

**May 3, 2024**

**Weather:**

---

- Frost and freezes occurred in southern Argentina this morning with a few unofficial lows to -3C or 27F near Azul and Tandil, Buenos Aires with near freezing temperatures as far north as the Entre Rios border
  - Some soybean damage may have occurred
- **Flooding rain will continue in Rio Grande do Sul, although rain intensity was down greatly Thursday**
  - **Rain will continue through Saturday and then some welcome drying is expected**
  - Some soybean and late season rice damage is strongly suspected
- Rain in New South Wales, Australia today and Friday will disrupt cotton harvesting and raise a little concern over fiber quality, but the moisture will be good for wheat, barley canola planting
  - Additional rain is expected next week
- Much needed rain will fall in western and southern Saskatchewan and eastern Alberta, Canada Monday through Wednesday bolstering soil moisture for spring planting
  - Drought will remain, but this will be a great opportunity for improved planting moisture
- U.S. Midwest, and eastern and northern Plains as well as the Delta will continue quite wet for another week to ten days
  - There is some sign of drying and cooling conditions in the second week of the outlook with some ridge of high pressure development possible in the central U.S. after mid-month
- West Texas cotton areas will have a chance for rain this weekend, but there will not be much follow up rain
- South Texas and the Texas Coastal Bend will not get much moisture for a while stressing some dryland crops

**News:**

---

- **USDA reported private sale of 122,000 metric tons of soybeans for delivery to unknown destinations during the 2023/2024 marketing year.**

- Grain trade sources estimated Algeria has bought between 200,000 mt to 300,000 mt at their tender that closed yesterday. Purchases talks are said to be ongoing and additional purchases could be possible. While optional origins are accepted, traders believe Russian and Ukrainian cargoes will be highly involved.
- **The Buenos Aires Grain Exchange weekly crop report pegged the 23/24 Argentina Corn production forecast at 46.5 mln mt. Their** previous estimate on April 11th was 49.5 mln mt. They estimated the Argentina Corn crop conditions at 18% good to excellent, 42% fair, and 40% poor to very poor, that compares with last week's 17% good to excellent, 43% fair, and 40% poor to very poor. The Argentina Corn harvest is at 22.1% complete, with 14.64 mln mt harvested so far, that compares with last week's harvest at 19.8% complete, with 12.483 mln mt harvested.
- **The Buenos Aires Grain Exchange has estimated Argentina Soybean crop conditions at 29% good to excellent, 46% fair, and 25% poor to very poor, that compares with last week's 30% good to excellent, 46% fair, and 24% poor to very poor.** They also estimated the Argentina Soybean harvest at 36.2% complete, with 20.32 mln mt harvested so far, that compares with last week's harvest 25.5% complete, with 14.78 mln mt harvested.
- OPEC and its allies have yet to begin formal talks on extending voluntary oil output cuts of 2.2 million barrels per day beyond June, but three sources from OPEC+ producers said they could keep their cuts if demand fails to pick up.
- **Torrential rains and flooding are disrupting the final stages of harvest in Rio Grande do Sul, Brazil. "Crops are under a foot of water, Rabobank analyst Vitor Pistoia told Reuters. We don't know the extent of the damage because it's still wet and the forecast is for further rain. The state could easily lose 1 million tons." Meanwhile, hot and dry weather in central Brazil is damaging safrinha corn, Pistoia said.**
- **Russia's IKAR agricultural consultancy cut its forecast for Russia's wheat crop to 91 MMT from 93 MMT previously. They also lowered wheat exports to 50.5 mln mt, off -1.5 mln mt from the previous forecast.**
- **Stabenow's farm bill proposal limits PLC to 20% of Effective Reference Price...** PLC is designed to work when prices get low. Stabenow's proposal would limit payments for program crops when they are needed the most. Example: Wheat fell to \$3.89 during the 2016 recession. With a reference price of \$5.50, that resulted in a payment rate of \$1.61 per bu. (\$5.50 minus \$3.89). Stabenow's proposal would have limited PLC to \$1.10 per bu. (\$5.50 x 20%). Wheat growers would have seen their support cut by 51 cents per bu. at a time when it was needed most.

