

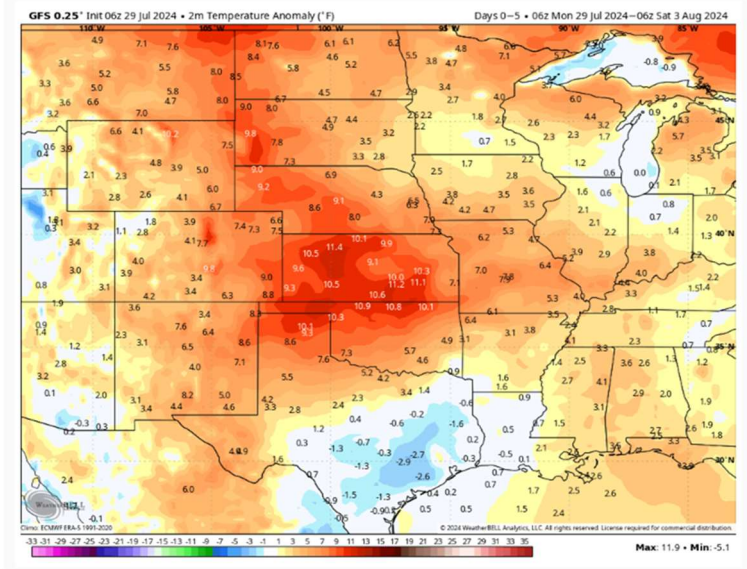
July 29, 2024

Weather:

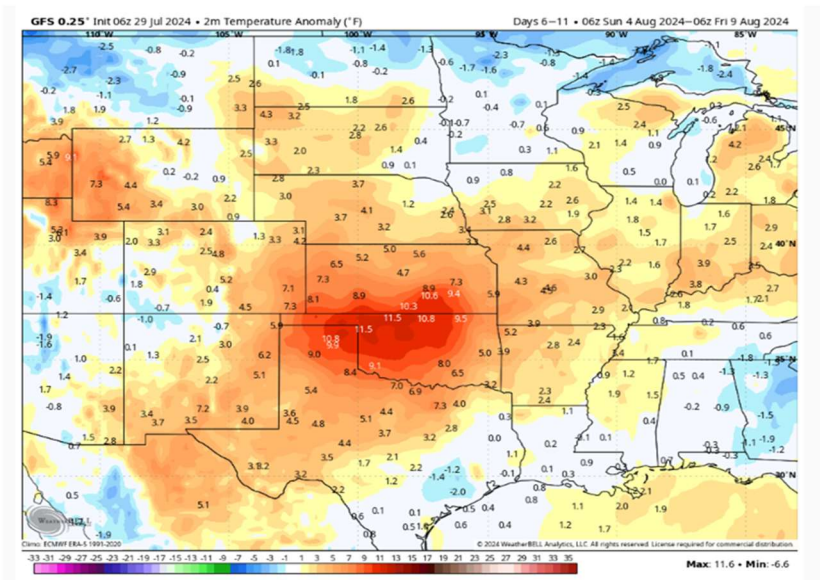
WORLD WEATHER HIGHLIGHTS FOR JULY 29, 2024

- U.S. Missouri River Valley rainfall in the next ten days will be restricted enough for some net drying to occur
- Rain will fall frequently in northern and eastern U.S. Midwest crop areas with the greatest abundance of rain likely east of Illinois in the next ten days
- Frequent rain will continue in the U.S. southeastern states, as well
- U.S. Delta precipitation will be less than usual over the next ten days
- U.S. central and southern Plains rainfall will not be great enough to counter evaporation in most areas for the next ten days
- Temperatures in the central and southern Plains will be very warm to hot this workweek and possibly into next week as well resulting in some summer crop and livestock stress
- Canada Prairies will not receive much rain through the weekend, but could see a short term bout of greater rain early to mid-week next week, although confidence is low for now
- Eastern Ukraine and Russia's Southern Region will continue to be drier than usual through the next ten days with temperatures trending warmer next week after another milder than usual week this week
 - Crop stress will remain a concern for all unirrigated crops in the region; including sun-seed, barley, spring wheat, corn and soybeans
- Flooding in China during the weekend occurred from Hunan and Jiangxi into Guangdong and a part of Fujian from the remnants of Typhoon Gaemi
 - Rain amounts varied from 3.00 to 6.00 inches often with local totals to 11.92 inches with eastern Hunan wettest
- Remnants of Typhoon Gaemi also produced flooding rain in Shandong and from there through Liaoning to Jilin where 3.50 to more than 8.00 inches resulted with local totals again reaching to more than 11.90 inches in eastern Liaoning
- Waves of rain in eastern China will perpetuate wet field conditions and flooding for a while in this coming week to ten days
- Europe weather should be mostly favorable, although some returning rain to France and Germany will slow winter crop harvesting once again Tuesday into the weekend
- Summer crop areas in southeastern Europe are drying out
- Australia weekend rain was welcome in some southern Queensland and northern New South Wales locations as well as across the south, but more was needed
 - Showers will be most frequent this week in Western Australia
- Argentina rainfall will remain restricted to eastern most crop areas for a while
- Periodic rain will fall in southern Brazil, but Safrinha harvest areas will continue dry and warm

