

March 15, 2024

Weather

- **Not much other change was suggested for South America in today's forecast model runs.**
- **Rain is still advertised for interior southern Brazil late next week and into the following weekend**
 - Moisture totals of 0.50 to 1.50 inches will help improve topsoil temporarily and by that time next week topsoil conditions may be very short while subsoil moisture is marginally adequate to short
 - The rain event will be very important especially since drier weather is expected to follow for several days longer
- **Most of Argentina will get beneficial rain in the next ten days supporting late season crops**
 - **There is concern over the continuation of frequent rain in extreme eastern areas for another week with damage to rice and a few other crops possible**
 - Daily occurrences of heavy rain this week has the ground saturated over much of the region from eastern Argentina to southern Rio Grande do Sul
 - Another 2.50 to 6.00 inches of rain may impact the region by this time next week with some local totals over 8.00 inches
 - **The ground is already saturated in Uruguay and southeastern Argentina and that situation will prevail for a while**
 - **Additional rain and continued wet conditions will eventually threaten rice quality and if the conditions are serious enough they may cause a cut in production because of head sprouting**
 - **Drier weather is advertised for March 22-29**
 - Far southern Argentina may not get much rain during the next ten days and could become a little too dry
 - Other areas in Argentina will see a good mix of rain and sunshine
- **Uruguay and portions of Rio Grande do Sul, Brazil will get too much rain in the next week to ten days raising concern over possible crop damage**
 - **Rice is most at risk with most of the crop maturing and some of it ripe for harvesting**
 - **Too much rain can ruin the crop**
 - The wet bias will last one week and then needed drying will begin

- **Most of Brazil outside of the interior south will benefit from a mix of weather during the next ten days**
 - Some net drying is likely in the northeast
- **Thailand, Vietnam, Laos and Cambodia are quite dry** and need some pre-monsoonal showers and thunderstorms this month and in April to stimulate new sugarcane development and to support corn and rice planting
- **Philippines rainfall needs to increase** especially in the west where many crop areas are quite dry
 - Northern and western Luzon Island is driest
- **Indonesia and Malaysia rainfall** is being reduced by the negative phase of Madden Julian Oscillation (MJO)
 - The change is welcome after abundant rain fell in the past week or two
 - Long term crop development potential still looks very good
- **Queensland, Australia** rain will be restricted for a while, although New South Wales will have opportunity for rain this weekend and again later next week
 - **Late season dryness has stressed some unirrigated crops and rain is needed especially in Queensland**
 - Some needed moisture will reach Queensland during the second week
- **South Africa precipitation** is expected to remain limited into next week stressing late season crops like peanuts, late corn, sorghum and dryland cotton
 - **Some yield potential has slipped lower because of recent weeks of drier weather**
 - Rain will develop in eastern parts of the nation next week and the western summer crop areas may be impacted, too, although more in the March 23-29 period
 - Confidence in the western summer crop areas getting a good soaking of rain is not high, but “some” rain is expected
- **Ukraine weather is likely to improve with additional light precipitation expected periodically**
 - Recent drier biased conditions have been of some interest, but soil moisture is still rated quite favorably and it will remain that way
- **Interior western and northern Russia snowpack remains significant and it is gradually melting**
 - **Soil conditions beneath the snow are saturated with moisture which may delay some fieldwork for a little while this spring**
 - Russia’s Southern Region has good soil moisture for the start of winter crop development, although soil temperatures are still much too cool for any growth in or around the Black Sea
 - Warming is expected gradually over time the remainder of this month into April

- **Improved soil moisture in Spain, Portugal, France and Italy in recent weeks has provided a better environment for aggressive spring crop development and planting**
 - Warming is needed to spur on greater development, but greening is under way across much of southern and west-central Europe
 - Warmer temperatures have begun to evolve over the past two days and much of Europe will be warmer than usual this weekend followed by cooling and a chance for rain after mid-week next week

- **Europe's soil moisture situation is mostly good, although portions of the lower Danube River Basin and eastern Spain are still drier than usual**
 - Not much precipitation is expected for a while, but these areas will get a few showers periodically

- **North Africa's rainfall in February and early March improved many crops, although northwestern Algeria, northeastern Morocco and southwestern Morocco are still too dry and will yield poorly**
 - Timely rain must return again later this month and in April to ensure the best production potentials

- **China's weather continues to be very good for this time of year**
 - Rapeseed development is under way and will continue, although additional warming is needed to spur on faster development
 - Soil moisture is rated quite favorably
 - Wheat areas in the north would benefit from some moisture and warmer temperatures and that will likely evolve slowly into April
 - The outlook for early season development is very good

- **India's weather** still looks relatively good for this time of year with no excessive heat
 - Winter crops are filling and maturing
 - Rainfall needed to be more generalized this winter for the best yields, but an average crop seems likely
 - Limited rain and near to above normal temperatures will dominate into late month
 - Some rain is expected briefly this weekend and next week from southeastern Madhya Pradesh, Chhattisgarh and Odisha into Bangladesh, although amounts will be light.

