

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.**

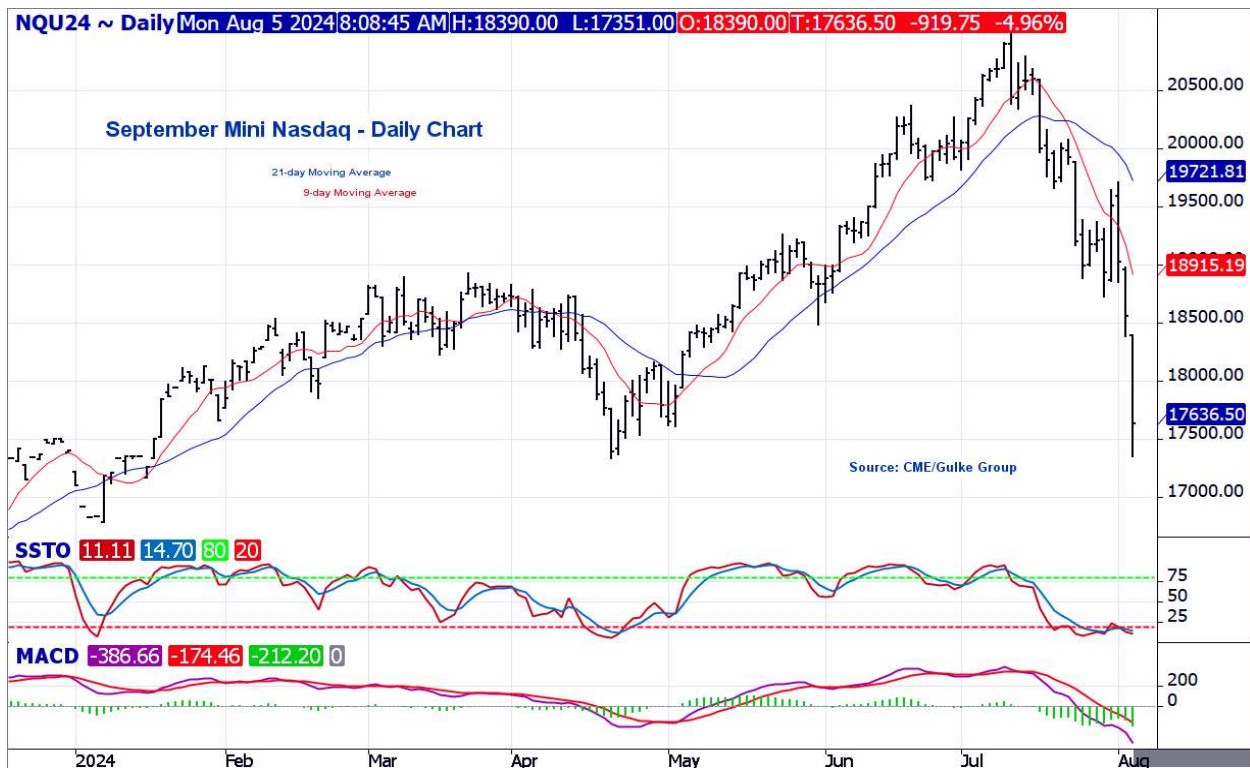
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- Japan's gasoline imports are expected to stay elevated through August after rising 20% in June as outages at its refineries are reducing output during peak summer demand season, traders and analysts said. Import demand from Japan will further tighten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

Technically Speaking:



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Market Fundamentals:

Yesterday's Trades: Corn – For 2023 and 2024, sold 10% CZ at 402 ½. 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.

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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.

Gulke Group Spec Table Buy/Sell Stops				(*New Positions in BOLD)			
	8/5/2024			Today's Stops		Current Position*	
	High	Low	Close	Buy	Sell	Long	Short
CU24	387 3/4	381 3/4	386 1/2	393	380		398 3/4
CZ24	404 3/4	398 1/2	403 1/4	410	396 1/2	404 3/4	
SQ24	1031 1/2	1019	1029 1/4	1042 1/4	1016 1/4		1098 1/2
SX24	1032	1014 3/4	1027 1/4	1045	1009 1/2	1030 1/4	
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	

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