

May 23, 2024

Weather:

The biggest changes overnight have been in the western CIS where it is wetter in the day 9-15 period, although the GFS is too wet. Otherwise, the US is wet, central Europe is wet, Brazil turns drier after this weekend, China still struggles for good North China Plain rain and Western Australia gets rain after day 10

- Western Australia gets no more than coastal showers through day 10 and then gets two waves of rain in Days 11-15
- Central Europe is wet
- Eastern Europe is advertised wetter Days 10-15 by GFS 00z run
- U.S. is still wet in both weeks
 - o GFS model is too wet in week 2
- SW U.S. Plains are dry in week 1 and wetter in week 2
 - o GFS model is too wet in week 2
- South Brazil wet into the weekend and then drier for the balance of ten days
- No other changes in South America

RUSSIA CHANGES VARY

- GFS turns notably wetter in Russia (including northern half of Southern Region), central and western Ukraine, Belarus and Baltic States from Day 9 to Day 15
- European model run still drier than usual through day 10
- European Ensemble suggest increases in CIS rainfall will be outside of the Russian Southern Region and western Kazakhstan through Day 15
- GFS Ensemble also increases rain in CIS Days 9-15, but southern half of Russia's Southern Region stays dry

News:

- Grain trade sources now report around 270,000 mt of South American or South African feed grade Corn was bought by South Korea's Major Feedmill Group at today's snap tender.
- International Grains Council lowered their 24/25 global Corn production figure by -6.0 mln mt to 1.220 bln mt and lowered their 24/25 global Wheat production figure by -3.0 mln mt to 795 mln mt.
- Chinese state media cited China's Premier as saying food production policy support will only strengthen, not weaken. The premier went on to say technological

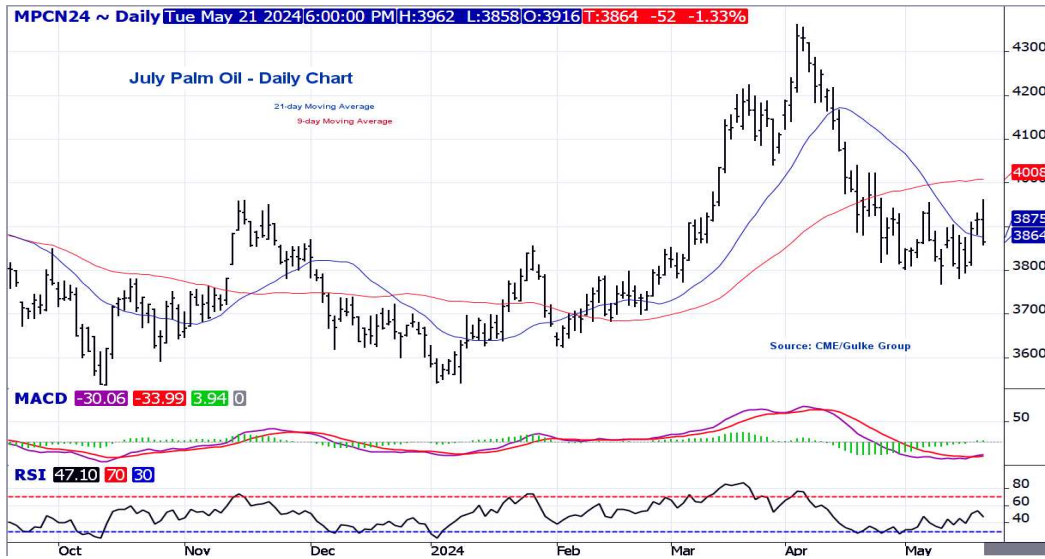
innovation in seeds will serve as the foundation to modernize the country's agriculture sector. China's Premier agriculture is the source with which will help its national food security, and increase farmers' income enough to become "rich".

