

## August 5, 2024

### Weather:

- · Hurricane Debby moved inland 60 miles north northwest of Cedar Key, Florida this morning producing 75 mph wind speeds and torrential rain
- · Torrential rain and serious flooding have already impacted a part of west-central Florida from Hurricane Debby and more is expected from north-central Florida through south-central and eastern Georgia to the Carolinas this week
- o Damaging floods will impact personal property and agriculture
- o Rain totals for the storm will vary from 6 to 12 inches with local totals to 16 inches with areas from the upper west coast of the Florida Peninsula into southeastern Georgia and eastern south Carolina wettest
- · U.S. drying is expected this week from Missouri, eastern Kansas, Illinois and parts of Indiana through the Delta with the Delta still dry biased next week
- · Much colder than usual temperatures will impact the north-central U.S. Plains, upper Midwest and Canada's Prairies this week with some highs in the 60s and 70s Fahrenheit in the U.S. and upper 50- and 60-degree highs in parts of Canada's Prairies later in the week
- · Northern U.S. Plains, Canada's Prairies and the upper Midwest will be wetter than usual during the coming week to ten days
- · Far western U.S. will be mostly dry and warm
- Much of Russia outside of the south will receive frequent rain over the next ten days maintaining concern over spring wheat and sunseed conditions
- o Temperatures will be mild this week seasonable during the weekend and a little warmer than usual next week

- · Central and northern India and China will stay plenty wet over the next ten days to two weeks
- · Australia rainfall will be infrequent and light during the next ten days as it was during the weekend
- · Argentina will get some rain in the south and east this week benefiting some wheat and barley areas, but the west-central part of the nation will continue quite dry
- · Safrinha harvesting in Brazil should continue to advance well with ongoing dry weather

### **News:**

- Indonesia purchased 320,000 MT of rice 185,000 MT from Vietnam and 135,000 MT from Myanmar.
- The VIX, Wall Street's fear gauge, hit 37 early today. If it holds, that will be the VIX's highest closing level since October 2020.
- Ukrainian Agrarian Council suggested the country's 2024 Corn harvest could fall by 6.0 mln mt from last year's level given the heatwave that swept across the country in July.
- Ukraine's Ag Ministry released data Monday showing the country's 24/25 grain exports as of August 5th stand nearly at 3.7 mln mt, that's 40% higher than the 2.6 mln mt shipped abroad in the year ago period.
- Tyson Foods 3Q revenues and profits exceeded analysts' expectations in their earnings announcement Monday morning. As higher dining out costs prompt more people to eat at home, demand is expected to continue rising for the company's products at retail stores. Net sales were \$13.35 billion in the 3Q.
- Analysts ahead of the Malaysian Palm Oil Board monthly data release on August 12th are forecasting the country's July palm oil production at 1.82 mln mt, up +12.7% from June. End of July palm oil stocks are seen at 1.808 mln mt, and if realized that would be off -1.2% from the end of June figure. July exports are forecast at 1.520 mln mt, that would be a 26% increase on the month.
- Linn & Associates 2024 U.S. soybean production was estimated at 4.492 billion bushels, on a yield of 52.9 bpa on Friday. Soy yield projected and production would represent record-high levels if attained. The USDA's trend-line yield estimate of 52.0 bpa projected a total soy crop this year of 4.435 billion bushels in July 2024. The are estimating the 2024 U.S. corn production at 14.999 billion bushels, on a yield of 181.5 bpa on slightly less harvested acres than the USDA due mostly to upper Midwest flooding early season. They note their forecasts are based on customer input, field observation, weather analysis, and satellite data and reflect ideas on final production, not what the USDA will publish in their next monthly report.

 Japan's gasoline imports are expected to stay elevated through August after rising 20% in June as outages at its refineries are reducing output during peak summer demand season, traders and analysts said. Import demand from Japan will further tighten supplies in Asia and support refiners' gasoline margins which have rebounded to two-month highs earlier in July.

**Technically Speaking:** 







# **Market Fundamentals:**

**Yesterday's Trades: Corn** – For 2023 and 2024, sold 10% CZ at  $402 \frac{1}{2}$ . **Soybeans** – For 2024, sold 10% SX at 1029.

ADVICE: No New Advice pending a Midday Update.

#### **COMMENTS:**

The continued selloff in the Stock Market is an understatement. Some charts are in the MC. Goldman Sachs economists raised the likelihood of a US recession in the next year to 25%, up from 15% with numerous caveats of course. The Fed meets on September 17 and are expected to cut rates although an emergency rate cut is not out of the question although that could further spook the market. It will be interesting to see how the political sides approach this move. Berkshire Hathaway has been a big seller of stock as of late which does not go unnoticed. The US \$ is down hard also which may be benefitting the grains.

