

June 13, 2024

Weather:

- Thailand continues to miss important rainfall and this trend will continue for the next ten days and perhaps longer
- Dryness is also festering in the North China Plain and parts of east-central China where not only was it dry Wednesday, but temperatures reached 106 degrees Fahrenheit (41C)
 - China's dryness and heat problem may be partially eased later this month as scattered showers and thunderstorms pop up in response to a couple of "cool" fronts moving through the region
 - One frontal system is expected today, but resulting rainfall will be restricted and cooling will be temporary
 - No general soaking of rain is anticipated for a while
- No change in eastern Ukraine, Russia's Southern Region of western Kazakhstan today relative to the outlook Wednesday
 - Some showers and thunderstorms are expected periodically over the coming week to offer at least some relief to dry and warm conditions
 - No expansion in the dry and warm weather is anticipated and there may be some shrinkage in the dry region
- U.S. eastern and southern Midwest, Delta and southeastern states will experience net drying for the next ten days and there will be a few bouts of very warm to hot temperatures as well
- Additional heavy rain in south Florida is expected over the next couple of days.
 - Citrus and sugarcane areas have not been seriously impacted by the most serious rain or flooding, although significant rain did fall in some areas earlier this week
- Next week's tropical disturbance in the southwestern Gulf of Mexico may have more impact on Mexico than the U.S.,
 - The system may be a tropical storm prior to reaching land in east-central Mexico during mid-week
- Another tropical cyclone is predicted by some of the forecast models today to form near the Yucatan Peninsula late next week with possible movement toward the Texas coast June 22-24
- Upper U.S. Midwest and northern Plains will be the wettest region in key U.S. grain and oilseed production areas during the next week to ten days
- Canada's Prairies will trend wetter once again next week with the first storm in a series expected late in the weekend into early next week
- Southern China is expected to be quite wet over the next ten days

- India's monsoon will produce beneficial rain in south-central and southeastern parts of the nation later this week into next week and the moisture will improve soybean, groundnut, corn, sorghum and rice planting conditions
- Not much change was noted in Australia, South Africa or South America in the overnight forecast model runs
- Rain in southern Brazil and Paraguay this weekend and next week will saturate the ground once again and disrupt farming activity
- Argentina wheat planting and summer crop harvesting will advance with a little rainfall distribution late this week and into the weekend and again next week
- Central America and Chiapas, Mexico rainfall will be frequent and abundant through the weekend with some flooding likely
- Eastern and some southern Mexico crop areas will get significant rain next week
- Europe weather will improve for a few more days with less frequent and less significant rain for areas that have recently been too wet; rain will resume in the west and north next week

News:

- USDA reported private sale of 120,000 metric tons of soybeans for delivery to unknown destinations during the 2023/2024 marketing year.
- Grain trade sources reported 60,000 mt of South American or US origin Soymeal was bought by Major Feedmill Group.
- Around 63,000 mt of Ukraine origin Wheat was reportedly bought by Lebanon's government.
- At their regular tender today, Japan's Ag Ministry announced they bought a total of 109,126 mt of Aussie, Canadian and US origin mill grade Wheat. The total purchase included 27,770 mt of Aussie white, 24,230 mt of Canadian red spring, 29,610 mt of US HRW, 20,750 mt of US white, and 6,766 mt of US DNS wheat.
- Food companies from dairy producers to pork exporters are on high alert for potential retaliatory tariffs from China after the European Union's decision on Wednesday to impose anti-subsidy duties on Chinese-made electric vehicles (EVs). China's state media reported domestic companies are preparing to request investigations into some EU dairy and pork imports over anti-subsidy or anti-dumping concerns. As trade tensions between the EU and China intensify, some European officials have warned against imposing import duties on food products.
- Russia's main exchange said it's halting trading in US dollars and the euro after the U.S. unveiled a raft of measures designed to further isolate Moscow from the international financial system over its war in Ukraine. The Moscow Exchange on Thursday halted trading on the foreign exchange, precious metals, stock, money and the standardized over-the-counter derivatives markets in instruments with settlement in dollars and the euro. The Bank of Russia said it will use bank and OTC data to set the ruble's exchange rates to those currencies.

- A day after they kept their corn and soybean production estimates steady, China's Ag Ministry on Thursday said soaring temperatures and drought in parts of growing areas is negatively impacting summer planting. High temps, above 110 F, could be impacting Hebei, Henan, and Shandong provinces crops as soil loses moisture in the extreme heat.
- Strategie Grains cut its EU wheat production forecast by 1.7 MMT to 121.8 MMT, which would be down 3.6% from year-ago and the smallest since 2020-21. The consultancy said it anticipated France would see the biggest year-over-year decline in production followed by Germany, Poland and Hungary. Strategie Grains also lowered its outlook for this year's EU barley crop by 800,000 MT to 52.2 MMT.

