

July 11, 2024

Weather:

WORLD WEATHER HIGHLIGHTS FOR JULY 11, 2024

- Rainfall should remain restricted in the western CIS through the next ten days, although totally dry weather is unlikely
 - Temperatures will be warmer than usual leading to greater stress for some crop areas from Ukraine and southeastern parts of the Central Region into the Ural Mountains region and western Kazakhstan
- Northern Europe will become wet again late this week into next week slowing the harvest of winter crops from the U.S. and North Sea region into the heart of Germany, northern and eastern France and Poland possibly raising some crop quality issues
- Welcome drying continued in parts of Henan and Shandong Wednesday after excessive rain fell in the previous week resulting in some significant flooding
- Rain will return to the North China Plain as well as Henan and Shandong late this weekend and next week with some local flooding possible once again as well
 - Northern parts of the North China Plain and Inner Mongolia are still dry and the coming rain will be welcome
- East-central China will experience some heavy rainfall over the next few days possibly inducing a little flooding from Sichuan to southern Jiangsu
- India's monsoon will continue most active in central and northeastern parts of the nation during the next ten days with some flooding expected
 - Greater rain is needed in Pakistan, northwestern Rajasthan, Punjab and northwestern Gujarat, India
 - Areas from Telangana and eastern Maharashtra into Madhya Pradesh may experience some excessive rain and flooding over the weekend and especially next week
- **U.S. Midwest and northern Plains weather is expected to trend drier for a little while in the coming few days with much warmer temperatures this weekend accelerating the drying trend and stressing livestock in the Plains**
 - **Cooling is now predicted for many areas east of the high Plains early to mid-week next week**
- **Heat stress will be an issue this weekend and next week for the western U.S. Great Plains and a part of the southwestern Midwest this weekend only due to high relative humidity and very warm temperatures**

- Livestock stress is expected due to high humidity and warm temperatures
- **Net drying is expected from South Dakota to Kansas and Missouri in the coming week to ten days**
- West Texas will receive a few showers and thunderstorms over the next ten days with mid-week next week wettest and temperatures will be seasonable
- A good mix of weather is expected in the U.S. Delta and southeastern states over the next ten days
- Southwestern Canada's Prairies will become too dry and hot over the next ten days raising concern for long term crop development
- Strong to severe thunderstorms may soon erupt in the remainder of Canada's Prairies
- Rain is still slated for interior southern Brazil during the coming week slowing Saf-rinha corn maturation and harvest progress and disrupting late season wheat planting in a few areas

News:

- Japan's Ag Ministry bought a total of 107,330 mt of Aussie, Canadian and US origin mill grade Wheat. The total includes 29,350 mt of Aussie white, 27,540 mt of Canadian red, 27,680 mt of US HRW, and 22,760 mt of US DNS wheat.
- Grain traders noted around 68,000 mt of feed grade Wheat was purchased by South Korea's Major Feedmill Group.
- **Russian missile attack Wednesday damaged Odesa Ukraine port infrastructure, damaging warehouses, trucks, a civilian ship and killing a security guard and truck driver.**
- Ukraine Security Service announced they seized a foreign cargo vessel, detaining the captain. The ship is suspected of helping Moscow export Ukraine grain from Russian occupied Crimea.
- France AgriMer projected 23/24 French Soft Wheat ending stockpiles at 3.89 mmt up from last month's estimate at 3.83 mmt. They projected 23/24 French Soft Wheat exports outside the EU at 10.2 mmt, unchanged from last month's forecast. Soft Wheat exports outside the EU are now projected at 6.23 mmt up from last month's estimate at 6.18 mmt.
- **Strategie Grains increased its forecast for EU soft wheat production by 500,000 MT to 122.3 MMT, though that would still be down 4.2 MMT (3.3%) from last year and the lowest in four years. The firm said the latest harvest feedback and area estimates from France, the EU's largest wheat producer, suggest soft wheat production could fall below 29 MMT. That would be below the initial forecast of 29.7 MMT earlier this week from France's ag ministry. Strategie Grains raised EU barley and corn production forecasts to 51.3 MMT and 62.0 MMT, respectively.**