Corn has rallied about 10 cents off the lows and gives clients that opportunity to catch up on the advice of Friday if they choose. Soybeans are about 20 cents off the lows but still trading about 7 cents above our strike price on Friday.

The US weather looks pretty good for the heart of the growing areas with net drying and cooler temperatures on tap for the coming week. Recent heat may have had some effect on yields, but the market is likely expecting the USDA to maintain or raise yields in their upcoming report. Many believe that the USDA will lower planted and harvested acres in corn and likely soybeans as well.

Weather outside the US is keeping the trader's attention with concerns for Ukrainian corn, Russian spring wheat, French wheat being some of the bigger ones.

Grain prices are trying to hold or move off support levels and with a positive beginning to week could go technically long on a daily basis. Soyoil continues its slide and is absent from any nearby support areas.

The meats all gapped lower with the meats taking it the hardest with better ties to the economy.

Crude is down even with increased tension in the Middle East.

	545 5100	IpSpec Table B 8/5/2024		Today's	s Stops	s in BOLD)  Current Position*		
	High	Low	Close	Buy	Sell	Long	Short	
CU24	387 3/4	381 3/4	386 1/2	393	380	Long	398 3/4	
CZ24	404 3/4	398 1/2	403 1/4	410	396 1/2	404 3/4	000071	
SQ24	1031 1/2	1019	1029 1/4	1042 1/4	1016 1/4	404 0/4	1098 1/2	
SX24	1032	1014 3/4	1027 1/4	1045	1009 1/2	1030 1/4	1000 112	
SMV24	322.8	313.8	322.3	331.8	312.8	320.4		
SMZ24	325.0	315.3	324.6	334.5	314.8	321.3		
BOZ24	41.95	40.76	40.81	42.50	39.12		46.96	
WZ24	564 1/2	553 1/2	562 1/4	573 3/4	550 3/4		549 1/2	
KWZ24	579	567	576 1/4	588 3/4	563 3/4		563 3/4	
MWZ24	619 1/4	604 1/2	614 1/2	629 3/4	599 1/4		613 3/4	
LCQ24	185.125	181.400	184.100	188.325	179.875		187.000	
LCV24	183.700	179.775	182.075	186.200	177.950		187.225	
LHV24	77.225	76.075	76.575	77.925	75.225		77.050	
LHZ24	69.550	68.725	69.150	70.175	68.125		67.625	
FCU24	251.500	244.200	249.650	257.150	242.150		256.950	
CTZ24	68.82	67.95	68.250	69.17	67.33		71.08	
CTH25	70.39	69.60	69.870	70.86	68.88		72.86	
SBV24	18.67	18.00	18.100	18.82	17.38	18.41		
GCZ24	2522.5	2453.1	2482.90	2552.80	2413.00		2456.40	
NRX24	15.31	15.17	15.18	15.35	15.01		15.230	
DJU24	40450	39518	39879	40831	38927		40380	
CLV24	76.3	72.12	72.59	76.97	68.21		72.56	
NGU24	2.023	1.920	1.967	2.085	1.849		2.074	
DXU24	104.22	102.910	103.000	104.51	101.49		103.487	
USU24	125 8/32	122 8/32	125 2/32	128 10/32	121 26/32	121 10/32		

