

April 5, 2024

Weather:

- Not many changes overnight
- Central parts of U.S. hard red winter country was left dry during the next ten days
- Rain was returned to the forecast for the Texas Panhandle and western Oklahoma after being removed by the GFS model run Thursday – today’s changes in the GFS brings the model more in line with the European model which has been more consistent for rain in the southern Plains
- West Texas precipitation next week will be greatest in the Rolling Plains and the southwestern dryland cotton and peanut areas will remain dry
- Flooding rain is still expected in the U.S. Delta and a part of the Tennessee River Basin next week
- Below normal precipitation is expected in Georgia and the Carolinas during the next week to nearly ten days
- Frost and freezes in the eastern Midwest and middle Atlantic Coast States this weekend should not have a negative impact on wheat, but some flowering fruit trees may be impacted
- North Africa and many areas in southwestern Europe will be dry biased during the next ten days
- Russia’s Southern Region and middle and lower Volga River Basin will be drier than usual over the next ten days and quite warm
- Southeastern Europe is advertised wetter in the second week of the forecast today; including the Balkan Countries and Ukraine, although it will be light in Ukraine
- East-central China is wetter in the second week of the forecast today with some relief from dryness advertised in the North China Plain and Yellow River Basin; Some of the advertised rainfall was overdone especially after day 11 in the forecast
- Australia will continue to get rain today into Saturday in Queensland and north-eastern New South Wales followed by dry weather; no rain is expected in Western or South Australia for the next ten days
- South Africa is still expected to trend much wetter this weekend into early next week disrupting harvest progress and raising some crop quality concerns; drying is likely thereafter
- India is advertised to be wetter in the north-central and southeast during the second week of the outlook; this was overdone
- Thailand is wetter late next week while Vietnam coffee areas still do not get much significant moisture until later in the second week

News:

- The US Trade deficit widened for a second straight month in Feb. as an increase in exports to a record high was offset by surging imports. The trade deficit increased 1.9% to \$68.9 billion. Exports jumped 2.3% to an all-time high of \$263 billion. There were increases in exports of industrial supplies and materials, which includes crude oil. Food exports rose \$1.7 billion, boosted by soybeans. Exports of motor vehicles, parts and engines decreased \$1.3 billion. Imports advanced 2.2% to \$331.9 billion in Feb., the highest level since October 2022. Goods imports shot up 1.8% to \$268.1 billion. Service imports rose \$2.4 billion to a record \$63.8 billion.
- US March Non-Farm Payrolls: +303,000; expected +200,000; US March December Unemployment Rate: 3.8%; expected 3.8%
- As of April 1, France's ag ministry rated the country's wheat crop as 65% good or excellent, down one point from the previous week and well below last year's 93% level. The French wheat crop continues to be rated the lowest since 2020. Good/excellent ratings declined to 66% for winter barley and 70% for durum wheat, down one and three points, respectively, and a four-year low for both crops. For spring barley, the ag ministry's first rating pegged 61% of the crop as good/excellent, the worst for this time of year on records back to 2012.
- APK-Inform analysts have estimated Ukraine sunflower seed processing rose 9% in March from the previous month, and 10% on year over year terms. Over the first seven months of the 23/24 MY sunflower processing was up +11% year-over-year to 9.3 mln mt.
- Brazil government data pegged March soybean exports at 12.63 mln mt, that compares to the 13.24 mln mt in March 2023. March beef exports at 166,327 mt, that compares to the 124,392 mt in March 2023. March poultry exports at 391,278 mt, that compares to the 483,886 mt in March 2023. March corn exports at 431,307 mt, that compares to the 1.335 mln mt in March 2023.
- Russian agriculture watchdog agency, according to bloomberg, is holding up a couple Egyptian grain ships waiting to export their cargoes. The ships are said to be carrying cargoes for Grainflower DMCC, and according to sources cited by the news outlet, are said to be connected to TD RIF. TD RIF has recently said some of their ships have been halted from exporting 400,000 mt of grain from Russia.

Technically Speaking:

STOCK MARKET FINALLY SUCUMBS TO PREVIOUS SELL SIGNAL SIMILAR TO WHAT LIVE CATTLE DID-

If you don't recognize our long-standing analysis turn the charts upside down---does it not look like a bottom? Would you want to sell????

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Market Fundamentals:

Mexico postpones glyphosate ban... Mexico has postponed the ban on glyphosate, which was initially set for April 1. The government cited concerns about potential disruption to crop production and the absence of viable alternatives to the herbicide.

