

April 9, 2024

Weather

- U.S. hard red winter wheat areas will get rain from the Texas Panhandle through Oklahoma and northern Texas to southeastern wheat areas of Kansas. Moisture totals will be sufficient to bolster soil moisture for improved wheat and grazing grass conditions. Improved planting moisture for early summer crops is also expected
- Northern U.S. Plains, upper Midwest, western Corn Belt and eastern hard red winter wheat areas will get rain early to mid-week next week resulting in a boost in soil moisture for spring crop use
- Eastern and northern parts of Canada's Prairies will also receive rain and some snow next week improving the moisture profile for spring fieldwork
- European AI model suggested much colder weather for next week in the northern and eastern Plains, Midwest and interior southeastern states – the cold surge was likely overdone, but some cooling is advertised by most forecast models
- Brazil's drier Safrinha corn and cotton areas will get rain beginning late this week and continuing into next week as waves of rain begin
- Minas Gerais, northern Sao Paulo and southern Bahia are expected to be dry biased over the next ten days
- There is some hint of withdrawing summer monsoon moisture from Brazil after April 19
- A ridge of high pressure has been advertised by the GFS model for Russia's Southern Region, the Ural Mountains and western Kazakhstan during the week next week – this feature is a foreshadow of what is expected later this spring and summer in that part of the world. Drier and warmer biased weather is expected from Russia's Southern Region into the western and central New Lands

News:

- **USDA reported private sale of 124,000 metric tons of soybeans for delivery to unknown destinations during the 2023/2024 marketing year.**
- AgResource estimated the 23/24 Brazil Soybean crop at 145.46 mln mt that was up from their previous forecast at 143.92 mln mt. 23/24 Brazil total Corn crop at 114.2 mln mt that was off from their previous forecast at 114.94 mln mt.
- Mexico's state energy company, Pemex, is planning to cut at least 330,000 barrels per day of crude exports in May, leaving customers in the United States, Europe and Asia with a third less supply, two sources said. The plan follows the withdrawal of 436,000 bpd of Maya, Isthmus and Olmeca crudes this month, ordered by Pemex to its trading arm PMI Comercio Internacional because it needs to supply more to its domestic refineries as it targets energy self-sufficiency.
- **India has cut their global Urea purchase in half, down from 724 KMT to a now 340 KMT.**
- Dr. Cordonnier cut his Argentine corn crop estimate by 2 MMT to 53 MMT, noting heavy insect and disease pressure. Cordonnier kept his Argentine soybean crop forecast at 51 MMT. He also maintained his Brazilian crop estimates at 145 MMT for soybeans and 112 MMT for corn.
- The Mato Grosso Institute of Agricultural Economics estimates the state's corn production at 45.29 MMT this year, with 11.65 MMT (25.7%) expected to be utilized for ethanol production. Mato Grosso's corn exports are projected to fall 18.2 MMT from last year to 24.39 MMT, including 4.54 MMT to other Brazilian states.
- The owner of Russian grain exporter RIF says his company has stopped handling agriculture goods at their Azov Sea terminal, saying their operations have been blocked by the government. He noted the terminal has stopped accepting inbound shipments and export operations. The terminal handles around 4.0 mln mt a year.
- Gold prices posted a record high for an eighth consecutive day overnight on support from speculative buying and geopolitical tensions. Traders are waiting for the Fed monetary policy meeting minutes and U.S. consumer inflation data on Wednesday for fresh signals on the path of interest rates, which appears it will be higher for longer. Elevated interest rates usually constrain the appeal of holding non-yielding gold, but traders have been ignoring this factor. Spot silver prices hit their highest level since June 2021 during overnight trade.
- Argus analysts now forecast the Russian 2024/25 wheat production at 92.1 mln mt, that's up +2.1 mln mt over their initial forecast back in November. They noted winter wheat output will outweigh less favorable prospects for spring wheat yields.
- AgResource estimated the 23/24 Brazil Soybean crop at 145.46 mln mt that was up from their previous forecast at 143.92 mln mt. 23/24 Brazil total

Corn crop at 114.2 mln mt that was off from their previous forecast at 114.94 mln mt.

