

**August 12, 2024**

## **Weather:**

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### **WORLD WEATHER HIGHLIGHTS FOR AUGUST 12, 2024**

- Still dry from eastern Ukraine through Russia's Southern Region
- Drying likely in southeastern Europe – mostly the Balkan Countries and especially in the lower Danube River Basin
- Rain will be returning to eastern France, northeastern Spain, Germany, Italy and neighboring areas this week slowing fieldwork and crop maturation rates
- Sugarcane areas of Queensland and some eastern wheat, barley, sorghum and cotton areas will get some heavy rainfall this week possibly resulting in some coastal flooding
  - o The moisture will be good for future sugarcane development and it will be good for cotton, corn and sorghum planting, although that is still more than a month away
- Western Australia will see a boost in precipitation Friday through Tuesday, although western crop areas will be wettest
- Eastern Russia New Lands will see frequent bouts of rain returning this week with temperatures cooler than usual at times
  - o Concern over small grain and sunseed quality is expected
- China will remain wet in many areas across the north while the Yangtze River Basin gets some welcome rain to ease dryness
- India rain will fall in most of the north, east and far south leaving west-central areas with less than usual rainfall
- Some Brazil coffee areas experienced temperatures down to soft frost levels, but no permanent harm came to any crops
  - o Cool weather will be back Tuesday and Wednesday morning with some additional soft frost possible
  - o No damage to 2024-25 blossom buds will occur and production should be protected, despite some leaf damage from soft frost
- **U.S. Midwest crop areas dried out last week, but rain will fall across most production areas in this coming week to restore favorable soil moisture and to maintain a very good outlook for summer crops**
- **Texas dryness will be great for cotton, corn and sorghum harvesting in the south while dryland crops in West Texas would welcome some additional rain**
- **More rain in the southeastern U.S. this weekend and next week could raise more concern about summer crop conditions after recent flooding from Tropical Storm Debby**

- Tropical Storm Debby's remnants brought heavy rain to southern Quebec, Canada during the weekend with 1.00 to 4.00 inches stopping the wheat harvest and raising concern over crop conditions
- Canada's Eastern and far southwestern Prairies will get rain this week while areas in between continue dry or trend drier
- **Argentina still needs a general soaking rain and no such opportunity is forthcoming for a while**
- A tropical disturbance 645 miles east of Antigua was moving west northwesterly at 25 mph today and will become a tropical depression later today and tropical storm Tuesday while impacting the Leeward Islands and Puerto Rico
  - o **The storm should become a hurricane after moving north of Puerto Rico Wednesday into Thursday and this storm may be a threat to Bermuda and should stay east of the United States**

## News:

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- **USDA reported private sale of 300,000 metric tons of soybeans for delivery to unknown destinations. Of the total, 100,000 metric tons is for delivery during the 2023/2024 marketing year and 200,000 metric tons is for delivery during the 2024/2025 marketing year.**
- **USDA reported private sale of 165,000 metric tons of corn for delivery to unknown destinations during the 2024/2025 marketing year.**
- **China's ag ministry raised its 2023-24 soybean import forecast by 2.27 MMT to 98.37 MMT, as falling global soybean prices spurred importers to book more arrivals for the final months of the marketing year. The ministry left its 2024-25 import forecasts for corn and soybeans unchanged this month. Corn imports are expected to plunge 10 MMT (43.5%) to 13 MMT, while soybean imports are forecast to decline 3.77 MMT (3.8%) in 2024-25.**
- **An Argentine oilseed workers' strike extended into its seventh day today as wage negotiations with firms remained stalled. The strike has mainly affected terminals located north of Rosario along the Parana River, where more than 80% of Argentina's agricultural exports are shipped. At least three dozen ships were still delayed on Sunday near Rosario.**
- **The Malaysian Palm Oil Board monthly data showed July 2024 crude palm oil production at 1.840 mln mt, slightly better than analysts' expectations at 1.82 mln mt. June output was 1.615 mln mt, and July 2023 production was 1.609 mln mt. It showed the end of July 2024 crude palm oil stockpiles at 1.733 mln mt, slightly lower than analysts' expectations at 1.808 mln mt. June ending stocks were revised to 1.831 mln mt, and July 2023 stockpiles were 1.734 mln mt. It also showed July 2024 crude palm oil exports at 1.689 mln mt, that is higher than analysts' expectations at 1.520 mln mt. June exports were revised to 1.207 mln mt, and July 2023 exports were 1.354 mln mt.**

