

March 28, 2024

Weather:

-
- *Beneficial rain fell on much of Mato Grosso Wednesday while rain extended into Goias and western into southern Minas Gerais into northern and east-central Sao Paulo while most other areas were dry with some beneficial rain in northeastern Minas Gerais and eastern Bahia.*

Forecast Overview and Crop Impacts

- *Northern Brazil will see regular rounds of showers and thunderstorms through the next two weeks slowing fieldwork at times while enough rain should fall to improve soil moisture in Mato Grosso as well as in the driest areas in northeastern Brazil.*
 - By April 11, soil moisture should be great enough to keep Safrinha corn production potentials high across northern Brazil in advance of the dry season while the remaining immature crops in northeastern Brazil benefit from the rain as well.
- *The remainder of Brazil and Paraguay will see a mix of rain and sunshine that should allow fieldwork to advance between rounds of rain while the driest areas from Paraguay into Mato Grosso do Sul benefit from a couple rounds of rain, but will likely remain in need of greater rain before the dry season.*
 - Paraguay into Mato Grosso do Sul will see organized rain events Sunday into Tuesday and Apr. 6-8 and stress to Safrinha corn will be eased, but soil moisture is not likely to be fully restored and significant rain will be needed to ensure the crop has adequate soil moisture during the dry season.

Precipitation Forecast Details

- Rain into Saturday will be greatest from Mato Grosso and northern Mato Grosso do Sul to western into southern Minas Gerais to Espirito Santo and eastern Bahia where most areas will receive 0.30-1.20” of rain and locally more with some 1.20-2.50” totals and locally more in southern Minas Gerais.
- Rain will return to Paraguay and Mato Grosso do Sul Sunday into Tuesday where most areas see totals of 0.40-1.75” and locally more with lighter rain in parts of southern Paraguay and southern Mato Grosso do Sul.
 - Much of the remainder of Brazil will receive 0.15-1.0” of rain and locally more with some areas dry from Rio Grande do Sul to Sao Paulo.

- Northern Brazil will be wettest Wednesday into Friday of next week and much of the region will receive 0.40-1.60” of rain and locally more while a few showers occur in far southern Brazil and little rain falls elsewhere.
- Rain will increase in southern Brazil and Paraguay Apr. 6-8 where most areas receive 0.50-1.75” and locally more while most of the remainder of Brazil receives lighter rain.
- Isolated to scattered showers and thunderstorms will occur Apr. 9-11 and much of Brazil and Paraguay will receive at least some rain with southern areas wettest.
- *Some of the driest areas in west-central and interior north-central Cordoba benefitted from rain Wednesday with rain in parts of southern Argentina as well while most other areas were dry.*

Forecast Overview and Crop Impacts

- *Today’s forecast is wetter overall and regular rounds of rain Saturday through Apr. 7 will slow fieldwork in many areas and especially east-central and northeastern Argentina while the driest areas in west-central and northwestern Argentina benefit from the coming rain and southwestern Argentina misses much of the rain.*

News:

- South Korea bought 134,000 MT of corn via two separate tenders, with all of the purchases expected to be sourced from South America or South Africa.
- Saudi Arabia's state-run food agency announced a tender seeking 595,000 mt of Wheat. Offers are due Friday, March 29th. The grain is for delivery between June and July 2024.
- The latest EU Commission forecasts expects the 2024/25 crop year Corn production at 69.0 mmt, that compares with 62.3 mmt in the 23/24 crop year. They also put the 2024/25 crop year Rapeseed production at 19.5 mmt, that compares with 19.8 mmt in the 23/24 crop year. They expect the 2024/25 crop year common Wheat production at 120.8 mmt, that compares with 125.6 mmt in the 23/24 crop year.
- Indonesian Palm Oil Association data noted January palm oil exports at 2.8 mmt, that was slightly below the 2.95 mmt in January 2023. January 2024 production was 4.63 mmt, end of January 2024 stockpiles were 3.04 mln mt.
- Indonesia aims to double subsidies for palm tree replanting to 60 million rupiah (\$3,785.49) per hectare from May to boost farmers’ participation, Chief Economic Minister Airlangga Hartarto said. The government aims to get 180,000 hectares (444,790 acres) of smallholders’ plantations replanted every year, but the program has been lagging due to administrative hurdles and farmers’ concerns over loss of income while they wait for the trees to mature. Only 331,000 hectares have been approved for replanting so far, of the total 2.5 million hectares targeted.
- **The Biden administration on Wednesday awarded contracts to buy 2.8 million barrels of oil for the government's emergency reserve for more**

than \$81 a barrel, \$2 above the target purchase price. The Department of Energy (DOE) will spend \$225.6 million to buy oil to refill the Strategic Petroleum Reserve (SPR) from Atlantic Trading & Marketing, Macquarie Commodities, and Sunoco Partners Marketing & Terminals. The oil is set to be delivered in September.