- Germany's wheat production is expected to fall 5.6% from last year to 20.31 MMT, the country's association of farm cooperatives said, though that's up from its prior forecast of 20.16 MMT. It forecast Germany's winter rapeseed crop at 3.87 MMT, down 8.4% from last year and slightly smaller than the previous projection of 3.93 MMT. The association said reduced plantings was the driver of the sharp year-over-year projected declines in production.
- U.S. crude oil inventories rose unexpectedly last week due to a big adjustment for unaccounted barrels, while gasoline stockpiles fell as demand grew ahead of the summer driving season, the Energy Information Administration said. Crude inventories rose by 1.8 million barrels to 458.8 million barrels in the week ending May 17, the EIA said, compared with analysts' expectations in a Reuters poll for a 2.5 million-barrel draw.

Technically Speaking:



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Market Fundamentals:

Export Sales

5/10/24 - 5/16/24

	Estimates	Net Sales		Accum. Exports	Year Ago Accum. Exports	This Week YOY % change	Last Week YOY % change
		23/24	24/25				
Wheat	100-700k	17,900	224,900	18,934,000	18,841,400	0.49%	0.16%
Corn	800k-1.5m	911,200	305,000	49,277,100	37,979,400	29.75%	27.10%
Beans	300-700k	279,400	65,500	42,881,600	50,839,900	-15.65%	-16.01%
Meal	200-550k	145,300	51,400	11,809,100	10,564,300	11.78%	14.09%
Soyoil	0-15k	(1,000)	4,000	131,100	124,800	5.05%	11.38%
Sorghum		4,400	0	5,161,300	1,645,900	213.59%	214.41%
Beef		21,500	0	440,300	469,100	-6.14%	-7.12%
Pork		26,300	0	871,200	901,100	-3.32%	-4.20%
Cotton		203,000	47,900	12,004,700	12,762,900	-5.94%	-6.57%

Source: USDA (FAS) - Gulke Group

Wheat: Net sales of 17,900 metric tons (MT) for 2023/2024 were down 77 percent from the previous week and 61 percent from the prior 4-week average. Net sales of 224,900 MT for 2024/2025 primarily for Mexico (129,300 MT), Brazil (30,000 MT), unknown destinations (25,000 MT). **Corn:** Net sales of 911,200 MT for 2023/2024 were up 23 percent from the previous week, but down 1 percent from the prior 4-week average. Increases primarily for Mexico (350,300 MT), **China (273,800 MT)**, Japan (220,100 MT). Net sales of 305,000 MT for 2024/2025 were primarily for Mexico (286,000 MT). **Soybeans:** Net sales of 279,400 MT for 2023/2024 were up 5 percent from the previous week, but down 15 percent from the prior 4-week average. Increases primarily for Japan (73,500 MT), unknown destinations (70,700 MT), Egypt (55,000 MT). **Soybean Cake and Meal:** Net sales of 145,300 MT for 2023/2024 were down 52 percent from the previous week and 39 percent from the prior 4-week average. Increases primarily for Venezuela (37,000 MT), the Dominican Republic (24,800 MT), Mexico (21,100 MT), Honduras (17,200 MT).

Soybeans and Wheat had bad grain inspections on Tuesday and have followed that up with a bad export sales week. Corn was near the upper

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range of expectations and need to continue that to exceed USDA's projections for the marketing year. Soymeal was unimpressive as was SoyOil.

YESTERDAY'S TRADES: No new trades.

ADVICE: No new Advice —corn and beans rising back to highs made in early May while the stock markets rally after looking difficult yesterday. Meats much stronger FC for fall and supportive LC following along with the economy as viewed by the stock market---hogs weaker. The export sales report was on the low end of wide expectations of beans and wheat with corn good. We are still exporting meal, and meats good.