RESULTS HAVE MANY INHERENT LIMITATIONS, SOME OF WHICH RE DESCRIBED BELOW. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL OR IS LIKELY TO ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN. IN FACT, THERE ARE FRE-QUENTLY SHARP DIFFERENCES BETWEEN HYPOTHETICAL PERFORMANCE RESULTS AND THE ACTUAL RESULTS SUBSEQUENTLY ACHIEVED BY ANY PARTICULAR TRADING PROGRAM. ONE OF THE LIMITATIONS OF HYPOTHETICAL PERFORMANCE RESULTS IS THAT THEY ARE GENERALLY PREPARED WITH THE BENEFIT OF HINDSIGHT. IN ADDITION, PROGRAM IN SPITE OF TRADING LOSSES ARE MATERIAL POINTS WHICH CAN ALSO ADVERSELY AFFECT ACTUAL TRADING RESULTS. THERE ARE NUMEROUS OTHER FACTORS RELATED TO THES IN GENERAL OR TO THE IMPLEMENTATION OF ANY SPECIFIC TRADING PROGRAM WHICH CANNOT BE FULLY AC-COUNTED FOR IN THE PREPARATION OF HYPOTHETICAL PERFORMANCE RESULTS AND ALL OF WHICH CAN ADVERSELY AFFECT ACTUAL TRADING RESULTS. THE GULKE GROUP HAS HAD LITTLE OR N\O EXPERIENCE IN TRADING ACTUAL ACCOUNTS FOR ITSELF OR FOR CUSTOMERS. BECAUSE THERE ARE NO ACTUAL TRADING RESULTS TO COMPARE TO THE HYPOTHETICAL PERFORMANCE RESULTS, CUSTOMERS SHOULD BE PARTICULARLY WARY OF PLACING UNDUE RELIANCE ON THESE HYPOTHETICAL PERFORMANCE RESULTS. This composite performance records are hypothetical and are used as a guide for position tracking purposes. Execution prices are an average execution price of the first ten trades recorded after advice has been posted and commonsense. In the event less than 10 trades are executed, prices will be determined by looking at fills, in relation to when the advice was given to clients, and a commonsense price will be determined. If no trades are executed, prices are determined by looking at a 1 min chart to determine the tracking price. The closing price on the previous day is used to determine the P/L listed in the Morning Comments and are net of average round turn commissions of \$33.00 for futures and \$36 for options and round turn fees of \$5.34 for grains and \$5.50 for livestock (these fees may change at any time by the CME). One of the limitations of a hypothetical composite performance records is that client decisions relating to the recipient's advice may or may not elect to act upon such advice and timing of execution by clients of advice may create a difference in the execution price represented in the matrix below. Therefore, composite performance records may differ which may materially affect trading results.