- Ahead of Thursday's quarterly USDA hogs and pigs report, analysts expect all hogs as of March 1 at 100% of the year ago period. Hogs kept for breeding are expected at 97% of the year ago level, and hogs kept for marketing at 100% of the year ago level.
- With the deadline looming and no substitutes available, Mexico walked back their plans to eliminate glyphosate, the weedkiller found in Roundup.
- U.S. crude oil and gasoline inventories rose unexpectedly last week driven by a rise in crude imports and sluggish gasoline demand, the EIA said. Crude inventories rose by 3.2 million barrels to 448.2 million barrels in the week ended March 22, the EIA said, compared with analysts' expectations in a Reuters poll for a 1.3-million-barrel draw.

Source: NASS and estimates by Reuters.

2024 U.S. PROSPECTIVE PLANTINGS

	AVERAGE	RANGE OF	USDA	USDA	USDA
	ANALYSTS'	ANALYSTS'	OUTLOOK	MCH 2023	FINAL 2023
	ESTIMATE	ESTIMATES	ESTIMATE	ESTIMATE	PLANTINGS
CORN	91.776	90.000-93.472	91.000	91.996	94.641
SOYBEANS	86.530	85.350-88.000	87.500	87.505	83.600
COTTON				11.256	13.75
OATS				2.667	2.6
SORGHUM				5.975	6.3
RICE				2,583	2.22
ALL WHEAT	47.330	46.200-49.982	47.000	49.855	45.8
WINTER WHT	34.870	34.000-38.370	34.425	37.505	36.699
OTH SP WHT	10.891	10.100-11.320		10.570	
DURUM	1.652	1.133-1.800		1.780	1.676

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

U. S. QUARTERLY GRAIN STOCKS AS OF MARCH 1, 2024

	AVERAGE	RANGE OF	USDA	USDA
	ANALYSTS'	ANALYSTS'	DEC 2023	MCH 2023
	ESTIMATE	ESTIMATE	ESTIMATE	ESTIMATE
CORN	8.427	8.129-8.568	12.169	7.396
SOYBEANS	1.828	1.740-1.986	3.022	1.685
WHEAT	1.044	0.997-1.080	1.280	0.946
SORGHUM			0.160	0.109
OATS			0.0536	0.043
RICE			105.79	76.479

Technically Speaking:

Market Fundamental

Brazilian agribusiness consultancy Agroconsult on Wednesday increased its 2023/24 soybean crop estimate for Brazil to 156.5 million metric tons after surveying fields nationally and estimating an expansion of planted area in the world's largest producer and exporter. In the middle of Agroconsult's expedition, which started in January, it had projected production at 152.2 million tons, citing uncertainty related to the climate in key producing regions. The national area planted with soybeans has been estimated at 46.4 million hectares (114.6 million acres), 1.2 million hectares more than projected by government crop agency Conab, Agroconsult said.

The different methodologies to calculate planted area helps explain the huge gap between Agroconsult's and Conab's crop estimate for this season, according to Agroconsult executives. Conab pegged this year's soybean crop at 146.9 million tons this month, which is almost 10 million tons lower than Agroconsult's number.

Andre Pessoa, Agroconsult's president, said erratic climate conditions early in the season, with heavy rains in the south of the country and extreme dryness in the center west, made this year's tour one of the most challenging from a technical standpoint. After surveying fields in 15 states and considering that the weather differed depending on the region, Agroconsult estimated the average of Brazil's 2023/24 soybean yields at 56.2 bags per hectare, 6.5% lower than last season.

In top grower Mato Grosso, yields fell 16.8% to 53.1 bags per hectare, Agroconsult estimated. However, the high productivity in Rio Grande do Sul offset losses in other states. Agroconsult data shows soy yields rose 55.2% to 57.2 bags per hectares in Brazil's southernmost state, which had crop losses in the prior season from a lack of rainfall.

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

Yesterday's Trades: Soybeans For 2024 sold 15% SX 1240 Calls at 43. **Cotton-** For 2023 Sold 15% CASH vs. CTN at 91.98.

ADVICE: The negative inclination of the trade is concerning especially in soybeans. The carry for corn from now to fall is 40 cents with the spread narrowing IF we see crop problems in production---that carry looks advantages for stored old crop as well. There are good odds we'll see a surprise somewhere but where? Our sources in Brazil suggest that acres are higher than guesses allowing for a better crop of beans than media saying---also Safrinha corn is not in a problem yet !

