37608.00
CLG24	74.24	72.21	73.81	76.04	71.58		72.02
NGG24	2.906	2.681	2.893	3.133	2.653	2.734	
DXH24	102.83	101.615	102.160	103.58	100.75	101.620	
USH24	123 7/32	121 9/32	122 1/32	124 7/32	119 27/32		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.

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