

August 26, 2024

Weather:

- Queensland and northern New South Wales, Australia were hot and dry during the weekend and the situation may not change over the coming week to ten days
 - o The environment will not bode well for wheat or barley as they move toward and into reproduction
- Southern Australia precipitation is also expected to be lighter and more sporadic for a while, although winter crops there should have sufficient moisture and will remain semi-dormant for a while longer
- Gujarat, India is expecting heavy rain today into Thursday with flooding possible in the east and along the coast
 - o Weekend rainfall already surpassed 7.00 inches in eastern Gujarat and amounts this week will vary from 5.00 to more than 12.00 inches across the state resulting in flooding and impacting rice, groundnut and cotton production areas among others
- Buenos Aires, southeastern Cordoba, southern Santa Fe and southern Entre Rios, Argentina will receive rain Thursday into Saturday resulting in a welcome boost in soil moisture for winter wheat and barley use
 - o Other areas in Argentina will be dry or mostly dry for at least the next ten days
- Southern Brazil will be dry biased over the next ten days benefiting winter wheat development and the early planting of corn
- **Dryness in center west and center south Brazil is normal for this time of year and there is no reason to make that a concern for the next few weeks**
- Some rain will fall in Bulgaria, Romania, Moldova, western Turkey and areas in far southern Ukraine during the next week to ten days offering some relief to recent dryness; however, many other areas in the lower Danube River Basin, Ukraine and both Russia's Central and Southern region will be dry or mostly dry and quite warm during the same period
- Other areas in Europe should see erratic rain and warm temperatures resulting in some pockets of drying, but mostly a good environment for crops
- A storm system moving through the Prairies Tuesday through Thursday of this week will bring enough rain to slow crop maturation and stall fieldwork in Alberta and eastern Manitoba; Saskatchewan will see the lightest rain and experience the least impact on field operations and/or crop conditions
 - o A few days of cool weather should follow the rain event, but no crop threatening cold is expected, despite few areas of soft frost late this week
- U.S. weekend temperatures were hot in the Great Plains and the heat will moderate while shifting to the east into the Midwest, Delta and southeastern states over the next few days
 - o Extreme highs of 95 to 111 occurred in most of the Plains states