## Technically Speaking:

---

## Market Fundamentals:

---

### Yesterday's Trades: No new trades.

**ADVICE:** No new advice--- seemingly any bullish news out of Brazil and Arg was either hidden or unknown by the short who got caught looking the other way----

**COMMENTS:** A wildly friendly market yesterday in grains and beef with carry through overnight and now this morning as new reports of flooding in Argentina and the southern-most of Brazil catch the market at the right time. Meal exploded and once again the technical indicated as such but media and spec hype on too much meal with no place to go was ill-gotten. A lot of problems with those short the market.

Friday will see some impressive weekly closes if things hold with more rain to come in Arg where Corn was reduced by 3-4 mmt, and delays in Midwest due to moisture. We've felt for a couple months that something was going on, which we knew not as technically the picture was telling us to be cautious about being short futures, so the last move was in short far out call options which had a reasonable delta. We'll deal with that scenario as it plays out but would not object if someone wanted to take advantage of the gains in the last two weeks but we are making no formal recommendations today. Lots of traders got caught big time so we will see if shorts blow out more. Markets will likely be very volatile today. More later in mid-day if we see anything negative.

Our position matrix shows us with a lot of grains to sell and this explosion is what we hoped for--!!

**ECONOMICALLY:** The economy got good news today resulting in a 600 pt move in DJIA. That market may very well try to attack old highs.

Gulke Group Spec Table Buy/Sell Stops				(*New Positions in BOLD)			
	5/3/2024			Today's Stops		Current Position*	
	High	Low	Close	Buy	Sell	Long	Short
CN24	460 1/2	449 3/4	459 3/4	471	448 1/2	442	
CZ24	480 1/2	471 1/2	479 1/2	489	470	465 1/2	
SN24	1201 3/4	1170 1/4	1199	1231	1167	<b>1186</b>	
SX24	1190 1/4	1164 1/2	1187 3/4	1214	1161 1/2	<b>1177 3/4</b>	
SMN24	366.4	349.0	364.9	382.5	347.4	342.8	
BON24	43.59	42.83	43.24	44.50	41.98		46.54
WN24	615 1/2	595 1/2	604 1/4	624 3/4	583 3/4		604 3/4
KVN24	638 3/4	624 1/2	636 1/2	651 1/4	621 3/4	583 3/4	
MWN24	711	700 1/2	709 1/4	720 1/4	698 1/4	649 1/4	
LCM24	178.000	176.450	176.800	178.850	174.750		175.425
LCV24	178.875	177.100	177.375	179.350	175.400		178.000
LHM24	100.675	99.375	99.925	101.425	98.425		105.650
LHV24	85.200	83.850	84.875	86.425	83.325		86.900
FCQ24	257.475	254.800	255.225	258.100	252.350		256.050
CTN24	78.13	75.25	75.620	78.70	72.54		79.93
CTZ24	76.24	74.02	74.180	76.45	71.91		77.20
SBN24	19.49	19.10	19.250	19.69	18.81	19.74	
GCM24	2336.1	2294.3	2312.20	2354.50	2269.90		2329.30
NRN24	19.24	18.25	18.34	19.36	17.32		19.080
DJM24	38643	38037	38382	39008	37756		40002
CLM24	79.9	78.41	78.95	80.64	77.26		83.25
NGM24	2.050	1.927	2.035	2.173	1.897	2.031	
DXM24	105.79	105.170	105.260	106.08	104.45		105.330
USM24	115 5/32	114 2/32	115 4/32	116 15/32	113 25/32	115 3/32	

RESULTS HAVE MANY INHERENT LIMITATIONS, SOME OF WHICH RE 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 N\O 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**

