

September 9, 2024

Weather:

- A more active weather pattern is expected in Canada's Prairie and a part of the northwestern U.S. Plains late this week into next week
 - o The moisture will slow fieldwork and harvest progress, but will be good for winter crop planting
- U.S. Midwest weather should be generally dry except for rain that comes with the developing Tropical Cyclone Six in the Gulf of Mexico
 - The developing tropical cyclone in the western Gulf of Mexico may become Tropical Storm Francine in the next day or two and it could become a hurricane before reaching the Louisiana Coast late Wednesday or early Thursday
 - o Louisiana sugarcane could be mangled by the storm and flooding rain may impact a fair amount of the state
 - o Remnants of the tropical cyclone will move north through the Delta and into the Tennessee River Basin resulting in some heavy rainfall
- Torrential rain in association with Typhoon Yagi during the weekend in Hainan, China, southwestern Guangdong, China and northern Vietnam as well as southern Guangxi, China
 - o Some crop and property damage occurred with Hainan's damage possibly being catastrophic
- Dry weather will continue in the western CIS during much of the coming week to ten days and temperatures will be well above normal
- Central Europe will experience flooding rain this week possibly damaging some spring and summer crops
- Southern and interior west-central India will be drying out over this coming week resulting in some increasing concern about sugarcane, cotton, rice, sorghum, soybean and corn development
- Central and northern India will continue to get timely rainfall over the next ten days
- Monsoon rains seem to have withdrawn from Pakistan, Gujarat and northern and western Rajasthan, India
- China's weather will be wettest in the southwest, although all areas will get some rain periodically to favor late season crop development while allowing enough drying in east-central and northeastern states to support gradual maturation as well
- Queensland, Australia continues too dry and too warm
- Southern Australia weather remains favorable for winter crop development
- Southern and eastern Argentina will get some rain during mid-week this week, although it will be light
 - o Cordoba, western Santa Fe, Santiago del Estero and areas northward into Formosa will remain drier than usual
- Southern Brazil will get some rain later this week, as well, although it will be mostly light
- Center west and center south Brazil will remain dry biased for at least another week to ten days

- Quebec and Ontario weather will be good for net drying and crop maturation as well as some harvest progress

News:

- **USDA reported private sale of 132,000 metric tons of soybeans for delivery to China during the 2024/2025 marketing year.**
- **At a Wisconsin rally, Donald Trump vowed to impose a 100% tariff on nations abandoning the U.S. dollar in trade, intensifying his protectionist stance. Trump framed the dollar as being “under major siege” and said he aims to maintain its global dominance.** Trump’s comments follow discussions of penalizing countries, including allies, for engaging in non-dollar bilateral trade. Despite declining influence, the U.S. dollar remains the world’s top reserve currency, accounting for 59% of global reserves in early 2024.
- **China's commerce ministry officially acknowledged an anti-dumping investigation into Canadian rapeseed imports.** The report will focus on the full year of 2023, and they believe the data already indicates dumping had taken place. They further indicated the evidence has caused substantial damage to China's domestic producers.
- **IKAR agricultural consultancy cut its forecast for Russia's wheat crop to 82.2 MMT from 83.8 MMT. The firm now expects Russia to export 44 MMT of wheat in 2024-25, down 500,000 MT from its prior outlook.**
- Safras y Mercado noted 23/24 Brazil soybean sales have reached 82.2% of expected production, that's up from the 79.8% in the year ago period. For 24/25, soybean sales have reached 22.5% of expected output, ahead of the 17.9% pace in the year earlier period.
- **Safras y Mercado projected higher 2024/25 Brazil total corn production at 133.57 mln mt, up from the 125.56 mln mt in the 23/24 crop year.**
- Ukraine’s government and exporters agreed earlier this month to limit wheat exports to 16.2 MMT in 2024-25, though the deal did not specify what kind of wheat could be exported. Brokers, millers, traders and ministry officials expect the share of milling wheat to be between 30% and 45%, below the historical norm. As a result, the Ukrainian millers association said milling quality wheat exports should be limited to 30% of the total. Early season shipments have focused on milling wheat. Of the 3.3 MMT of wheat exported in the first two months of the marketing year, the share of milling wheat was 1.9 MMT, or about 58%. Ukrainian officials have indicated they are ready to discuss more serious measures to restrict milling wheat exports when the volume of such shipments exceeds 3.5 MMT.
- **The Paraguay River fell to a record low in Paraguay’s capital Asuncion, with water levels depleted by a severe drought upriver in Brazil.** The Parana River in Argentina is also low around the grain export hub at Rosario. Both the Paraguay and Parana rivers start in Brazil and are important routes for soybeans, corn and other trade. Low water levels are affecting shipments, though the impact was capped as it is not peak export season.