	HYPOTHETICAL HEDG	ING POSI	TION MATR	X		8/5/2024								
2023 Corn -	- margin= \$1425	110 1 001	IION MAIN	Λ	2024 Soybea	ans - margin - \$1725				2023 WHEAT	- margin= \$2600			
Date	Action	Price	Status	% Hedged	Date	Action	Price	Status	% Hedged	Date	Action	Price	Status	% Hedged
	res price day of sale)				Futures/Opt				,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		price day of sale)			,,
6/22/23	Sold CASH vs. CZ	621 1/2	\$8,237.50	5.0%	4/11/2024		1162 1/2	\$6,724.16	10.0%	9/30/2022	Sold CASH vs. WN23	906	\$13,225.00	15%
5/7/24	Sold CASH vs. CN	470 1/4	\$3,512.50	10.0%	5/15/2024		1200 1/2	\$8,624.16	10.0%	12/2/2022	Sold CASH vs. WN23	785 1/2	\$7,200.00	10%
5/8/24	Sold CASH vs. CN	459	\$2,950.00	10.0%	5/28/2024		1209 1/2	\$9,074.16	10.0%	4/29/2024	Sold CASH vs. WN24	609	\$3,550.00	10%
5/15/24	Sold CASH vs. CN	462	\$3,100.00	10.0%	7/10/2024	Sold SX 1100 calls (20%)	28 1/2	\$808.66	20.0%	5/8/2024	Sold CASH vs. WN24	633 1/2	\$4,775.00	15%
		Total		35.0%	7/15/2024	Sold SX 1060 calls (30%)	30 1/2	\$396.16	30.0%	5/15/2024	Sold CASH vs. WN24	667	\$6,450.00	10%
Futures/Op	itions				8/2/2024	Sold SX	1029	\$49.16	10.0%	5/20/2024	Sold CASH vs. WN24	689	\$7,550.00	10%
7/10/2028		15 5/8	\$108.66	15.00%		Futures/Options Hedged			90.0%	5/30/2024	Sold CASH vs. WN24	678 1/4	\$7,012.50	20%
8/2/2024	Sold CZ	402 1/2	(\$75.84)	10.00%		Total Hedged(included CASH	)		90.0%			Total		90%
	Futures/Options Hedged			25.0%	2022 MN WH	HEAT - margin= \$3000				Futures/Optio	ns			
	Total Hedged(included CA	SH)		60.0%	Date	Action	Price	Status	% Hedged					
2024 Corn -	- margin= \$1075			_	Cash (future	es price day of sale)								
Date	Action	Price	Status	% Hedged		Sold CASH vs. MWU22	1040	\$5,700.00	10%		Futures/Options Hedged			0.0%
	res price day of sale)				6/17/2022	Sold CASH vs. MWZ22	1188 3/4	\$12,462.50	10%		Total Hedged(included CAS	H)		90.0%
					9/2/2022	Sold CASH vs. MWZ22	896	(\$2,175.00)	10%	2024 WHEAT	- margin= \$2400	7		
		Total		0.0%	12/2/2022	Sold CASH vs. MWH23	928	\$4,125.00	10%	Date	Action	Price	Status	% Hedged
Futures/Op	tions				1/4/2023	Sold CASH vs. MWH23	903	\$2,875.00	5%		price day of sale)	11100	•••••	,v mengen
3/14/2024		34 5/8	\$1,514.91	20.00%	4/29/2024	Sold CASH vs. MWN24	706 1/2	\$4,275.00	10%	4/29/2024	Sold CASH vs. WN24	609	\$3,550.00	10%
5/15/2024		486 3/4	\$4,136.66	10.00%	5/8/2024	Sold CASH vs. MWN24	704 1/2	\$4,275.00	35%	5/8/2024	Sold CASH vs. WN24	633 1/2	\$4,775.00	15%
	Sold CZ 420 calls (15%)	15 5/8	\$108.66	15.00%	0/0/2024	OGIG ONOTI VO. WWWINZY	Total	ψ <del>-1</del> ,170.00	90%	0/0/2024	COIG ONOTH FO. TVINZA	000 1/2	Ψτ,110.00	1070
8/2/2024	Sold CZ 420 calls (1576)	402 1/2	(\$75.84)	10.00%			· Viui	1	55/6	5/20/2024	Sold CASH vs. WN24	689	\$7,550.00	10%
0/2/2024	Futures/Options Hedged	702 112	(\$10.04)	55.0%	Futures/Opt	ions		1		5/30/2024	Sold CASH vs. WZ24	723 1/4	\$8,050.00	15%
	Total Hedged(included CA	CII/		55.0%	rutuies/opt	IOIIS				3/30/2024	JUIU CAGIT VS. WZZ4	Total	φ0,000.00	50%
End Hear C	overage - Corn	onj		30.0%		Futures/Options Hedged		1	0.0%	Futures/Optio	ne	ıvıaı		30%
Date Date	Action	Price	Status	V Hodaad			\ \		90.0%	rutures/Optio	113	-		
2nd Quarte		Price	Status	% Hedged	0002 MM W/	Total Hedged(included CASH	)		90.0%			-		
2nd Quarte	r 2024					HEAT - margin= \$3000		01.1			F			0.00
		<b>T</b>		0.00	Date	Action	Price	Status	% Hedged		Futures/Options Hedged			0.0%
	****	Total		0.0%	-	es price day of sale)	244	00 500 50	450/	*****	Total Hedged(included CAS	1)	• •	50.0%
3rd Quarter	r 2024					Sold CASH vs. MWU23	944	\$9,562.50	15%		AT - margin= \$2400		Status	% Hedged
					12/2/2022	Sold CASH vs. MWU23	906 1/4	\$7,675.00	10%	Date	Action	Price		
		Total		0.0%	4/29/2024	Sold CASH vs. MWN24	706 1/2	\$4,275.00	10%		price day of sale)			
	- margin = \$1600				5/15/2024	Sold CASH vs. MWN24	728	\$5,350.00	10%	3/31/2022	Sold Cash vs. KWN22	1040	\$8,637.50	10%
