

January 19, 2023

Weather:

- No major theme changes were noted overnight
- Argentina will be drying out over the next ten days except in the far north where beneficial moisture is likely
 - Drying in central areas will be welcome after recent rainfall abundance
 - Drying in the far south might not be good for recently planted and emerged double cropped soybeans and some stress may evolve for crops in southern Buenos Aires and southern La Pampa where the ground is already drying
- Most of Brazil will get rain during the next ten days benefiting crop development and future planting
 - Rio Grande do Sul and Uruguay may experience net drying similar to Argentina
 - Relief from dryness is expected next week in Bahia, northern Minas Gerais and Espirito Santo
 - Relief from recent drying in Mato Grosso do Sul, Parana, southern Goias and southern and western Mato Grosso is expected to begin this weekend and increase briefly early next week
 - Interior southern Brazil will begin to dry out again in the last days of January
- U.S. weather will include one last surge of bitter cold coming into the northern Plains and Midwest today into Sunday.
 - No new crop damage is expected
- Dramatic warming is expected across North America late this weekend through next week with temperatures eventually rising back above normal and staying there through the end of this month
- A series of storms will produce waves of rain from the southern U.S. Plains and Delta into the Midwest and southeastern states starting late this weekend and occurring mostly next week and in the following weekend
 - Heavy rain is expected in eastern parts of Texas; including the eastern Blacklands and upper Coast as well as in parts of Louisiana

News:

- USDA reported private sale of 297,000 metric tons of soybeans for delivery to China during the 2023/2024 marketing year.
- Grain trade sources say indications are around 47,500 mt of Sunflower Oil has been bought by Egypt's GASC in their tender today.
- Major Feedmill Group of South Korea on Friday bought 66,000 mt of optional origin feed Corn.
- AgroConsult analysts said Brazil had a record replanting of soybean acres, the 2.9 mln ha replanted represent 6.5% of the crop. The group said El Nino conditions have made it difficult to assess soybean field conditions.
- AgroConsult lowered their 23/24 Brazil soybean crop estimate to 153.8 mln mt, off -7.8 mln mt from their November forecast. CONAB is estimating the crop at 155.3 mln mt.
- Argentina's government posted a +\$1.02 billion trade surplus in December 2023. The country had \$5.3 billion in exports, and \$4.3 bln of imports during the month. The surplus was the first since February 2023, but the Argentina government was in a -\$6.93 billion deficit for the full year 2023.
- Chinese customs data for December 2023:
 - Corn imports during the month at 4.95 mln mt, that was up 470% over the year earlier month. Full 2023 corn imports totaled 27.13 mln mt that was up +31.6% over 2022 imports.
 - Barley imports during the month at 1.66 mln mt, that was up 248% over the year earlier month. Full 2023 barley imports totaled 11.32 mln mt that was up +96.6% over 2022 imports.
 - Sorghum imports during the month at 350,000 mt, that was up 235% over the year earlier month. Full 2023 sorghum imports totaled 5.21 mln mt that was off -48.6% from 2022 imports.
 - Wheat imports during the month at 610,000 mt, that was off -44% over the year earlier month. Full 2023 wheat imports totaled 12.1 mln mt that was up +21.5% over 2022 imports.

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 remote hookup. A bio-fuels discussion has been added for Thursday pm 1-2:30 as well.

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.

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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: Call the Omni at 1-800-843-6664 to make your room reservations and mention the Gulke Group.

Technical:

Market Fundamentals:

Export Sales		1/5/24 - 1/11/24					
	Estimates	Net Sales		Accum. Exports	Year Ago Accum. Exports	This Week YOY % change	Last Week YOY % change
		23/24	24/25				
Wheat	150-500k	707,600	0	16,100,900	15,533,800	3.65%	2.21%
Corn	500k-1.3m	1,251,100	20,000	31,527,400	23,128,300	36.32%	37.64%
Beans	400k-1.0m	781,300	1,700	37,387,900	45,321,300	-17.50%	-16.94%
Meal	100-400k	349,200	1,700	7,562,700	6,565,600	15.19%	16.29%
Soyoil	0-10k	100	0	32,200	38,300	-15.93%	-15.12%
Sorghum		201,800	0	4,267,900	550,000	675.98%	1026.34%
Beef		21,400	0	153,600	174,400	-11.93%	-11.93%
Pork		33,400	0	281,400	242,800	15.90%	15.90%