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- NATO issued a declaration on Wednesday night calling out China’s military support for Russia in Ukraine. The declaration described China as a “decisive enabler” of Russia’s war against Ukraine. China on Thursday criticized the claim, saying it “comes with malicious intent.” China’s foreign ministry urged NATO to “take concrete action to de-escalate rather than shift blame” in the situation.
- Global oil demand growth will slow to just under a million barrels per day this year and next, the International Energy Agency said, as Chinese consumption contracted in the second quarter amid economic woes. Global demand in the second quarter rose by 710,000 bpd annually in its lowest quarterly increase in over a year, IEA noted. IEA’s forecast for relatively low oil demand growth of 970,000 bpd this year was largely unchanged from its outlook last month. It sees an increase of 980,000 next year. By contrast, OPEC expects oil demand to rise by 2.25 million bpd this year, more than double IEA’s forecast, with China providing a significant chunk of the growth. For 2025, OPEC projects global oil demand growth of 1.85 million bpd.
- **Brazil CONAB July 23/24 Crop Report Recap:**
 - **23/24 Total Corn production 115.858 mln mt; prior report 114.144 mln mt**
 - 23/24 1st Season Corn production: 23.443 mln mt; prior report 23.624 mln mt
 - 23/24 2nd Season Corn production: 90.007 mln mt; prior report 88.116 mln mt
 - **23/24 Corn exports 33.5 mln mt; prior report 33.5 mln mt**
 - **23/24 Total Corn ending stockpiles 7.076 mln mt; prior report 6.066 mln mt**
 - 23/24 Total Corn acres: 20.862 mln ha; prior report 20.837 mln ha
 - 23/24 1st Season Corn acres: 4.006 mln ha; prior report 4.029 mln ha
 - 23/24 2nd Season Corn acres: 16.199 mln ha; prior report 16.152 mln ha
 - 23/24 Corn Yields area forecast: 5.553 mt/hectare; prior report 5.478 mt/ha
 - **23/24 Soybean production: 147.337 mln mt; prior report 147.354 mln mt**
 - **23/24 Soybean exports: 92.434 mln mt; prior report 92.434 mln mt**
 - 23/24 Soybean acres: 46.020 mln ha; prior report 45.978 mln ha
 - **23/24 Soybean ending stockpiles: 3.041 mln mt; prior report 3.058 mln mt**
 - 23/24 Soybean Yields area forecast: 3.202 mt/hectare; prior report 3.205 mt/ha
 - 2024 Wheat production: 8.956 mln mt; prior report 9.065 mln mt
 - 2024 Wheat Area: 3.069 mln hectares, prior report 3.078 mln ha
 - 2024 Wheat Yields: 2.917 mt/ha, prior report 2.945 mt/ha
 - 2024 Wheat Imports: 6.000 mln mt; prior report 6.000 mln mt
 - 2024 Wheat Ending Stocks: 1.657 mln mt; prior report 0.665 mln mt

Source: WASDE and estimates by Reuters

U.S. WHEAT PRODUCTION - 2024

	JUNE	AVERAGE	RANGE OF	USDA
	USDA	ANALYSTS	ANALYSTS'	2023
	ESTIMATE	ESTIMATE	ESTIMATES	FINAL
ALL WHEAT	1.875	1.909	1.865 – 1.943	1.812
ALL WINT WHT	1.295	1.316	1.280 – 1.345	1.248
HR WHEAT	0.726	0.743	0.716 – 0.768	0.601
SR WHEAT	0.342	0.344	0.328 – 0.360	0.449
WHITE WINT WHT	0.226	0.227	0.223 – 0.232	0.198
OTHR SPRG WHT	0.505	0.521	0.502 – 0.552	
DURUM	0.059	0.075	0.059 – 0.088	

U.S GRAINS, COTTON & SOYBEAN COMPLEX CARRYOUT – 2023-24

	JUNE	AVERAGE	RANGE OF	USDA
	USDA	ANALYSTS	ANALYSTS'	2022-23
	ESTIMATE	ESTIMATE	ESTIMATES	FINAL
CORN	2.022	2.049	1.997 – 2.122	1.361
SOYBEANS	0.350	0.355	0.329 – 0.390	0.268
WHEAT	0.688			0.582
SOYOIL	1.662			1.602
SOYMEAL	400,000			371,000
OATS	0.034			0.035
SORGHUM	0.022			0.024
RICE	39.8			30.3
COTTON	2.85			4.25

U.S GRAINS, COTTON & SOYBEAN COMPLEX CARRYOUT – 2024-25

	JUNE	AVERAGE	RANGE OF	USDA
	USDA	ANALYSTS	ANALYSTS'	2023-24
	ESTIMATE	ESTIMATE	ESTIMATES	FINAL
CORN	2.102	2.312	2.174 – 2.454	N/A
SOYBEANS	0.455	0.449	0.350 – 0.527	N/A
WHEAT	0.758	0.788	0.750 – 0.863	N/A
SOYOIL	1.827			N/A
SOYMEAL	450,000			N/A
OATS	0.027			N/A
SORGHUM	0.035			N/A
RICE	44.5			N/A
COTTON	4.10			N/A

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U.S. GRAIN & SOYBEAN PRODUCTION – 2024

