

## March 8, 2024

#### Weather

<u>Beneficial rain fell on southern Paraguay, southern Mato Grosso do Sul, and western Parana</u>

<u>Thursday while much of the remainder of Brazil outside of some random pockets and a large part</u>

of northeastern Brazil also received rain.

#### **Forecast Overview and Crop Impacts**

- Brazil and Paraguay will see a good mix of rain and sunshine through the next two weeks with fieldwork likely to advance between rounds of rain while enough rain should fall to maintain favorable conditions for most summer crops as well as being important for Safrinha crops.
  - o Northeastern Brazil will be driest and with soil moisture short in parts of the region some immature crops should see rising levels of crop stress.
- Regular rain will need to continue through late this month in Safrinha crop areas to ensure soil moisture is adequate to support crop development during the dry season.
  - o Paraguay and western Parana to Mato Grosso will need significant rain during the next several weeks to saturate the soil and a close watch on the rainfall distribution will be made.

#### **News:**

- USDA reported cancellation of private sale for 110,000 metric tons of soft red winter wheat for delivery to China during the 2023/2024 marketing year.
- As of March 4, France's ag ministry rated the country's wheat crop 68% good or excellent, unchanged from the previous week. That was the lowest for this date since 2020. Just 28% of the country's spring barley crop was seeded, well below 96% at this point last year and the five-year average of 71%.
- Buenos Aires Grain Exchange weekly report estimated Argentina's soybean crop conditions at 29% good to excellent, 54% fair, and 17% poor. They also estimated the Argentina's corn crop conditions at 29% good to excellent, 58% fair, and 13% poor.
- Under the recently installed Argentina President, the government there on Thursday announced plans to invest \$550 million to build a new port in the Rosario grain and agriculture hub. Construction is expected to begin later

- this month. The Rosario area moves more than 80% of the country's age-related exports.
- China's ag ministry made no changes to their 23/24 corn or soybean crop forecasts for March. Corn production is still expected at 288.84 mln mt, and soybean production is still forecast at 20.84 mln mt. Consumption, imports and exports estimates were also left unchanged.
- Weekly France AgriMer crop report estimated 68% of the French soft Wheat crop in good to excellent conditions, unchanged on the week, but down from the 95% in the year earlier week. They also estimated the 73% of the French Durum Wheat crop in good to excellent conditions, down from the 74% reported last week.
- Data service company, Serasa Experian, noted Brazil farmer bankruptcy rose 535% in 2023 to 127 filings. The company said most of the filings were soy growers, but some were cattle ranchers and coffee growers. The company said while the overall number of filings is low compared to the number of farmers, the pace of bankruptcies from quarter to quarter were alarming. Climate issues and the high interest rate environment were said to be drivers of bankruptcies.
- The U.S. exported \$14.90 billion of agricultural goods in January against imports of \$17.44 billion, resulting in a deficit of \$2.54 billion a significant increase from December's \$323 million gap. During the first four months of fiscal year (FY) 2024, U.S. ag exports stood at \$63.14 billion against imports of \$66.00 billion for a deficit of \$2.86 billion. USDA forecasts ag exports at \$170.5 billion and imports at \$201.0 billion for FY 2024, which would imply a deficit of \$30.5 billion.
- China's imports of crude oil rose in the first two months of the year compared with the same period in 2023, but they were also weaker than the preceding months, continuing a trend of softening purchases by the world's biggest buyer. Official customs data released on Thursday showed crude imports of 88.31 million metric tons in the January-February period, up 5.1% from the same period in 2023.

Source: WASDE and estimates by Reuters.

# U.S GRAINS, COTTON & SOYBEAN COMPLEX CARRYOUT - 2023-24

	FEBRUARY	AVERAGE	RANGE OF	USDA
	USDA	ANALYSTS	ANALYSTS'	2022-23
	ESTIMATE	ESTIMATE	ESTIMATES	FINAL
CORN	2.172	2.159	2.075-2.250	1.361
SOYBEANS	0.315	0.319	0.295-0.350	0.268
WHEAT	0.658	0.657	0.648-0.692	0.582
SOYOIL	1.577			1.602
SOYMEAL	400,000			371,000
OATS	0.039			0.035
SORGHUM	0.022			0.024
RICE	42.5			30.3
COTTON	2.80			4.25

# WORLD GRAINS, SOYBEAN & COTTON CARRYOUT - 2023-24 AND 2022-23

COMMODITY	FEB	AVERAGE	FEB 2024
	2024		
	2023-24	ANALYSTS	2022-23
	EST	EST	EST
WHEAT	259.44	259.12	271.21
CORN	322.06	320.39	300.25
SOYBEANS	116.03	114.27	103.57
SOYMEAL	15.15		13.64
SOYOIL	5.34		4.94
COTTON	83.70		82.97
RICE	167.18		176.35

