

February 20, 2024

Weather

- Temperatures are advertised colder in Canada's Prairies next week followed by warming in the early days of March relative to Monday's forecast
- Below normal precipitation is advertised for areas from eastern and southern Ukraine and Russia's Southern Region to the Ural Mountains region during the next ten days – that forecast is similar to the outlook of Monday, but far western Russia is drier today. Argentina's outlook today is advertised a little wetter for next week than suggested Monday.
 - Brazil will see rain in most of the nation with the far north still advertised to be wettest with local flooding in Maranhao, Piaui, Tocantins and a few neighboring areas
- Some reduction in Delta and southeastern U.S. precipitation was suggested over the next ten days relative to recent past model runs, although mid-day Monday was equally dry in the forecast
- California storminess was reduced for the coming ten days and so was some of the rain advertised for western British Columbia

Canada Prairies driest region will continue to experience the least precipitation through at least the next ten days

U.S. Plains will see limited precipitation for the next ten days

News:

- Grain traders on Tuesday reported Jordan's state grains buyer has purchased about 50,000 metric tons of hard milling wheat to be sourced from optional origins in an international tender.
- Dr. Cordonnier cut his Brazilian soybean crop estimate another 2 MMT to 145 MMT, noting later-maturing soybeans will not be able to fully compensate for low yields on early harvested areas. He said soybean yields are generally 10% to 20% below expectations thus far. Cordonnier left his Brazilian corn crop forecast at 112 MMT. While the safrinha corn crop has gotten off to a mostly favorable start, acreage will be down from year-ago and 25% to 30% of the crop will be planted after the ideal window (around Feb. 20), while some forecasts call for a rapid end to the rainy season. Given generally favorable near-term weather forecasts, Cordonnier left his Argentine crop estimates at 50 MMT for soybeans and 54 MMT for corn.
- Brazil's soybean harvest advanced to 32% complete as of last Thursday, according to AgRural. That was eight percentage points ahead of last year at that point. Safrinha corn planting jumped to 59% done, the fastest on record for AgRural's historical data that began in 2013.
- U.S. cotton producers intend to plant 9.8 million acres to cotton this year, down 3.7% from 2023, according to the National Cotton Council's annual survey. Upland cotton intentions at 9.6 million acres, are down 4.3% from 2023, while extra-long staple (ELS) intentions of 202,000 acres would be a 37.7% increase. Using 10-year average abandonment rates along with a few state-level adjustments to account for current moisture conditions, NCC projects harvested area at 8.1 million acres – a 17.9% abandonment rate. NCC projects total cotton production at roughly 14.6 million bales, with the upland crop at 14.0 million bales and an ELS crop of 538,000 bales.
- Indonesia's state food procurement agency plans to import 500,000 MT of corn, without giving specifics. The planned import comes on top of a 500,000 MT import quota allotted in the last quarter of 2023, some of which is expected to arrive this year. Indonesian grain buyers are also boosting imports of lower quality wheat, with the country's wheat imports expected to climb at least 10% from around 10.87 MMT last year.
- The Biden administration is poised to announce an adjustment to its scientific modeling for ethanol that will show the corn-based fuel to be less effective at reducing greenhouse gas emissions than previously estimated, three sources briefed on the plans told Reuters. The adjustment will make it more difficult for ethanol producers to qualify for tax credits for sustainable aviation fuel (SAF), the sources said, though it will still leave them a pathway to the subsidies if they can partner with corn growers that use sustainable farming practices. Reuters said this change reflects a more precise consideration of the environmental consequences associated with converting land into corn farms. It also aims to incentivize climate-smart farming practices such as no-till farming and covered crops. Reuters noted politically, the plan would be a "middle ground" for the administration between environmentalists and the ethanol industry. A White House spokesman told Reuters no final decision has been

made on the climate model, and that “speculation about determinations are premature.”

- Saudi Arabia's crude oil exports in December fell for the first time in four months, data from the Joint Organizations Data Initiative (JODI) showed on Monday. Crude exports from the world's largest oil exporter fell 0.4% to 6.308 million barrels per day (bpd), down from 6.336 million bpd in November.

GULKE GROUP INC.
30th ANNUAL COMMODITY OUTLOOK CONFERENCE
Feb. 21-23 2024

The Omni Resorts Rancho Las Palmas
41000 Bob Hope Drive
Rancho Mirage, CA 92270

Wed, Feb. 21:

1:00 - 1:30 Welcome & Market Recap: Introduction of Clients: *Jamie Wasemiller, Gulke Group*
1:30 - 2:15 *Jerry Gulke, Gulke Group*
2:15 - 2:30 Break
2:30 - 4:00 Economic Outlook: Michael Drury, *McVean Trading & Investments, LLC*
6:00 - 8:00 Dinner Banquet:

Banquet: It will be off-site at The Springs Club (One Duke Drive, Rancho Mirage, CA 92234. Please enter the Springs Club on Bob Hope Drive (which is the main gate).