	JUNE	AVERAGE	RANGE OF	USDA
	USDA	ANALYSTS'	ANALYSTS'	2023
	ESTIMATE	ESTIMATE	ESTIMATES	FINAL
CORN	14.860	15.063	14.857 – 15.113	15.342
SOYBEANS	4.450	4.424	4.335 – 4.436	4.165
OATS	0.047			0.057
SORGHUM	0.388			0.318
RICE	220.2			218.3
COTTON	16.00			12.10

U.S. GRAIN & SOYBEAN YIELD/ACRE – 2024

	JUNE	AVERAGE	RANGE OF	USDA
	YLD/ACRE	ANALYSTS'	ANALYSTS'	2023
	ESTIMATE	ESTIMATE	ESTIMATES	FINAL
CORN	181.0	180.8	179.0 – 181.0	177.3
SOYBEANS	52.0	51.9	51.0 – 52.0	50.6
OATS	67.1			68.6
SORGHUM	69.3			52.0
RICE	7,635			7,649
COTTON	842			822

WORLD GRAINS, SOYBEAN & COTTON CARRYOUT - 2023-24 AND 2024-25

COMMODITY	JUNE	JUNE	AVERAGE
	2023-24	2024-25	ANALYSTS
	EST	EST	EST
WHEAT	259.56	252.27	252.19
CORN	312.39	310.77	311.63
SOYBEANS	111.07	127.90	127.19
SOYMEAL	14.28	16.21	
SOYOIL	5.28	5.25	
COTTON	80.97	83.49	
RICE	176.79	177.98	

ARGENTINA & BRAZIL – 2023-24 CORN & SOYBEAN ESTIMATES

COMMODITY	JUNE	AVERAGE	RANGE OF
	2023-24	ANALYSTS'	ANALYSTS'
	ESTIMATE	ESTIMATE	ESTIMATE
ARGENTINA CORN	53.00	51.07	48.00 – 53.00
ARGENTINA SOYBEANS	50.00	49.95	49.50 – 50.00
BRAZIL CORN	122.00	121.30	120.00 – 122.00
BRAZIL SOYBEANS	153.00	151.75	149.00 – 153.00

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Export Sales		6/21/24 - 7/4/24						
	Estimates	Net Sales			Accum. Exports	Year Ago Accum. Exports	This Week YOY % change	Last Week YOY % change
		23/24	24/25	25/26				
Wheat	350-700k	n/a	240,400	0	7,139,000	5,017,000	42.30%	49.28%
Corn	400k-1.3m	583,300	116,500	0	54,273,500	39,508,600	37.37%	37.64%
Beans	250-850k	20,800	191,300	0	44,996,800	52,504,700	-14.30%	-14.63%
Meal	200-6000k	53,100	22,800	0	13,132,200	11,798,400	11.30%	11.37%
Soyoil	2-15k	9,700	(3,500)	0	198,300	124,400	59.41%	53.17%
Sorghum		112,300	0	0	5,567,700	2,381,000	133.84%	142.38%
Beef		127	0	0	537,900	565,200	-4.83%	-4.63%
Pork		220	0	0	1,121,900	1,091,800	2.76%	2.62%
Cotton		54,100	69,500		12,992,300	13,910,600	-6.60%	-6.83%
Source ; USDA(FAS) - Gulke Group								

Corn: Net sales of 538,300 MT for 2023/2024 were up 51 percent from the previous week, but down 13 percent from the prior 4-week average. Increases primarily for Colombia (200,600 MT, including 40,000 MT switched from unknown destinations and decreases of 32,500 MT), Japan (188,300 MT, including 65,600 MT switched from unknown destinations and decreases of 2,800 MT), Mexico (177,600 MT, including 54,900 MT switched from unknown destinations and decreases of 2,800 MT), South Korea (60,800 MT, including decreases of 4,200 MT) **Soybeans:** Net sales of 208,000 MT for 2023/2024 were down 9 percent from the previous week and 40 percent from the prior 4-week average. Increases primarily for the Netherlands (109,900 MT, including 122,000 MT switched from unknown destinations and decreases of 12,100 MT), Mexico (62,100 MT), Egypt (50,000 MT), Japan (30,500 MT, including 29,100 MT switched from unknown destinations), and Indonesia (14,900 MT, including decreases of 300 MT), were offset by reductions for unknown destinations (95,900 MT). **Wheat:** Net sales of 240,400 metric tons (MT) for 2024/2025 primarily for Thailand (60,800 MT), Japan (58,400 MT, including decreases of 1,300 MT), Indonesia. **Sorghum:** Net sales of 112,300 MT for 2023/2024 were down noticeably from the previous week, but up noticeably from the prior 4-week average. Increases reported for China (112,400 MT), were offset by reductions for South Korea (100 MT). Exports of 56,800 MT were up 6 percent from the previous week, but down 3 percent from the prior 4-week average. The destination was China. **Soybean Cake and Meal:** Net sales of 53,100 MT for 2023/2024--a marketing-year low--were down 75 percent from the previous week and 72 percent from the prior 4-week average. Increases primarily for Morocco (32,100 MT, including 32,000 MT switched from unknown destinations), Nicaragua (10,600 MT, including 2,400 MT switched from unknown destinations), Canada (10,600 MT), Colombia (9,000 MT, including 10,000 MT switched from unknown destinations and decreases of 1,900 MT), and the Philippines (9,000 MT), were offset by reductions primarily for unknown destinations (38,000 MT), Honduras (3,800 MT), Belgium (800 MT), Ecuador (600 MT), and Portugal (300 MT). Net sales of 22,800 MT for 2024/2025 were reported for unknown destinations (20,000 MT) and Canada (2,800 MT). Exports of 272,000 MT were up 36 percent from the previous week and 17 percent from the prior 4-week average.

