

June 17, 2024

Weather:

U.S. MIDWEST

Past Weather

- ***Rain fell on a large part of the western Corn Belt and a few areas in the eastern Corn Belt during the weekend with the moisture welcome in many areas while some of the rain was heavy enough to cause multi-day interruptions to planting.***
 - Rain was common from northeastern Kansas to east-central South Dakota through central and southeastern Minnesota and the western and northern halves of Iowa to Wisconsin.
 - Rainfall totals were 0.29 to 1.39 inches most often with some pockets of lighter rain and several totals of 1.47 to 3.02 inches.
 - Rain also fell from eastern North Dakota to northwestern Minnesota where totals were 0.19 to 0.87 inch while parts of northwestern and north-central Illinois received 0.12 to 0.21 inch.
 - Several locations from north-central Indiana to central Michigan received 0.11 to 0.54 inch of rain with 2.60 inches in a part of south-central Michigan while 0.55 inch of rain fell on a part of southeastern Ohio and 0.07 to 0.08 inch fell on a couple northeastern Kentucky and southwestern Ohio locations.
 - Additional rain of significance fell Sunday night into this morning from eastern South Dakota to east-central Nebraska through central and southern Minnesota and north-central Iowa.
 - Estimated totals from southeastern South Dakota and northeastern Nebraska to portions of southern Minnesota were 0.50 to 2.0" and locally more.
 - Highest temperatures were in the middle 80s through the middle 90s Fahrenheit with a few upper 70s and lower 80s in the north and upper 90s in a part of east-central Missouri and a part of central Kentucky.

Forecast Overview and Crop Impacts

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- Eastern Kansas to the eastern Corn Belt will see little rain and will often be warm to hot during the next ten days to two weeks allowing planting to soon be completed while the remainder of the western Corn Belt sees regular and significant rain into Friday and additional rain into the middle of next week slowing the completion of planting.
 - Soil moisture from eastern Kansas to the eastern Corn Belt will be much lower in two weeks than today, but enough soil moisture is in place today to favorably support crop development during the period.
 - Topsoil is likely to become short in much of the region by late June and while subsoil moisture will still be supportive of crop development greater rain will be needed in early July to prevent declines in yield potentials.
 - Some fieldwork will advance around the coming rain in the remainder of the western Corn Belt through late next week with planting likely to accelerate and soon be completed when drier weather evolves June 26-July 1.
 - Multiple rounds of heavy rain will occur through Friday from the eastern Dakotas and eastern Nebraska to Minnesota and Wisconsin and some local flooding is likely.
 - Temperatures will be milder than what the remainder of the Corn Belt sees and with favorable soil conditions production potentials should remain high.
 - **Temperatures will be warmer than normal through this weekend outside of portions of the west-central and northwestern Corn Belt.**
 - The eastern Corn Belt will be warmest and will often see highs in the middle and upper 90s with parts of eastern Missouri and southeastern Iowa seeing highs in the middle and a few upper 90s at times.
 - Thursday through Saturday will be warmest.

Precipitation Forecast Details

- Showers and thunderstorms will occur today through Wednesday from the eastern Dakotas, eastern Nebraska, and nearby Kansas through Minnesota and Wisconsin where much of the region will receive 0.65-2.0" of rain and locally more with some pockets of lighter rain and a few bands of heavier rain.
 - Lighter rain will fall on nearby areas while isolated and light showers bring rain to a few other areas with most locations dry.
- Additional rain will fall Thursday into Friday from the eastern Dakotas through Wisconsin where most areas receive another 0.50-2.0" and locally more with some pockets of lighter rain and a few bands of heavier rain.
 - Lighter rain will surround the region while most other areas are dry.
- 75% of the Midwest will receive up to 0.75" of rain and locally more Saturday into Sunday with southeastern areas driest.
- Much of the Midwest will receive 0.20-1.20" of rain and locally more June 24-26.

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- June 27-July 1 will be drier with a few showers possible each day.

