

February 9, 2024

Weather:

- **All of Argentina is still expecting rain over the coming week and it will bring relief to weeks of drying and the recent bout of extreme heat**
 - o Some follow up rain is also expected in the Feb. 17-23 period
- **Southern Brazil's crop areas are drying down, but are not yet critically dry**
 - o Relief is expected next week with some relief in Mato Grosso do Sul expected over the next few days
 - o Drying in southern Brazil has been beneficial for soybean harvesting and maturation as well as Safrinha crop planting
- India's recent rain was welcome and good for winter crop development; a few showers in east-central areas this weekend will also be welcome, but there is still need for greater rain in much of the nation
 - o No excessive heat is expected through the end of this month that would prove threatening to winter production
- Rain has begun in southwestern Europe and northwestern Africa and it will continue into the weekend, although follow up rain will be very important.
 - o Southern Spain and Morocco water supply is still dangerously low
- Cold surge in northwestern Russia and Scandinavia has not been nor will it be threatening to winter crops due to substantial snow cover
- Another stratospheric warming is under way and it will peak late next week and again Feb. 23-25 that could bring much colder air to parts of Northern Europe and parts of North America in the last days of February and March
 - o Early indications suggest northern Europe may be more impacted than North America, but some cooling should occur in North America for a little while in March

News:

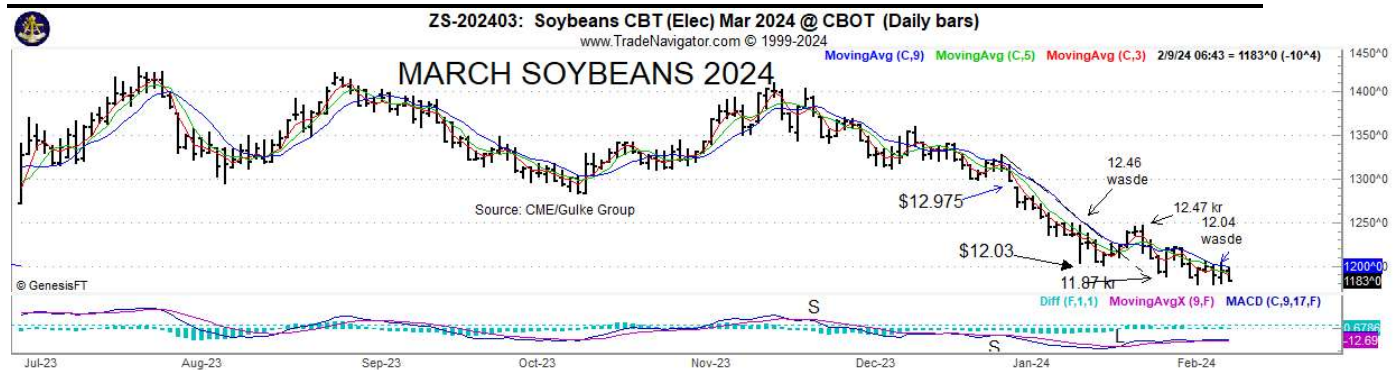
- The group representing large Brazil grain exporters, ANEC, said they have concerns about the growing number of domestic farmers filing for bankruptcy. The exporter group said higher bankruptcies complicate grain contract execution.
- Ukraine's ag ministry said they expect 2024 spring planted area little changed from last year's 12.75 mln planted hectares. He noted this past fall winter wheat acres were around 200,000 ha smaller, and those lost acres

maybe made up with acres of spring wheat varieties. The minister said the lack of better-quality soy seeds would limit acres, and low sunflower seed prices and required crop rotations would also limit those acres this spring. He further noted war difficulties have forced farmers to use lower quality wheat seeds, and while winter wheat has survived the winter so far, the final quality is unclear now.

