

May 10, 2024

Weather:

- **Cold air in Russia and Ukraine overnight was not quite as intense or as far reaching as feared, though there is some missing data from the region**
 - **Some damage to small grains and rapeseed was noted earlier this week and more of the same should have come from today's cold surge, although time will be warranted for a damage assessment to be completed**
- Rio Grande do Sul will get another round of significant rain today through Monday inducing some local flooding
 - Not much new crop or property damage is expected after torrential rain occurred in late April and early May
- Safrinha corn areas get rain late next week through the following weekend with Parana and Mato Grosso do Sul wettest
- **Argentina will be dry during much of the next ten days to two weeks away from the far northeast favoring good harvest and maturation conditions**
- **Argentina will see more frost and freezes late this weekend and early next week that may reduce the quality of some late season summer crops**
- U.S. weather remains active enough to keep fieldwork slow for the next ten days
- West-central and southwestern U.S. Plains will get some needed moisture this weekend and again during mid- to late-week next week
- Canada's Prairies get more rain next week
- Excessive heat occurred in northern Mexico and southern Texas as well as areas to the east into Florida Thursday
- France will continue drying down through the weekend and will then trend wetter again next week along with other areas in western and central Europe
- Wet weather in Heilongjiang and Jilin, China in the coming week will delay spring fieldwork
- **Dry weather in the North China Plain for the next ten days will maintain a rising trend for needed rain in winter and summer crop areas**
- Western and South Australia are dry for the next ten days
- Rain developed in New South Wales, Australia Thursday and it will continue into Saturday morning causing more concern over cotton fiber quality

News:

- Egypt's GASC said to have bought 102,000 mt of vegoils at today's tender, that included 73,000 mt of Sunflower Oil and 29,000 mt of Soyoil.
- Grain trade sources indicated 132,000 mt of feed Corn was bought in a privately negotiated deal by South Korea based Major Feedmill Group.
- **Bunge has temporarily halted their Rio Grande Do Sul soybean crushing and terminal port operations as a result of flooding in the region.**
- **The Buenos Aires Grain Exchange estimated the Argentina Soybean crop conditions at 27% good to excellent, 47% fair, and 26% poor to very poor, that compares with last week's 29% good to excellent, 46% fair, and 25% poor to very poor.** They estimated the Argentina Soybean harvest at 47.8% complete, with 26.28 mln mt harvested so far, that compares with last week's harvest 36.2% complete, with 20.32 mln mt harvested. They noted the first season soy harvest is accelerating, and second planting yields are outstanding in the northern and southern core areas, but in the NEA regions harvest delays and below estimate yields may affect their future production estimate, currently at 51.0 mln mt.
- **The Buenos Aires Grain Exchange estimated the Argentina Corn crop conditions are at 27% good to excellent, 47% fair, and 26% poor to very poor, that compares with last week's 18% good to excellent, 42% fair, and 40% poor to very poor.** They estimated the Argentina Corn harvest at 23.4% complete, with 15.31 mln mt harvested so far, that compares with last week's, harvest at 22.1% complete, with 14.64 mln mt harvested.
- **China's monthly crop report released showed they lowered their 24/25 MY Soybean import forecast to 94.6 mln mt, that is off -1.5 mln mt from the previous 96.1 mln mt. They lowered their 24/25 MY Corn import forecast to 13.0 mln mt, that is off -6.5 mln mt from the previous 19.5 mln mt. They pegged Corn production at 297 mln mt, but lowered their Soybean production estimate to 20.54 mln mt. The crop report lowered Cotton import estimate to 2.0 mln mt, off -28.5% from the previous 2.8 mln mt estimate.**
- **Malaysian Palm Oil Board data pegged April 2024 production at 1.501 mln mt, that compares with March's revised 1.392 mln mt and expectations at 1.46 mln mt.** In the year earlier month production was 1.196 mln mt. The April 2024 ending stockpiles is at 1.744 mln mt, that compares with March's revised 1.712 mln mt and expectations at 1.68 mln mt. In the year earlier month stocks were 1.497 mln mt. The April 2024 palm oil exports was estimated at 1.234 mln mt, that compares with March's revised 1.327 mln mt and expectations at 1.22 mln mt. In the year earlier month exports were 1.074 mln mt.
- The Biden administration added 37 Chinese entities to a trade restriction list, including some for allegedly supporting the spy balloon that flew over the U.S. last year. The Chinese embassy in Washington called the move “blatant economic

coercion and bullying in the field of technology,” and said China would resolutely safeguard the lawful rights of Chinese firms and institutions. **President Joe Biden is also set to announce new China tariffs as soon as next week targeting strategic sectors including electric vehicles, batteries and solar equipment. Sen. Chuck Grassley, (R-Iowa) expects Beijing to respond. “We know how China reacted when Trump put tariffs on,” he said. “They hit agriculture with it. I can’t be sure that China would hit agriculture the same as they did in the Trump ones, but they’re going to hit back.”**

- **AgResource analysts Thursday lowered their 23/24 Brazil soybean production forecast to 144.59 mln mt, off from their previous outlook at 145.46 mln mt.** The consultancy expects the soybean production losses related to Rio Grande do Sul flooding at 1.78 mln mt.
- **France’s ag ministry rated the country’s wheat crop as 64% good or excellent as of May 6, up one percentage point from the previous week. However, that was still the lowest rating for this time of year since 2020.**
- Scotland confirmed a isolated case of classical BSE, aka "mad cow", disease on a farm in the southwestern portion of the country. Movement restrictions have been placed on animals on the farm and the government is seeking to identify the origin of the disease.