Temperature Forecast Details

- High temperatures into Tuesday will be in the middle 80s to the middle 90s with a few upper 90s in the east today, upper 60s to the lower 80s from the eastern Dakotas to northern Wisconsin today, and some upper 50s to the lower 80s in the northwest Tuesday.
 - Highs Wednesday from eastern Kansas to southern into eastern Wisconsin and the eastern Corn Belt will be in the middle 80s to the middle 90s while other areas see highs in the upper 60s and 70s with some lower 80s near the warmer region.
 - Thursday through Saturday's highs from eastern Missouri to the eastern Corn Belt will be in the middle and upper 90s with some lower 90s in the north and west while other areas see highs in the upper 70s to the lower 90s with some middle 90s near the warmer region and some lower to middle 70s in the northwest.
 - Sunday will be cooler and by next Monday highs will be in the middle 70s through the 80s with some lower 70s in the north and some lower 90s in the south.
- Lows Tuesday will be in the upper 60s to the middle 70s with some 50s to the middle 60s and a few upper 40s in the northwest before lows are cooler in the west Wednesday when some northwestern areas cool to the upper and a few middle 40s.
 - Thursday's lows will be in the upper 50s to the lower 70s with a few middle 70s in east and some lower to middle 50s and a few upper 40s in the northwest.
 - Lows will be a little warmer Friday and by Saturday and Sunday lows will be in the middle 60s to the middle 70s with a few upper 70s in the south and some middle 50s to the lower 60s in northern parts of the western Corn Belt before lows are cooler next Monday.

WORLD WEATHER HIGHLIGHTS FOR JUNE 17, 2024

- Rain fell in interior eastern and central Ukraine during the weekend offering some relief to persistent dryness
- Russia's Southern Region is unlikely to get much relief from its dryness and the same is true for western Kazakhstan
- Temperatures were in the 90s Fahrenheit (32-37C) in Russia's Southern Region and Kazakhstan during the weekend exacerbating the dryness and crop stress
- Eastern Ukraine will be drier again this week
- Portions of the North China Plain will slowly get periodic rainfall that should ease long term dryness, but it may take a week to ten days for sufficient rain to reach enough areas to greatly shrink the concern about ongoing dryness
- India's monsoon will perform favorably over the next two weeks with rain likely in central and interior southern parts of the nation
 - Some of the rain will be lighter than usual

- Rain will return to western and northern Europe later this week and into next week slowing harvest progress and returning concern over winter crop quality
- Frost and freezes are possible in Canada's Prairies Tuesday through Thursday mornings
 - Alberta will be coldest with lows Tuesday in the upper 20s and 30s Fahrenheit (-3 to +4C)
 - Northwestern Saskatchewan lows Tuesday will be in the 30s Fahrenheit (-1 to +3C)
 - Both Alberta and Saskatchewan will see lows Wednesday in the upper 20s and 30s Fahrenheit (-2 to +3C)
 - [Some crop damage is expected, though most of the cold will stay in west-central and northern Saskatchewan and central and northern Alberta and not impact southern portions of either province](#)
 - The cold will shift to northern Manitoba Thursday with frost possible there along with a few patches of it in Saskatchewan as well
- Waves of rain will return to Canada's Prairies after the cold this week abates
- Frequent rain will impact the northern U.S. Plains and upper Midwest over the next ten days saturating the soil and inducing some flooding
- A tropical depression or tropical storm is expected to form over the southwestern Gulf of Mexico Tuesday or Wednesday and move to northeastern Mexico Wednesday or Thursday producing heavy rain from the lower Texas Coast through all of northeastern and east-central Mexico
- A second tropical system may form in the western Gulf of Mexico late this weekend, but it is unclear where the system will go and how organized it may or may become
- Heavy rain is returning to Rio Grande do Sul and Santa Catarina, Brazil and southern Paraguay in this coming week resulting in some new flooding
- Argentina will experience a good mix of rain and sunshine, although greater rain may eventually be needed to support the best wheat and barley establishment
- Safrinha crops in Brazil are unlikely to get much rain, although Paraguay and Parana may get some moisture from this week's storm weather pattern in southern Brazil
- Australia will continue to get some periodic showers to benefit its winter crop planting and establishment in the south; Queensland and parts of South Australia will still need significant rain

News:

- AgRural analysts estimated Brazil's second season corn harvest at 21% complete, that's well ahead of the 5% pace in the year earlier period. The group said it was the fastest harvest pace since their first crop tour in 2013, adding that warm and dry weather helped accelerate the pace.
- NOPA is expected to report its members crushed 178.4 million bu. of soybeans in May, which would be up 5.3% from April and 0.2% from last year's record for the month. Soyoil stocks at the end of May are expected to total 1.775 billion lbs., which would be down 3.1% from April and 5.2% below year-ago.