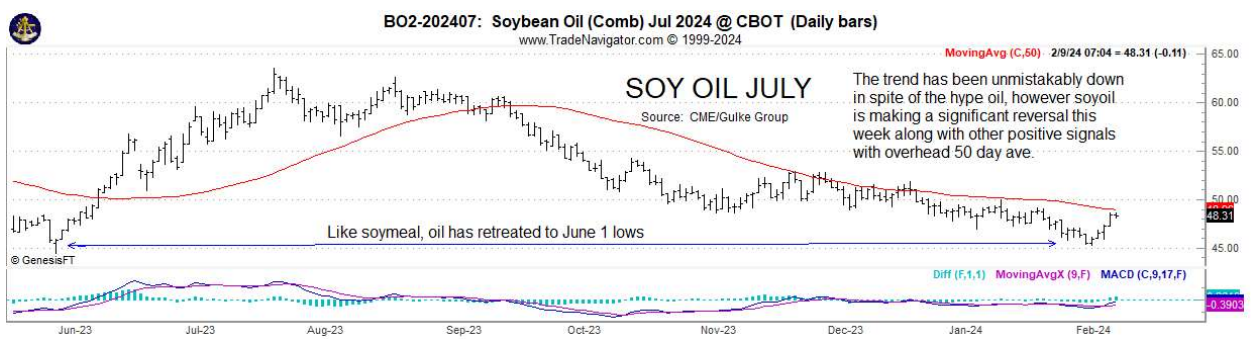
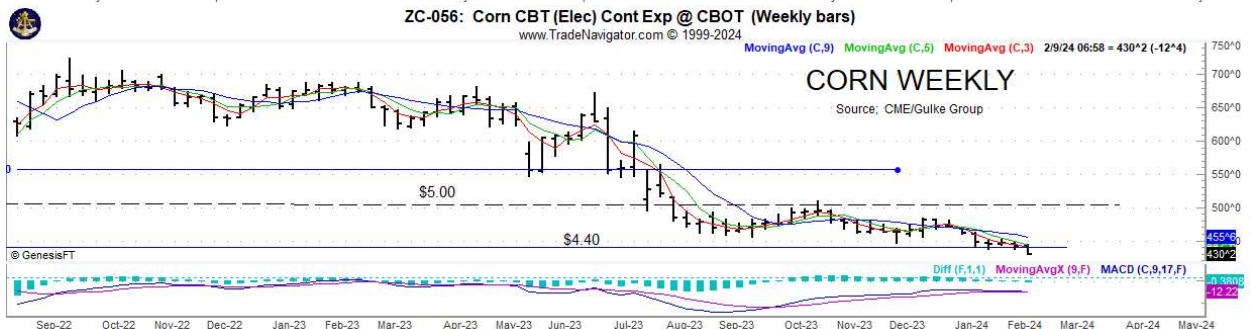
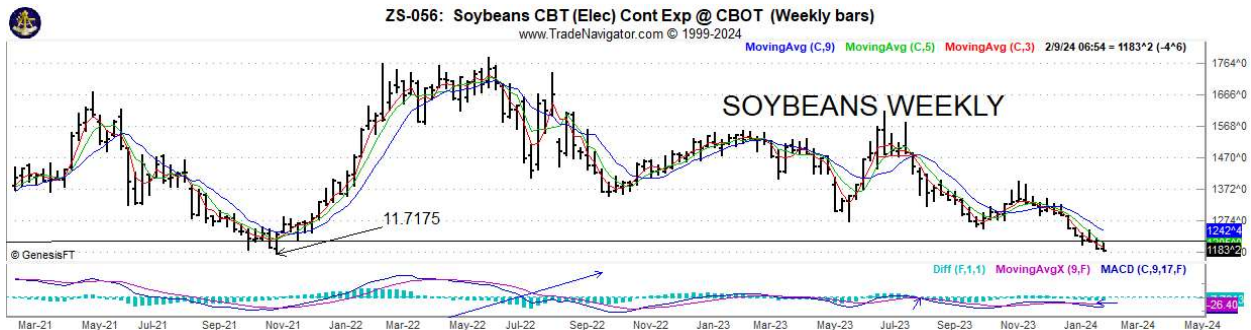
- Ukraine agriculture industry sources say around 2.0 mln mt of unharvested Corn on 320,000 hectares remains in fields around the country.
- Chinese banks extended 4.92 trillion yuan in new loans in January, an all-time high, more than quadrupling December's 1.17 trillion and exceeding the previous record of 4.9 trillion yuan in the same month last year. The increase came as the Chinese authorities try to shore up the economy and as loans tend to rise in the beginning of the year. Household loans, mostly mortgages, rose to 980.1 billion yuan and corporate loans jumped to 3.86 trillion yuan. Meanwhile, total social financing, which is a broad measure of credit and liquidity, also reached a record high of 6.5 trillion yuan.

Gulke Group 2024 Winter Palm Springs Conference Rancho Las Palmas in Rancho Mirage, CA on Feb. 21-23. conference will start at noon on Wednesday (Feb. 21) and conclude around noon on Friday (Feb. 23). Sign up by calling or texting Jamie at 707-365-0601.

Technical:



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Market Fundamentals

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Yesterday's Trades: No new trades.

ADVICE: NO NEW ADVICE: Given market action those holding significant (more than 20%) of old crop corn likely in that "fear" mode ahead of the Farm Forum Outlook next week where USDA will revise their projections.

Technically markets are slow to turn daily negative but on a cliff as weekly and monthly negative for mid-long term. The position matrix P/L is as of 7:45 AM

COMMENTS: Cash corn in N IL delivered is now \$4.99 (basis -34) and as futures show a carry, basis widens to offset with April corn \$4.05 (basis -41) wiping out 9 cents of the futures carry--- so selling call premium continues to help versus doing nothing and with short outright futures better but at Top Producer a survey showed only 7% of producers use futures/options!!!!

