

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
- <u>Northern Argentina gets needed moisture Feb. 4-10</u> 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
- <u>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</u>
- <u>Additional U.S. Midwest rainfall</u> should be less than 1.50 inches from southern Wisconsin, eastern Iowa and Missouri to Michigan, Ohio, northern Kentucky and Pennsylvania

News:

- 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.

Technicals:

Export Sales		1/12/24 - 1	/18/24		Year <u>Ago</u>	This Week	Last Week	
	Estimates	Net Sa	ales	Accum. Exports	Accum. Exports	YOY % change	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%	
Sovoil	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%	

Market Fundamentals:

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. Considerting 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

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 Grou	pSpec Table Bu	y/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	610			
WN24	627 1/2	613 1/2	626 1/4	640 3/4	611 3/4	625			
KWH24	627 3/4	616 1/4	625 3/4	637 3/4	613 3/4	618			
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 22/3		

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.

THE GULKE GROUP HAS HAD LITTLE OR N\O EXPERIENCE IN TRADING ACTUAL ACCOUNTS FOR ITSELF OR FOR CUSTOMERS. BECAUSE THERE ARE NO ACTUAL TRADING RESULTS TO COMPARE TO THE HYPOTHETICAL PERFORMANCE RESULTS, CUSTOMERS SHOULD BE PARTICULARLY WARY OF PLACING UNDUE RELIANCE ON THESE HYPOTHETICAL PERFORMANCE RESULTS. This composite performance records are hypothetical and are used as a guide for position tracking purposes. Execution prices are an average execution price of the first ten trades recorded after advice has been posted and commonsense. In the event less than 10 trades are executed, prices will be determined by looking at fills, in relation to when the advice was given to clients, and a commonsense price will be determined. If no trades are executed, prices are determined by looking at a 1 min chart to determine the tracking price. The closing price on the previous day is used to determine the P/L listed in the Morning Comments and are net of average round turn commissions of \$33.00 for futures and \$36 for options and round turn fees of \$5.34 for grains and \$5.50 for livestock (these fees may change at any time by the CME). One of the limitations of a hypothetical composite performance records is that client decisions relating to the recipient's advice may or may not elect to act upon such advice and timing of execution by clients of advice may create a difference in the execution price represented in the matrix below. Therefore, composite performance records may differ which may materially affect trading results.

