

March 8, 2024

Weather

Beneficial rain fell on southern Paraguay, southern Mato Grosso do Sul, and western Parana Thursday while much of the remainder of Brazil outside of some random pockets and a large part 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.***
 - 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.***
 - 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'	<u>2022-23</u>
	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 2024	AVERAGE	FEB 2024
	<u>2023-24</u>	ANALYSTS	<u>2022-23</u>
	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
	<u>2023-24</u>	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

5Disclaimer: Commodity trading and other speculative/ hedging investment practices involve substantial risk of loss. PAST RESULTS ARE NOT NECESSARILY INDICATIVE OF FUTURE RESULTS when utilizing the commodities markets. Gulke Group and its officers, directors, employees and affiliates may take positions for their own accounts that are the same or that are different to the positions and to the contracts referred to herein. This material and any views expressed herein are provided for informational purposes only and should not be construed in any way as an endorsement or inducement to invest. Prices used in trade recommendations are already reflective of known information

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.

5Disclaimer

NECESSARILY INDICATIVE OF FUTURE RESULTS when utilizing the commodities markets. Gulke Group and its officers, directors, employees and affiliates may take positions for their own accounts that are the same or that are different to the positions and to the contracts referred to herein. This material and any views expressed herein are provided for informational purposes only and should not be construed in any way as an endorsement or inducement to invest. Prices used in trade recommendations are already reflective of known information

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 Group Spec Table Buy/Sell Stops				(*New Positions in BOLD)			
	3/8/2024			Today's Stops		Current Position*	
	High	Low	Close	Buy	Sell	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	
G CJ24	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		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 THESE 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.

5Disclaimer: Commodity trading and other speculative/ hedging investment practices involve substantial risk of loss. PAST RESULTS ARE NOT NECESSARILY INDICATIVE OF FUTURE RESULTS when utilizing the commodities markets. Gulke Group and its officers, directors, employees and affiliates may take positions for their own accounts that are the same or that are different to the positions and to the contracts referred to herein. This material and any views expressed herein are provided for informational purposes only and should not be construed in any way as an endorsement or inducement to invest. Prices used in trade recommendations are already reflective of known information

