

**April 25, 2024**

## **Weather:**

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- Flooding is still expected in southern China again starting late this week and lasting through much of next week
  - Guangdong, Fujian and eastern Guangxi will be most impacted
- Flooding is expected in United States this weekend and into next week from Oklahoma and a part of the Delta through Missouri and Illinois to the western Great Lakes region
- Flooding is expected in southern Brazil and immediately neighboring areas over the next week to possibly ten days
  - Rio Grande do Sul will be at the heart of this excessive rain event and some damage to unharvested soybeans is expected
- Soil moisture in Russia's Southern Region continues in decline and rainfall is still advertised to be restricted for next ten days; cooling is expected next week
- Not much additional rain will fall in the North China Plain or lower Yellow River Basin of China for a while
- Europe weather will trend drier in eastern parts of the continent while the west turns wetter in the coming weekend and next week
- West-central U.S. hard red winter wheat areas are unlikely to get much precipitation in the coming week
- Canada Prairies weather may trend wetter in the second week of the forecast
- U.S. southeastern states will be drier than usual over the next ten days
- Argentina's greatest rain is still expected in the east from eastern Buenos Aires to eastern Formosa this weekend through the end of next week
- Drying is still expected in center west, center south and northeastern Brazil over the next ten days which is normal

## **News:**

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- **Grain traders say that Taiwan Flour Millers's Association purchased 106,675 mt of US origin Wheat for shipment off the US PNW coast in LH June, FH July. The total included 65, 775 mt of DNS wheat, 27,500 mt of HRW wheat and 13,400 mt of White wheat.**
- Grain trade sources indicated Algeria bought Durum Wheat at today's tender, the volume purchased is estimated around 200,000 mt.

- Grain traders say at least 30,000 mt of optional origin feed Soymeal was bought by Algeria this week, they had been seeking up to 70,000 mt for May shipment.
- Grain traders say at least 30,000 mt of optional origin feed Corn was bought by Algeria this week, they had been seeking up to 120,000 mt for May shipment.
- **The ethanol side of the EIA scorecard played out like last week; larger than expected production decline with an 'in-line' stocks draw. Ethanol production declined another -3% wk/wk to 0.954 mil bbl/day, and overall has declined -11% in the past three reports. 0.954 mil bbl/day would yield 280 million gallons of ethanol on the week and consume 97 million bushels of total feedstock; over a marketing year, it would utilize 5.0 billion bushels of corn, which is now well below both USDA estimates and the 23/24 YTD average grind.**
- Argentine corn farmers are bracing for a warmer-than-normal Southern Hemisphere winter that will likely undermine efforts to reduce the population of leafhopper insects that damage the crop, the Rosario Grain Exchange said. Farmers were hoping cooler weather could check the growth of leafhoppers, as they do not tolerate temperatures below about 39 degrees Fahrenheit (4 degrees Celsius). But the exchange forecasts that upcoming winter weather conditions are unlikely to help control the pest with "minimum temperatures at average values or even slightly higher."
- **India cotton industry body forecast 23/24 ending cotton stocks will be off -31% by the end of September, if realized that would be a three-decade low.** The group suggests the lower expected stockpiles will help support worldwide prices. Production this year is forecast at 30.9 mln bales, down from 31.9 mln bales last season.
- **U.S. crude oil inventories unexpectedly fell sharply last week as exports jumped, while gasoline stockpiles decreased less than forecast, the Energy Information Administration said. Crude stocks slumped by 6.4 million barrels to 453.6 million barrels in the week ended April 19, the EIA said, compared with analysts' expectations in a Reuters poll for a 825,000-barrel rise.**
- **China's Ag Ministry estimated end of March sow herd at 39.92 mln head, that's off -3.6% from the previous quarter and down -7.3% from the year ago quarter. The data also showed pig slaughter was off -2.2% in the first quarter from the year earlier period.**
- **USDA Ag Sec Vilsack confirmed before cattle are moved interstate, they must be tested for avian flu, and any positive test will prohibit animals from being moved at least 30 days and until they test negative.** Vilsack noted the agency will pay for increased testing of cattle at national animal health labs. The USDA Ag Sec acknowledged an asymptomatic dairy cow was found to have H5N1 bird flu in its lungs; the animal was sent to slaughter and did not enter the food chain.
- Japanese press reports the Japanese and Brazilian governments will sign a decarbonization pact at an upcoming summit in May. The two sides will cooperate on biofuel technology, with up to 40 Japanese companies seeking greater Brazil investments on "green" technologies.