Sources: WASDE and estimates by Reuters.

U.S. WHEAT PRODUCTION - 2024

| | AVERAGE | RANGE OF | USDA |
|-----------------------|-----------------|--------------------|--------------------|
| | ANALYSTS | ANALYSTS’ | <u>2023</u> |
| | ESTIMATE | ESTIMATES | FINAL |
| ALL WHEAT | 1.884 | 1.775-1.970 | 1.812 |
| ALL WINT WHT | 1.311 | 1.210-1.395 | 1.248 |
| HR WHEAT | 0.689 | 0.560-0.780 | 0.601 |
| SR WHEAT | 0.404 | 0.343-0.486 | 0.449 |
| WHITE WINT WHT | 0.212 | 0.190-0.233 | 0.198 |

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

| | APRIL | AVERAGE | RANGE OF | USDA |
|----------|----------|----------|-------------|---------|
| | USDA | ANALYSTS | ANALYSTS' | 2022-23 |
| | ESTIMATE | ESTIMATE | ESTIMATES | FINAL |
| CORN | 2.122 | 2.100 | 2.007-2.172 | 1.361 |
| SOYBEANS | 0.340 | 0.339 | 0.304-0.365 | 0.268 |
| WHEAT | 0.698 | 0.696 | 0.658-0.713 | 0.582 |
| SOYOIL | 1.627 | | | 1.602 |
| SOYMEAL | 400,000 | | | 371,000 |
| OATS | 0.034 | | | 0.035 |
| SORGHUM | 0.022 | | | 0.024 |
| RICE | 43.5 | | | 30.3 |
| COTTON | 2.50 | | | 4.25 |

U.S. GRAINS, COTTON & SOYBEAN COMPLEX CARRYOUT – 2024-25

| | AVERAGE | RANGE OF |
|----------|----------|-------------|
| | ANALYSTS | ANALYSTS' |
| | ESTIMATE | ESTIMATES |
| CORN | 2.284 | 2.032-2.513 |
| SOYBEANS | 0.431 | 0.315-0.552 |
| WHEAT | 0.786 | 0.705-0.879 |

U.S. GRAIN & SOYBEAN PRODUCTION – 2024

| | AVERAGE | RANGE OF | USDA | USDA |
|----------|-----------|---------------|---------|--------|
| | ANALYSTS' | ANALYSTS' | 2024 | 2023 |
| | ESTIMATE | ESTIMATES | OUTLOOK | FINAL |
| CORN | 14.887 | 14.758-15.342 | 15.040 | 15.342 |
| SOYBEANS | 4.440 | 4.165-4.554 | 4.505 | 4.165 |

U.S. GRAIN & SOYBEAN YIELD/ACRE – 2024

| | AVERAGE | RANGE OF | USDA | USDA |
|----------|-----------|-------------|---------|-------|
| | ANALYSTS' | ANALYSTS' | 2024 | 2023 |
| | ESTIMATE | ESTIMATES | OUTLOOK | FINAL |
| CORN | 180.3 | 177.3-181.5 | 181.0 | 177.3 |
| SOYBEANS | 51.9 | 50.6-53.0 | 52.0 | 50.6 |

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WORLD GRAINS, SOYBEAN & COTTON CARRYOUT - 2023-24 AND 2024-25

| COMMODITY | APRIL 2023-24 | AVERAGE ANALYSTS | APRIL 2024-25 | AVERAGE ANALYSTS |
|-----------|------------------|---------------------|------------------|---------------------|
| | EST | EST | EST | EST |
| WHEAT | 258.27 | 256.90 | NA | 257.37 |
| CORN | 318.28 | 314.68 | NA | 317.84 |
| SOYBEANS | 114.22 | 112.35 | NA | 120.87 |
| SOYMEAL | 14.30 | | NA | |
| SOYOIL | 5.16 | | NA | |
| COTTON | 83.08 | | NA | |
| RICE | 172.15 | | NA | |

ARGENTINA & BRAZIL - 2023-24 CORN & SOYBEAN ESTIMATES

| COMMODITY | APRIL 2023-24 | AVERAGE ANALYSTS' | RANGE OF ANALYSTS' |
|--------------------|------------------|----------------------|-----------------------|
| | ESTIMATE | ESTIMATE | ESTIMATE |
| ARGENTINA CORN | 55.00 | 52.14 | 50.00-55.00 |
| ARGENTINA SOYBEANS | 50.00 | 49.61 | 48.00-50.00 |
| BRAZIL CORN | 124.00 | 122.40 | 121.00-125.60 |
| BRAZIL SOYBEANS | 155.00 | 152.63 | 150.80-155.00 |