- Chinese stats bureau officials say the country's summer harvest is expected to be a bumper crop, this is despite recent comments from Chinese ag officials suggesting recent heat wave will impact crops in the northeast.
- India's weather bureau estimates monsoon rains since June 1 have brought only 80% of normal levels. Looking for a regional differences shows southern rice growing areas are 17% ahead of normal levels, but central India cotton, sugar and soy growing areas have seen a 29% deficit, while northeastern growing areas are 20% deficit and northwestern growing areas are 68% deficit of normal.
- China's Commerce Ministry announced today they would the start an anti-dumping probe into EU origin pork imports. The probe will focus on fresh and frozen whole cuts for human consumption and cover other offal products. In response to China's anti-dumping probe into EU pork, Spain today called for the EU to negotiate with China to avoid potential tariffs on its pork product exports to China.
- U.S. crude oil refining capacity rose 1.5% to 18.38 million barrels per day this year, a government report showed on Friday as a major new expansion in Texas boosted capacity. The Energy Information Administration said the figures indicate capacity online as of Jan. 1, which reflected for the first time the startup last year of an about 250,000 bpd expansion to Exxon Mobil's Beaumont, Texas, refinery.
- China's new home prices in 70 cities decreased by 3.9% from year-ago in May, the biggest decline since June 2015. This was the 11th consecutive monthly decline, despite China unveiling a broad real estate rescue package last month. Prices dropped in 68 out of the 70 cities surveyed by the government.

Technically Speaking:

Market Fundamentals:

Yesterday's Trades: No New trades.

ADVICE: No New Advice—weather from June 21---beyond suggests we might want to be long corn on paper at some point?? For now long in bin is sufficient. Perhaps Monday today will put in a low for the week given the less than ideal weather outlook---mid-day possible. Personally I'm nervous being short futures based on 30-90 outlook

COMMENTS: Weather looks hotter and drier than normal starting soon but market response looking to wait for July options to expire (morning forecast was a little less threatening) ---It seems again both the July call and put options if purchased will expire near worthless June 21, again? After July option expiry, it will be up to the futures buyer or seller to take a position.

CORN: Down in spite of a summer weather outlook of hot and drier—if you believe TV personalities. The July-Dec spread has narrowed to 20 cents with cash at 11 difference to fall (Sept 1).

SOYBEANS: An inverted market and negative—July 20 over SX .

WHEAT-Chicago topped 3 weeks ago as did Mpls and KC—all three have dropp \$1--\$1.20—downside risk yet.

CANOLA—very negative last week.

Gulke Group Spec Table Buy/Sell Stops				(*New Positions in BOLD)			
	6/17/2024			Today's Stops		Current Position*	
	High	Low	Close	Buy	Sell	Long	Short
CN24	459 1/2	448	450	462	438		451
CZ24	478	468 1/4	470 1/4	480 1/2	460	465 1/4	
SN24	1189	1178	1179 3/4	1191 1/4	1168 1/4	1194 1/4	
SX24	1160	1147 3/4	1149 3/4	1162 1/2	1137	1167 1/2	
SMN24	372.6	365.3	368.4	375.9	361.0	367.4	
SMV24	352.0	347.6	348.7	353.6	343.8	352.2	
BON24	43.97	43.47	43.68	44.68	42.68	44.53	
WN24	622 1/2	611	612 3/4	624 3/4	600 3/4	628 3/4	
KWN24	639 1/2	625 1/4	627 1/2	642 1/4	612 3/4		660 1/2
MWN24	667	654	655 1/2	669	642		692 1/4
LCQ24	183.600	180.350	183.175	186.925	179.425	179.375	
LCV24	185.075	182.400	184.850	187.725	181.975	181.375	
LHN24	94.325	90.400	93.650	97.775	89.525	94.200	
LHV24	76.975	74.150	76.750	79.775	73.725		86.900
FCQ24	262.650	258.500	261.975	266.325	257.625	261.625	
CTN24	71.82	70.84	70.970	72.15	69.79		78.65
CTZ24	72.61	71.55	72.140	73.25	71.03		76.60
SBN24	19.60	19.27	19.430	19.81	19.05	19.61	
GCQ24	2352.3	2316.7	2348.50	2384.60	2312.40	2356.1	
NRN24	18.73	18.11	18.19	18.83	17.54	17.770	
DJM24	38674	38306	38605	38993	38217		38683
CLQ24	78.8	77.42	78.05	79.63	76.47	78.26	
NGQ24	3.068	2.950	2.963	3.096	2.830	3.037	
DXU24	105.43	104.790	105.140	105.98	104.31		103.487
USU24	120 24/32	119 14/32	120 14/32	122	118 28/32	118 30/32	

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