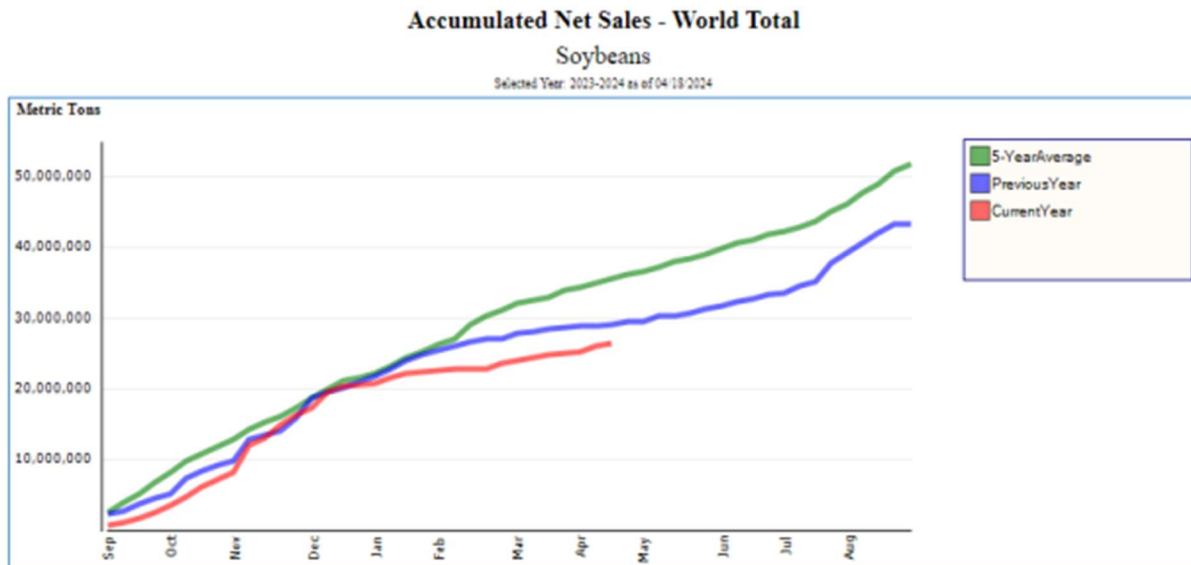
- **USDA’s Cold Storage Report showed frozen beef stocks declined more than average during March, signaling demand remains strong. Pork inventories built contra-seasonally last month. Total beef stocks at 432.2 million lbs. declined 15.1 million lbs. from February, which was more than the five-year average drop of 12.4 million lbs. for the month. Frozen beef inventories fell 45.6 million lbs. (9.5%) from last year and were 58.0 million lbs. (11.8%) under the five-year average. Pork stocks rose 6.5 million lbs. to 464.2 million lbs., whereas the five-year average was a 10.3-million-lb. decline during March. But pork inventories dropped 69.7 million lbs. (13.1%) from a year ago and 75.0 million lbs. (13.9%) from the five-year average.**
- Colombia blocked fresh/frozen beef and beef products from cattle slaughtered on or after April 15 in Idaho, Kansas, Michigan, New Mexico, North Carolina, Ohio, South Dakota, and Texas – the eight states that have detected the H5N1 virus in dairy cattle. USDA’s Food Safety and Inspection Service (said the restrictions are “temporary” and could result in shipments being held at port even if exporters have a valid import permit. Indications are that the Dominican Republic may also deploy some restrictions, but FSIS information does reflect any change yet.

## Technically Speaking:

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## Market Fundamentals:

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**Export Sales**

4/12/24 - 4/18/24

	Estimates	Net Sales		Accum. Exports	Year Ago Accum. Exports	This Week YOY % change	Last Week YOY % change
		<u>23/24</u>	<u>24/25</u>				
Wheat	0-500k	82,000	371,900	18,816,900	18,691,300	0.67%	1.08%
Corn	400k-1.1m	1,299,900	262,300	45,977,800	38,451,900	19.57%	17.41%
Beans	300-900k	210,900	120,100	41,493,600	50,413,800	-17.69%	-17.60%
Meal	100-400k	307,900	35,100	11,024,500	9,563,000	15.28%	13.89%
Soyoil	<b>(-2.5k)</b> -15k	16,200	0	104,200	103,400	0.77%	-14.81%
Sorghum		38,000	0	5,077,100	1,593,600	218.59%	216.01%
Beef		15,200	0	368,800	396,700	-7.03%	-8.68%
Pork		28,800	0	765,800	771,600	-0.75%	2.70%
Cotton		177,100	65,700	11,294,300	12,021,100	-6.05%	-6.00%