HYPOTHETICAL HEDGING POSITION MATRIX 2023 Corn - margin= \$1425					1/25/2024 2023 SOYBEANS - margin= \$2500					2022 WHEAT	- margin= \$2600			
Date Action Price Status % Hedged					Date	Action	Price	Status	% Hedged	Date	Action	Price	Status	% Hedg
	res price day of sale)	11100	otatus	70 Houged		es price day of sale)	1 1100	otatao	70 Ticagea		s price day of sale)	1 1100	outus	70 110 45
	Sold CASH vs. CZ	621 1/2	\$8,199.16	5.0%		Sold CASH vs. SX23	1387	\$874.16	15.0%	3/31/2022	Sold CASH vs. WN22	1021	\$11,299.16	10%
UZZIZJ	JUIL CAULTYS. OL	021112	ψ0,133.10	5.070	1/4/2023	Sold CASH vs. SX23	1389 1/2	\$999.16	5.0%	6/17/2022	Sold CASH vs. WZ22	1076	\$17,349.16	
		Total		5.0%	1/5/2023	Sold CASH vs. SX23	1386 1/4	\$836.66	5.0%	9/2/2022	Sold CASH vs. WZ22	804	\$3,749.16	10%
Futures/Or	fana	Total		5.0 %	1/20/2023	Sold CASH vs. SX23	1352 1/2	(\$850.84)	5.0%	9/14/2022	Sold CASH vs. WZ22	860	\$6,549.16	20%
Futures/Op	Juons	-							5.0%			836 1/2		-
		-			3/13/2023	Sold CASH vs. SX23	1340 1/4	(\$1,463.34)		9/16/2022	Sold CASH vs. WZ22		\$5,374.16	10%
	Future (Orthern Hadred			0.00/	4/4/2023	Sold CASH vs. SX23	1317 1/4	(\$2,613.34)	10.0%	12/2/2022	Sold CASH vs. WH23	767	\$3,986.66	10%
	Futures/Options Hedged			0.0%	10/3/2023	Sold CASH vs. SF24	1290	\$4,174.16	10.0%	1/4/2023	Sold CASH vs. WH23	745 1/2	\$2,911.66	5%
	Total Hedged(included CA	ASH)		5.0%	11/8/2023	Sold CASH vs. SF24	1366	\$7,974.16	25.0%			Total	-	75%
	- margin= \$1075			-			Total		80.0%	Futures/Option				
Date	Action	Price	Status	% Hedged	Futures/Opt	tions				1/5/2024	Sold WN24 640 Calls	43 3/4	\$177.41	20.0%
Cash (futu	res price day of sale)	1.1.1									Futures/Options Hedged			20.0%
											Total Hedged(included CA	SH)		95.0%
	100 C	Total		0.0%		Futures/Options Hedged			0.0%	2023 WHEAT	- margin= \$2600			
Futures/Op	otions					Total Hedged(included CA	(SH)		80.0%	Date	Action	Price	Status	% Hedg
1/5/2024	Sold CZ 500 calls(15%)	36 1/4	\$214.95	15.00%	2024 Soybe	ans - margin - \$1725				Cash (futures	s price day of sale)			
					Date	Action	Price	Status	% Hedged	9/30/2022	Sold CASH vs. WN23	906	\$13,186.66	15%
	Futures/Options Hedged			15.0%	Futures/Opt					12/2/2022	Sold CASH vs. WN23	785 1/2	\$7,161.66	10%
	Total Hedged(included CA	SH)	1	15.0%		Sold SX24	1245 1/4	\$1,824.16	15%			Total	1.,101.00	25%
Endlier	Coverage - Corn					Sold SX 1260 Calls	52 1/2	\$33.66	15.0%	Futures/Optio	ns			2070
		Drice	Ctat	% Ladard	1/J/2024	JUIU JA 1200 Galls	JZ 1/2	333.00	13.0%			97	(\$120.00)	20.00
Date	Action	Price	Status	% Hedged		Future (Out)			20.00/	1/4/2024	Sold WN24 640 Calls	37	(\$160.09)	20.0%
1st Quarter	2024					Futures/Options Hedged	010		30.0%		Estantia in the			
						Total Hedged(included CA	(SH)		30.0%		Futures/Options Hedged			20.0%
	10000	Total		0.0%		a - margin = \$880CD					Total Hedged(included CA	SH)		45.0%
2nd Quarte	er 2024				Date		Price	Status	% Hedged	2024 WHEAT	- margin= \$2400			_
					Cash (futur	es price day of sale)				Date	Action	Price	Status	% Hedg
		Total		0.0%			Total		0.0%	Cash (futures	s price day of sale)			
Live Cattle	- margin = \$1600				Futures/Opt	tions					State Constanting			
Date	Action	Price	Status	% Hedged								Total		0%
Spring 202						Futures/Options Hedged			0.0%	Futures/Optio	ans			-
opinig 202	1					Total Hedged(included CA			0.0%	1/4/2024	Sold WN24 640 Calls	37	(160.09)	20.0%
		Tatal		0.0%	0000 MALIN		(on)		0.0 %	1/4/2024	Futures/Options Hedged	31	(100.09)	
		Total		0.0%		HEAT - margin= \$3000								20.0%
Fall 2024				-	Date	Action	Price	Status	% Hedged		Total Hedged(included CA	SH)		20.0%