Date	Action	Price	Status	% Hedged	5/20/2024	Sold CASH vs. MWN24	742	\$6,050.00	10%	6/17/2022	Sold Cash vs. KWZ22	1141	\$13,562.50	10%
Spring 2024	4				5/30/2024	Sold CASH vs. MWN24	742 1/2	\$6,075.00	10%	9/2/2022	Sold Cash vs. KWZ22	878	\$412.50	10%
							Total		65%	12/2/2022	Sold Cash vs. KWH23	872	\$2,925.00	10%
		Total		0.0%	Futures/Opt	ions				1/4/2023	Sold Cash vs. KWH23	838 1/2	\$1,250.00	5%
Fall 2024										4/29/2024	Sold Cash vs. KWN24	652	\$2,400.00	10%
										5/8/2024	Sold Cash vs. KWN24	649 1/2	\$2,275.00	35%
		Total		0.0%		Futures/Options Hedged			0.0%			Total		90%
Feeder Cat	tle - Producer - margin = \$28	50				Total Hedged(included CASH	)		65.0%	Futures/Optio	ns			
Date	Action	Price	Status	% Hedged	2024 MN WH	IEAT - margin= \$2600								
Spring 202	4				Date	Action	Price	Status	% Hedged		Futures/Options Hedged			0.0%
						es price day of sale)					Total Hedged(included CAS	H)		90.0%
		Total		0.0%	4/29/2024	Sold CASH vs. MWN24	706 1/2	\$4,236.66	10%	2023 KC WHE	AT - margin= \$2400			_
Fall 2024					5/20/2024	Sold CASH vs. MWN24	742	\$6,050.00	10%	Date	Action	Price	Status	% Hedged
					5/30/2024	Sold CASH vs. MWZ24	765	\$7,525.00	15%	Cash (futures	price day of sale)			
		Total		0.0%			Total		35%	9/30/2022	Sold CASH vs. KWN23	952	\$7,137.50	15%
Live Hogs -	- margin = \$1600				Futures/Opt	ions				12/2/2022	Sold CASH vs. KWN23	861	\$2,587.50	10%
Date	Action	Price	Status	% Hedged						4/29/2024	Sold Cash vs. KWN24	652	\$2,400.00	10%
2nd Quarte	r 2024									5/15/2024	Sold Cash vs. KWN24	676	\$3,600.00	10%
						Futures/Options Hedged			0.0%	5/20/2024	Sold Cash vs. KWN24	699	\$4,750.00	10%
		Total		0.0%		Total Hedged(included CASH	)		35.0%	5/30/2024	Sold Cash vs. KWN24	711 1/2	\$5,375.00	20%
3rd Quarter	2024				2023 Canola	- margin = \$880CD						Total		75%
					Date		Price	Status	% Hedged	Futures/Optio	ns			
		Total		0.0%	Cash (future	es price day of sale)								
2023 Cotto	n - margin = \$3500				5/30/2024	Sold CASH vs. RSX24	681	\$1,121.60	40.0%					
Date	Action	Price	Status	% Hedged			Total		40.0%		Futures/Options Hedged			0.0%
	Sold CASH vs. CTZ23	80.20	\$712.00	10%	Futures/Opt	ions					Total Hedged(included CAS	H)		75.0%
4/4/2023		81.65	\$1,292.00	10%		Sold RSX24	620.00	\$107.26	20%	2024 KC WHF	AT - margin= \$2175			
	Sold CASH vs. CTZ23	80.62	\$880.00	10%				,		Date	Action	Price	Status	% Hedged
	Sold CASH vs. CTZ23	84.38	\$2,384.00	15%		Futures/Options Hedged			20.0%		price day of sale)			,,ugou
	Sold CASH vs. CTN24	91.89	\$9,972.00	15%		Total Hedged(included CASH	)		60.0%	4/29/2024	Sold Cash vs. KWN24	652	\$2,400.00	10%
	Sold CASH vs. CTN24	77.71	\$4,300.00	15%	2024 Canola	- margin = \$880CD		1	00.070	5/20/2024	Sold Cash vs. KWN24	699	\$4,750.00	10%
010012024	0010 ONOH 13. UTIV24		Total	75%	Date	margin - voodeD	Price	Status	% Hedged	5/30/2024	Sold Cash vs. KWZ24	742 1/4	\$8,300.00	15%
Spec		1	ı Juli	13/0		es price day of sale)	FILE	Giatus	/s ricuged	0/00/2024	COIG COSTI VO. INVILLA	Total	ψυ,συυ.συ	35%
	Action	Contracts	Price	Status		Sold CASH vs. RSX24	681	\$1 101 60	15.00/.	Eutures/On4i-	ne	ıvıaı		30%
Date	Action	Contracts	Frice	Status	0/30/2024	OUIU CHOR VS. KOX24	681	\$1,121.60	15.0%	Futures/Optio	113	-		-
		1			Future 10	 	Total	1	15.0%		-			-
					Futures/Opt		040	AE / 2 22	4501		F. t 10ti			0.00
F					3/28/24	Sold RSX24	643	\$513.60	15%		Futures/Options Hedged			0.0%
Energy		Contracts	Price	Status	4/30/24	Sold RSX24	637.8	\$392.06	15%		Total Hedged(included CAS	1)		35.0%
Energy Date	Action	Contracts												
	Action	Contracts			5/15/24	Sold RSX24	670.0	\$907.26	15%		Livestock Trading Hours			
	Action	Contracts			5/15/24 5/15/24	Sold RSX24 Sold RSX24	620.0	\$907.26 \$107.26	15%	Mon - Fri	8:30 am to 1:05 pm CST	No Night Tr	ading	
	Action	Contracts					620.0 Total			Mon - Fri Sun - Fri			ading	