CORN: Put in order to sell the Dec \$4.80 call options for 28 ½ cents on 15% of 2023 AND for 2024 production placing coverages in new crop.

SOYBEANS: For old crop 2023 sell the July \$12.40 call options for 26 cents on 20% of production.

CANOLA: Add a 15% hedge in July futures for 2023, and a 15% hedge in November for 2024 crops best can!

COTTON: AT 10:30 AM CST place sell stops in July Cotton futures at 91.40 for 15% of 2023 production plus a sell stop in Dec cotton at 82.90 for 15% of 2024 crop. Note: we are 100% sold for 2022 crop so check out matrix as we will likely drop 2022 from monitoring and replace it with Dec.

MEATS: Licking their wounds over weekend -hogs report today—no new advice

COMMENTS: Going into the report and as a result of the Avian Flu debacle, grains basically are short term negative but have turned or are turning positive on a weekly standpoint. Media hype suggests funds who are short continue to be content in being so, thus some potential short covering if markets down hard or we get a positively biased report. Psychologically markets seem bent on the fact there is little that can be done to change the fundamental fact that we have too much of everything.

A LOOK AT THE MACRO (long term overall) SITUATION: Just released in Agweb.com is a column with discussion we have had previously in MC for a month or so. Click to review: [A Look At The Current Macroeconomic Impact On Ag | AgWeb](#)

Brazilian agribusiness consultancy Agroconsult on Wednesday increased its 2023/24 soybean crop estimate for Brazil to 156.5 million metric tons after surveying fields nationally and estimating an expansion of planted area in the world's largest producer and exporter. In the middle of Agroconsult's expedition, which started in January, it had projected production at 152.2 million tons, citing

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

uncertainty related to the climate in key producing regions. The national area planted with soybeans has been estimated at 46.4 million hectares (114.6 million acres), 1.2 million hectares more than projected by government crop agency Conab, Agroconsult said.

The different methodologies to calculate planted area helps explain the huge gap between Agroconsult's and Conab's crop estimate for this season, according to Agroconsult executives. Conab pegged this year's soybean crop at 146.9 million tons this month, which is almost 10 million tons lower than Agroconsult's number.

Andre Pessoa, Agroconsult's president, said erratic climate conditions early in the season, with heavy rains in the south of the country and extreme dryness in the center west, made this year's tour one of the most challenging from a technical standpoint. After surveying fields in 15 states and considering that the weather differed depending on the region, Agroconsult estimated the average of Brazil's 2023/24 soybean yields at 56.2 bags per hectare, 6.5% lower than last season.

Gulke Group Spec Table Buy/Sell Stops				(*New Positions in BOLD)			
	3/28/2024			Today's Stops		Current Position*	
	High	Low	Close	Buy	Sell	Long	Short
CN24	445	438 3/4	439 1/4	446	432 1/2		446 3/4
CZ24	468	462	462 1/4	468 3/4	455 3/4		467 1/4
SN24	1211 1/2	1203 1/2	1206 1/2	1215	1198		1203 1/4
SX24	1189 3/4	1182	1183 1/2	1191 3/4	1175 1/4		1184
SMN24	344.9	341.9	342.6	345.8	339.5	347.2	
BON24	48.98	47.97	48.22	49.73	46.71	48.36	
WN24	564 1/2	555	562 3/4	572 3/4	552 3/4	551 1/2	
KWN24	576	568 1/2	574	582	566	561	
MWN24	659 3/4	652 1/2	657 1/4	665	649 1/2		652 1/4
LCM24	179.325	177.175	178.675	181.325	176.025		178.675
LCV24	180.175	178.625	179.825	181.575	178.075		185.450
LHM24	102.425	101.250	101.600	102.975	100.225		101.600
LHV24	87.825	87.150	87.600	88.475	86.725	87.350	
FCK24	248.750	246.000	248.275	251.225	245.325		248.275
CTK24	93.41	90.56	90.770	93.67	87.87		91.12
CTN24	94.10	91.23	91.440	94.51	88.37		91.61
SBK24	22.39	21.76	22.190	22.87	21.51	22.41	
GCM24	2218.3	2193.7	2215.50	2240.60	2190.40	2199.2	
NRK24	16.80	16.57	16.59	16.85	16.32		17.310
DJM24	40181.00	39742.00	40144	40603	39685	39491	
CLK24	81.74	80.55	81.35	82.74	79.96	81.86	
NGK24	1.789	1.704	1.718	1.818	1.618		1.718
DXM24	104.17	103.920	104.005	104.45	103.56	102.983	
USM24	120 12/32	119 16/32	120 6/32	121 10/32	119 2/32		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 SPIKE 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