Thu, Feb. 22:

8:00 - 8:30 Morning Comments Overview: *Gulke Group*
8:30 - 9:45 *Brian Phillips via Zoom*
9:45 - 10:45 2024 Crop Insurance & ARC/PLC Thoughts: *Jamie Wasemiller, Gulke Group*
10:45 - 11:00 Break
11:00 -12:15 Weather Outlook: *Drew Lerner, World Weather, Inc.*
12:15 - 1:30 Buffet Lunch
1:30 - 3:00 A Discussion on Reformulated Biodiesel (RBD)/Soy Oil—*Eugene Nichols*

5:30 to 9:00 Social: The Gulke Home at 81647 Merv Griffin Way, La Quinta, CA 92253. Enter at the main security gate on Madison Street.

Fri, Feb. 23:

8:30 - 9:00 Morning Comments & Market Update: *Gulke Group*
9:00 -10:30 Livestock Outlook: *Roger Wallace*
10:30 - 10:50 Break
10:50 -12:00 Wrap Up & Grains Perspective: *Jerry Gulke, Gulke Group*

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Technical:

Market Fundamentals:

Yesterday's Trades:

Corn – For 2023, bot 20% CN 480 calls at 11 1/8 (ave. \$281.25 profit/contract). For 2024, bot 25% CZ 500 calls at 23 3/8(15% - \$643.75 profit/contract and 10% - \$218.75 profit/contract).

Soybeans – For 2023, bot 20% SN 1260 calls at 21 3/4 (ave. \$721.875 profit/contract).

Wheat – For 2022, bot 20% WN 640 calls at 14 5/8(\$1456.25 profit/contract). For 2023, bot 20% WN 640 calls at 14 5/8(\$1118.75 profit/contract) and bot 10% WN at 568(\$2187.50 profit/contract). For 2024, bot 20% WN 640 calls at 14 5/8(\$1118.75 profit/contract) and bot 10% WN at 568(\$2187.50 profit/contract).

ADVICE: No change--- after lifting (taking profits) Friday, markets made good gains overnight and into post 8:30 am reopening. Call it “the conference trade”. So far so good---see details above. We’ll see if this expected move will hold!!! It’s a travel day today--

COMMENTS: Private exporters reported the following sales activity:

- 155,000 metric tons of corn for delivery to Japan during the 2024/2025 marketing year.
- 228,000 metric tons of soybean meal for delivery to the Philippines during the 2023/2024 marketing year.

OPTIONS UPDATE—none--- we took profits Friday --

PSP Conference tomorrow: If you haven’t sent registration funds bring a check with you this week to the conference.

Gulke Group Spec Table Buy/Sell Stops				(*New Positions in BOLD)			
	2/19/2024			Today's Stops		Current Position*	
	High	Low	Close	Buy	Sell	Long	Short
CN24	443	438 3/4	440 1/4	445	435 1/2		490 1/2
CZ24	459 1/4	455 3/4	458 3/4	462 3/4	454 3/4		474 1/2
SN24	1186 1/4	1175 1/4	1184 3/4	1196 1/4	1173 1/4		1184 3/4
SX24	1150 3/4	1141	1148 1/2	1158 3/4	1138 1/4		1186 3/4
SMN24	342.0	336.1	341.6	347.7	335.6	341.6	
BON24	47.20	46.27	46.39	47.82	44.96		46.39
WN24	571	558 1/4	561 3/4	575	548 1/2		596 1/2
KWN24	564 1/4	551 1/4	555 1/4	568 3/4	541 3/4		555 1/4
MWN24	664 1/2	650 1/4	659 1/2	674 1/4	644 3/4		659 1/2
LCJ24	188.125	185.425	187.550	190.750	184.350		187.550
LCV24	185.325	183.275	184.575	186.825	182.325		184.100
LHJ24	85.650	84.525	85.225	86.550	83.900	85.225	
LHV24	84.000	83.350	83.975	84.825	83.125		82.825
FCJ24	254.000	250.275	253.550	257.475	249.625	253.150	
CTK24	96.42	93.52	94.420	97.37	91.47	87.32	
CTN24	96.33	93.53	94.430	97.43	91.43	94.43	
SBK24	22.87	22.18	22.590	23.33	21.85		22.24
GCJ24	2027.2	2006.6	2025.50	2046.60	2004.40	2017.7	
NRK24	18.91	18.50	18.57	19.01	18.12		18.565
DJH24	38909.00	38653.00	38697	38973	38421	38785	
CLJ24	78.52	76.69	78.46	80.49	76.43	75.52	
NGJ24	1.704	1.638	1.680	1.761	1.599		1.633
DXH24	104.58	104.065	104.190	104.91	103.48		104.080
USH24	119 2/32	117 27/32	118 7/32	119 22/32	116 24/32		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.

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 NO 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.

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