

June 12, 2024

Weather:

U.S. Midwest

Past Weather and Its Impacts and Large Rivers Update

- [*Dry and favorable conditions for planting continued in much of the Midwest Tuesday with light rain noted in parts of central Iowa, west-central Illinois, and northwestern Wisconsin into nearby Minnesota before showers increased in portions of the eastern Dakotas and western Minnesota Tuesday night.*](#)
 - High temperatures from eastern Nebraska to central Iowa were in the upper 80s and lower 90s Fahrenheit.
 - Other areas saw highs in the 70s to the middle 80s with some upper 80s near the warmer region and a few middle and upper 60s in central, northern, and eastern Wisconsin, and northeastern Ohio.

Forecast Overview and Crop Impacts

- [*More sunshine than rain will occur during the next two weeks outside of the northwestern Corn Belt and planting should soon be completed in much of the region while most areas from east-central Kansas to the eastern Corn Belt dry down significantly.*](#)
 - [*Enough soil moisture is in place today to favorably support crop development during the next two weeks with a growing need for rain late in the month, especially from east-central Kansas to the eastern Corn Belt.*](#)
 - Significant rain is expected Friday into Sunday from southeastern South Dakota to northeastern Kansas to Wisconsin and the rain will restore some of the topsoil moisture recently lost to evaporation.
 - [The southern parts of the northwestern Corn Belt will see regular rounds of showers and thunderstorms Friday through the following Friday while northern parts of the region see regular rounds of showers and thunderstorms Monday through Friday of next week.](#)
 - Planting will be slowed, but delays should be temporary and the rain will help to ensure the region has favorable soil moisture through the end of the month.

- **Temperatures will warm today and outside of portions of the northwestern Corn Belt much of the Midwest will be warmer than normal through the next week.**
 - Highs will reach the middle 90s in and near southeastern South Dakota and eastern Nebraska today with some middle and upper 90s in the southwest Thursday and middle 90s in a few southern areas Saturday.
 - Highs in the lower to middle 90s will be common in the central and southern Midwest Sunday into Tuesday with upper 90s in a few areas while the far northwestern Corn Belt sees mild temperatures starting Monday.
 - Cooling will occur in the northwest early next week while the lower Midwest remains warm to hot before heat expands and intensifies late in the week.

Precipitation Forecast Details

- 50% of the Midwest will receive up to 0.75" rain and locally more today into Thursday with western areas and the Ohio River Basin driest while some pockets of 0.75-1.50" and locally more scatter across the region.
- Most areas from southeastern South Dakota to northeastern Kansas through Wisconsin will receive 0.50-2.0" of rain and locally more Friday into Sunday while lighter rain surrounds the region and most other areas are dry.
- Showers and thunderstorms will occur daily Monday through Friday of next week and 15-35% of the Midwest will receive up to 0.75" of rain and locally more most days with the northwestern Corn Belt seeing much of the rain while little rain falls elsewhere.
- Rain should increase across the Midwest June 22-24 when most areas see totals up to 0.75" and locally more with some pockets of dry weather and some bands of heavy rain while confidence for this event is low.
- June 25-26 will be drier with some showers possible each day.

Temperature Forecast Details

- High temperatures today and Thursday will be in the 80s and lower 90s with some 70s in the northwest Thursday, some middle 90s in and near southeastern South Dakota and eastern Nebraska today, and some middle and upper 90s in the southwest Thursday.
 - Highs Friday and Saturday will be in the upper 70s to the lower 90s with some middle and a few lower 70s in northern parts of the western Corn Belt each day and a few middle 90s in the south Saturday.
 - Sunday and Monday's highs will be in the middle 80s to the middle 90s with a few upper 90s in the south each day, some middle 70s to the lower 80s in the northwest Sunday, and some upper 60s to the lower 80s in the northwest Monday.