### ARGENTINA & BRAZIL - 2023-24 CORN & SOYBEAN ESTIMATES

COMMODITY	FEB 2024	AVERAGE	RANGE OF
	2023-24	ANALYSTS'	ANALYSTS'
	ESTIMATE	ESTIMATE	ESTIMATE
ARGENTINA CORN	55.00	55.00	54.00-57.00
ARGENTINA SOYBEANS	50.00	50.23	50.00-52.00
BRAZIL CORN	124.00	121.95	118.00-125.00
BRAZIL SOYBEANS	156.00	152.28	148.00-156.00

## **Technically Speaking:**

#### **Market Fundamentals:**

Yesterday's Trades: no new trades.

**ADVICE:** a good day yesterday and today a setback---traders nervous---technically looked better yesterday, BUT don't trust the USDA in election year when food inflation is so high on the priority list.

CORN FOR SPEC TRADE: EXIT long CK at \$4.3575

CORN FOR END USERS: EXIT long CK at \$4.3575 and EXIT CK \$4.30 short corn puts BEST CAN.

**COTTON:** SELL remainder of 2022 cotton in the cash market—this one slipped by, so we are updating our matrix. In addition, SELL an additional 10% in the cash market for 2023 crop –BOTH using July futures as reference.

**COMMENTS:** Unemployment jumped to 3.9% even as 275,000 new jobs were created. Last month's job numbers were revised down sharply. Interest rates holding steady and equities firm to higher posting another new high today referencing employment data today-- and stock market continues to post new records every few days.

GRAINS: A good day yesterday (except for Chicago SRW) ahead of report at 11 am --- market believes it is technical but that turned previously so now what do we do with some good profits? Yesterday was an impressive technical day. Egypt reportedly cancelled a tender of wheat suggesting Russian quote to high given the recent drop in futures???? China cancelled more wheat today; more likely coming.

WASDE REPORT: market will focus on S America of course and obvious need to cut supply number in Brazil----but doubt they will mess with US S/D so it will be the global numbers to focus on. Then it will be US weather, more S America crop progress with April weather still in play for Brazil corn.

#### 5Disclaim

MEATS: Very expensive in stores for beef. Costco was at \$25/lb for beef tenderloins; and \$3.99 for pork spareribs. The general long term believe was that beef consumption will drop and pork/chicken increase---but obvious signs still not overwhelming, and long-term fundamentals still point to less beef maybe for a long time---We'll continue to watch the technical side.

EQUITIES: Costco stock took a hit on their outlook stated.

	Gulke Grou	pSpec Table B	uy/Sell Stops	(*New Positions in BOLD)					
		3/8/2024		Today's	s Stops	Current Position*			
	<u>High</u>	Low	Close	<u>Buy</u>	<u>Sell</u>	Long	Short		
CN24	449 3/4	439 1/2	449 1/2	460 1/4	438 3/4	446			
CZ24	469	460 1/4	469	478 1/4	459 3/4	465 1/2			
SN24	1176 3/4	1157 3/4	1176	1195 1/2	1156 1/2	1175 3/4			
SX24	1156 1/4	1141	1153 3/4	1169 1/2	1138	1141 3/4			
SMN24	337.7	332.8	336.9	342.0	331.9	341.6			
BON24	46.85	45.67	46.74	48.42	45.06		46.39		
WN24	550 1/2	539 1/2	540	551 1/2	528 1/2		566 3/4		
KWN24	565 1/2	545	561	582	540	561			
MWN24	666 3/4	647	657 1/2	677 3/4	637 1/4	658 3/4			
LCJ24	188.875	186.950	188.725	191.150	186.300	187.750			
LCV24	186.800	185.425	186.750	188.325	185.175	186.675			
LHJ24	85.450	84.375	84.525	85.800	83.250	85.225			
LHV24	86.000	85.475	85.875	86.600	85.150		82.825		
FCJ24	256.850	254.500	256.300	258.850	253.750	257.550			
CTK24	99.28	94.86	99.280	103.75	94.81	98.63			
CTN24	97.98	93.68	97.780	102.28	93.28	97.28			
SBK24	21.48	20.86	21.280	21.95	20.61	21.55			
GCJ24	2172.2	2151.7	2166.70	2187.70	2145.70	2017.7			
NRK24	18.04	17.81	17.82	18.08	17.56	18.550			
DJH24	38944.00	38548.00	38826	39242	38410	10.50.5(5)	38783.00		
CLJ24	79.53	78.02	78.93	80.64	77.22	79.80			
NGJ24	1.955	1.782	1.818	2.006	1.630		1.852		
DXH24	103.33	102.765	102.765	103.53	102.01		104.080		
USM24	122 13/32	121 8/32	121 23/32	123 4/32	120 10/32	118 24/32			