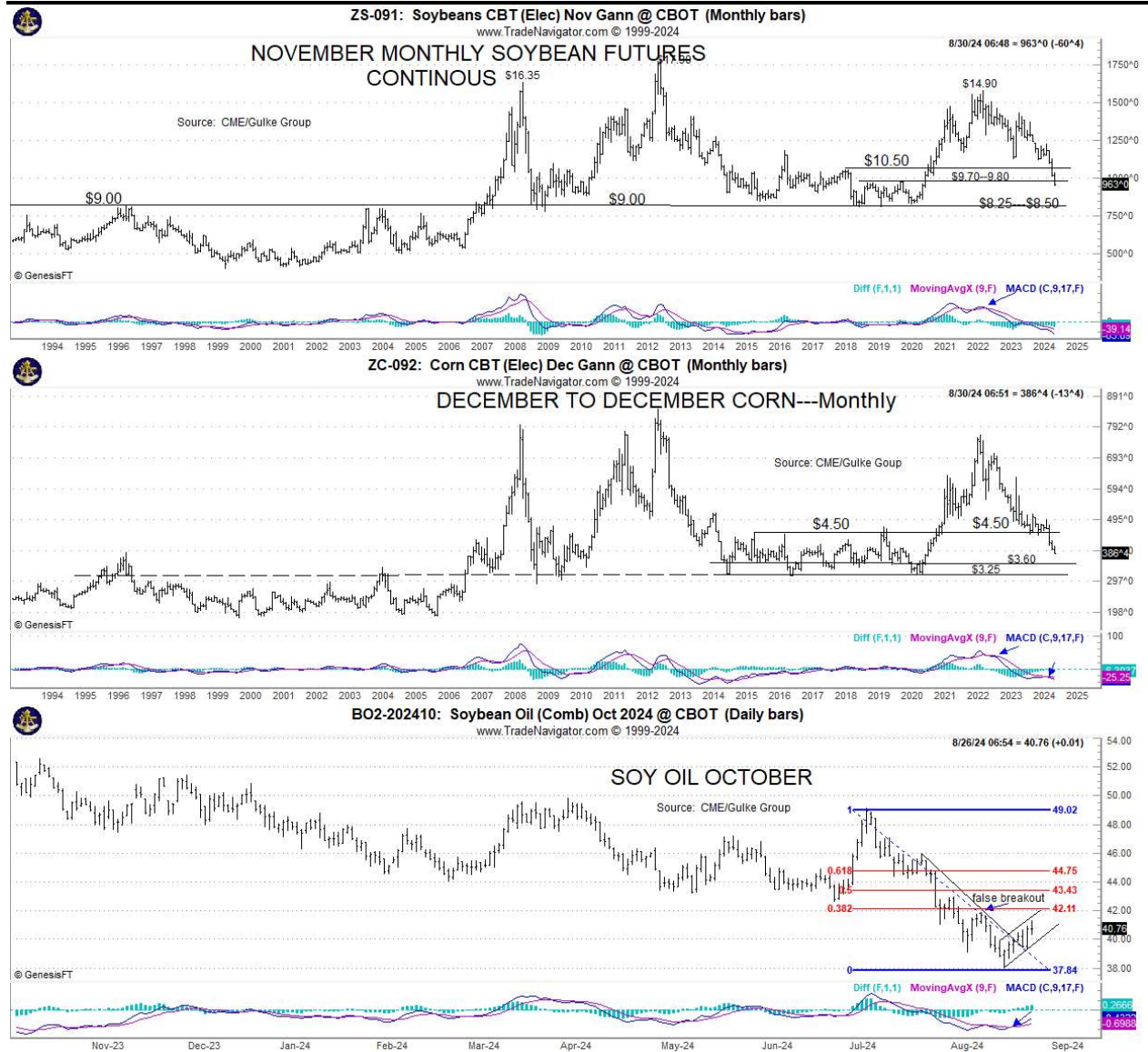
- Showers and thunderstorms will erupt in the U.S. Plains later this week and they should move into the Midwest during the weekend and next week offering some relief to recent dry and warm weather
- o The U.S. Delta will experience the least amount of rain and will stay warm for the next ten days
- There will be no tropical cyclones in the Atlantic Ocean, Caribbean Sea or Gulf of Mexico in the next seven days

News:

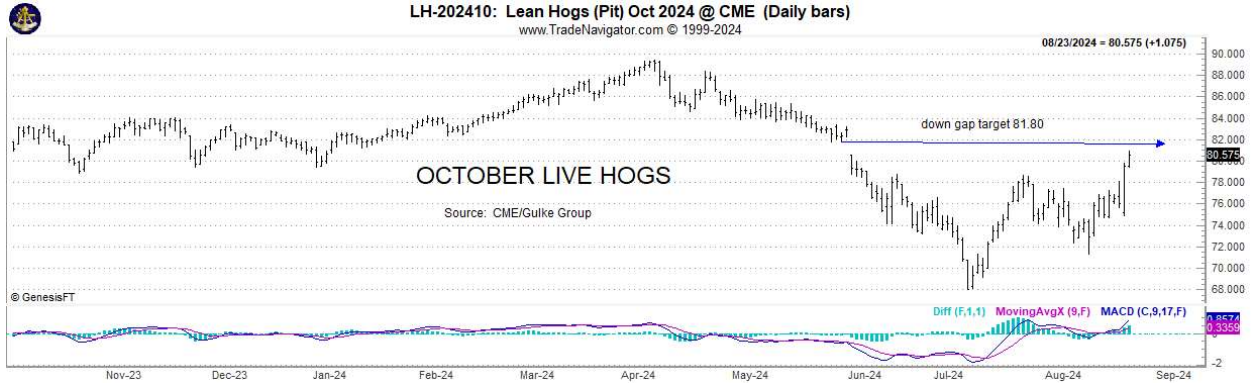
- USDA estimated there were 11.095 million head of cattle in large feedlots (1,000-plus head) as of Aug. 1, up 31,000 head (0.3%) from year-ago, 65,000 head more than analysts expected. July placements increased 5.8% (3.2% increase expected), while marketings rose 7.7% (8.1% increase expected).
- USDA's Cold Storage Report showed beef stocks in frozen storage at the end of July at 407.1 million lbs., down 799,000 lbs. from June, whereas the five-year average was a 10.8-million-lb. increase during the month. Beef stocks declined 3.3 million lbs. (0.8%) from year-ago and were 36.4 million lbs. (8.2%) less than the five-year average. Pork stocks totaled 450.7 million lbs., down 24.2 million lbs. from June, far greater than the five-year average 7.2-million-lb. decline for the month. Frozen pork inventories fell 20.1 million lbs. (4.3%) from last year and were 51.5 million lbs. (10.3%) below the five-year average.
- Indonesia's president elect announced intentions to drive up the country's mandatory biodiesel blending rate to 50% early next year, claiming it will save the country around \$20 billion annually. The current blend rate is 35% and is already scheduled to jump to 40% in January 2025.
- Chinese state media reported the government has fined Sinograin and six other companies for transporting cooking oil in unclean fuel oil tankers
- AgRural analysts noted Brazil farmers have started planting their first season 24/25 Corn crops, with around 4.2% of the expected area planted so far. This year's pace is lagging the 7.5% of last season, analysts note farmers this year are more cautious due to mid-August frosts.
- Canadian rail workers union said the order for members to return to work diminishes workers' rights and will challenge the labor boards mandate in federal courts. Canada's prime minister Trudeau government last week requested the labor board subject both sides to binding arbitration.
- Hungary's foreign minister said on Saturday the European Commission's decision not to mediate in a dispute over a blockage of oil supplies from Russia via Ukraine into his country suggested that Brussels was behind the stoppage. Hungary and its neighbour Slovakia have been protesting since Ukraine put Russian oil producer Lukoil on a sanctions list in June, stopping that company's oil from passing through Ukrainian territory to Slovak and Hungarian refineries.

