

January 25, 2023

**Weather:**

- **Central and southern Argentina is still not advertised to receive much “significant” rainfall over the next 10 days**
  - Showers are advertised to occur after Feb. 3, although most of the precipitation is light and may not counter evaporation very well
  - **Crop moisture stress is expected to rise especially in central and southern Buenos Aires and central and southern La Pampa where it is already quite dry**
  - **Central Argentina’s primary grain and oilseed production region will dry down, but favorable subsoil moisture should carry on normal crop development for a while**
- **Northern Argentina gets needed moisture Feb. 4-10** improving cotton, sorghum and minor soybean and corn production areas
- **Brazil’s rain stays mostly in the north in this first week of the outlook, but it then develops southward in the second week** bringing moisture back to all areas that had been drying out for the previous week to ten days
  - **The bottom line remains very good for most of Brazil, despite some dryness briefly in this first week of the outlook**
- **U.S. rain event under way in Delta, Tennessee River Basin and neighboring areas of the Midwest and southeastern states will continue through the weekend**
  - Heavy rain fell Wednesday from eastern Texas through southern Louisiana to the heart of Alabama and eastern and southern Mississippi where 2.00 to more than 4.00 inches was common
    - **Local totals of 4.00 to 6.68 inches occurred in southern Mississippi, southeastern Louisiana and far southwestern Alabama**
  - Rainfall has been quite impressive since Monday in eastern Texas, Louisiana, Arkansas, Mississippi, Alabama and Louisiana with 3.00 to 5.00 inches common and areas in eastern Texas getting 5.00 to more than 8.00 inches
- **Additional rainfall of 1.00 to 3.00 inches and a few totals over 4.00 inches is expected from Louisiana to southeastern Kentucky, the far western Carolinas and northern Georgia**
- **Additional U.S. Midwest rainfall** should be less than 1.50 inches from southern Wisconsin, eastern Iowa and Missouri to Michigan, Ohio, northern Kentucky and Pennsylvania

## News:

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- Japan's Ag Ministry announced they purchased a total of 88,710 mt of Canadian and US origin wheat. The total included 55,725 mt of Canadian red and 32,985 mt of US white wheat.
- USDA attache to China in a recently filed report said they are conservatively estimating 23/24 Chinese Corn imports around 20.0 mln mt. The post noted later summer rains helped China's corn crop, and the government's increased prioritization of domestic grain production, security, and farmer protests to protect their incomes and purchase domestically grown grains.
- China's customs administration began allowing the import of pork from qualified regions of Russia. Pork imports from regions of Russia without African swine fever are now allowed.
- U.S. crude oil stockpiles slumped while gasoline inventories jumped last week after winter weather hit crude production and imports, refining, and demand for fuel, the Energy Information Administration said on Wednesday. Crude inventories fell by 9.2 million barrels to 420.7 million barrels in the week ending Jan. 19, the EIA said, compared with analysts' expectations in a Reuters poll for a 2.1-million-barrel draw.
- Iranian-backed Houthi militants in Yemen have stepped up attacks on vessels in the Red Sea, saying they fired ballistic missiles at U.S. warships protecting the two U.S. commercial vessels. Shipping firm Maersk said nearby explosions forced two ships operated by its U.S. subsidiary and carrying U.S. military supplies to turn around when they were transiting the Bab al-Mandab Strait off Yemen.
- On Thursday French farmers took to protesting government bureaucracy, rising costs and cheap imports. They blocked highways with tractors and hay bales, and emptied truckloads of foreign grown fresh vegetables on the highways. The farmers groups have issued the government a list of 100 demand; the French PM convened a meeting of top ministers to discuss the situation.

**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. **We've added a special session/discussion for Thurs pm on bio-fuels.** 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. Call Jamie if you need a room.