- **Coffee and cocoa production areas in west-central Africa** have been seeing a good mix of rain and sunshine, although additional moisture would be welcome

- **Frost and freezes are expected early to mid-week next week in the U.S. Midwest, northern Delta, Tennessee River Basin and interior southeastern states**
 - Some minor damage to wheat is expected, but production cuts are unlikely
 - Fruit and nut producing trees could be more significantly impacted – at least those in bloom

- U.S. Delta and southeastern States will experience frequent rain over the next ten days keeping the ground saturated or nearly saturated and maintaining a risk of flooding from the lower Delta to Alabama
- Heavy snow fell Thursday
- Substantial accumulations occurred along and west of the front range of Colorado's Rocky Mountains
- **West Texas will get some moisture in the coming week to ten days, but it will be light**
 - Southwestern parts of West Texas needs moisture soonest and some of that moisture may fall this weekend into next week
- **South Texas and the Texas Coastal Bend as well as the Blacklands of Texas** will all get some periodic rainfall into the weekend with some additional moisture next week
- The heart of hard red winter wheat areas in the central and southwestern Plains will not get much moisture anytime soon, although some light precipitation will impact the region in a sporadic manner
- **Other shots of cooler air will pour through Canada's Prairies and into the Midwest periodically during the week next week and on into late month**
 - The transition in and out of the colder weather may bring more snow and rain to the northern and west-central Plains as well as the southwestern corner of Canada's Prairies
 - Some areas in the upper U.S. Midwest may trend a little wetter too – mostly in the March 22-29 period
- **West-central Africa coffee, cocoa, rice and sugarcane areas** will see erratic rainfall over the next ten days
 - A welcome boost in precipitation occurred Thursday and earlier today
 - Highly varying rainfall is expected over the next ten days
 - Any rain would be welcome especially in those areas where coffee and cocoa have begun to flower after recent rain
- **Mexico and Central America precipitation** will be restricted for the coming week, although some increase in rain is possible along the east coast of Mexico later this week and during the weekend
 - Panama and Costa Rica may see some increased rainfall during the latter part of this month; however, no drought busting rain is expected
- **Central and southern Colombia dryness is expected to be eased in the next two weeks** as showers and thunderstorms begin to develop more significantly after an extended period of net drying
 - Northern areas in Colombia and neighboring Venezuela will continue to dry out in this first week of the outlook, but may begin receiving rain in the following week

- **Middle East precipitation will occur periodically over the next two weeks** beginning in Turkey and expanding to the east this weekend next week
 - The moisture will be ideal for winter wheat development and for cotton planting
- **Today's Southern Oscillation Index (SOI) was +1.25**
 - The index will continue trending higher for over the coming week

News:

- **USDA reported private sale of 125,000 metric tons of corn for delivery to unknown destinations during the 2023/2024 marketing year.**
- USDA attache to Argentina lowered their 23/24 MY soybean production forecast to 49.5 mln mt. The post noted Argentina's soy crush in January was up 12% on the year in spite of last year's poor production and low stockpiles.
- Grain trade sources reported 97,950 mt of US origin milling Wheat was bought by Taiwan Flour Millers Association. The total included 56,4000 mt for shipment between May 9 and May 23. The second shipment is for 41,550 mt shipped between May 27 and June 10.
- Grain traders reported around 65,000 mt of feed Wheat was bought in a privately negotiated deal by South Korea based Feed Leaders Committee.
- Near-term global oil and liquids production growth will be driven primarily by the U.S., Guyana, Canada, and Brazil, offsetting voluntary production cuts by OPEC+, the U.S. Energy Information Agency forecast said.
- Legislation allowing year-round sales of E15 is facing obstacles in the Senate, according to Senator Deb Fischer (R-Neb.), the bill's author. Despite support from agriculture and petroleum oil companies, the measure is stuck in the Senate Environment and Public Works Committee, chaired by Senator Tom Carper (D-Del.). In remarks to Bloomberg, Fischer expressed hope that Carper, who is not seeking re-election, will eventually support the bill. The Biden administration reportedly backs this legislative solution. Some independent refiners oppose E15 legislation and seek broader changes to the nation's renewable fuels mandate, which Carper has shown sympathy towards.
- France's ag ministry rated 66% of the country's wheat crop as good or excellent as of March 11, down two percentage points from the previous week. That's the lowest rating for this date since 2020.
- Despite foreign naval presence and strikes on Houthi targets, attacks have persisted, disrupting shipping lanes in the Red Sea. Houthis rebels set the following three conditions for halting their attacks in the Red Sea region: The end of the Israel/Hamas war in Gaza; Israel lifting its siege on Gaza; Israel allowing humanitarian aid into the Gaza Strip. (Of note: The leader of Yemen's Houthi rebels said they will expand their anti-ship attacks to Israel-linked

ships in the Indian Ocean using the Cape of Good Hope route. He said the Houthis carried out three attacks in the Indian Ocean this week.)