Brazil CONAB June 2024 Monthly Crop Report Headline Recap:

- **Brazil's CONAB June Rpt 23/24 total Corn production 114.144 mln mt; prior report 111.635 mln mt
- **Brazil's CONAB June Rpt 23/24 1st Season Corn production: 23.624 mln mt; prior report 23.490 mln mt
- **Brazil's CONAB June Rpt 23/24 2nd Season Corn production: 88.116 mln mt; prior report 86.155 mln mt
- **Brazil's CONAB June Rpt 23/24 Corn exports 33.5 mln mt; prior report 31.0 mln mt
- **Brazil's CONAB June Rpt 23/24 total Corn ending stockpiles 6.066 mln mt; prior report 6.218 mln mt
- **Brazil's CONAB June Rpt 23/24 Total Corn acres: 20.837 mln ha; prior report 20.618 mln ha
- **Brazil's CONAB June Rpt 23/24 1st Season Corn acres: 4.029 mln ha; prior report 3.995 mln ha
- **Brazil's CONAB June Rpt 23/24 2nd Season Corn acres: 16.152 mln ha; prior report 15.990 mln ha
- **Brazil's CONAB June Rpt 23/24 Corn Yields are forecast: 5.478 mt/hectare; prior report 5.897 mt/ha
- **Brazil's CONAB June Rpt 23/24 Soybean production: 147.354 mln mt; prior report 147.684 mln mt
- **Brazil's CONAB June Rpt 23/24 Soybean exports: 92.434 mln mt; prior report 92.504 mln mt
- **Brazil's CONAB June Rpt 23/24 Soybean acres: 45.978 mln ha; prior report 45.733 mln ha
- **Brazil's CONAB June Rpt 23/24 Soybean ending stockpiles: 3.058 mln mt; prior report 3.342 mln mt
- **Brazil's CONAB June Rpt 23/24 Soybean Yields are forecast: 3.205 mt/hectare; prior report 3.229 mt/ha
- **Brazil's CONAB June Rpt 2024 Wheat production: 9.065 mln mt; prior report 9.028 mln mt
- **Brazil's CONAB June Rpt 2024 Wheat Area: 3.078 mln hectares, prior report 3.086 mln ha
- **Brazil's CONAB June Rpt 2024 Wheat Yields: 2.945 mt/ha, prior report 2.942 mt/ha
- **Brazil's CONAB June Rpt 2024 Wheat Imports: 6.000 mln mt; prior report 6.000 mln mt

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**Brazil's CONAB June Rpt 2024 Wheat Ending Stocks: 0.665 mln mt; prior report 0.682 mln mt

**Brazil's CONAB June Rpt 23/24 Cotton Lint production: 3.657 mln mt; prior rpt 3.643 mln mt

**Brazil's CONAB June Rpt Cotton planted acres: 1.945 mln hectares; prior report 1.942 mln hectares

**Brazil's CONAB June Rpt Cotton exports: 2.715 mln mt; prior report 2.715 mln mt

Technically Speaking:

Market Fundamentals:

Export Sales		5/31/24 - 5/6/24						
	Estimates	Net Sales			Accum. Exports	Year Ago Accum. Exports	This Week YOY % change	Last Week YOY % change
		23/24	24/25	25/26				
Wheat	5-700k	n/a	223,900	21,600	4,837,200	3,786,200	27.76%	
Corn	700k-1.4m	1,056,100	69,500	0	52,324,400	38,338,800	36.48%	31.23%
Beans	200-800k	377,100	3,000	0	43,777,700	51,170,600	-14.45%	-15.21%
Meal	175-500k	143,300	27,100	0	12,468,000	11,147,300	11.85%	10.07%
Soyoil	0-10k	14,600	3,200	0	161,900	126,300	28.19%	11.61%
Sorghum		118,800	0	0	5,397,900	1,842,100	193.03%	193.94%
Beef		12,000	0	0	482,500	500,100	-3.52%	-6.40%
Pork		30,100	0	0	975,600	959,200	1.71%	-1.94%
Cotton		177,100	177,400	0	12,543,100	13,511,100	-7.16%	-6.16%