New Zealand said it would pass laws by the end of this year to reverse a ban on offshore oil and gas exploration and take urgent steps to remove regulatory hurdles to import liquefied natural gas amid energy shortages. The law would end the ban, in place since 2018, on exploration outside onshore Taranaki, an energy-rich region on the country's North Island as the right-of-centre government plans to lure investment to the country's oil and gas sector.

Technically Speaking:



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Market Fundamentals:

PRO FARMER FINAL ANALYSIS

U.S. corn crop at 14.979 billion bu. using an average yield of 181.1 bu. per acre.
Corn +/- 1% = 15.129 billion bu. to 14.829 billion bu.; 182.9 bu. to 179.3 per acre

U.S. soybean crop at 4.740 billion bu. at an average yield of 54.9 bu. per acre.
Soybeans +/- 2% = 4.835 billion bu. to 4.645 bil. bu.; 56.0 bu. to 53.8 bu. per acre

The national estimates reflect *Pro Farmer's* view on production and yields. They consider data gathered during the recent Crop Tour and other factors like crop maturity, historical differences in Tour data versus USDA's final yields, areas outside those sampled on Tour, etc. With USDA incorporating FSA certified acreage into its August crop estimates this year and *Pro Farmer* analysis showing it matched closely with past years' August data compared to final planted acres, *Pro Farmer* made no acreage adjustments.

— *Pro Farmer* editor Brian Grete sums up the completed Crop Tour: "The 2024 *Pro Farmer* Crop Tour was blessed with gorgeous weather, with crops showing they could use another rain or two to fulfill their full potential. Eastern areas will likely challenge or break yield records, with few signs of significant problems. Still, variability of the crops due to spring weather and condition issues could keep yields from being even bigger. Crops in the western Belt also displayed strong production potential, although there were more issues than in the east. Immaturity in South Dakota, localized drought and hail in Nebraska, and spotty Iowa problems, particularly in the northwest, may limit yields. Minnesota crop problems were worse. But most state prospects are also high."

Yesterday's Trades: **Corn** – For 2023, sold 20% CZ at 391 ¼. For 2024, sold 10% CZ at 391 ¼. **Chicago Wheat** – For 2023, sold 10% CASH vs. Sep at 501 ½. **KC Wheat** – For 2022, sold 10% CASH vs. Sep at 519 ½. For 2023, sold 15% CASH vs. Sep at 519 ½. **MN Wheat** – For 2022, sold 10% CASH vs. Sep at 552 ½. For 2023, sold 15% CASH vs. Sep at 552 ½. **Spec** – Sold 1 Oct bean oil at 40.63(\$624 profit/contract).