The first 5 days shows some heat for the Central Plains but not really that hot elsewhere.



The heat starts to drop off in the 6-11 and then gets pushed out completely after that.



U.S. MIDWEST

Past Weather and Its Impacts and Large Rivers Update

- [*Rain was common during the weekend from the far northwestern Corn Belt to central and eastern Minnesota to northwestern to eastern Iowa to central and eastern Missouri and Illinois to Kentucky and a part of southwestern Ohio with a few other western Corn Belt locations also seeing rain.*](#)

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- The rain was welcome and restored some of the topsoil moisture recently lost to evaporation.
- Rainfall totals varied widely and ranged up to 0.90 inch most often with several totals of 1.22 to 3.27 inches while parts of eastern Kansas and nearby Missouri received 0.08 to 0.98 inch of rain.
- Rain also fell on parts of central and eastern Wisconsin where totals were 0.10 to 0.35 inch while 0.07 inch fell on a part of southeastern Michigan.
- ○ Highest temperatures were in the 80s and lower 90s Fahrenheit with upper 70s in a few far northwestern locations as well as in parts of central Indiana and northeastern Kentucky.

Forecast Overview and Crop Impacts

- *Much of the Midwest will see two more weeks of favorable conditions for crop development and high yield potentials.*
- *The soil is moist enough to favorably support crop development across the region while a lack of significant heat and multiple rounds of rain are expected in much of region through the next ten days.*
- *Exceptions will occur in the southwestern Corn Belt where temperatures will be warm to hot through much of the next two weeks and rain will be limited.*
 - Topsoil moisture is short in much of the southwestern Corn Belt while subsoil moisture is still supportive of crop development.
 - Much of the Midwest will see well above normal temperatures into Friday, but most of the significant heat will be confined to the southwestern Corn Belt where highs will regularly reach the middle 90s with some upper 90s and lower 100s Tuesday and Wednesday.
 - Portions of the lower Midwest will see highs in the middle and a few upper 90s at times.
 - This weekend will be cooler before another round of heat affects the southwestern Corn Belt during the early to middle part of next week.
 - Some of the most beneficial rain during the next ten days will occur in eastern Nebraska and western Iowa today into Sunday as recent drying firmed up the topsoil while subsoil moisture is still favorable.

Precipitation Forecast Details

- Much of the region from the northwestern Corn Belt to eastern Missouri and the eastern Corn Belt will receive rain today into Tuesday and totals will be up to 0.75" and locally more with some 0.75-1.50" totals and locally more scattered across the region.
 - The west-central and southwestern Corn Belt will miss much of the rain with a few locations seeing light showers.

- Another round of rain will occur Wednesday into Thursday when much of the west-central and northwestern to the eastern Midwest receives up to 0.75” and locally more with some 0.75-1.75” totals scattered across the region.
 - The southwestern Corn Belt will miss much of the rain.
- Most areas from Michigan to Ohio and northern, central, and eastern Indiana into northeastern Kentucky will receive up to 0.60” of rain and locally more Friday while scattered and light showers bring rain to parts of central and northern Illinois and Wisconsin.
- Most areas will be dry Saturday into next Monday with some light showers in the east and northwest.
- Rain will increase Aug. 6-8 and much of the Midwest will receive up to 0.75” and locally more.
- Up to 20% of the Midwest will receive up to 0.30” of rain and locally more each day Aug. 9-12 with some days dry.