COMMENTS:

- Hint of a wetter bias to Russian and surrounding areas
- Wetter bias to US weather generally in 10-day outlook with some drying-out beginning first week of June.
- Fundamentally the cash markets (short-term up-front demand) have stayed firmer than global traders and local analysts have suspected creating uncertainty of what is going on in an oversupply situation.
 - Meal, corn and even soybeans especially being uncompetitive.
 - This feeds well into our bias some time ago over the last 3 months that the media trader bias generally was psychologically negative fixating on sufficient supply and slow demand.
 - Yet prices are higher to much higher since Feb 16—28 timeframe.
 - The market expected more pressure from impending S American production whatever the numbers, yet that price pressure has not yet materialized, yet CZ carries a 20-cent premium to CN.
 - Will CZ come down or CN and cash corn rally to evaporate the carry?
 - It may take longer to realize keeping front end firmer---
 - It takes a change in attitude or surprise after unexpected price appreciation to get shorts out of the way to create a psychological change in attitude and outlook caused by shorts feeling the pain.
 - Spec Table is largely long now!

TECHNICALLY

- Wheat has had the typical 3 moves higher in the \$1.50/bu rally since Feb 15—28
- Corn a 24-cent rally in CN and a 36-cent rally in CZ over same timeframe
- Soybeans a dollar rally for same timeframe.
- All this offered price gain opportunities on old and new crops much to the surprise of the media analysts who wanted to sell a 10-cent rally or buy expensive put options.
- On a weekly basis, all three grains positively biased since March 1

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- On a monthly basis, wheat is finally trying to turn positive longer term, corn struggling to do the same, while soybeans lag in doing the same.
- Position wise we have taken advantage of price rallies for 2022,2023 crops but remain rather open in new crop 2024 and nothing yet for 2025. Selling into such positive moves while giving profitable opportunities, are usually difficult in a scale up opportunity but much better than being outright hedged or have sold out on Feb 28 or long puts.

Gulke Group Spec Table Buy/Sell Stops				(*New Positions in BOLD)			
	5/23/2024			Today's Stops		Current Position*	
	High	Low	Close	Buy	Sell	Long	Short
CN24	463 1/4	458	461 1/4	467	455 1/2	464 3/4	
CZ24	486 1/2	481 1/2	484	489 1/2	478 1/2	488	
SN24	1249 3/4	1233 1/4	1246 1/4	1263 1/4	1229 1/4	1226 1/2	
SX24	1222 3/4	1210 1/2	1218 1/4	1231	1205 1/2	1177 3/4	
SMN24	379.1	369.5	378.2	388.0	368.5	342.8	
BON24	46.72	45.70	45.88	47.40	44.36		43.30
WN24	716 3/4	688 1/2	693	721 3/4	664 1/4	624 3/4	
KWN24	719 1/4	696 1/2	699 1/2	722 3/4	676 1/4	583 3/4	
MVN24	751 1/2	731 1/2	736 1/2	757	716	649 1/4	
LCM24	184.225	182.775	184.175	186.125	182.225	178.550	
LCV24	184.700	183.000	184.650	186.550	182.750	179.400	
LHM24	96.400	95.125	95.400	96.875	93.925	99.600	
LHV24	84.275	83.125	83.500	84.850	82.150		86.900
FCQ24	263.000	259.900	262.900	266.200	259.600	255.225	
CTN24	79.38	76.23	79.380	82.73	76.03	78.31	
CTZ24	77.46	75.29	77.280	79.50	75.06	75.59	
SBN24	18.60	18.20	18.230	18.68	17.78	18.57	
GCM24	2430.5	2378.0	2381.30	2434.30	2328.30		2394.90
NRN24	18.80	18.57	18.75	19.02	18.49		18.660
DJM24	40033	39668	39783	40168	39398		39925
CLN24	78.41	77.25	77.57	78.93	76.21		79.58
NGN24	3.060	2.786	3.052	3.341	2.763	2.789	
DXM24	104.88	104.450	104.855	105.49	104.23		105.330
USM24	117 17/32	116 24/32	117 9/32	118 10/32	116 8/32	115 3/32	

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