

September 3, 2024

Weather:

- Tropical Storm Yagi continues to intensify over northern portions of the South China Sea and will become a typhoon by late Wednesday
 - o The storm will reach Hainan, China and impact the Leizhou Peninsula of Guangdong, China Friday into Saturday before ultimately reaching northeastern Vietnam this weekend
 - o Flooding rain is expected in Hainan, western Guangdong and Guangxi, China along with a part of northeastern Vietnam threatening rice, sugarcane and coffee production areas
- Torrential rain and flooding occurred in Telangana, India during the weekend resulting in very serious flooding with one location reporting 400 millimeters (15.75 inches) in 24 hours
- One more week of very warm temperatures and limited rain is expected in parts of southwestern Russia and northern and central Ukraine and then parts of the dry region will have opportunity for showers and cooling
- Cooling in North America later this week will bring frost to Manitoba, northeastern Saskatchewan, northeastern North Dakota, northern Minnesota and northern Wisconsin – most of this will not impact crops, although temperatures in Manitoba could be low enough for a few freezes if the sky clears out late this week
- Frost and freezes were noted in the eastern Russia New Lands during the weekend which was earlier than usual
 - o The impact on crops was low, although recent wet and cool weather likely had spring wheat and sunseed immature enough that some quality decline might occur
- Canada's Prairies will see good crop maturation and harvest weather for a while, although some rain is expected today in the far west and Wednesday into Thursday in the northeast
- Western Europe will trend much wetter for a while slowing maturation rates, but probably having a low impact unless the wet weather prevails for a longer than expected period of time
- East-central China has been drying out and heating up with extreme highs in the 90s and lower 100s Fahrenheit recently
 - o The warm and dry bias will prevail for a while
- Central and northern India will continue wet over the next ten days with local bouts of flooding possible
- Far southern India will dry down additionally raising the need for rain
- Argentina's rain event Friday into Saturday was well received and good for winter crops, but mostly in the northeastern two-thirds of Buenos Aires, far southern Santa Fe and southern Entre Rios
 - o Crop areas farther to the west and north failed to get much moisture and remain too dry
- Speculation over delayed seasonal rainfall in Brazil has begun to stimulate some interest the soybean trade
 - o Not much rain is expected in center west Brazil through the middle of September

- o World Weather, Inc. expects below normal late September rainfall, but improved October rain
 - Southern Brazil will see returning rain later this week and next week improving early corn planting and establishment and supporting wheat development
 - U.S. rainfall will be greatest in the Gulf of Mexico Coastal states during the coming five to six days with some moderate to heavy rain expected in the lower Delta and southeastern states
 - West Texas rainfall during the Friday through Monday period was quite impressive with 1.00 to 2.25 inches occurring in the northwest half of the production region while amounts of 2.50 to more than 7.00 inches occurring in the southeast resulting in some flooding
 - Good summer crop maturation and early harvest weather is expected in the Midwest over the coming week, despite a few showers
- o Similar conditions are likely in the northern Plains and a part of the Pacific Northwest
 - Southern Australia will see frequent precipitation improving topsoil moisture for winter wheat, barley and canola while Queensland and far northern New South Wales remain too dry and warm for reproducing crops

News:

- **USDA reported private sale of 132,000 tonnes of soybeans to China for 25/25 delivery.**
- Algeria purchased at least 30,000 MT of corn to be sourced from Brazil or Argentina. Thailand purchased 120,000 MT of Black Sea origin feed wheat. Japan is seeking 87,660 MT of milling wheat in its weekly tender.
- **China plans to start an anti-dumping investigation into canola imports from Canada, after Ottawa moved to impose tariffs on Chinese electric vehicles (EVs). The commerce ministry said China will also initiate an anti-dumping investigation into some Canadian chemical products. More than half of canola produced in Canada makes its way to China, the world's largest oilseed importer. China imported 5.5 MMT of canola in 2023, valued at \$3.72 billion, with Canadian supplies accounting for 94% of the total. China could turn to Australia and Ukraine for alternative supplies, especially as Australia's canola production is ample.**
- **Dr. Cordonnier cut his U.S. corn and soybean yield forecasts by 1 bu. and 0.5 bu., respectively, after last week's extreme heat across the Corn Belt.** He now estimates the corn yield at 182.5 bu. per acre with production at 15.09 billion bushels. For soybeans, Cordonnier estimates the yield at 53 bu. per acre and production at 4.57 billion bushels. He has a neutral to slightly lower bias toward both crops.
- Oil exports at major Libyan ports were halted on Monday and production curtailed across the country, six engineers told Reuters, amid a standoff between rival political factions over control of the central bank and oil revenue. Some output was being increased to feed local power generation, they said.
- Analysts expect USDA to report soybean crush totaling 191.7 million bu. for July, according to a *Bloomberg* survey. That would be a record for the month and up 4.4% from June and 3.7% above year-ago. Corn-for-ethanol use is expected to total 462.8 million bu., which would be up 4.6% from June and 1.7% above July 2023.