Temperature Forecast Details

- High temperatures today will be in the 80s and lower 90s with some middle and upper 90s in the southwest.
 - Tuesday and Wednesday’s highs will be in the middle 80s to the middle 90s with some lower 80s in the east Tuesday and in the far northwest Wednesday and some upper 90s and lower 100s in the southwest each day.
 - Highs Thursday will be in the middle 80s to the lower 90s with some middle and a few upper 90s in the south before Friday and Saturday are cooler.
 - Sunday’s highs will be in the 80s and lower 90s with a few middle 90s in the southwest and some upper 70s in northern parts of the western Corn Belt before most areas are warmer next Monday.
- Lows into Thursday will be in the middle 60s to the middle 70s with some upper 70s in the south and a few lower 60s in the far northwest.
 - Lows will be cooler Friday and Saturday and by Sunday lows will be in the 60s with some lower 70s in the south and some upper and a few middle 50s in northern parts of the western Corn Belt before lows are warmer in the west next Monday.

News:

- China slaughtered 160.35 million head of hogs in the first half of the year, down 0.7% from the same period last year. China’s sow herd stood at 40.38 million head at the end of June, down 6.0% from last year.

- Indonesian palm oil association estimated May 2024 palm oil exports at 1.97 mln mt, that's off -11.8% from the year ago month. Crude palm oil production in May 2024 was 3.89 mln mt, and ending May stockpiles were up +9.4% to 4.05 mln mt.
- AgRural analysts on Monday estimate center-south Brazil second season 2024 Corn harvest at 91% complete, that's up from the prior week's 83% pace, and well ahead of the 55% pace in the year earlier period.
- Ukraine's farm minister Monday said they expect early crop yields may fall -5% due to extreme heat, while late crop yields may decline up to -15%.
- Strategie Grains kept their 2024 EU soybean production forecast at 2.99 mln mt unchanged from their prior outlook. They lowered yields to 2.72 mt/ha from last month's 2.74 mt/ha, but raised acres to 1.10 mln from 1.09 mln. They also lowered their 2024 EU rapeseed production forecast to 17.27 mln mt from their prior outlook at 17.80 mln mt. They lowered yields to 3.10 mt/ha from last month's 3.18 mt/ha.
- A federal appeals court has thrown back the EPA's 2022 decision to deny small refineries temporary waivers from the US biofuel blending mandates. The decision from the appeals court was sealed but is seen as a win for the small oil refineries. Another appeals court struck down the EPA's 2023 decision to give blanket denials to small refinery exemptions.
- India will decide on sugar industry calls for a hike in the minimum selling price in the coming days, a senior government official said, adding that ethanol policies would be set before the start of the next season. The sugar-processing industry has been demanding an increase in the minimum selling price, saying the government has raised the mandatory procurement price of sugarcane in recent years while the MSP has remained unchanged since 2019. India restricted the use of sugar in ethanol production during the 2023-24 marketing year that ends on Sept. 30 and prohibited exports to keep a lid on domestic prices.
- Investment bank Citi revised down its forecast on China's 2024 economic growth to 4.8% from 5% previously, after China's growth missed analyst estimates in the second quarter. Data suggests that economic activity momentum softened further in July, Citi said in a note, adding it expects more property support from this week's Politburo meeting.

Technically Speaking:

Market Fundamentals:

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2024 CROP INSURANCE FUTURES PRICE TRIGGER LEVELS

	December Corn	4.66		November Soybeans	11.55
95%	ECO Insurance	4.43			10.97
90%	ECO Insurance	4.19			10.40
86%	SCO Insurance	4.01			9.93
85%		3.96			9.82
80%		3.73			9.24
75%		3.50			8.66

Yesterday's Trades: No New Trades

ADVICE: No New Advice. Funds continue to be very short corn and soybeans and the weather forecast over the weekend should not scare them to get out currently. If we could see the ridge out west start to move east over the next couple of days or even later this week that would help but it is not in the cards today.

COMMENTS:

Weather: Most areas of the Corn Belt are expected to receive rains this week, while there is no excessive heat in the forecast, as a ridge of high pressure will stay to the west. The Southern Plains will be hot, though some rains are likely. The Delta will be dry over the next 10 days, while the Southeast will see frequent rains. Detailed comments about the Midwest are in the MC for those interested. Our farm received a little rain this morning which is just ideal for crop development.