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- APK-Inform analysts raised their 2024 Ukraine grain harvest forecast to 55.00 mln mt, up from the prior outlook at 52.76 mln mt.
- AgRural analysts estimated Brazil's second season Corn crop harvest at 98% complete, up from 95% last week, and well ahead of the 71% pace in the year earlier week.
- China's direct investment liabilities fell by nearly \$15 billion from April to June, marking only the second time this figure has turned negative, according to data from the State Administration of Foreign Exchange. This decline is notable, as it was down by about \$5 billion for the first half of the year. If this trend continues, 2024 could see the first annual net outflow of foreign investment from China since at least 1990, when comparable data began. **The ministry of commerce reported that new foreign direct investment in China during the first half of 2024 was the lowest since the pandemic began in 2020.** Meanwhile, Chinese firms increased their outbound investments, reaching a record \$71 billion in the second quarter, up more than 80% from the same period last year. This surge in outbound investment is largely driven by projects such as electric vehicles and battery factories.
- Saudi crude oil exports to China are set to fall in September to about 43 million barrels from a revised volume of about 46 million barrels in August.

Source: WASDE, NASS and estimates by Reuters.

#### **U.S. WHEAT PRODUCTION - 2024**

	<b>JULY</b>	<b>AVERAGE</b>	<b>RANGE OF</b>	<b>USDA</b>
	<b>USDA</b>	<b>ANALYSTS</b>	<b>ANALYSTS'</b>	<b>2023</b>
	<b>ESTIMATE</b>	<b>ESTIMATE</b>	<b>ESTIMATES</b>	<b>FINAL</b>
<b>ALL WHEAT</b>	<b>2.008</b>	<b>2.015</b>	<b>1.982 – 2.033</b>	<b>1.812</b>
<b>ALL WINT WHT</b>	<b>1.341</b>	<b>1.343</b>	<b>1.329 – 1.364</b>	<b>1.248</b>
<b>HR WHEAT</b>	<b>0.763</b>	<b>0.765</b>	<b>0.755 – 0.788</b>	<b>0.601</b>
<b>SR WHEAT</b>	<b>0.344</b>	<b>0.344</b>	<b>0.340 – 0.349</b>	<b>0.449</b>
<b>WHITE WINT WHT</b>	<b>0.234</b>	<b>0.234</b>	<b>0.230 – 0.240</b>	<b>0.198</b>
<b>OTHR SPRG WHT</b>	<b>0.578</b>	<b>0.582</b>	<b>0.565 – 0.595</b>	
<b>DURUM</b>	<b>0.089</b>	<b>0.090</b>	<b>0.086 – 0.095</b>	

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

	<b>JULY</b>	<b>AVERAGE</b>	<b>RANGE OF</b>	<b>USDA</b>
	<b>USDA</b>	<b>ANALYSTS</b>	<b>ANALYSTS'</b>	<b>2022-23</b>
	<b>ESTIMATE</b>	<b>ESTIMATE</b>	<b>ESTIMATES</b>	<b>FINAL</b>
<b>CORN</b>	<b>1.877</b>	<b>1.876</b>	<b>1.825 – 1.954</b>	<b>1.361</b>
<b>SOYBEANS</b>	<b>0.345</b>	<b>0.349</b>	<b>0.341 – 0.365</b>	<b>0.268</b>
<b>WHEAT</b>	<b>0.702</b>			<b>0.582</b>
<b>SOYOIL</b>	<b>1.612</b>			<b>1.602</b>
<b>SOYMEAL</b>	<b>400,000</b>			<b>371,000</b>
<b>OATS</b>	<b>0.036</b>			<b>0.035</b>
<b>SORGHUM</b>	<b>0.022</b>			<b>0.024</b>
<b>RICE</b>	<b>39.8</b>			<b>30.3</b>
<b>COTTON</b>	<b>3.05</b>			<b>4.25</b>