E15 sales set record... Nationwide sales of E15 rose 8% to a record 1.1 billion gallons in 2023, thanks to competitive prices and the growing number of stations that sell the fuel, according to a Renewable Fuels Association (RFA) analysis of data released by state agencies in Minnesota and Iowa. It said a key reason why the average E15 volume per station has increased over the last five years is that sales have been allowed during the summer months in conventional gasoline areas.

RFA noted there are no official statistics on U.S. E15 volumes, but national sales can be estimated using Minnesota and Iowa data, given those two states account for nearly 30% of all U.S. stations offering E15. RFA estimated national sales by multiplying its count of U.S. E15 stations by the average estimated volume per station in the two states. More than 3,000 stations offered E15 on average over the course of 2023, compared to 2,700 in 2022.

Yesterday's Trades: No new trades.

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ADVICE: We wanted to leg out of the wheat/short call spread but timing was difficult. Wheat up today again strongly so all is ok for now and in fact looking interestingly friendly, up 14 today and leading the way.

Soy Complex and corn a trading affair hoping wheat will lift all ships.

MEATS--- LH looks about as good as LC looks bad directionally. Hogs rising in spite of all the talk about poor Chinese potential.

COMMENTS:

- **Drew Lerner is out with a special suggesting we are returning to a normal spring pattern and to “batten down the hatches as wild weather coming”.**
 - **The hurricane predictions are for a large number of hurricanes, so we’ll expect some in the Gulf eventually to affect energy prices.**
- **The Stock Market** finally gave up the ghost and there are multiple reasons surfacing why that happened, yet we had the first weekly sell signal the first week of March right on schedule.
 - **Bias remains negative but commodities like volatility entering as bulls will likely continue to want to take advantage of setbacks to enter the market from the long side until it doesn’t work anymore.**
 - **Chart above is our unique upside-down look at the chart** begging the question of if we’d sell this market ---bottoming action. If confused, call the brokerage office for further explanation. Not Key Reversal yesterday.
 - **Employment number out today looked ok so an attempt to gain back some of the 500 pt loss yesterday expected---a drop below yesterday’s low would not be good---it is Friday!!!**
- **The spec table is largely short except for soy oil, SX, crude and wheat!** We will respect and likely take the next buy signals in other grains as/if they evolve.

Gulke Group Spec Table Buy/Sell Stops				(*New Positions in BOLD)			
	4/5/2024			Today's Stops		Current Position*	
	High	Low	Close	Buy	Sell	Long	Short
CN24	448 1/4	442 1/2	447 1/2	453 3/4	441 1/4		440 1/4
CZ24	473 3/4	469	473 1/4	478 1/2	468		468 1/4
SN24	1199 1/2	1183 1/2	1192 1/4	1208 3/4	1175 3/4		1203 1/4
SX24	1188	1175 1/2	1183 3/4	1196 3/4	1170 3/4	1191 3/4	
SMN24	337.3	331.4	337.0	343.1	331.0		339.5
BON24	49.61	48.37	48.67	50.41	46.93	48.36	
WN24	578 1/2	565 1/2	571 1/2	585	558	551 1/2	
KWN24	580 1/2	570 1/4	573	583 3/4	562 1/4		562 1/2
MWN24	657 1/2	645 1/4	654 3/4	667 1/2	642	665	
LCM24	176.575	174.950	175.850	177.975	173.725		178.675
LCV24	176.925	175.150	176.400	178.375	174.425		178.525
LHM24	105.400	103.950	105.000	106.650	103.350		101.600
LHV24	88.800	88.000	88.775	89.775	87.775	87.350	
FCK24	244.850	242.425	243.875	246.500	241.250		248.275
CTK24	89.25	87.10	87.140	89.34	84.94		91.12
CTN24	90.42	88.55	88.570	90.64	86.50		91.61
SBK24	22.47	22.12	22.360	22.76	21.96		22.29
GCM24	2325.3	2298.7	2308.70	2335.80	2281.60	2199.2	
NRK24	16.50	16.18	16.20	16.55	15.85	16.420	
DJM24	39759.00	38876.00	38916	39819	38013		40002.00
CLK24	87.22	84.64	86.59	89.37	83.81	81.86	
NGK24	1.853	1.769	1.774	1.873	1.675		1.718
DXM24	104.03	103.680	103.985	104.54	103.44	102.983	
USM24	118 17/32	117 12/32	118 13/32	119 26/32	117		118 31/32