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- Tuesday will be a little cooler and by next Wednesday highs will be in the upper 70s to the lower 90s with some middle 90s in the south and some lower to middle 70s in the northwest.
- Lows through Saturday will be in the middle 50s through the 60s with some lower 70s in the south each day and some lower 50s in the north each day.
 - Lows will be warmer Sunday and by Monday and Tuesday lows will be in the upper 60s to the middle 70s with a few upper 70s in the south and some 50s to the middle 60s in the northwest before lows are cooler in the west next Wednesday.

News:

- **USDA reported private sale of 106,000 mt of Soybeans to China for the 23/24 MY.**
- Trade sources Tuesday afternoon said Egypt's GASC has bought an estimated 400,000 mt of Wheat at today's snap tender. The total included 180,000 mt of Romanian origin wheat, 120,000 mt of Ukraine origin wheat and 100,000 mt of Bulgarian origin wheat.
- **China's ag ministry raised its forecast for 2023-24 cotton imports by 200,000 MT to 3 MMT amid higher-than-expected arrivals due to the longstanding price difference between domestic and imported cotton. The ag ministry expects cotton imports to decline to 2 MMT in 2024-25, unchanged from its previous forecast. The ministry made no changes to its corn or soybean import forecasts for either 2023-24 or 2024-25. For corn, it forecasts imports at 19.5 MMT in 2023-24 and 13 MMT in 2024-25. For soybeans, imports are expected to total 96.1 MMT in the current marketing year and 94.6 MMT in 2024-25.**
- Official Argentine data released shows the country's Soybean sales pace at 40.7% of the expected crop has been sold, that's around 20.2 mln mt. Argentina's soybean harvest is expected around 49.7 mln mt, around 94% of the crop has been harvested so far.
- OPEC stuck to its forecast for relatively strong growth in global oil demand in 2024, despite lower-than-expected use in the first quarter, saying travel and tourism would support consumption in the second half of the year. The Organization of the Petroleum Exporting Countries, in a monthly report, said world oil demand will rise by 2.25 million barrels per day in 2024 and by 1.85 million bpd in 2025.

Source: WASDE and estimates by Reuters

	US Carryout 2023-24		
	May USDA Estimate	Average Analysts Estimate	Range of Analysts Estimates
Corn	2.022	2.009	1.950-2.022
Soybeans	0.340	0.346	0.319-0.370
Wheat	0.688	0.688	0.678-0.898

	US Carryout 2024-25		
	May USDA Estimate	Average Analysts Estimate	Range of Analysts Estimates
Corn	2.102	2.079	1.975-2.102
Soybeans	0.445	0.448	0.340-0.492
Wheat	0.766	0.778	0.741-0.875

	WORLD GRAIN, SOYBEAN & COTTON CARRYOUT 2022-23 & 2023-24					
	2024-25			2023-24		
	May USDA Estimate	Average Analysts Estimate	Range of Analysts Estimates	May USDA Estimate	Average Analysts Estimate	Range of Analysts Estimates
Wheat	253.61	251.18	247.5-255.1	257.8	257.34	256.0-258.0
Corn	312.27	310.55	308.0-312.4	313.08	311.35	309.0-313.0
Soybeans	128.5	127.25	124.3-130.8	111.78	110.33	108.0-112.3

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Brazil & Argentina Production Estimates 2023-24					
	May USDA Estimate	Average Analysts Estimate	Range of Analysts Estimates		
Brazil Soybeans	154.00	151.80	149.0-154.0		
Arg Soybeans	50.00	49.83	49.0-50.0		
Brazil Corn	122.00	120.95	119.0-122.5		
Arg Corn	53.00	50.87	48.0-53.0		

2024 Wheat production by class			
	May USDA Estimate	Average Analysts Estimate	Range of Analysts Estimates
All Wheat	1.858	1.880	1.858-1.898
All Winter	1.28	1.298	1.273-1.328
HRW Winter	0.705	0.716	0.690-0.740
SRW Winter	0.344	0.350	0.341-0.370
White Winter	0.299	0.229	0.221-0.232

Technically Speaking:

Market Fundamentals:

Yesterday's Trades: No New trades.

