

June 21, 2024

Weather:

WORLD WEATHER HIGHLIGHTS FOR JUNE 21, 2024

- **Excessive rain fell from north-central Nebraska through southeastern South Dakota and northwestern Iowa to southwestern Minnesota overnight with 2.50 to 6.13 inches resulting**
 - **Additional rain is expected today into Sunday from the northern half of the Great Plains to the Great Lakes region where some additional flooding is expected due to rainfall of 1.00 to 4.00 inches and possibly more**
- **Relief from hot and humid weather in the eastern and southern parts of the Midwest will occur during mid-week next week until then frequent high temperatures in the upper 80s and 90s are expected with a few extremes near 100 Fahrenheit**
- **Eastern Midwest crop areas along with some areas in the Atlantic Coast states will experience below normal rainfall during the next ten days, although some rain will come from two frontal systems, one of which is expected late this weekend and the other occurs during mid-week next week**
 - **Rain associated with each frontal system will only produce erratic rainfall of light intensity**
- **West Texas will be dry for much of the coming week and then some scattered showers are possible later next week**
- **South Texas and the Texas Coastal Bend will receive some additional rain in the coming, but it will not be as heavy as that of earlier this week**
- **Frequent rain will continue in Florida while the far western states remain dry for the next ten days**
- **Tropical disturbances this weekend in the bay of Campeche and off the Georgia coast are being closely monitored for possible development into tropical depressions**
 - **The Bay of Campeche disturbance will move into eastern Mexico late this weekend and may produce some additional heavy rain in areas that were impacted by Tropical Storm Alberto in the past day or two**
 - **The disturbance near the Georgia coast is unlikely to produce much excessive rain**

- Mexico's monsoonal rainfall may begin to evolve next week and into the following weekend over central and southern parts of the nation
 - Heavy rain will impact the east coast this weekend into early next week
- Excessive heat recently in western Kazakhstan and neighboring areas began to break down Thursday and it is not likely to return for a while
- India's monsoon will see improved rainfall along the middle and lower west coast and from Madhya Pradesh and eastern Maharashtra into Odisha and Telangana
 - Excessive heat in the middle Ganges River Basin and all of central and northern India is abating
- China's North China Plain will continue drier than usual over the next ten days while waves of heavy rain and flooding impact the Yangtze River Basin
- Portions of northeastern China will also experience frequent showers and thunderstorms with the ground becoming abundantly to excessively wet
- Australia weather will remain favorable for winter crop planting and establishment.

News:

- Taiwan's Flour Millers Assn announced they purchased a total of 104,150 mt of US origin mill grade Wheat.
- Grain trade sources reported 132,000 mt of South American origin feed Corn was bought by Major Feedmill Group from South Korea.
- The Russian Ag Ministry is saying farmers were able to re-seed most of this spring's frost damaged grain acres. The ministry will maintain their 132 million metric ton 2024 grain harvest forecast, although they may adjust the figure as harvest progresses.
- **Used cooking oil, which is crucial for producing biodiesel and sustainable aviation fuel, is expected to play a significant role in the aviation industry's efforts to reach net-zero emissions by 2050. Currently, SAF makes up only 0.2% of jet fuel use, but it is projected to account for 64% of the industry's net-zero actions by 2050. The U.S. has recognized international certification for Brazil's compliance with specific sanitary and technical standards, and the Brazilian government will provide certification on the traceability, identity and origin of UCO. This authorization adds another source of UCO to the U.S. market, where imports have increased significantly to support biofuel production. The surge in UCO shipments from China has led some in the U.S. to advocate for limits on these imports. But there are reports out of China that the country is putting more emphasis on SAF production domestically, which could decrease its exports of UCO.**
- China's Commerce Ministry laid blame for trade frictions with the European Union, adding they hope the EU will avoid further escalation and engage in dialog and allowing the situation to get out of control.
- Ahead of the monthly USDA cattle on feed report, analysts are forecasting the June 1 on feed figure at 99% of the year ago level. Placements in May are seen at 99% of

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

the year earlier level, and marketings during May are seen at 101% of the year ago level.

- **Hotter than normal temps throughout eastern China have forced many farmers to delay planting their Corn crops.** Seven eastern corn growing regions represent around 35% of the country's annual production. While some areas have irrigation to offset the dryness, many other regions will likely have lower acres planted and reduced yields. In addition to dryness, some weather forecasters say if La Nina conditions evolve as expected over the July - September period, excessive rains are usually associated with that event and may produce additional crop damage.
- U.S. crude oil, gasoline and distillate inventories fell last week, the Energy Information Administration said as crude exports rose. Crude inventories fell by 2.5 million barrels in the week ending June 14 to 457.1 million barrels, compared with analysts' expectations in a Reuters poll for a 2.2-million-barrel draw. Ethanol production rebounded +3.5% wk/wk, undoing much of the prior week's surprise plunge. The resulting 1.057 mil bbl/day rate would yield 311 million ethanol gallons on the week, consuming 107 million bushels of feedstock. Over a marketing year, that rate would utilize just under 5.6 billion bushels of corn, which is slightly above the YTD grind average. Blender demand was a positive highlight, rising +2% wk/wk (we were expecting up just +1%). Exports fell to 76k bbl/day versus 125k prior. Ethanol stocks built modestly, rising +1.7% to 23.62 mil bbl (or 992 million gallons).