Source: WASDE and estimates by Reuters

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

	MARCH	AVERAGE	RANGE OF	USDA
	USDA	ANALYSTS	ANALYSTS'	2022-23
	ESTIMATE	ESTIMATE	ESTIMATES	FINAL
CORN	2.172	2.102	2.025-2.191	1.361
SOYBEANS	0.315	0.317	0.300-0.340	0.268
WHEAT	0.673	0.690	0.670-0.720	0.582
SOYOIL	1.582			1.602
SOYMEAL	400,000			371,000
OATS	0.036			0.035
SORGHUM	0.022			0.024
RICE	41.5			30.3
COTTON	2.50			4.25

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

COMMODITY	MCH 2024	AVERAGE		4/11/24	MCH 2024
	2023-24	ANALYSTS		2022-23	2022-23
	EST	EST		EST	EST
WHEAT	258.83	159.14			271.10
CORN	319.63	316.72			301.62
SOYBEANS	114.27	113.71			102.15
SOYMEAL	14.89				13.70
SOYOIL	5.01				4.91
COTTON	83.34				82.97
RICE	169.70				177.18

ARGENTINA & BRAZIL – 2023-24 CORN & SOYBEAN ESTIMATES

COMMODITY	4/11/24	MCH 2024	AVERAGE	RANGE OF
	2023-24	2023-24	ANALYSTS'	ANALYSTS'
	ESTIMATE	ESTIMATE	ESTIMATE	ESTIMATE
ARGENTINA CORN		56.00	55.60	54.00-57.75
ARGENTINA SOYBEANS		50.00	50.48	50.00-52.00
BRAZIL CORN		124.00	121.75	118.00-124.20
BRAZIL SOYBEANS		155.00	151.68	148.00-155.00

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Winter Wheat Conditions

State	This Week's Condition		Change from last *WEEK*	
	Poor-VP	Good-Excel.	P-VP Chng	G-E Chng
Arkansas	3%	61%	+0%	+2%
California	0%	95%	+0%	+0%
Colorado	21%	53%	+13%	-5%
Idaho	7%	63%	-2%	-3%
Illinois	13%	65%	+2%	+1%
Indiana	4%	74%	+0%	-1%
Kansas	14%	49%	-1%	+1%
Michigan	6%	62%	-3%	+6%
Missouri	1%	76%	+0%	-1%
Montana	5%	63%	+1%	+6%
Nebraska	6%	68%	+1%	+3%
North Carolina	2%	77%	+0%	-3%
Ohio	3%	67%	+1%	+0%
Oklahoma	8%	68%	+4%	-5%
Oregon	6%	73%	-1%	+2%
South Dakota	8%	60%	-3%	+13%
Texas	20%	44%	+2%	+0%
Washington	10%	44%	-6%	-7%
US Average*	12%	56%	+1%	+0%
US This week in 2023	37%	27%	xxx	xxx

**Represents 89% of 2023 U.S. Winter Wheat Acres

Hard Red Wheat Weighted Average

State	This Week's Condition		Change from last *WEEK*	
	Poor-VP	Good-Excel.	P-VP Chng	G-E Chng
California	0%	95%	+0%	+0%
Colorado	21%	53%	+13%	-5%
Kansas	14%	49%	-1%	+1%
Nebraska	6%	68%	+1%	+3%
Oklahoma	8%	68%	+4%	-5%
South Dakota	8%	60%	-3%	+13%
Texas	20%	44%	+2%	+0%
7 HRW State Average**	14%	54%	+2%	-0%