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ADVICE: No New Advice: Wasde today as well as Fed Chair discussing another inflation report out earlier today which was bullish stocks and negative the US Dollar collapsing---both add another positive item to Ag-commodities and adds importance to how Fed Chair Powell speaks today. Short term corn looks positive technically while beans, wheat, soy oil, canola, palm oil and meal negative. Media hype reflects uncertainty and a belief the report today will be a non-event

COMMENTS: More 90's in 10 day forecast for Midwest including today that wasn't in place yesterday. So we'll watch actual vs forecast if the bias is that temps are higher than forecast and/or if moisture comes in less than forecast. Also a 40% chance of moisture tomorrow for our area also was not in the forecast--- seem 3-5 day more reliable than 6-10. Markets look to the future.

Overnight markets trying to claw back yesterdays daily key reversals in SQ and SX and soymeal. Wheat giving back a lot of yesterday's gains in further volatility reflecting uncertainty by traders.

Today's report might night give much fundamental clarity even tho WASDE as the opportunity to make adjustments. Global numbers will be important including what USDA does with S American production.

TECHNICALLY—The positive inflation numbers muddies the water somewhat adding to uncertainty of how Ag markets will act post wasde at 11 am--- how the markets close today will be important

ECONOMICALLY the 7:30 report today was better than expected with inflation less than expected creating an instant surge in the stock markets to new highs for NASDAQ and S&P, while the DJIA has taken the biggest hit recently surged 260 pts higher initially. The US Dollar fell dramatically over 600 pts. How the equities close today will be important and odds or slim it will close lower unless Powell's talk is disappointing.

Gulke Group Spec Table Buy/Sell Stops				(*New Positions in BOLD)			
	6/12/2024			Today's Stops		Current Position*	
	High	Low	Close	Buy	Sell	Long	Short
CN24	456 1/4	449	449 1/2	457 1/4	441 3/4	464 3/4	
CZ24	471 1/4	464 1/2	465 1/4	472 1/2	458	465 1/4	
SN24	1193	1177	1178	1194 1/2	1161 1/2	1194 1/4	
SX24	1163	1150 1/4	1151 1/2	1164 3/4	1138 1/4	1167 1/2	
SMN24	371.4	358.2	359.3	372.7	346.0		356.5
SMV24	356.1	348.4	349.3	357.5	341.1		347.8
BON24	44.06	43.07	43.67	45.16	42.18	44.53	
WN24	633	605 1/2	626 1/2	654 1/2	598 1/2	628 3/4	
KWN24	659 3/4	639 1/2	655	675 3/4	634 1/4		660 1/2
MWN24	685 1/2	675 1/4	678 3/4	689 1/2	668		692 1/4
LCQ24	180.450	178.650	178.925	181.225	176.625	179.375	
LCV24	182.650	181.425	181.725	183.150	180.300	181.375	
LHN24	93.800	92.075	92.275	94.200	90.350		96.325
LHV24	77.975	76.525	76.675	78.325	75.025		86.900
FCQ24	260.000	257.275	257.650	260.575	254.725	259.175	
CTN24	73.54	71.51	72.730	74.96	70.50		78.65
CTZ24	72.73	71.47	72.430	73.74	71.12		76.60
SBN24	18.95	18.59	18.790	19.20	18.38		18.92
GCQ24	2337.3	2314.5	2332.80	2356.10	2309.50		2367.40
NRN24	17.80	17.53	17.55	17.85	17.24	17.770	
DJM24	38932	38481	38794	39265	38323		38683
CLN24	78.36	77.22	77.90	79.24	76.56	75.78	
NGN24	3.159	2.966	3.129	3.337	2.921	2.708	
DXM24	105.44	105.065	105.230	105.80	104.66	105.050	
USU24	117 26/32	116 27/32	117 23/32	118 30/32	116 16/32		118 15/32

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