- Ukraine’s ag ministry reached an agreement with exporters and farmer groups to cap wheat exports at 16.2 MMT for 2024-25. Ukraine exported 18.3 MMT of wheat in 2023-24. Through the first two months of the 2024-25 marketing year, Ukraine exported 3.59 MMT of wheat, up 2.53 MMT (239%) from the same period last year. The ministry said wheat is the only ag commodity that will have an export limit for 2024-25.
- The Australian Bureau of Agricultural and Resource Economics and Sciences raised its 2024-25 Australian wheat production forecast by 2.7 MMT to 31.8 MMT as key production areas have received rains. At that level, wheat production would top year-ago and the 10-year average by around 20%.
- OPEC oil output fell in August to its lowest since January, a Reuters survey found, as unrest that disrupted Libyan supply added to the impact of ongoing voluntary supply cuts by other members and the wider OPEC+ alliance. OPEC pumped 26.36 million barrels per day last month, down 340,000 bpd from July. This was the lowest total since January 2024.

Technically Speaking:



Market Fundamentals:

Yesterday's Trades: Corn – For 2023, sold 20% in CASH vs. CZ at 399.

ADVICE: No new advice pending early trading and market reaction to three-day weekend, politics and ideas surfacing corn/bean yields could suffer from warm, dry early September. Politics both global and domestic and the US election promises to have significant impact(s). Crude oil down another \$1.50 as well. China bought to-ken amount of soybeans in overnight flash sale

5Disclaimer: Commodity trading and other speculative/ hedging investment practices involve substantial risk of loss. PAST RESULTS ARE NOT NECESSARILY INDICATIVE OF FUTURE RESULTS when utilizing the commodities markets. Gulke Group and its officers, directors, employees and affiliates may take positions for their own accounts that are the same or that are different to the positions and to the contracts referred to herein. This material and any views expressed herein are provided for informational purposes only and should not be construed in any way as an endorsement or inducement to invest. Prices used in trade recommendations are already reflective of known information

COMMENTS: A new week and new month and a critical month at that with eyes once again on the current month's activities headed into harvest versus August lows. Weather looks good in 6-10 day with warm in northern areas where heat units needed but drier and some talk in weather section of minor frost in Canada and NE ND.

One shock perhaps is the volatility that yet exists with Sept corn deliveries now behind us and it is free to act independently. Huge carries exist in corn and soybeans and always in Chicago wheat to be addressed. But one item surfaced and that is China's retaliation against Canada causing a collapse in Canola prices; probably the biggest one day drop in our memory. **This may be a warning to the US and our Sect Ag to play down the UCO fiasco that is finally getting addressed---**see links below and RSX Canola chart above. US equities reacting negatively as we enter into last 60 days pre-election.

CHINA ANNOUNCES investigation into anti-dumping of Canola by Canada causing collapse overnight (down \$45/ton), in retaliation of Canadian tariffs.

<https://farmpolicynews.illinois.edu/2024/08/epa-investigating-used-cooking-oil-import-authenticity/>

<https://farmpolicynews.illinois.edu/2024/07/domestic-saf-production-capacity-could-increase-by-1400-in-2024/>

Gulke Group Spec Table Buy/Sell Stops				(*New Positions in BOLD)			
	9/3/2024			Today's Stops		Current Position*	
	High	Low	Close	Buy	Sell	Long	Short
CZ24	401 3/4	394 1/2	401	408 3/4	393 1/4	393	
CH25	419 1/2	412 1/4	419	426 3/4	411 1/4		411 1/2
SX24	1007 3/4	989 1/2	1000	1018 3/4	981 1/4	992 3/4	
SF25	1023 1/2	1007	1017	1034	1000		1003 1/2
SMV24	313.9	306.5	310.1	318.0	302.2	306.4	
SMZ24	316.1	309.6	313.0	319.7	306.4		303.9
BOZ24	42.68	41.54	42.01	43.65	40.37	42.02	
WZ24	553 1/2	546	551 1/2	559 1/2	543 1/2	535 1/4	
KWZ24	567 1/4	555 1/2	565 1/4	577 1/2	553	549 1/2	
MWZ24	602 1/4	586 1/2	600 1/2	616 3/4	584 1/4	612	
LCV24	179.625	177.750	178.600	180.675	176.525	177.100	
LCZ24	178.500	176.700	177.550	179.850	175.250	176.975	
LHV24	83.000	81.925	82.225	83.500	80.950	77.450	
LHZ24	73.200	72.275	72.775	73.900	71.650	69.850	
FCV24	238.800	236.275	237.750	240.475	235.025	238.600	
CTZ24	70.38	69.46	69.990	70.96	69.02		69.01
CTH25	71.94	71.10	71.650	72.69	70.61		70.57
SBV24	19.95	19.28	19.380	20.10	18.66		19.31
GCZ24	2560.1	2526.6	2527.60	2561.60	2493.60		2519.00
RSX24	621.5	610.5	614.7	645.7	583.7		594.6
DJU24	41674	41231	41653	42116	41190		40739
CLV24	76.59	73.36	73.55	76.98	70.12	77.27	
NGV24	2.171	2.093	2.127	2.220	2.034		2.206
DXU24	101.72	101.165	101.624	102.37	100.87		103.487
USZ24	124 4/32	122 21/32	123 4/32	124 27/32	121 13/32		123 23/32