**Represents roughly 60% of est. US Winter Wheat acreage

Soft Red Wheat Weighted Average

State	This Week's Condition		Change from last *WEEK*	
	Poor-VP	Good-Excel.	P-VP Chng	G-E Chng
Arkansas	3%	61%	+0%	+2%
Illinois	13%	65%	+2%	+1%
Indiana	4%	74%	+0%	-1%
Michigan	6%	62%	-3%	+6%
Missouri	1%	76%	+0%	-1%
North Carolina	2%	77%	+0%	-3%
Ohio	3%	67%	+1%	+0%
6 SRW State Average	5%	69%	+0%	+0%

**Represents roughly 9% of est. US Winter Wheat acreage

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Technically Speaking:

Market Fundamentals:

Yesterday's Trades: No new trades.

ADVICE: No new advice in choppy day-to-day trend as carry charges dwindle with time. Thursday WASDE outlook above.

COMMENTS: USDA reported the sale of 4.5 mb of soybeans to unknown destinations. US soybean prices are more competitive than normal for the summer shipping period.

- USDA reported the sale of 4.5 mb of soybeans to unknown destinations.
- Weather- Generally normal to above temps and precip across most of the central US over the next 10 days. Wheat areas to receive rains—after yesterdays questionable outlook. Weather in US variable as we transition with more normal springlike planting outlook
- Call it normal weather in South America—Agresources seems confident of 145mmt beans in line with Cordonnier
- Winter wheat conditions better than year ago. 56% good to excellent versus 27% last year.
- Boxed beef up almost \$5 yesterday and the pork cutout topped \$100 for the first time since last September. So actual demand robust and futures rebounding in continued volatile trade---
- Economically speaking---US economy impressive with now little chance of interest rate cuts in 2024 at least thru Q3. Fed Funds rate, the rate paid on large checking/savings accounts continues to trend higher now at 5.33%.

Gulke Group Spec Table Buy/Sell Stops				(*New Positions in BOLD)			
	4/9/2024			Today's Stops		Current Position*	
	High	Low	Close	Buy	Sell	Long	Short
CN24	449 1/4	443 3/4	447 1/2	453 1/2	441 1/2		440 1/4
CZ24	474 3/4	469 3/4	473	478 1/2	467 1/2		468 1/4
SN24	1204 1/4	1193 1/2	1194 1/4	1205 1/2	1183		1203 1/4
SX24	1189 3/4	1180 3/4	1184 1/4	1193 3/4	1174 3/4	1191 3/4	
SMN24	341.2	335.1	339.1	345.4	332.9		339.5
BON24	49.62	48.24	48.45	50.33	46.57	48.36	
WN24	588	574 1/4	580 1/2	594 3/4	566 1/4	551 1/2	
KWN24	592	576 3/4	584 1/2	600 1/4	568 3/4	583 3/4	
MWN24	665 1/2	653	659	672	646	665	
LCM24	173.825	171.900	173.325	175.750	170.900		178.675
LCV24	174.750	173.200	174.150	175.900	172.400		178.525
LHM24	108.350	106.625	107.925	109.850	106.000		101.600
LHV24	89.375	88.800	89.325	90.100	88.550	87.350	
FCK24	240.000	236.250	237.175	241.125	233.225		248.275
CTK24	88.24	86.12	86.650	88.82	84.48		91.12
CTN24	89.84	87.90	88.390	90.53	86.25		91.61
SBK24	22.23	21.55	21.590	22.32	20.86		22.29
GCM24	2372.5	2321.7	2357.60	2408.90	2306.30	2199.2	
NRK24	16.33	16.06	16.12	16.41	15.82	16.420	
DJM24	39344	39117	39219	39466	38972		40002
CLK24	87.1	84.69	86.43	89.04	83.82	81.86	
NGK24	1.850	1.746	1.844	1.963	1.725		1.718
DXM24	104.21	103.860	103.910	104.46	103.36	102.983	
USM24	117 10/32	116 11/32	117 4/32	118 11/32	115 29/32		118 31/32

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