						es price day of sale)					EAT - margin= \$2400		Status	% Hedg
		Total		0.0%	3/31/2022	Sold CASH vs. MWU22	1040	\$5,661.66	10%	Date	Action	Price		
Feeder Cat	ttle - Producer - margin = \$2	850			6/17/2022	Sold CASH vs. MWZ22	1188 3/4	\$12,424.16	10%	Cash (futures	s price day of sale)			
Date	Action	Price	Status	% Hedged	9/2/2022	Sold CASH vs. MWZ22	896	(\$2,213.34)	10%	3/31/2022	Sold Cash vs. KWN22	1040	\$8,599.16	10%
Spring 202	4			-	12/2/2022	Sold CASH vs. MWH23	928	\$4,086.66	10%	6/17/2022	Sold Cash vs. KWZ22	1141	\$13,524.16	10%
					1/4/2023	Sold CASH vs. MWH23	903	\$2,836,66	5%	9/2/2022	Sold Cash vs. KWZ22	878	\$374.16	10%
		Total		0.0%	IT ILLOLD		Total	φ2,000.00	45%	12/2/2022	Sold Cash vs. KWH23	872	\$2,886.66	10%
Fall 2024		Total		0.070	Futures/Opt	tions	Total		40 /0	1/4/2023	Sold Cash vs. KWH23	838 1/2	\$1,211.66	5%
Fall 2024		-					40.0/4	6477 44	20.09/	1/4/2023	JUIU CASITVS. KVVI IZJ	Total	\$1,211.00	
					1/3/2024	Sold WN24 640 Calls	43 3/4	\$177.41	20.0%			Iotal		45%
		Total		0.0%		Futures/Options Hedged			20.0%	Futures/Optio				
	- margin = \$1600					Total Hedged(included CA	(SH)		65.0%	1/5/2024	Sold WN24 640 Calls	43 3/4	\$177.41	20.0%
Date	Action	Price	Status	% Hedged	2023 MN W	HEAT - margin= \$3000					Futures/Options Hedged			20.0%
4th Quarte	r 2023				Date	Action	Price	Status	% Hedged		Total Hedged(included CA	SH)		65.0%
	Sec. Constraints				Cash (futur	es price day of sale)	5 A 4 A		11	2023 KC WH	EAT - margin= \$2400			
		Total		0.0%	9/30/2022	Sold CASH vs. MWU23	944	\$9,524.16	15%	Date	Action	Price	Status	% Hedg
1st Quarter	2024				12/2/2022	Sold CASH vs. MWU23	906 1/4	\$7,636.66	10%		price day of sale)			
							Total		25%	9/30/2022	Sold CASH vs. KWN23	952	\$7,099.16	15%
		Total		0.0%	Futures/Opt	tions				12/2/2022	Sold CASH vs. KWN23	861	\$2,549.26	10%
2022 Cotto	n - margin = \$3500	10.01		0.070	1/4/2024	Sold WN24 640 Calls	37	(\$160.09)	20.0%	ILILILVLL	Cond On On 10. TATINED	Total	VL,070.20	25%
Date	Action	Price	Status	% Hedged	114/2024	Futures/Options Hedged	JI	(00.00)	20.0%	Futures/Optio		10141		20 /0
							(CLI)			<u> </u>	Sold WN24 640 Calls	27	(\$100.00)	
	Sold CASH vs. CTZ22	111.53		15%	000414815	Total Hedged(included CA	(ori)		45.0%	1/4/2024		37	(\$160.09)	0.001
	Sold CASH vs. CTZ22		\$11,917.76	15%		T - margin= \$2600	1				Futures/Options Hedged			0.0%
	Sold CASH vs. CTH23	82.89	\$1,021.76	10%	Date	Action	Price	Status	% Hedged		Total Hedged(included CA	SH)		25.0%
	Sold CASH vs. CTN23	81.35	\$21.76	10%	Cash (futur	es price day of sale)					- margin= \$2175			
4/20/2023	Sold CASH vs. CTK23	79.50	(\$850.24)	10%						Date	Action	Price	Status	% Hedg
			Total	60%			Total		0%	Cash (futures	s price day of sale)			
2023 Cotto	n - margin = \$3500				Futures/Opt	tions								1
Date	Action	Price	Status	% Hedged		Sold WN24 640 Calls	37	(\$160.09)	20.0%			Total	-	0%
	Sold Dec Futures	80.20	\$541.76	10%	111/2024	Futures/Options Hedged	01	(0100.03)	20.0%	Futures/Optio	ne	10.01		0.0
							eLI)					27	(\$100.00)	20.00
	Sold Dec Futures	81.65	\$1,121.76	10%	-	Total Hedged(included CA	(ərl)		20.0%	1/4/2024	Sold WN24 640 Calls	37	(\$160.09)	20.0%
	Sold Dec Futures	80.62	\$709.76	10%	Energy	1		-			Futures/Options Hedged			20.0%
8/2/2023	Sold Dec Futures	84.38	\$2,213.76	15%	Date	Action	Contracts	Price	Status		Total Hedged(included CA	SH)		20.0%
			Total	45%										
	Livestock Trading Hours				Spec									
	LIVESLOCK Hauling Hours													
Mon - Fri	8:30 am to 1:05 pm CST	No Niaht T	Frading		Date	Action	Contracts	Price	Status					
Mon - Fri		No Night 1	Frading		Date	Action	Contracts	Price	Status					