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HYPOTHETICAL HEDGING POSITION MATRIX					4/5/2024									
2023 Corn - margin = \$1425					2023 SOYBEANS - margin = \$2500					2022 WHEAT - margin = \$2600				
Date	Action	Price	Status	% Hedged	Date	Action	Price	Status	% Hedged	Date	Action	Price	Status	% Hedged
Cash (futures price day of sale)					Cash (futures price day of sale)					Cash (futures price day of sale)				
6/22/23	Sold CASH vs. CZ	621 1/2	\$8,199.16	5.0%	12/1/2022	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%
					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%
	Total			5.0%	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%
Futures/Options					Futures/Options					Futures/Options				
3/14/2024	Sold CN 450 calls (30%)	21	\$139.91	30.00%	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%
3/28/2024	Sold CZ 480 calls (15%)	28 1/2	(\$172.59)	15.00%	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%
					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%
	Futures/Options Hedged			45.0%	11/8/2023	Sold CASH vs. SF24	1366	\$7,974.16	25.0%		Total			75%
	Total Hedged (included CASH)			50.0%		Total			80.0%		Futures/Options Hedged			0.0%
2024 Corn - margin = \$1075					2024 Soybeans - margin = \$1725					2023 WHEAT - margin = \$2600				
Date	Action	Price	Status	% Hedged	Date	Action	Price	Status	% Hedged	Date	Action	Price	Status	% Hedged
Cash (futures price day of sale)					Cash (futures price day of sale)					Cash (futures price day of sale)				
	Total			0.0%		Total			15.0%		Total			25%
Futures/Options					Futures/Options					Futures/Options				
3/14/2024	Sold CZ 470 calls (30%)	34 5/8	(\$72.59)	20.00%	3/27/2024	Sold SX 1240 Calls (15%)	43	\$121.16	15%	9/30/2022	Sold CASH vs. WN23	906	\$13,186.66	15%
3/14/2024	Sold CZ	467 1/4	(\$338.34)	10.00%						12/2/2022	Sold CASH vs. WN23	785 1/2	\$7,161.66	10%
3/28/2024	Sold CZ 480 calls (15%)	28 1/2	(\$172.59)	15.00%							Total			25%
						Futures/Options Hedged			15.0%		Futures/Options Hedged			20.00%
	Futures/Options Hedged			45.0%		Total Hedged (included CASH)			15.0%		Total Hedged (included CASH)			10.0%
	Total Hedged (included CASH)			45.0%	2023 Canola - margin = \$880CD					2024 WHEAT - margin = \$2400				
End User Coverage - Corn					2024 Canola - margin = \$880CD					2022 KC WHEAT - margin = \$2400				
Date	Action	Price	Status	% Hedged	Date	Action	Price	Status	% Hedged	Date	Action	Price	Status	% Hedged
2nd Quarter 2024					Cash (futures price day of sale)					Cash (futures price day of sale)				
	Total			0.0%		Total			0.0%		Total			0%
3rd Quarter 2024					Futures/Options					Futures/Options				
					2/2/2024	Sold RSN24	607.50	(\$596.74)	15%	3/14/2024	Sold WN 560 calls (20%)	30 7/8	(\$460.09)	20.00%
	Total			0.0%	3/28/2024	Sold RSN24	635.00	(\$156.74)	15%	3/19/2024	Bot WN	559 1/2	\$561.66	-10.0%
Live Cattle - margin = \$1600					2022 MN WHEAT - margin = \$3000					2023 KC WHEAT - margin = \$2400				
Date	Action	Price	Status	% Hedged	Date	Action	Price	Status	% Hedged	Date	Action	Price	Status	% Hedged
Spring 2024					Cash (futures price day of sale)					Cash (futures price day of sale)				
	Total			0.0%		Total			15%		Total			15%
Fall 2024					Futures/Options					Futures/Options				
					3/31/2022	Sold CASH vs. MWU22	1040	\$5,700.00	10%	3/31/2022	Sold Cash vs. KWN22	1040	\$8,637.50	10%