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

	<b>JULY</b>	<b>AVERAGE</b>	<b>RANGE OF</b>
	<b>USDA</b>	<b>ANALYSTS</b>	<b>ANALYSTS'</b>
	<b>ESTIMATE</b>	<b>ESTIMATE</b>	<b>ESTIMATES</b>
<b>CORN</b>	<b>2.097</b>	<b>2.096</b>	<b>1.897 – 2.285</b>
<b>SOYBEANS</b>	<b>0.435</b>	<b>0.465</b>	<b>0.380 – 0.555</b>
<b>WHEAT</b>	<b>0.856</b>	<b>0.862</b>	<b>0.830 – 0.889</b>
<b>SOYOIL</b>	<b>1.777</b>		
<b>SOYMEAL</b>	<b>450,000</b>		
<b>OATS</b>	<b>0.039</b>		
<b>SORGHUM</b>	<b>0.035</b>		
<b>RICE</b>	<b>46.0</b>		
<b>COTTON</b>	<b>5.30</b>		

**U.S. GRAIN & SOYBEAN PRODUCTION – 2024**

	<b>JULY</b>	<b>AVERAGE</b>	<b>RANGE OF</b>	<b>USDA</b>
	<b>USDA</b>	<b>ANALYSTS'</b>	<b>ANALYSTS'</b>	<b>2023</b>
	<b>ESTIMATE</b>	<b>ESTIMATE</b>	<b>ESTIMATES</b>	<b>FINAL</b>
<b>CORN</b>	<b>15.100</b>	<b>15.112</b>	<b>14.920 – 15.264</b>	<b>15.342</b>
<b>SOYBEANS</b>	<b>4.435</b>	<b>4.469</b>	<b>4.380 – 4.565</b>	<b>4.165</b>
<b>OATS</b>	<b>0.062</b>			<b>0.057</b>
<b>SORGHUM</b>	<b>0.373</b>			<b>0.318</b>
<b>RICE</b>	<b>221.7</b>			<b>218.3</b>
<b>COTTON</b>	<b>17.00</b>			<b>12.10</b>

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

	<b>JULY</b>	<b>AVERAGE</b>	<b>RANGE OF</b>	<b>USDA</b>
	<b>YLD/ACRE</b>	<b>ANALYSTS'</b>	<b>ANALYSTS'</b>	<b>2023</b>
	<b>ESTIMATE</b>	<b>ESTIMATE</b>	<b>ESTIMATES</b>	<b>FINAL</b>
<b>CORN</b>	<b>181.0</b>	<b>182.1</b>	<b>180.1 - 184.0</b>	<b>177.3</b>
<b>SOYBEANS</b>	<b>52.0</b>	<b>52.5</b>	<b>51.5 - 53.9</b>	<b>50.6</b>
<b>OATS</b>	<b>70.9</b>			<b>68.6</b>
<b>SORGHUM</b>	<b>69.2</b>			<b>52.0</b>
<b>RICE</b>	<b>7,645</b>			<b>7,649</b>
<b>COTTON</b>	<b>844</b>			<b>822</b>

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

<b>COMMODITY</b>	<b>JULY</b>	<b>AVERAGE</b>	<b>JULY</b>	<b>AVERAGE</b>
	<b>2023-24</b>	<b>ANALYSTS'</b>	<b>2024-25</b>	<b>ANALYSTS</b>
	<b>EST</b>			
<b>WHEAT</b>	<b>260.99</b>		<b>257.24</b>	<b>256.87</b>
<b>CORN</b>	<b>309.13</b>		<b>311.64</b>	<b>310.94</b>
<b>SOYBEANS</b>	<b>111.25</b>		<b>127.76</b>	<b>127.97</b>
<b>SOYMEAL</b>	<b>13.66</b>		<b>15.53</b>	
<b>SOYOIL</b>	<b>5.21</b>		<b>5.21</b>	
<b>COTTON</b>	<b>79.31</b>		<b>82.63</b>	
<b>RICE</b>	<b>177.19</b>		<b>178.09</b>	