Technically Speaking:

Market Fundamentals:

Yesterday's Trades: **Corn** – For 2023, sold 30% July 450 calls at 21. For 2024, sold 20% Dec 470 calls at 34 3/8. **Wheat (all classes)** – For 2023 and 2024, sold 20% July 560 calls at 30 7/8. **Spec** – Sold Dec corn at 467 1/4 (**\$200 profit/contract**).

ADVICE: No new advice: We try to clip some call option premiums. Corn carry pays if we capture it while more time, price and info (acres and demand) develop. Rest assured if markets re-turn to act positively as we saw earlier and climb above this weeks highs, we will act accordingly. **Spec table mixed**

COMMENTS: 125,000 mt Corn sold to unknown. Some active buying of wheat in global markets. Going into the weekend corn was down and beans higher so some evening up expected and today it is the soy complex in continued volatility as traders/analyst don't yet there is a reason for a weather premium in the US. Some good info in news section otherwise damage was done yesterday.

We decided to add some short call premium sales with an eye on this week's highs as a overhead bar. Technically markets have not turn the uptrend of recent but were turned back yesterday at some initial resistance.

In economics the stock indices continue to flash concerns and head lower as media pundits now think the market can selectively reset individual stocks while holding total market stable. Anecdotal information suggests inflation still affecting foods especially eating out as it rose again last month 3.8% with more increases in labor coming. Farm machinery sales are starting to show some resistance.

Weather allowed field work in Midwest with some additional nitrogen being applied recently so cutting corn acres much beyond 2.5 mil-ac seems difficult without help from cotton stealing some acres—maybe a million. A weather change coming to Midwest for a bit and April is nearing in Brazil.

Speaking of weather, there is an unusually long remarks above covering just about every area of the globe—Key is S America for weather with rice no a concern and frosty weather in US. Read at your leisure.

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

Gulke Group Spec Table Buy/Sell Stops				(*New Positions in BOLD)			
	3/15/2024			Today's Stops		Current Position*	
	High	Low	Close	Buy	Sell	Long	Short
CN24	454 1/2	445 1/2	446 1/4	455 3/4	436 3/4		446 3/4
CZ24	475	467	467 3/4	476 1/4	459 1/4		467 1/4
SN24	1230 3/4	1205 1/4	1209 3/4	1235 3/4	1183 3/4	1175 3/4	
SX24	1199 1/4	1182 1/2	1187	1204 1/4	1169 3/4	1141 3/4	
SMN24	347.9	339.0	341.6	350.7	332.6	347.2	
BON24	49.77	48.78	48.91	50.40	47.42	48.36	
WN24	557	543 1/2	547 1/4	561 1/4	533 1/4	551 1/2	
KWN24	578 1/4	564 1/2	568	582 1/4	553 3/4	561	
MWN24	665 3/4	658	660 1/2	668 3/4	652 1/4	658 3/4	
LCJ24	190.275	186.775	186.950	190.950	182.950		187.475
LCV24	187.525	184.725	185.150	188.150	182.150		185.450
LHJ24	85.300	84.350	85.025	86.175	83.875	85.250	
LHV24	86.725	86.275	86.425	87.075	85.775		82.825
FCJ24	256.900	250.775	251.175	257.500	244.850		253.350
CTK24	95.54	93.20	93.480	95.87	91.09	98.63	
CTN24	94.92	93.00	93.260	95.38	91.14	97.28	
SBK24	22.23	21.66	21.770	22.39	21.15	21.55	
GCJ24	2181.3	2157.0	2166.30	2191.10	2141.50		2173.90
NRK24	18.00	17.85	17.87	18.05	17.69	18.550	
DJM24	39698.00	39136.00	39347	39929	38765		39521.00
CLJ24	81.62	79.57	81.26	83.51	79.01	79.80	
NGJ24	1.767	1.643	1.741	1.880	1.602	1.739	
DXM24	103.03	102.355	102.990	103.87	102.12	102.983	
USM24	120 14/32	118 22/32	118 23/32	120 23/32	116 23/32		118 31/32

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.

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