OPTION PREMIUM EDUCATION: Take a look at what a \$ 4.80 CZ 2024 call is worth--- (34 cents) --- so we can sell someone our corn for \$4.80 cents on some production (or all if you desire) the right to own our corn at prices that weren't exceeded in the past 15 trading days (3 weeks).

Note spec table still mostly all short with wheat getting short again--- --- Eric Snodgrass said at TP to not plant corn/beans early as they could get nipped by frost/freeze but at same breath said it is very difficult to predict April weather. Hopefully Drew will have better insight in two weeks at PSP.

WASDE;

- Larger US old crop carryout (315) on less exports...carryout to 315mln bu. Basically, blame China poor demand as they try to roll ahead purchases on the books. USDA raised the old crop Brazil production raised again to 162 mln mts., while Conab for old crop stays 154.6, a huge difference this late in the day unless Brazil's version of our USDA is cooking the books and Cordonnier low balled that crop again. For the current year, USDA is now 156, Conab 149.4.....so another dilemma. Some commercials still think 160 while Cordonnier is sub-150???????
- BOK was firmer and threatens a weekly reversal, perhaps on rumor talk that cheaper imported feedstocks have quality concerns for RD program.... Trader talk at Top Producer Conference hugely bullish---**see their weekend TV show!!!!**
- Corn. Bzl corn crop down -3mln, but not enough given our 2.2 bil-bu. The US still needs 6 mil-ac less and that isn't going to happen—expect maybe -1.8 to maybe 3 mil-ac max. so the market is making it very, very difficult to justify based on futures

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prices. If Safrina drops more, it will come as we harvest too much negating the effect
---THUS WIDE CARRY CHARGE!

- Basis will likely play a part but at lower futures than last three years or more. The farmer selling a concern going all the way back to stocks In all positions reports showing larger % of corn In farmer hands. Looks like we back to 1980's type marketing trying to glean dimes to show a profit.
- Funds are heavily short stuff and a day of reckoning may create short covering rally but if no catalyst next week at Farm Forum (earlier this year) US weather only catalyst it seems.

WEATHER: All of Argentina is still expecting rain over the coming week and it will bring relief to weeks of drying and the recent bout of extreme heat. Some follow up rain is also expected in the Feb. 17-23 period. Trade will likely trade 52-54 mmt beans in Argentina offsetting most of Brazil's lower estimates.

Gulke Group Spec Table Buy/Sell Stops				(*New Positions in BOLD)			
	2/9/2024			Today's Stops		Current Position*	
	High	Low	Close	Buy	Sell	Long	Short
CH24	437	429 3/4	433 1/4	441	425 1/2		445 1/2
CN24	457	450	454	461 1/2	446 1/2		490 1/2
CZ24	474 3/4	468 3/4	472 1/4	478 3/4	465 3/4		474 1/2
SH24	1204 3/4	1180 1/2	1193 1/2	1218 1/4	1168 3/4		1205 1/2
SX24	1181	1164 1/2	1172 3/4	1189 3/4	1155 3/4		1186 3/4
SMH24	354.6	343.5	347.1	358.4	335.9		390.4
BOH24	48.16	46.67	47.94	49.93	45.95		47.98
WH24	602	583 3/4	588 1/2	607 1/4	569 3/4		585 1/2
WN24	610 1/2	593 3/4	597 1/4	614 1/2	580		596 1/2
KWH24	619	597 1/4	601	623 1/4	578 3/4		622 3/4
MWH24	696	680	683 3/4	700 1/4	667 1/4		689
LCM24	184.550	182.450	183.725	186.325	181.125	166.850	
LCV24	186.250	185.000	185.325	186.775	183.875		184.100
LHM24	95.550	94.175	94.875	96.450	93.300	96.450	
LHV24	83.500	82.325	82.625	84.000	81.250		82.825
FCH24	249.150	246.275	246.850	249.925	243.775	246.400	
CTH24	89.28	88.14	89.100	90.44	87.76	86.24	
CTK24	90.00	88.99	89.680	90.74	88.62	87.32	
SBH24	24.05	23.55	23.980	24.53	23.43		23.67
GCJ24	2053.8	2034.6	2048.70	2068.40	2029.00	2044.6	
NRH24	18.70	18.45	18.65	18.93	18.37	17.540	
DJH24	38847.00	38627.00	38824	39064	38584		38334.00
CLH24	76.59	73.56	76.22	79.45	72.99	75.09	
NGH24	1.993	1.867	1.917	2.058	1.776		2.477
DXH24	104.30	103.835	104.010	104.68	103.35	101.620	
USH24	120 28/32	119 20/32	119 22/32	121 6/32	118 6/32		119 21/32

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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