

**October 4, 2024**

## **Weather:**

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- Neutral ENSO conditions remain in place, despite some media releases in recent weeks suggesting La Nina is either present or evolving
  - o NOAA's model continues to suggest La Nina is evolving while the Australian Bureau of Meteorology suggests neutral ENSO conditions will continue
  - o World Weather, Inc. agrees with the Australian Bureau of Meteorology
- Low pressure centers in the Gulf of Mexico during the weekend through most of next week will block moisture from flowing northward into the United States
  - o There is still some potential for tropical cyclone to evolve next week in the region, but it is still very unclear where the system will go
  - o World Weather, Inc. is most concerned about a Florida Peninsula impact, but it is much too soon to speculate over where and what the damage potential might be since an organized tropical cyclone has not yet formed
- Dry weather will continue in the U.S. Midwest, Delta, Great Plains and far western states through much of the coming ten days
- Some drying will also occur in the U.S. southeastern states
- North-central and eastern Saskatchewan, Canada and a part of Manitoba will get rain and some wet snow Saturday into Sunday; otherwise harvest weather will be good
- Strong wind speeds are expected in the northern U.S. Plains and Canada's Prairies later today into Saturday
- China's seasonal rains seem to be diminishing leaving the Yangtze River Basin a little too dry and in need of some rain, but not much is expected for a while
- Northern China's weather will be favorable for autumn planting and harvesting
- Southern India is expecting frequent rainfall of significance over the next ten days
- Australia rainfall is still advertised to be sporadic and light over the next ten days limiting the potential for improved moisture in the drier areas of Western Australia, South Australia or Queensland
- Brazil is still expecting rain in its center west and center south crop areas Wednesday through Friday of next week followed by more limited rain in the following weekend and then scattered showers increasing again during the week of October 14
- Argentina rainfall will be mostly in the north and a few west-central crop areas early next week with some potential for follow up rain in parts of the central and south in the following weekend after a few days of drier weather

- Dryness will continue in eastern Ukraine and areas east into Kazakhstan during the coming ten days, although a few showers are expected Tuesday into Wednesday with some additional showers possible in the week of October 14
  - o Most of this precipitation will be too light for a serious change in soil moisture or winter crop conditions