Technically Speaking:

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Market Fundamental

Yesterday's Trades: Corn – For 2023 and 2024, sold 15% Dec 420 calls at 15 3/8. **Soybeans** – For 2024, sold 20% Aug beans, 10% at 1116 and 10% at 1113 and sold 20% Nov 1100 calls at 28 ½. **Canola** – For 2023 and 2024, sold 20% Nov at 620.

ADVICE: NO NEW ADVICE—we added to coverage by locking in some call option premiums.

COMMENTS: Some excitement finally in the corn spread market with September corn (CU) gaining on Dec. In fact, some months ago we felt old crop would gain on new and indeed this has happened even in N IL where cash corn delivery is the same now as in September, essentially taking the carry from once 40 cents to zero. The extreme downdraft in both old and new crop prices, however, was not expected this soon. The new drought monitors show problems in east coast as most assumed anyway. Heat comes into the Midwest but leaves again.

The export sales report was pretty dismal for holiday week with beef exports likely at new low.

Trader expectations for tomorrow are posted above and don't reflect much of a friendly report. So, it is up to USDA to pull something out of the hat. CONAB updated numbers are posted and their crops are also better than once expected. Post 8:30 has grains holding overnight although canola not holding up very well. Perhaps we'll see a little spec short covering ahead of tomorrow? Livestock had a negative day especially in FC but up \$2 this morning in spite of higher corn in continued extreme volatility.

Wheat might be reacting positively from the news that Russia attacked Ukraine's ports in Crimea with some minor damage.

Gulke Group Spec Table Buy/Sell Stops				(*New Positions in BOLD)			
	7/11/2024			Today's Stops		Current Position*	
	High	Low	Close	Buy	Sell	Long	Short
CU24	398	390 3/4	395 3/4	403 1/2	388		402 3/4
CZ24	409 1/4	404	407 1/4	413	401 1/2		417 1/4
SQ24	1138	1112	1113 1/4	1139 3/4	1086 3/4		1146 1/2
SX24	1085 1/2	1066	1067	1087	1047		1109 1/2
SMV24	318.0	313.6	313.9	318.8	309.0		322.5
SMZ24	320.6	316.1	316.4	321.1	311.8		326.2
BOZ24	46.63	45.49	45.58	47.22	43.94		46.96
WZ24	595 3/4	580 1/4	585	601	569		585
KWZ24	596	580	583 3/4	600 1/4	567 1/4		583 3/4
MWZ24	637 1/4	625 1/2	629 1/2	641 3/4	617 1/4		629
LCQ24	182.775	181.375	182.250	184.150	180.350	179.375	
LCV24	183.750	182.250	183.200	184.900	181.500		184.825
LHQ24	87.875	84.650	84.675	88.100	81.250		86.250
LHV24	70.800	68.050	68.325	71.275	65.375		68.475
FCQ24	256.250	253.450	254.350	257.350	251.350		258.775
CTZ24	71.65	70.21	70.930	72.42	69.44	71.52	
CTH25	73.33	72.07	72.730	74.19	71.27		75.63
SBV24	20.12	19.52	19.810	20.46	19.16		20.20
GCQ24	2393.4	2369.7	2377.70	2401.90	2353.50	2341.2	
NRX24	14.85	14.77	14.78	14.90	14.67		15.350
DJU24	40067	39558	40049	40578	39520	39984	
CLQ24	82.66	80.81	82.10	84.15	80.05	78.26	
NGQ24	2.385	2.292	2.329	2.437	2.221		2.333
DXU24	104.86	104.680	104.705	105.08	104.33		103.487
USU24	118 31/32	118 9/32	118 24/32	119 22/32	117 26/32	117 21/32	

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