	Total			0.0%	6/17/2022	Sold CASH vs. MWZ22	1188 3/4	\$12,462.50	10%	6/17/2022	Sold Cash vs. KWN22	1141	\$13,562.50	10%
Feeder Cattle - Producer - margin = \$2850					2023 MN WHEAT - margin = \$3000					2022 WHEAT - margin = \$2175				
Date	Action	Price	Status	% Hedged	Date	Action	Price	Status	% Hedged	Date	Action	Price	Status	% Hedged
Spring 2024					Cash (futures price day of sale)					Cash (futures price day of sale)				
	Total			0.0%		Total			45%		Total			45%
Fall 2024					Futures/Options					Futures/Options				
					9/30/2022	Sold CASH vs. MWU23	944	\$9,562.50	15%	3/14/2024	Sold WN 560 calls (20%)	30 7/8	(\$460.09)	20.00%
	Total			0.0%	12/2/2022	Sold CASH vs. MWU23	906 1/4	\$7,675.00	10%	3/19/2024	Bot WN	559 1/2	\$561.66	-10.0%
Live Hogs - margin = \$1600					2022 Cotton - margin = \$3500					2024 WHEAT - margin = \$2600				
Date	Action	Price	Status	% Hedged	Date	Action	Price	Status	% Hedged	Date	Action	Price	Status	% Hedged
2nd Quarter 2024					Cash (futures price day of sale)					Cash (futures price day of sale)				
	Total			0.0%		Total			25%		Total			0%
3rd Quarter 2024					Futures/Options					Futures/Options				
					3/14/2024	Sold WN 560 calls (20%)	30 7/8	(\$460.09)	20.00%	3/14/2024	Sold WN 560 calls (20%)	30 7/8	(\$460.09)	20.00%
	Total			0.0%	3/19/2024	Bot WN	559 1/2	\$561.66	-10.0%	3/19/2024	Bot WN	559 1/2	\$561.66	-10.0%
2023 Cotton - margin = \$3500					2023 MN WHEAT - margin = \$3000					2023 WHEAT - margin = \$2600				
Date	Action	Price	Status	% Hedged	Date	Action	Price	Status	% Hedged	Date	Action	Price	Status	% Hedged
3/31/2022	Sold CASH vs. CTZ22	111.53	\$11,568.00	15%	9/30/2022	Sold CASH vs. MWU23	944	\$9,562.50	15%	9/30/2022	Sold CASH vs. WNV23	952	\$7,137.50	15%
8/17/2022	Sold CASH vs. CTZ22	112.50	\$11,956.00	15%	12/2/2022	Sold CASH vs. MWU23	906 1/4	\$7,675.00	10%	12/2/2022	Sold CASH vs. WNV23	861	\$2,587.50	10%
3/8/2023	Sold CASH vs. CTH23	82.89	\$1,060.00	10%		Total			25%		Total			25%
4/4/2023	Sold CASH vs. CTN23	81.35	\$60.00	10%		Futures/Options					Futures/Options			
4/20/2023	Sold CASH vs. CTK23	79.50	(\$812.00)	10%	3/14/2024	Sold WN 560 calls (20%)	30 7/8	(\$460.09)	20.00%	3/14/2024	Sold WN 560 calls (20%)	30 7/8	(\$460.09)	20.00%
3/8/2024	Sold CASH vs. CTN24	94.50	\$5,188.00	40%	3/19/2024	Bot WN	559 1/2	\$561.66	-10.0%	3/19/2024	Bot WN	559 1/2	\$561.66	-10.0%
	Total			100%		Total Hedged (included CASH)			35.0%		Total Hedged (included CASH)			35.0%
2023 Cotton - margin = \$3500					2024 WHEAT - margin = \$2600					2024 WHEAT - margin = \$2175				
Date	Action	Price	Status	% Hedged	Date	Action	Price	Status	% Hedged	Date	Action	Price	Status	% Hedged
3/10/2023	Sold CASH vs. CTZ23	80.20	\$712.00	10%										
4/4/2023	Sold CASH vs. CTZ23	81.65	\$1,292.00	10%										
4/2/2023	Sold CASH vs. CTZ23	80.62	\$880.00	10%										
8/2/2023	Sold CASH vs. CTZ23	84.38	\$2,384.00	15%										
3/27/2028	Sold CASH vs. CTN24	91.89	\$1,328.00	10%										
	Total			45%										
Livestock Trading Hours					Energy					Spec				
Mon - Fri 8:30 am to 1:05 pm CST No Night Trading					Date Action Contracts Price Status					Date Action Contracts Price Status				
Grain Trading Hours														
Sun - Fri 7pm to 7:45am and 8:30am to 12:00pm CST														

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