Source: USDA (FAS) - Gulke Group

Wheat: Net sales of 707,600 metric tons (MT) for 2023/2024 were up noticeably from the previous week and from the prior 4-week average. Increases primarily for the Philippines (154,500 MT), **unknown destinations (147,000 MT)**, South Korea (109,700 MT), Taiwan (83,400 MT). **Corn:** Net sales of 1,251,100 MT for 2023/2024 were up noticeably from the previous week and up 61 percent from the prior 4-week average. Increases primarily for Mexico (637,000 MT, including decreases of 13,100 MT), Colombia (107,000 MT), Japan (83,500 MT), South Korea (73,200 MT), and Saudi Arabia (70,000 MT). **Sorghum:** Net sales of 201,800 MT for 2023/2024 were up 52 percent from the previous week and up noticeably from the prior 4-week average. Increases were reported for **China (199,200 MT)**. **Soybeans:** Net sales of 781,300 MT for 2023/2024 were up noticeably from the previous week, but down 6 percent from the prior 4-week average. Increases primarily for **China (465,100 MT)**, Germany (219,300 MT), Indonesia (133,500 MT), the Netherlands (68,800 MT). **Pork:** Net sales of 33,400 MT for 2024 were primarily for Mexico (10,000 MT), Japan (9,000 MT).

Yesterday's Trades: No new trades.

ADVICE: No new advice. China bought about 300,000 beans which should be a surprise as our info suggested China was not in the market. Buy stops in the spec table would need to see a healthy move higher; conversely fresh sell stops would take a healthy collapse further. Meats

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look good going into the close with exception of pork but also rallied off the depths of despair yesterday to close well off lows.

COMMENTS: So far so good. Patience may be a virtue as grains have so far made a valiant effort to hold previous lows made on last week's bearishly construed report. A weekly close higher after the last few days would look more promising. Reference our position matrix.

Corn basis in N IL narrowed another 3 cents---total move has been from -61 in early Dec to -35 now. Beans are -43 from -61.

Economy: Ford is cutting their electric truck production after cutting EV cars a couple months previous. This has got to send a signal to our policymakers.

The stock market rallied smartly but not yet a new buy signal for the DJIA but NASDAQ on fire again. Maybe the IA caucus is to blame? 😊

EXPORT Report was ok to good----corn ahead of last year and minor crops like barley, HRW, Durum all better than last year---we even sold some meal and oil in spite of Brazil/Argentina being cheaper---interesting!!!!

Housekeeping: The USPS lost some mail but found it again two weeks later, so if you see a delay in checks coming through your bank, that is the reason.

PSP Conference: Regarding the mixer/eats at the Gulke house Thursday evening, if you are planning on attending could you send me an email saying "I'll be there". We need to plan accordingly. smsjgulke@aol.com

Gulke Group Spec Table Buy/Sell Stops				(*New Positions in BOLD)			
	1/19/2024			Today's Stops		Current Position*	
	High	Low	Close	Buy	Sell	Long	Short
CH24	445	436 3/4	444	452 3/4	435 1/4		466 1/4
CN24	465	457 3/4	463 1/2	471 1/4	455 3/4		490 1/2
SH24	1216	1201	1213 1/2	1229	1198		1297 1/2
SX24	1196 3/4	1185	1191 1/4	1203 1/2	1179		1227 3/4
SMH24	362.4	355.5	361.3	368.4	354.3		390.4
BOH24	48.20	46.96	47.62	49.36	45.88		47.98
WH24	587	573 1/4	585 1/2	599 3/4	571 1/4		605 1/2
WN24	605 1/2	593	603 3/4	616 3/4	590 3/4		626
KWH24	607	586 3/4	605 1/4	626	584 1/2		630 1/4
MWH24	692 1/2	678 3/4	688	702 1/4	673 3/4		713 3/4
LCG24	175.075	172.575	174.825	177.525	172.125	165.550	
LCM24	174.750	172.375	174.525	177.400	171.650	166.850	
LHG24	71.950	70.625	71.100	72.625	69.575		70.375
LHM24	92.250	91.075	92.075	93.450	90.700		91.325
FCH24	233.450	229.475	232.550	236.725	228.375	223.125	
CTH24	82.60	81.65	82.510	83.66	81.36	81.56	
CTK24	83.46	82.64	83.390	84.26	82.52	82.41	
SBH24	23.20	22.29	23.040	24.00	22.08	21.00	
GCG24	2025.6	2007.7	2025.30	2043.70	2006.90	2066.4	
NRH24	17.73	17.58	17.60	17.79	17.42	17.540	
DJH24	37708.00	37303.00	37659	38084	37234		37608.00
CLH24	74.19	72.1	73.95	76.24	71.66		72.52
NGH24	2.496	2.364	2.413	2.560	2.266		2.477
DXH24	103.41	102.925	103.190	103.87	102.51	101.620	
USH24	121 3/32	119 22/32	119 29/32	121 18/32	118 8/32		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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