Source: USDA (FAS) - Gulke Group

Wheat: Net sales of 223,900 metric tons (MT) for the 2024/2025 marketing year, which began June 1, primarily for Mexico (79,600 MT), the Philippines (54,900 MT), the Dominican Republic (43,700 MT), Japan (32,100 MT). **Corn:** Net sales of 1,056,100 MT for 2023/2024 were down 11 percent from the previous week, but up 16 percent from the prior 4-week average. Increases primarily for Japan (414,100 MT), Colombia (184,500 MT), Mexico (168,000 MT), **unknown destinations (99,900 MT), and China (70,900 MT).** **Sorghum:** Net sales of 118,800 MT for 2023/2024 were up noticeably from the previous week and from the prior 4-week average. Increases reported for **China (237,800 MT)**, were offset by reductions for unknown destinations (151,000 MT). **Soybeans:** Net sales of 377,100 MT for 2023/2024 were up 99 percent from the previous week and 42 percent from the prior 4-week average. Increases primarily for China (109,100 MT), the Netherlands (56,600 MT). **Soybean Oil:** Net sales of 14,600 MT for 2023/2024 were up noticeably from the previous week and from the prior 4-week average. Increases were primarily for South Korea (12,000 MT).

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Yesterday's Trades: No New trades.

ADVICE: No New Advice

COMMENTS: Likely, not hard to tell what is moving the markets. Once we got the report out of the way the market likely shifted right back to trading weather. Outside of the US the weather is hot and dry in some of the major growing areas of China.

We have also been seeing some continued sales of soybeans with another 120,000 mt going to unknown destinations.

CONAB (Brazil's USDA equivalent) release their monthly data today. Of note is that they increase their 23/24 total Corn production from 111.635 mmt last month to 114.144 mmt this month all due to a better than anticipated production from their 2nd crop corn. They are still well below the USDA which yesterday pegged Brazil's corn crop at 122 mmt. Conab left their soybeans estimate the same at about 147 mmt while the USDA came out yesterday at 153 mmt (down 1 mmt from the May USDA report).

Currently corn, soybeans, soymeal and wheat are all higher on the day. Corn is looking to stay above a few of the simple moving averages. Corn exports were about the only bright spot in regard to today's report.

Canola continues to trade lower and needs to find some technical support here or another leg lower is in the mix.

Gulke GroupSpec Table Buy/Sell Stops				(*New Positions in BOLD)			
	6/13/2024			Today's Stops		Current Position*	
	High	Low	Close	Buy	Sell	Long	Short
CN24	455	448 1/2	454 1/4	461 1/4	447 1/4	464 3/4	
CZ24	469 1/4	462 1/4	468 3/4	476 1/4	461 1/4	465 1/4	
SN24	1186 1/2	1171	1177 1/4	1193 1/4	1161 1/4	1194 1/4	
SX24	1156	1141	1147 1/4	1162 3/4	1131 3/4	1167 1/2	
SMN24	365.0	358.0	360.2	367.4	353.1		356.5
SMV24	350.5	346.0	347.2	352.2	342.2		347.8
BON24	44.17	43.47	43.79	44.99	42.59	44.53	
WN24	627 3/4	610 1/2	617	634 3/4	599 1/4	628 3/4	
KWN24	654	634	637 1/4	657 3/4	616 3/4		660 1/2
MWN24	678 3/4	662 1/4	668 1/4	685 1/4	651 1/4		692 1/4
LCQ24	179.625	177.900	178.325	180.550	176.100	179.375	
LCV24	182.400	180.550	181.050	183.100	179.000	181.375	
LHN24	94.750	92.525	93.700	96.125	91.275	94.200	
LHV24	77.775	76.200	77.050	78.825	75.275		86.900
FCQ24	259.150	256.850	257.575	260.075	255.075	259.175	
CTN24	73.24	71.50	71.740	73.68	69.80		78.65
CTZ24	72.95	71.50	71.650	73.15	70.15		76.60
SBN24	19.19	18.73	19.100	19.61	18.59		18.92
GCQ24	2358.8	2327.2	2340.50	2372.60	2308.40	2356.1	
NRN24	18.39	17.56	18.23	19.08	17.37	17.770	
DJM24	39193	38658	38752	39307	38197		38683
CLN24	79.32	77.88	78.50	80.14	76.86	75.78	
NGN24	3.132	2.995	3.045	3.197	2.893	2.708	
DXU24	104.91	103.850	104.295	105.56	103.04		103.487
USU24	119 21/32	117 18/32	119 5/32	121 16/32	116 26/32	118 30/32	

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