Source: USDA (FAS) - Gulke Group

**Wheat:** Net sales of 82,000 metric tons (MT) for 2023/2024 were down noticeably from the previous week and down 4 percent from the prior 4-week average. Increases primarily for **China (72,200 MT)**. Net sales of 371,900 MT for 2024/2025 were primarily for the Philippines (82,000 MT), unknown destinations (65,000 MT), South Korea (50,000 MT), Mexico (35,100 MT), and Japan (34,300 MT). **Corn:** Net sales of 1,299,900 MT for 2023/2024 were up noticeably from the previous week and up 74 percent from the prior 4-week average. Increases primarily for Mexico (390,500 MT), South Korea (252,000 MT), Japan (233,200 MT), Saudi Arabia (142,400 MT), and Taiwan (140,700 MT). **Soybeans:** Net sales of 210,900 MT for 2023/2024 were down 57 percent from the previous week and 29 percent from the prior 4-week average. Increases primarily for **China (167,500 MT)**, Mexico (87,800 MT), Indonesia (67,500 MT). Net sales of 120,100 MT for 2024/2025 were reported for Mexico (108,000 MT). **Soybean Cake and Meal:** Net sales of 307,900 MT for 2023/2024 were up noticeably from the previous week and up 90 percent from the prior 4-week average. Increases primarily for the Philippines (140,500 MT), Ecuador (53,000 MT), Vietnam (49,900 MT), Venezuela (37,500 MT), and Guatemala (32,300 MT). **Pork:** Net sales of 28,800 MT for 2024 were up 32 percent from the previous week, but down 25 percent from the prior 4-week average. Increases were primarily for Mexico (11,300 MT), Japan (4,200 MT), South Korea (3,300 MT), **China (2,400 MT)**.

**Yesterday's Trades: no new trades.****ADVICE: No new advice in grains or livestock –if you are wanting to empty bins there are choices.**

- **Hold day by day until we see a reason to sell and do nothing today**
- **Sell it and wait for another buy signal from us a replace with upside call protection**
  - **Only works if you can/will buy options --**
- **Hedge the corn off in Dec futures due to carry**

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**Meal lower, soy oil a little rebound, Canola down in it volatility**

**COMMENTS:** Good inspections of corn Monday and good export sales of corn today. Regarding advice, I'd am choosing #1 above---do nothing with old crop. Bean exports are terrible with wheat on the upper range with corn above the high end of this week's range. So technical bias still intact for positive C/W but soybeans need good news, and the market believes USDA will kick the can down the road. Soybeans are terrible all around. May WASDE will be a make or break along with weather---we need something, and it doesn't look like we are getting it from USDA -Sect wants to tap into CCC to spend more money.

**ECONOMY:** A bad day report wise with "stagflation" mentioned on CNBC today. The indices retraced about 30%+ as mentioned yesterday and turned down and now down 600—I personally added another long put (each put worth about \$200,000 in value). Our 40 yr technical analysis seems to work with stocks and commodities? Now analysts are suggesting a 10% correction in the stock market may not be enough, and the gov continues to spend spend spend.

**PLANTING:** Finally seeing some lights and planters going into the dark but way less than what one might expect with 4 days of rain. Nitrogen STILL going on with two-day lead time to have put on.

Gulke Group Spec Table Buy/Sell Stops				(*New Positions in BOLD)			
	4/25/2024			Today's Stops		Current Position*	
	High	Low	Close	Buy	Sell	Long	Short
CN24	454 1/4	448	448 1/2	455 1/4	441 3/4	442	
CZ24	477	471 3/4	472 3/4	478 1/2	467	465 1/2	
SN24	1191 3/4	1179 1/4	1181 1/2	1194 1/2	1168 1/2	1166 1/4	
SX24	1180 3/4	1170 1/4	1174 1/2	1185 1/2	1163 1/2	1162 1/2	
SMN24	351.9	345.7	349.2	355.6	342.9	342.8	
BON24	45.98	45.10	45.27	46.65	43.89		46.54
WN24	617	596 1/4	613	634 1/4	591 3/4	551 1/2	
KWN24	633 1/2	609 1/2	630	654 1/2	605 1/2	583 3/4	
MWN24	687 3/4	665 3/4	685 1/2	708	663	649 1/4	
LCM24	177.675	174.725	175.250	178.700	171.800		175.425
LCV24	180.075	177.350	177.650	180.575	174.725	178.050	
LHM24	108.400	106.800	107.450	109.250	105.650	104.550	
LHV24	88.300	87.500	87.900	88.900	86.900	86.125	
<b>FCQ24</b>	260.275	256.075	256.300	260.700	251.900		<b>256.050</b>
CTN24	82.00	80.90	81.010	82.31	79.71		91.61
<b>CTZ24</b>	78.27	77.54	77.690	78.47	76.91		77.69
<b>SBN24</b>	19.79	19.51	19.770	20.10	19.44		19.77
GCM24	2350.9	2324.8	2328.10	2354.70	2301.50		2366.80
<b>NRN24</b>	19.45	19.14	19.42	19.76	19.08	19.415	
DJM24	38801	38520	38680	38981	38379		40002
CLM24	83.71	82.44	82.81	84.28	81.34		83.25
NGM24	2.133	1.960	1.979	2.167	1.791		2.029
DXM24	105.79	105.425	105.665	106.23	105.10	102.983	
USM24	114 24/32	113 20/32	113 29/32	115 9/32	112 17/32		118 31/32

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