Soybean Complex: First notice on August futures is Wednesday so longs need to be out by tomorrow's close to avoid delivery risk. Volume and open interest will go very quickly after tomorrow and it can become illiquid. Both soybeans and soybean oil are experiencing contract lows. August soybeans are down about 32 cents with November down 22 cents at around \$10.26 with a low of \$10.21. I reprinted the insurance coverage levels in the body of the MC to show where we stand. The upper-level county programs price points are above the current price of November soybeans with another 40 cents at least for the 85% level to kick in. There is still a lot of risk that needs to be managed. Canola has retraced about 67% of its recent move higher so technically it needs to hold these levels otherwise support is about \$15 away.

Corn: Corn in trading a couple cents lower which could be looked as positively in the face of such a downward move in soybeans. Dec corn is at \$4.07 and could look to retest the \$4.03 level earlier this month. There is more and more rhetoric talked about regarding a very strong US corn crop. Yes, there are bad areas and personally I believe those affected areas

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are getting bigger, but it currently feels like anyone bullish on a lower US corn yield is standing in front of a locomotive. Rating my drop a little in some states this afternoon but I would be surprised if the national average was more than 1-2% worse in the G/E category. Let's hope I am wrong as we need a few positive days to keep the MACD from turning over. December corn prices are getting close to traditional MPCCI coverages.

Wheat: Futures are a little higher on the day, which is not unexpected after the pressure they had last week, especially in the specialty crops with the ND wheat tour's fantastic results. There are still some weather concerns internationally which could be adding support, but there is no real support below current prices.

The following excerpt came from the beginning of Michael Drury's (Economist) weekly report that I thought was worth reprinting.

"This week's missive is going to be a bit of a rant – because, frankly we have no idea how the market could have so little reaction to data that should undermine the chances of a heavily priced in Fed easing in September. Real GDP grew a robust 2.8% in the second quarter -- higher than the Atlanta Fed's 2.6% GDP. Now, and well above the 2.0% consensus. Moreover, the quarterly PCE deflator was also high at 2.6%. Yes, the June headline reading on Friday was as expected, but after upward revisions. Moreover, core PCE – which the Fed supposedly watches more closely --was a hotter than expected 0.2%, leaving the annual gain at 2.6%. **The market shrugged and said that's still good enough for a September ease. The Fed, in a silent period before the July FOMC meeting, did not respond or provide guidance.**"

Gulke Group Spec Table Buy/Sell Stops				(*New Positions in BOLD)			
	7/29/2024			Today's Stops		Current Position*	
	High	Low	Close	Buy	Sell	Long	Short
CU24	406 1/2	394	394 1/2	407 1/2	381 1/2		398 3/4
CZ24	421 3/4	409 1/4	410	423	397		413
SQ24	1117 1/4	1071 1/2	1077 1/2	1123 3/4	1031 1/4		1098 1/2
SX24	1080 1/2	1045	1048 1/2	1084 1/2	1012 1/2		1054 1/4
SMV24	326.6	320.3	323.2	330.0	316.4	312.2	
SMZ24	329.7	322.1	324.7	332.5	317.0	313.9	
BOZ24	44.42	41.79	41.83	44.96	38.70		46.96
WZ24	565 3/4	546 3/4	548 1/2	568	529		549 1/2
KWZ24	582	561	562	583 1/2	540 1/2		563 3/4
MWZ24	630 1/2	605 3/4	607 1/2	632 3/4	582 1/4		613 3/4
LCQ24	189.325	188.250	188.575	190.150	187.000	179.375	
LCV24	189.025	187.900	188.550	189.875	187.225	185.250	
LHQ24	94.100	93.375	93.475	94.400	92.550	90.350	
LHV24	78.550	77.600	78.200	79.350	77.050	71.700	
FCQ24	260.750	258.275	259.700	262.375	257.025		256.200
CTZ24	69.00	67.62	67.990	69.42	66.56		71.08
CTH25	70.72	69.46	69.760	71.22	68.30		72.86
SBV24	18.74	18.32	18.420	18.89	17.95	18.41	
GCQ24	2389.7	2354.6	2387.80	2423.40	2352.20		2411.60
NRX24	15.41	15.19	15.42	15.67	15.17	14.640	
DJU24	40995	40233	40831	41613	40049	40660	
CLU24	78.6	76.19	77.16	79.77	74.55		79.44
NGU24	2.096	2.039	2.051	2.123	1.979		2.074
DXU24	104.21	103.950	104.060	104.52	103.61		103.487
USU24	119 18/32	118 12/32	119 11/32	120 25/32	117 29/32		119 19/32

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