Technically Speaking:

Market Fundamentals:

Export Sales		6/7/24 - 6/13/24						
	Estimates	Net Sales			Accum. Exports	Year Ago Accum. Exports	This Week YOY % change	Last Week YOY % change
		23/24	24/25	25/26				
Wheat	250-500k	n/a	589,700	(11,000)	5,426,900	4,060,900	33.64%	27.76%
Corn	700k-1.4m	511,400	93,600	0	52,835,900	38,648,000	36.71%	36.48%
Beans	400k-1.0m	556,500	84,000	0	44,334,200	52,106,500	-14.92%	-14.45%
Meal	150-500k	178,800	32,800	0	12,646,800	11,490,300	10.07%	11.85%
Soyoil	0-10k	20,900	(400)	0	182,800	128,500	42.26%	28.19%
Sorghum		55,100	0	0	5,453,000	2,015,100	170.61%	193.03%
Beef		189,000	111,800	0	497,300	526,300	-5.51%	-3.52%
Pork		14,900	0	0	997,100	1,014,600	-1.72%	1.71%
Cotton		21,400	0	0	12,732,100	13,652,600	-6.74%	-7.16%

Source: USDA (FAS) - Gulke Group

Wheat: Net sales of 589,700 metric tons (MT) for 2024/2025 primarily for South Korea (118,600 MT), the Philippines (108,300 MT), Vietnam (88,400 MT), Indonesia (80,200 MT), and Brazil (60,000 MT). **Corn:** Net sales of 511,400 MT for 2023/2024 were down 52 percent from the previous week and 48 percent from the prior 4-week average. Increases primarily for Japan (370,600 MT, Colombia (113,900 MT), Mexico (99,700 MT), Panama (97,000 MT). **Soybeans:** Net sales of 556,500 MT for 2023/2024 were up 48 percent from the previous week and 89 percent from the prior 4-week average. Increases primarily for **China (213,700 MT)**, Egypt (157,500 MT), Indonesia (64,600 MT). **Soybean Oil:** Net sales of 20,900 MT for 2023/2024 were **up 43 percent from the previous week** and up noticeably from the prior 4-week average. Increases primarily for Mexico (16,500 MT) and Venezuela (5,000 MT).

Yesterday's Trades: no new trades.

ADVICE: No New Advice

COMMENTS:

In a move that needs some more explaining down the road the United States decided to authorize the imports of Brazilian Used Cooking Oil which comes at a time when domestically we are trying to get a foot hold on domestic use of products to make Sustainable Aviation Fuel. There is talk of China exporting less UCO into the US moving forward as they are going to focus on domestic production of SAF but one would think that would be a time to give the US the chance to further their footprint into that space. This news came out yesterday and could be why that soybean complex was down hard yesterday so lets see what kind of follow through action happens into early next week.

In looking at the export sales one thing that immediately stands out is the fact that there were more soybeans sold than corn, which is unusual. Corn was below estimates while soybeans were on the low end of the estimates range. Wheat sales for new crop were good as was old crop sorghum.

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

China specifically showed sales of 55,109 metric tons of sorghum, 213,700 metric tons of soybeans, and 82,194 running bales of upland cotton. No sales for corn were reported. The only activity for 2024-25 was net sales of 9,240 running bales of upland cotton and no activity for wheat. For 2024, net reductions of 692 metric tons of beef and net sales of 170 metric tons of pork were reported.

As we showed yesterday the new NOAA weather forecast shows relatively benign weather for the 3-month outlook. They added some risk for the month of July with above normal temperatures but most of those areas also had chances of precipitation to come along with that. If that rain forecast changes or does not come to fruition, some weather premium would be justified.

The grains and meats have had a rough week so hopefully we can salvage a little support of rally to finish off the week as we approach a major crop report next week. The markets will have 4 days of trading before the report, which feels like a long way away, but the weather should drive things next week. If you made any changes in planting from your original intentions let us know.

Gulke GroupSpec Table Buy/Sell Stops				(*New Positions in BOLD)			
	6/21/2024			Today's Stops		Current Position*	
	High	Low	Close	Buy	Sell	Long	Short
CN24	449 1/2	439 1/4	439 3/4	450 1/2	429		441 1/4
CZ24	467	455 3/4	456 3/4	468 1/2	445		474 3/4
SN24	1175 3/4	1155	1155 1/4	1176 1/2	1134		1168 1/4
SX24	1136	1115	1116 3/4	1138 1/4	1095 1/4		1137
SMN24	367.1	357.2	357.6	367.7	347.6		361.0
SMV24	341.3	334.8	335.8	342.8	328.8		343.8
BON24	44.91	43.88	43.97	45.50	42.44	44.53	
WN24	582 3/4	565 1/2	572 3/4	590 1/2	555		600 3/4
KWN24	603	585 3/4	592	609 3/4	574 1/4		660 1/2
MWN24	633 1/2	618 1/4	618 3/4	634 1/2	603		692 1/4
LCQ24	183.650	181.250	182.550	185.450	179.650	179.375	
LCV24	184.975	182.625	183.825	186.375	181.275	181.375	
LHN24	93.400	90.800	91.150	93.950	88.350		93.800
LHV24	77.875	75.925	76.400	78.550	74.250		86.900
FCQ24	261.975	258.100	259.825	263.900	255.750	261.625	
CTN24	71.98	70.69	70.850	72.34	69.36		78.65
CTZ24	73.59	72.50	72.620	73.76	71.48		76.60
SBN24	19.43	18.82	18.890	19.55	18.23		19.05
GCQ24	2379.5	2338.5	2372.90	2414.40	2331.40	2356.1	
NRN24	18.16	17.97	18.00	18.22	17.77	17.770	
DJU24	39687	39195	39575	40087	39063	39524	
CLQ24	81.52	80.3	81.29	82.71	79.87	78.26	
NGQ24	3.027	2.833	2.854	3.063	2.645		2.836
DXU24	105.32	104.865	105.300	105.95	104.65		103.487
USU24	120 18/32	119 8/32	119 26/32	121 12/32	118 8/32	118 30/32	

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