**ARGENTINA & BRAZIL – 2023-24 CORN & SOYBEAN ESTIMATES**

<b>COMMODITY</b>	<b>8/12/24</b>	<b>JULY</b>
	<b>2023-24</b>	<b>2023-24</b>
	<b>ESTIMATE</b>	<b>ESTIMATE</b>
<b>ARGENTINA CORN</b>		<b>52.00</b>
<b>ARGENTINA SOYBEANS</b>		<b>49.50</b>
<b>BRAZIL CORN</b>		<b>122.00</b>
<b>BRAZIL SOYBEANS</b>		<b>153.00</b>

**Technically Speaking:**

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**Market Fundamentals:**

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**Yesterday's Trades: No new trades.**

**ADVICE: No new advice--- we'll react further after report if needed**

**COMMENTS: Markets closed weak on Friday setting some new life of contract lows and continued their negative tone overnight with soybeans, and soy oil the weakest despite some good soybeans sales and corn to unknown (maybe China). The veggie diesel can't seem to get a break even with some talk of investigating crushing firms. The news over the weekend suggested this "audit" aspect has been in the cards for months if now over a year and nothing yet had been done. The oversupply of Ag grains and oilseeds could have been mitigated with some foresight, but we have been slammed by lack of action on E-15, and jet biofuel.**

**The market doesn't seem to expect much change in our domestic situation so maybe a closer look at changes in global dynamics will stabilize things?**

**We are aware of S/D implications for 2025 and beyond and will get this Aug WASDE report behind us first.**

**We are starting the week below yesterday's trading lows and new lows for this week on a Monday. It is not often that a report falls on a Monday and this gives the market first a chance to reverse direction and close higher for a daily reversal and pending the week's actions by Friday, a weekly reversal. So again, it will be important how the market reacts to today's report as much perhaps as what is in it. It is tough to believe it will be super negative in the short term but perhaps just further confirm what we know already? News today on the export front seems to support the WASDE increase last month----maybe we see another?**

Gulke GroupSpec Table Buy/Sell Stops				(*New Positions in BOLD)			
	8/12/2024			Today's Stops		Current Position*	
	High	Low	Close	Buy	Sell	Long	Short
CU24	381 1/4	375 1/4	376 3/4	383 1/4	370 1/4		398 3/4
CZ24	399	393 1/2	395	401	389	404 3/4	
SU24	1001	987 1/4	988 3/4	1003	974 1/2	1029 1/2	
SX24	1015 3/4	1001 1/4	1002 1/2	1017 1/2	987 1/2	1030 1/4	
SMV24	318.0	307.4	307.7	318.8	296.6	320.4	
SMZ24	320.7	310.2	310.4	321.1	299.8	321.3	
BOZ24	41.39	40.59	41.12	42.42	39.82		46.96
WZ24	574 3/4	560 1/4	565 3/4	580 3/4	550 3/4	<b>573 1/4</b>	
KWZ24	582	566 3/4	570 1/2	586 1/4	554 3/4		563 3/4
MWZ24	618 1/2	602 1/4	608 1/2	625 1/4	591 3/4	<b>616</b>	
LCV24	181.400	177.375	181.150	185.375	176.925	<b>180.425</b>	
LCZ24	179.800	176.100	179.600	183.800	175.400	<b>179.550</b>	
LHV24	74.375	72.825	73.975	75.725	72.225		77.050
LHZ24	66.500	65.200	66.300	67.800	64.800		67.625
FCU24	242.225	236.575	246.500	252.350	240.650		256.950
CTZ24	68.79	67.17	68.340	70.01	66.67	<b>68.47</b>	
CTH25	70.14	68.73	69.680	71.29	68.07	<b>70.07</b>	
SBV24	18.88	18.31	18.480	19.10	17.86	18.41	
GCZ24	2476.5	2456.1	2473.40	2494.30	2452.50	2451.3	
NRX24	15.30	15.01	15.04	15.35	14.72		15.230
RSX24	607.1	590.2	592.1	629.0	555.2		594.6
DJU24	39770	39355	39640	40075	39205		40380
CLV24	75.79	74.7	75.61	76.90	74.32		72.56
NGV24	2.333	2.247	2.292	2.393	2.191		2.121
DXU24	103.11	102.845	102.975	103.44	102.51		103.487
USU24	123 6/32	122 2/32	122 29/32	124 9/32	121 17/32	121 10/32	

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