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ADVICE: No new early advice—see yesterday’s trade above and changes to matrix below. Spec table is largely short in grains. Buy stops are well above Friday highs with overnight down again. **We took profits on soy oil (\$624/contract). We’ll look to re-enter if we aren’t forming another bear flag—see chart. Hedge profits continue to mount including post PF Tour results. Since we completed cash sales on 2022 Mpls hrsw, we will delete from the matrix tracking.**

COF Marketings were up 8% over a year ago. slightly less than I expected. Placements were up 6%, near the high end of the range. August on feed number is slightly above year ago levels. Neutral to negative.

COMMENTS: Obviously with PF finding what we already know and potential for further increases due to final fills, odds increasing we will focus on capturing the carry going forward similar to last spring action. Thinking out of the box to not merely store and hold but to add profit enhancements again. Paper profits (hedges) this year will help 2024 but 2025 is also on the chopping block now that we have high probability of achieving USDA estimates.

Politically in the US and globally there seems to be nothing in the winds to change things; increasing war threats can’t even help as trades sees problems with insufficient demand offsetting increasing supplies. China absent and no new trade incentives in 4 years. Government may react now with glasses on their rear as markets are forcing the issue. Financial institutions have to be concerned. The only good news is that we can buy our 2025 production on paper cheaper in some cases than we can produce it. Start jaw-boning your suppliers!

The next report is WASDE in a couple weeks and then the Sept 30 stocks report—how much and who has it--- will try to reconcile the balance sheet but too late as prices have been depressed by perfect weather and potentially overestimating stocks of corn going back all the way to January.

Grain maturation will be helped by a few days of 90’s but still behind in N Plains and for replant.

Gulke GroupSpec Table Buy/Sell Stops				(*New Positions in BOLD)			
	8/26/2024			Today's Stops		Current Position*	
	High	Low	Close	Buy	Sell	Long	Short
CU24	374	367 1/4	367 3/4	375	360 1/2		374 1/2
CZ24	396 1/4	390 3/4	391	397	385		393 3/4
SU24	954	941 1/4	952	965 1/4	938 3/4		952
SX24	974 3/4	961 3/4	973	986 1/2	959 1/2		970 1/4
SMV24	303.9	300.3	302.3	306.4	298.2		301.5
SMZ24	306.0	302.1	304.5	308.6	300.5		303.9
BOZ24	40.48	38.83	40.38	42.53	38.23		46.96
WZ24	538 1/4	527	528	539 3/4	516 1/4		546 1/4
KWZ24	548 1/2	534 1/2	535	549 1/2	520 1/2		563 3/4
MWZ24	586 1/2	572	572 1/4	587 1/4	557 1/4	612	
LCV24	176.625	175.425	175.700	177.100	174.300		178.400
LCZ24	176.375	175.100	175.200	176.975	173.425		178.400
LHV24	80.925	79.450	80.550	82.225	78.875	77.450	
LHZ24	70.950	69.900	70.750	72.000	69.500	69.850	
FCU24	239.775	237.700	242.575	244.850	240.300		256.950
CTZ24	71.25	69.30	70.910	72.91	68.91	68.47	
CTH25	72.57	70.82	72.280	74.23	70.33	70.07	
SBV24	18.43	17.89	18.390	18.98	17.80	17.92	
GCZ24	2554.5	2519.8	2546.90	2582.10	2511.70		2519.00
RSX24	586.7	567.0	584.8	624.5	545.1		594.6
DJU24	41307	40836	41270	41761	40779		40739
CLV24	75.07	72.83	74.83	77.27	72.39		75.11
NGV24	2.211	2.154	2.180	2.252	2.108		2.206
DXU24	101.48	100.485	100.550	101.74	99.36		103.487
USU24	124 30/32	124	124 19/32	125 25/32	123 13/32		123 13/32

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 FREQUENTLY 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 ACCOUNTED 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 NO 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.

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