- The International Longshoremen's Association (ILA), the largest U.S. dockworkers' union, is preparing for its first strike in 50 years at East and Gulf Coast ports, as contract negotiations stall. With three weeks until the current contract expires, no talks are scheduled. ILA demands a 77% pay increase over six years, far exceeding the 32% wage gains secured by West Coast dockworkers last year.
- OPEC+, is expected to increase production for the first time in a couple of years in 2025, an S&P Global executive told a conference. Last week, OPEC+ agreed to delay a planned oil output increase for October and November after crude prices hit their lowest in nine months, adding that it could further pause or reverse the hikes if needed.
- Asian refiners' margins slumped to their lowest seasonal levels since 2020 this week as supplies of diesel and gasoline rose after peak summer travel demand ended, industry officials and analysts said on Friday. Persistent weak margins could prompt refiners to trim their output again, adding to a round of cuts that took place earlier in the year when margins were also low and curbing crude demand in Asia, the region that contributes most to global oil demand growth.
- **Stats Canada July 31, 2024 Grain/Oilseed Stockpiles:**
 - **All Wheat Stocks: 4.583 mln mt; expected 3.56 mln mt; yr ago 3.512 mln mt**
 - Durum Wheat Stocks: 0.576 mln mt; expected 0.59 mln mt; yr ago 0.409 mln mt
 - **Wheat excluding Durum Stocks: 4.007 mln mt; expected 3.00 mln mt; yr ago 3.103 mln mt**
 - Barley Stocks: 1.222 mln mt; expected 0.95 mln mt; yr ago 0.708 mln mt
 - **Canola Stocks: 3.092 mln mt; expected 2.93 mln mt; yr ago 1.506 mln mt**
 - Oat Stocks: 0.463 mln mt; expected 0.55 mln mt; yr ago 1.275 mln mt

Technically Speaking:

Some major reversals Friday ahead of WASDE this Thursday-- update charts tomorrow

Market Fundamentals:

Source: NASS and estimates by Reuters

2024/25 PRODUCTION	Corn Prod	Corn Yield	Harv acres	Bean Prod	Bean Yield	Harv acres
Avg trade estimate	15.076	182.4	82.650	4.589	53.2	86.108
Highest trade estimate	15.147	183.5	82.710	4.740	54.9	86.300
Lowest trade estimate	14.932	180.5	82.200	4.447	52.0	83.396
USDA August	15.147	183.1	82.710	4.589	53.2	85.261

2023/24 Ending stocks	Corn	Soy	U.S. Ending Stocks 2024/25			
			Wheat	Corn	Soy	
Avg trade estimate	1.856	0.341				
Highest trade estimate	1.927	0.365	Avg trade estimate	.823	2.007	.565
Lowest trade estimate	1.817	0.330	Highest trade estimate	.842	2.133	.670
			Lowest trade estimate	.800	1.819	.443
USDA August	1.867	0.345	USDA August	.828	2.073	.560

World Ending Stocks 2024/25			
	Wheat	Corn	Soy
Avg trade estimate	255.31	309.39	133.86
Highest trade estimate	258.00	314.20	135.00
Lowest trade estimate	250.48	307.35	132.40
USDA August	256.62	310.17	134.40