Technically Speaking:

Market Fundamentals:

Yesterday's Trades:

ADVICE: No new advice---- traders leaning for a bearish report but and seeing less short covering. Grains firmer overnight and in early AM

COMMENTS: We adjusted some positions earlier this week and feel better reacting than to try to ascertain what USDA will do. There is still the matter of finding the disappearance of corn implied by the March stocks report, but we seem to be the only one concerned. A friendly surprise would be to see ending stocks lowered for 2023/24 -- the current marketing year. A lot will depend on global demand outlook by USDA especially the implications for China and Argentina. Traders will likely focus more on new crop demand now that we get the first formal outlook for 2024/25, with supply well guessed with acres X yield in place. Both soy meal and soy oil stronger today helping beans recover a little.

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TECHNICALLY how grains close out the week could change the technical outlook to be more negative and that is obvious as it would take a negative reaction to the report today to do that.

| Gulke Group Spec Table Buy/Sell Stops | | | | (*New Positions in BOLD) | | | |
|---------------------------------------|-----------|-----------|-----------|--------------------------|-----------|-------------------|----------|
| | 5/10/2024 | | | Today's Stops | | Current Position* | |
| | High | Low | Close | Buy | Sell | Long | Short |
| CN24 | 462 | 454 1/4 | 456 1/2 | 464 3/4 | 448 1/4 | | 460 1/2 |
| CZ24 | 485 | 477 1/2 | 480 | 488 | 472 | | 482 3/4 |
| SN24 | 1236 3/4 | 1206 1/4 | 1208 1/2 | 1239 1/2 | 1177 1/2 | | 1229 3/4 |
| SX24 | 1219 1/2 | 1198 | 1200 1/2 | 1222 1/2 | 1178 1/2 | 1177 3/4 | |
| SMN24 | 382.0 | 372.5 | 372.9 | 382.6 | 363.3 | 342.8 | |
| BON24 | 43.88 | 42.53 | 42.64 | 44.49 | 40.79 | | 46.54 |
| WN24 | 647 1/2 | 631 1/2 | 637 1/2 | 654 | 621 | 624 3/4 | |
| KWN24 | 665 | 646 1/2 | 651 3/4 | 670 3/4 | 632 3/4 | 583 3/4 | |
| MWN24 | 716 | 699 3/4 | 703 3/4 | 720 1/2 | 687 | 649 1/4 | |
| LCM24 | 177.950 | 175.375 | 175.950 | 179.025 | 172.875 | | 175.425 |
| LCV24 | 178.625 | 176.325 | 177.000 | 179.500 | 174.500 | | 177.425 |
| LHM24 | 99.300 | 97.475 | 97.725 | 99.750 | 95.700 | 99.600 | |
| LHV24 | 85.400 | 83.975 | 84.200 | 85.825 | 82.575 | | 86.900 |
| FCQ24 | 254.050 | 250.850 | 251.050 | 254.450 | 247.650 | | 251.700 |
| CTN24 | 80.23 | 77.78 | 78.600 | 81.25 | 75.95 | 79.51 | |
| CTZ24 | 77.75 | 75.99 | 76.460 | 78.27 | 74.65 | 76.45 | |
| SBN24 | 19.87 | 19.40 | 19.580 | 20.10 | 19.06 | 19.74 | |
| GCM24 | 2354.2 | 2312.9 | 2352.10 | 2393.90 | 2310.30 | 2335.2 | |
| NRN24 | 19.00 | 18.43 | 18.80 | 19.40 | 18.20 | 18.590 | |
| DJM24 | 39592 | 39086 | 39536 | 40062 | 39010 | 39198 | |
| CLM24 | 79.8 | 78.91 | 79.26 | 80.35 | 78.17 | | 83.25 |
| NGM24 | 2.316 | 2.153 | 2.301 | 2.479 | 2.123 | 2.031 | |
| DXM24 | 105.64 | 105.065 | 105.085 | 105.86 | 104.31 | | 105.330 |
| USM24 | 116 26/32 | 115 24/32 | 116 24/32 | 118 2/32 | 115 14/32 | 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 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.

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HYPOTHETICAL HEDGING POSITION MATRIX
2023 Corn - margin = \$1425
2023 SOYBEANS - margin = \$2500
2022 WHEAT - margin = \$2600
2024 Corn - margin = \$1075
2023 Soybeans - margin = \$1725
2023 Canola - margin = \$880CD
2022 MN WHEAT - margin = \$3000
2022 KC WHEAT - margin = \$2400
2022 Cotton - margin = \$3500
2023 Cotton - margin = \$3500
2024 WHEAT - margin = \$2600
Spec
Livestock Trading Hours
Grain Trading Hours

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