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 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 HED	GING PC	SITION MA	IRIX		3/8/2024								
	-margin= \$1425					EANS - margin= \$2500					- margin= \$2600			
Date	Action	Price	Status	% Hedged	Date	Action	Price	Status	% Hedged	Date	Action	Price	Status	% Hedge
	es price day of sale)					es price day of sale)					price day of sale)			
6/22/23	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%
					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	10%
		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%
utures/Op	tions				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%
					3/13/2023	Sold CASH vs. SX23	1340 1/4	(\$1,463.34)	5.0%	9/16/2022	Sold CASH vs. WZ22	836 1/2	\$5,374.16	10%
					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	SH)		5.0%	11/8/2023	Sold CASH vs. SF24	1366	\$7,974.16	25.0%			Total	1-1-1-1-1-1	75%
2024 Corn .	-margin= \$1075	,		0.070	111012020	0010 07101710. 0121	Total	\$1,01 i.10	80.0%	Futures/Option	nns			1070
Date	Action	Price	Status	% Hedged	Futures/Op	tions	Total		00.070	T dtdrooropa	J			
	es price day of sale)	THICE	Otatus	70 Ticagea	ruturesrop	uona					Futures/Options Hedged			0.0%
Casii (iutui	es price day or sale;				-						Total Hedged(included CA	5U1		75.0%
		Total		0.0%	-	Futures/Options Hedged			0.0%	2022 WILEAT	- margin= \$2600	эпј		10.076
- 10		Total		0.0%	-		N. I.					D.	01-1	0/ 11- 1
utures/Op	tions					Total Hedged(included CAS	6H)		80.0%	Date	Action	Price	Status	% Hedge
						ans - margin - \$1725	- Inches				price day of sale)			
					Date	Action	Price	Status	% Hedged	9/30/2022	Sold CASH vs. WN23	906	\$13,186.66	15%
	Futures/Options Hedged			0.0%	Futures/Op	tions				12/2/2022	Sold CASH vs. WN23	785 1/2	\$7,161.66	10%
	Total Hedged(included CA	SH)		0.0%								Total		25%
End User C	overage - Corn									Futures/Option	ons			
Date	Action	Price	Status	% Hedged										
2nd Quarte						Futures/Options Hedged			0.0%					
2/28/2014		428 1/4	\$449.16	35.00%		Total Hedged(included CAS	SH)		0.0%		Futures/Options Hedged			0.0%
		16 1/4	\$221.16	15.00%	2023 Canol	a - margin = \$880CD	,	300			Total Hedged(included CA	SH)		25.0%
LIZUIZUZT	00id 01( 400 pai3(1070)	Total	Ψ221.10	50.0%	Date	a margin tooob	Price	Status	% Hedged	2024 WHEAT	- margin= \$2400	511)		20.070
3rd Quarter	2004	Total		30.070		es price day of sale)	TILLE	Status	70 Heugeu	Date	Action	Price	Status	0/ Hadwa
		400.4/4	0440.40	25.000/	Cash (lutur	es price day of sale)	T-4-1		0.00/			Frice	Status	% Hedged
2/28/2014		428 1/4	\$449.16	35.00%	F / /0		Total		0.0%	Cash (futures	s price day of sale)			
2/28/2024	Sold CK 430 puts(15%)	16 1/4	\$221.16	15.00%	Futures/Op					-				
		Total		50.0%	2/2/2024	Sold RSN	607.50	(\$131.14)	15%			Total		0%
	- margin = \$1600					Futures/Options Hedged			15.0%	Futures/Option	ons			
Date	Action	Price	Status	% Hedged		Total Hedged(included CAS	SH)		15.0%					
Spring 2024	4				2022 MN W	HEAT - margin= \$3000								
				2021	Date	Action	Price	Status	% Hedged		Futures/Options Hedged			0.0%
		Total		0.0%	Cash (futur	es price day of sale)		11111			Total Hedged(included CA	SH)		0.0%
Fall 2024						Sold CASH vs. MWU22	1040	\$5,661.66	10%	2022 KC WH	EAT - margin= \$2400		Status	% Hedged