Yesterday's Trades: **Corn** – For 2023, sold 10% CZ at 406 and sold 25% CZ 420 calls at 9 ¾. For 2024, sold 10% CZ at 406, sold 25% CZ 420 calls at 9 ¾, and sold 20% CH at 425 ½. For 2025, sold 20% CN 450 calls at 27 and sold 25% CZ25, 15% at 445 ½ and 10% at 444 ½. **Soybeans** – For 2024, sold 25% SX at 568 ½ and sold 35% CH 1060 calls at 39. **Chicago Wheat** – For 2024, sold 25% WZ at 568 ½. **KC Wheat** – For 2023, sold 10% in CASH vs. KWZ at 579 ½. **MN Wheat** – For 2023, sold 20% in CASH vs. MWZ at 616 ½. **For 2024, sold 20% MWZ at 616 ½.** **Canola** – For 2023 and 2024, sold 20% RSX at 570. **Cotton** – For 2023, sold 25% CTZ at 68.20. For 2024, sold 20% CTZ at 68.20. **Live Cattle** – For 2024/25, sold 20% LCG at 175.85. **Feeder Cattle – FALL** – Sold 20% FCV at 231.175. **Hogs** – For 2024/25, sold 20% LHV at 80.00.

ADVICE: No new advice--- action taken last Friday we feel as flexible for those that represent futures. Some mixed signals to start the week and we'll let the market digest.

COMMENTS: Good stuff in the news today and weather seems like a speedy harvest---beans looked ready yesterday but further evidence sees green pods yet so a few days=---next week should see a lot of combines moving.ts

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Reuters compiled WASDE estimates above---showing very little change. Confirmation of August WASDE ideas or higher would look bearish but how bearish likely up to farmer selling. Doubtful NASS would lower much until they saw more harvest even if they felt less yield than first thought in Augusts surveys.

Gulke Group Spec Table Buy/Sell Stops				(*New Positions in BOLD)			
	9/9/2024			Today's Stops		Current Position*	
	High	Low	Close	Buy	Sell	Long	Short
CZ24	416	405 1/2	406 1/4	417 1/4	395 1/4	393	
CH25	433 3/4	423 3/4	424 1/2	435	414	426 3/4	
SX24	1031 1/4	1003 1/2	1005	1033 1/4	976 3/4		1008 1/4
SF25	1049	1021 1/4	1022 1/2	1050 3/4	994 1/4		1026 1/2
SMV24	328.5	320.2	320.8	329.6	312.0	306.4	
SMZ24	332.6	323.8	324.4	333.4	315.5	319.7	
BOZ24	41.16	39.56	39.63	41.73	37.53	42.02	
WZ24	580	565 3/4	567	581 3/4	552 1/4	535 1/4	
KWZ24	592 1/2	577	577 1/2	593 1/2	561 1/2	549 1/2	
MWZ24	625 3/4	613	613 3/4	627	600 1/2		613 1/2
LCV24	177.975	174.925	175.175	178.425	171.925		177.850
LCZ24	177.500	174.525	174.700	178.175	171.225		177.075
LHV24	81.300	79.425	79.500	81.575	77.425		80.950
LHZ24	72.475	71.175	71.225	72.725	69.725		71.650
FCV24	235.950	230.425	230.950	236.675	225.225		234.750
CTZ24	69.57	67.80	67.880	69.70	66.06		68.14
CTH25	71.39	69.66	69.690	71.62	67.76		70.01
SBV24	19.61	18.84	18.910	19.73	18.09		19.31
GCZ24	2559.8	2513.9	2526.80	2573.20	2480.40		2519.00
RSX24	587.9	567.6	569.2	609.5	528.9		594.6
DJU24	41080	40264	40407	41243	39571		40739
CLV24	70.13	67.17	67.67	70.83	64.51		70.12
NGV24	2.294	2.232	2.275	2.352	2.198	2.220	
DXU24	101.37	100.525	101.150	102.19	100.11		103.487
USZ24	126 26/32	125 5/32	125 28/32	127 25/32	123 31/32	126 22/32	

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