## Technical:

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## Market Fundamentals:

Export Sales		1/12/24 - 1/18/24					
	Estimates	Net Sales		Accum. Exports	Year Ago Accum. Exports	This Week YOY % change	Last Week YOY % change
		23/24	24/25				
Wheat	250-700k	451,400	59,000	16,552,200	16,034,200	3.23%	3.65%
Corn	700k-1.4m	954,800	37,600	32,482,200	24,048,700	35.07%	36.32%
Beans	700k-1.3m	560,900	0	37,948,900	46,467,100	-18.33%	-17.50%
Meal	150-500k	255,900	900	7,818,500	6,869,600	13.81%	15.19%
Soyoil	0-10k	100	0	32,200	40,600	-20.69%	-15.93%
Sorghum		60,300	0	4,267,100	620,700	587.47%	675.98%
Beef		22,400	0	176,000	199,600	-11.82%	-11.93%
Pork		24,100	0	311,500	287,500	8.35%	15.90%

Source: USDA (FAS) - Gulke Group

**Wheat:** Net sales of 451,400 metric tons (MT) for 2023/2024 were down 36 percent from the previous week, but up 45 percent from the prior 4-week average. Increases primarily for Mexico (171,100 MT), the Philippines (95,500 MT), Japan (69,500 MT). **Corn:** Net sales of 954,800 MT for 2023/2024 were down 24 percent from the previous week, but up 14 percent from the prior 4-week average. Increases primarily for Mexico (563,600 MT), unknown destinations (155,500 MT), Colombia (144,900 MT). **Soybeans:** Net sales of 560,900 MT for 2023/2024 were down 28 percent from the previous week, but up 6 percent from the prior 4-week average. Increases primarily for China (563,400 MT), Mexico (151,100 MT) were offset by reductions primarily for unknown destinations (235,900 MT).

**Yesterday's Trades:** No new trades.

**ADVICE:** No new advice although a correction at any time is expected as the focus of the advisor trade is to sell any rally but the bigger daily correction is a little concerning. Considering what has been done this week a backing an filling to test resolve is not a surprise. The smaller trading ranges yesterday, make for early potential of key reversals lower giving bears some support---we'll see !

**CORN** breached \$4.50 –we like to see two consecutive closes over

**SOYBEANS:** already 8 cents off the lows

**WHEAT** –Chicago pulled back to 50 day average

**SOY OIL**—right back to recent lows

**MEAL** – status quo

**MEATS**---FIRM

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**EXPORT SALES---** at low end of some guesses---it is amazing how guess can be so far off.

**Bottom Line: a firm to higher close(s) would get the trade to take notice-**

Gulke GroupSpec Table Buy/Sell Stops				(*New Positions in BOLD)			
	1/25/2024			Today's Stops		Current Position*	
	High	Low	Close	Buy	Sell	Long	Short
CH24	452 3/4	446 1/4	452 1/4	459 1/4	445 1/4	450 1/4	
CN24	471	465 1/2	470 3/4	476 3/4	464 3/4		490 1/2
SH24	1246	1235 1/4	1240 1/4	1251 1/2	1229		1297 1/2
SX24	1210 1/4	1203 1/4	1208	1215 1/2	1200 1/2		1227 3/4
SMH24	366.1	360.4	363.3	369.2	357.5		390.4
BOH24	48.43	47.20	47.32	49.05	45.59		47.98
WH24	612 1/4	596 1/2	610 3/4	627	594 1/2	<b>610</b>	
WN24	627 1/2	613 1/2	626 1/4	640 3/4	611 3/4	<b>625</b>	
KWH24	627 3/4	616 1/4	625 3/4	637 3/4	613 3/4	<b>618</b>	
MWH24	706 1/2	696	704 1/2	715 1/2	693 1/2		713 3/4
LCG24	175.475	174.675	175.350	176.350	174.350	165.550	
LCM24	175.550	174.750	175.450	176.750	174.150	166.850	
LHG24	73.950	72.500	73.900	75.550	72.250	71.950	
LHM24	94.925	92.925	94.850	97.050	92.650	92.850	
FCH24	235.425	233.275	233.775	236.125	231.425		229.925
CTH24	85.49	84.29	85.400	86.80	84.00	81.56	
CTK24	86.76	85.47	86.600	87.94	85.26	82.41	
SBH24	24.54	23.45	24.460	25.60	23.32	21.00	
GCG24	2037.9	2011.7	2013.70	2040.40	1987.00	2066.4	
NRH24	17.80	17.45	17.78	18.16	17.40	17.540	
DJH24	38253.00	37950.00	37979	38302	37656	38084	
CLH24	75.83	73.94	75.09	77.18	73.00	75.09	
NGH24	2.290	2.190	2.262	2.377	2.147		2.477
DXH24	103.34	102.555	103.055	104.04	102.07	101.620	
USH24	120 21/32	119 4/32	119 7/32	121	117 14/32		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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