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 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.

5Disclaimer: Commodity trading and other speculative/ hedging investment practices involve substantial risk of loss. PAST RESULTS ARE NOT NECESSARILY INDICATIVE OF FUTURE RESULTS when utilizing the commodities markets. Gulke Group and its officers, directors, employees and affiliates may take positions for their own accounts that are the same or that are different to the positions and to the contracts referred to herein. This material and any views expressed herein are provided for informational purposes only and should not be construed in any way as an endorsement or inducement to invest. Prices used in trade recommendations are already reflective of known information

HYPOTHETICAL HEDGING POSITION MATRIX					9/3/2024									
2023 Corn - margin= \$1425					2024 Soybeans - margin - \$1725					2023 WHEAT - margin= \$2600				
Date	Action	Price	Status	% Hedged	Date	Action	Price	Status	% Hedged	Date	Action	Price	Status	% Hedged
Cash (futures price day of sale)					Futures/Options					Cash (futures price day of sale)				
6/22/23	Sold CASH vs. CZ	621 1/2	\$8,237.50	5.0%	4/11/2024	Sold SX	1162 1/2	\$8,086.66	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	Sold SX	1200 1/2	\$9,986.66	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	Sold SX	1209 1/2	\$10,436.66	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	15.0%	8/2/2024	Sold SX	1029	\$1,411.66	10.0%	5/8/2024	Sold CASH vs. WN24	633 1/2	\$4,775.00	15%
8/30/24	Sold CASH vs. CZ24	399	(\$100.00)	20.0%	8/13/2024	Sold SF 1000 calls (5%)	32 3/8	(\$769.34)	-5.0%	5/15/2024	Sold CASH vs. WN24	667	\$6,450.00	10%
	Total			60.0%		Futures/Options Hedged			45.0%	5/20/2024	Sold CASH vs. WN24	689	\$7,550.00	10%
Futures/Options					Total Hedged(Included CASH)					Total Hedged(Included CASH)				
8/23/2024	Sold CZ	391 1/4	(\$525.84)	20.00%					45.0%	5/30/2024	Sold CASH vs. WN24	678 1/4	\$7,012.50	20%
	Futures/Options Hedged			20.0%	2025 Soybeans - margin - \$1725					8/23/2024	Sold CASH vs. WU24	501 1/2	(\$1,562.50)	10%
	Total Hedged(Included CASH)			80.0%	Futures/Options						Total			100%
2024 Corn - margin= \$1075					2024 MN WHEAT - margin= \$3000					2024 WHEAT - margin= \$2400				
Date	Action	Price	Status	% Hedged	Date	Action	Price	Status	% Hedged	Date	Action	Price	Status	% Hedged
Cash (futures price day of sale)					Cash (futures price day of sale)					Cash (futures price day of sale)				
				0.0%	9/30/2022	Sold CASI vs. MWU23	944	\$9,562.50	15%	4/29/2024	Sold CASH vs. WN24	609	\$3,550.00	10%
				0.0%	12/2/2022	Sold CASH vs. MWU23	906 1/4	\$7,675.00	10%	5/8/2024	Sold CASH vs. WN24	633 1/2	\$4,775.00	15%
				0.0%	4/29/2024	Sold CASH vs. MWN24	706 1/2	\$4,275.00	10%	5/20/2024	Sold CASH vs. WN24	689	\$7,550.00	10%
				0.0%	5/15/2024	Sold CASH vs. MWN24	728	\$5,350.00	10%	5/30/2024	Sold CASH vs. WZ24	723 1/4	\$8,587.50	15%
				0.0%	5/20/2024	Sold CASH vs. MWN24	742	\$6,050.00	10%		Total			60%
				0.0%	5/30/2024	Sold CASH vs. MWN24	742 1/2	\$6,075.00	10%	Futures/Options				
				0.0%	8/23/2024	Sold CASH vs. MWU24	552 1/2	(\$875.00)	15%					0.0%
				0.0%		Total			80%					50.0%
End User Coverage - Corn					Futures/Options					Total Hedged(Included CASH)				