						Sold CASH vs. MWZ22	1188 3/4	\$12,424.16	10%	Date	Action	Price		701102900
		Total		0.0%		Sold CASH vs. MWZ22	896	(\$2,213.34)	10%		s price day of sale)	1 1100		
Egodor Cat	tle - Producer - margin = \$2			0.070	12/2/2022	Sold CASH vs. MWH23	928	\$4,086.66	10%	3/31/2022	Sold Cash vs. KWN22	1040	\$8,599.16	10%
			Ctatura	0/ Hadaad	1/4/2023									
Date	Action	Price	Status	% Hedged	1/4/2023	Sold CASH vs. MWH23	903	\$2,836.66	5%	6/17/2022	Sold Cash vs. KWZ22	1141	\$13,524.16	10%
Spring 2024	4						Total		45%	9/2/2022	Sold Cash vs. KWZ22	878	\$374.16	10%
					Futures/Op	tions				12/2/2022	Sold Cash vs. KWH23	872	\$2,886.66	10%
		Total		0.0%						1/4/2023	Sold Cash vs. KWH23	838 1/2	\$1,211.66	5%
Fall 2024						Futures/Options Hedged			0.0%			Total		45%
						Total Hedged(included CAS	SH)		45.0%	Futures/Option	ons			
	1000	Total		0.0%	2023 MN W	HEAT - margin= \$3000					and the second s			
Live Hogs -	margin = \$1600				Date	Action	Price	Status	% Hedged		Futures/Options Hedged			0.0%
Date	Action	Price	Status	% Hedged	Cash (futur	es price day of sale)					Total Hedged(included CA	SH)		45.0%
4th Quarter	2023					Sold CASH vs. MWU23	944	\$9,524.16	15%	2023 KC WHI	EAT - margin= \$2400			
						Sold CASH vs. MWU23	906 1/4	\$7,636.66	10%	Date	Action	Price	Status	% Hedged
		Total		0.0%		2.3 0. 10.1 10. 1111 020	Total	\$1,000.00	25%		s price day of sale)			
1st Quarter	2024				Futures/Op	tions	1		-2770	9/30/2022	Sold CASH vs. KWN23	952	\$7,099.16	15%
4441101											Sold CASH vs. KWN23	861	\$2,549.26	10%
		Total		0.0%						1202022	CO. A OF TOTA TO THINKS	Total	\$2,07J.2U	25%
2022 Cotto	n - margin = \$3500	Total		0.070	-	Futures/Options Hedged		<u> </u>	0.0%	Futures/Option	nne	Total	<u> </u>	20 /0
		Drine	04-4	0/ Heduard	-		NLI)	-		utures/Optio	J110	-		
Date	Action	Price	Status	% Hedged	000414717	Total Hedged(included CAS	on)		25.0%	-		1	-	-
	Sold CASH vs. CTZ22	111.53		15%	_	T - margin= \$2600	1					1	1	<b></b>
	Sold CASH vs. CTZ22	112.50	\$11,917.76	15%	Date	Action	Price	Status	% Hedged		Futures/Options Hedged			0.0%
	Sold CASH vs. CTH23	82.89	\$1,021.76	10%	Cash (futur	es price day of sale)					Total Hedged(included CA	SH)		25.0%
	Sold CASH vs. CTN23	81.35	\$21.76	10%		THE STREET STREET					- margin= \$2175			100000
4/20/2023	Sold CASH vs. CTK23	79.50	(\$850.24)	10%			Total	1	0%	Date	Action	Price	Status	% Hedged
			Total	60%	Futures/Op	tions				Cash (futures	price day of sale)			
2023 Cotto	n - margin = \$3500									,				
Date	Action	Price	Status	% Hedged								Total	1	0%
	Sold CASH vs. CTZ23	80.20	\$673.76	10%		Futures/Options Hedged			0.0%	Futures/Option	nns			370
4/4/2023	Sold CASH vs. CTZ23	81.65	\$1,253.76	10%	-	Total Hedged(included CAS	2LI)		0.0%	i utures/optic	J. 10	1	1	-
					F====	Total neuged(included CAS	on)		0.0%	-	+	1	-	-
	Sold CASH vs. CTZ23	80.62	\$841.76	10%	Energy	1				-	F / 10 //	-		
8/2/2023	Sold CASH vs. CTZ23	84.38	\$2,345.76	15%	Date	Action	Contracts	Price	Status	-	Futures/Options Hedged	1		0.0%
			Total	45%		10000					Total Hedged(included CA	SH)		0.0%
	<b>Livestock Trading Hours</b>				Spec									
Mon - Fri	8:30 am to 1:05 pm CST	No Night	Frading		Date	Action	Contracts	Price	Status					
	Grain Trading Hours				2/28/2024		1	428 1/4	\$449.16					