Date	Action	Price	Status	% Hedged					0.0%					0.0%
4th Quarter 2024									80.0%					100.0%
				0.0%	2024 MN WHEAT - margin= \$2600					2023 KC WHEAT - margin= \$2400				
				0.0%	Date	Action	Price	Status	% Hedged	Date	Action	Price	Status	% Hedged
				0.0%	Cash (futures price day of sale)					Cash (futures price day of sale)				
				0.0%	4/29/2024	Sold CASH vs. MWN24	706 1/2	\$4,236.66	10%	9/30/2022	Sold CASH vs. KWN23	952	\$7,137.50	15%
				0.0%	5/20/2024	Sold CASH vs. MWN24	742	\$6,050.00	10%	12/2/2022	Sold CASH vs. KWN23	861	\$2,587.50	10%
				0.0%	5/30/2024	Sold CASH vs. MWZ24	765	\$8,237.50	15%	4/29/2024	Sold Cash vs. KWN24	652	\$2,400.00	10%
				0.0%		Total			35%	5/15/2024	Sold Cash vs. KWN24	676	\$3,600.00	10%
Live Cattle - margin = \$1600					Futures/Options					Futures/Options				
Date	Action	Price	Status	% Hedged					0.0%					0.0%
4th Quarter 2024									35.0%					90%
				0.0%	Total Hedged(Included CASH)					Total Hedged(Included CASH)				
				0.0%					0.0%					90.0%
				0.0%	2024 Canola - margin = \$880CD					2024 KC WHEAT - margin= \$2175				
Date	Action	Price	Status	% Hedged	Date	Action	Price	Status	% Hedged	Date	Action	Price	Status	% Hedged
2023 Cotton - margin = \$3500					Spec					Cash (futures price day of sale)				
Date	Action	Price	Status	% Hedged	Date	Action	Contracts	Price	Status	5/30/2024	Sold CASH vs. RSX24	681	\$1,060.80	40.0%
3/10/2023	Sold CASH vs. CTZ23	80.20	\$712.00	10%							Total			40.0%
4/4/2023	Sold CASH vs. CTZ23	81.65	\$1,292.00	10%	Energy					Futures/Options				
4/2/2023	Sold CASH vs. CTZ23	80.62	\$880.00	10%	Date	Action	Contracts	Price	Status	4/29/2024	Sold Cash vs. KWN24	652	\$2,400.00	10%
8/2/2023	Sold CASH vs. CTZ23	84.38	\$2,384.00	15%						5/20/2024	Sold Cash vs. KWN24	699	\$4,750.00	10%
3/27/2028	Sold CASH vs. CTN24	91.89	\$9,972.00	15%	Total Hedged(Included CASH)					Total Hedged(Included CASH)				
5/30/2024	Sold CASH vs. CTN24	77.71	\$4,300.00	15%					40.0%					35%
	Total			75%	2024 Canola - margin = \$880CD					Futures/Options				
Date	Action	Price	Status	% Hedged	Date	Action	Price	Status	% Hedged					0.0%
Cash (futures price day of sale)									0.0%					35.0%
5/30/2024	Sold CASH vs. RSX24	681	\$1,060.80	15.0%	2023 Canola - margin = \$880CD					Livestock Trading Hours				
	Total			15.0%	Date	Action	Price	Status	% Hedged	Mon - Fri	8:30 am to 1:05 pm CST	No Night Trading		
				0.0%	5/15/24	Sold RSX24	670.0	\$846.46	10%	Grain Trading Hours				
				0.0%	7/10/24	Sold RSX24	620.0	\$46.46	20%	Sun - Fri	7pm to 7:45am and 8:30am to 1:20pm CST			
				0.0%		Total			30.0%					
				0.0%		Total Hedged(Included CASH)			45.0%					

5Disclaimer: Commodity trading and other speculative/ hedging investment practices involve substantial risk of loss. PAST RESULTS ARE NOT NECESSARILY INDICATIVE OF FUTURE RESULTS when utilizing the commodities markets. Gulke Group and its officers, directors, employees and affiliates may take positions for their own accounts that are the same or that are different to the positions and to the contracts referred to herein. This material and any views expressed herein are provided for informational purposes only and should not be construed in any way as an endorsement or inducement to invest. Prices used in trade recommendations are already reflective of known information