## News:

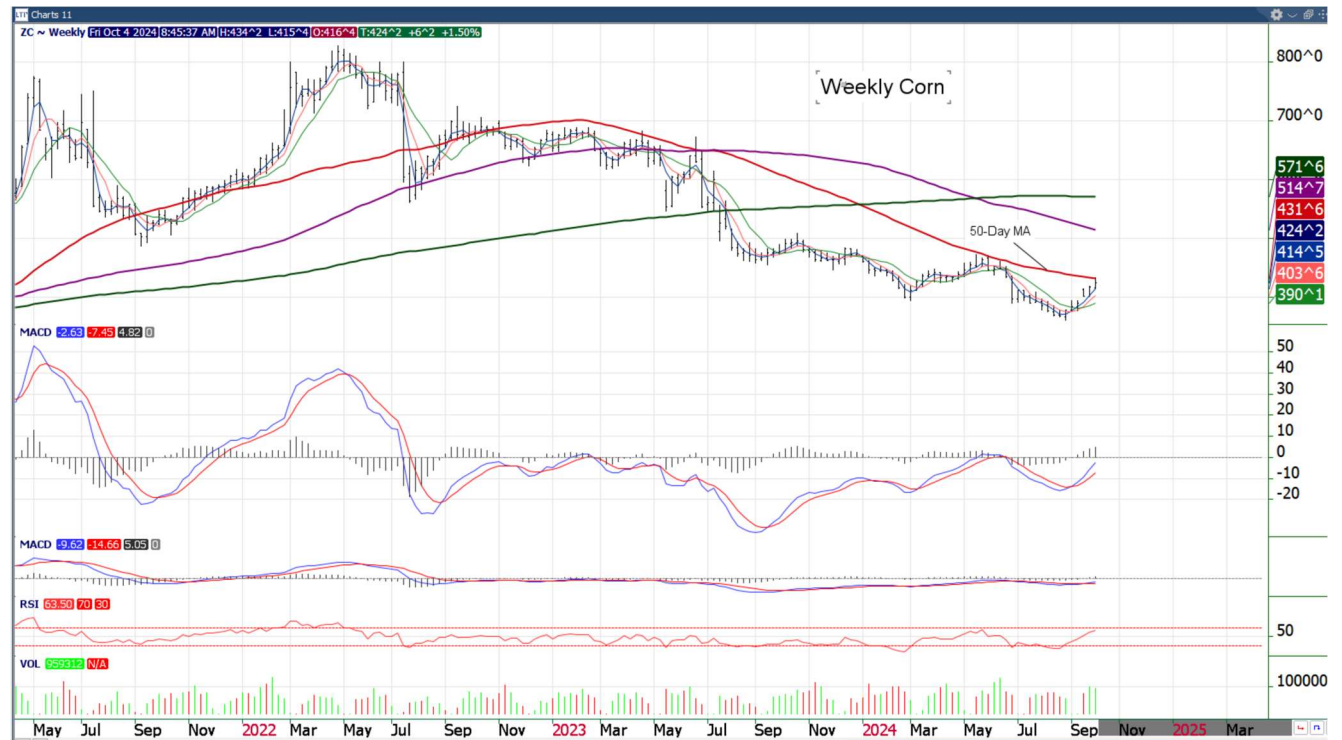
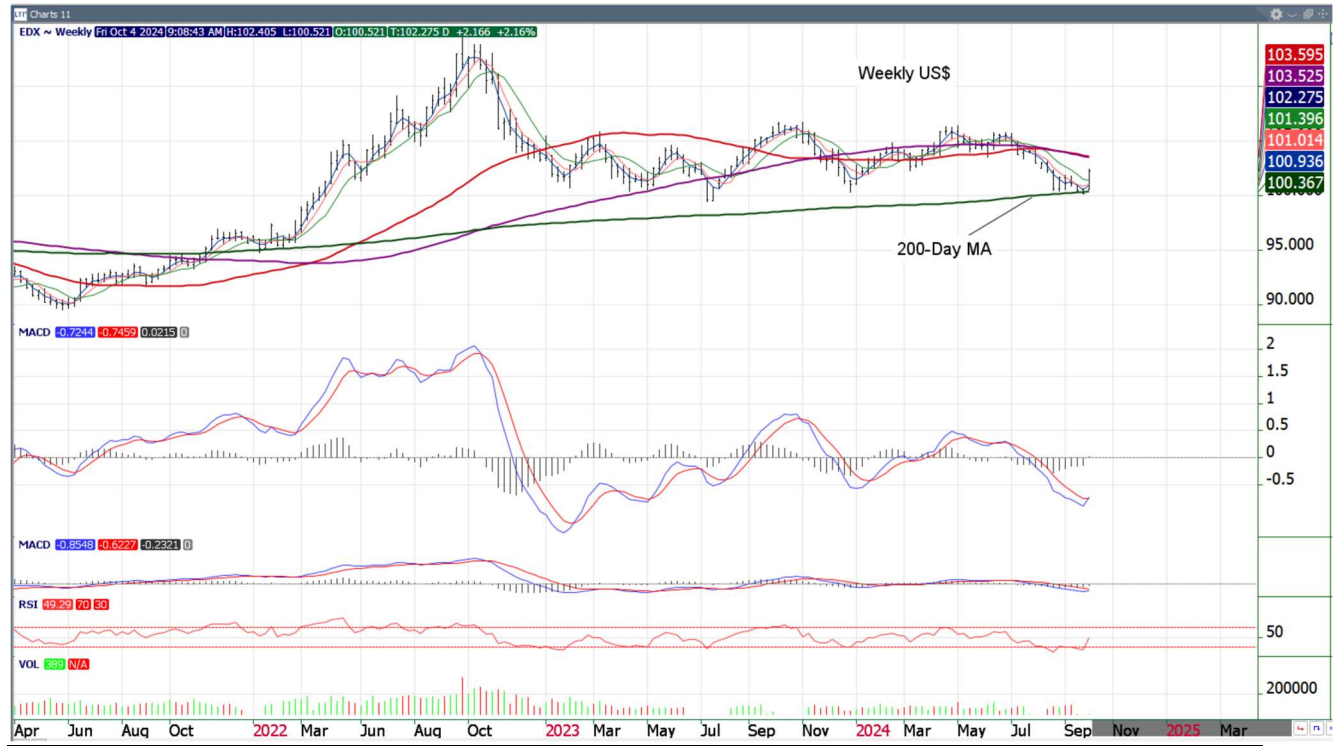
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- **USDA announced a private sale of 116,000 metric tons of soybeans for delivery to China during the 2024/2025 marketing year**
- **USDA announced a private sale of 198,000 metric tons of corn for delivery to unknown destinations during the 2024/2025 marketing year**
- US east coast port workers union and employer group strike 90-day temporary wage deal, raising pay by 62%, and extending the existing contract to mid-January. The deal will see workers return to the job immediately. Both sides have 90 days to hammer out remaining differences.
- Buenos Aires Grain Exchange Thursday afternoon noted corn planting could likely face additional hurdles with expected dry conditions over the next week. They further warned that expected planted acres could fall if rainfall is insufficient. The exchange current is forecasting 47.0 mln mt of Argentina corn production.
- Libya's eastern-based government and Tripoli-based National Oil Corp announced on Thursday the reopening of all oilfields and export terminals after a dispute over leadership of the central bank was resolved. This could pave the way for the OPEC producer to raise oil output significantly.
- The OPEC+ group of crude oil exporters is still planning on lifting output from December, but it will be doing so against a backdrop of weak demand in the top-importing region of Asia. Asia's imports of crude were 27.05 million barrels per day in September, up marginally from August's 26.47 million bpd, according to data compiled by LSEG Oil Research.
- ADM is idling its only soybean processing plant in Iowa for weeks in the thick of harvest, the grain merchant told *Reuters*. ADM's facility in Des Moines will close for maintenance work from mid-October through November, the company said. The facility crushes about 5 million bu. of soybeans a month on average, representing about 12% of Iowa's monthly soybean crush. ADM did not comment on the reason for the closure but agreed to upgrade the plant this year to resolve alleged air quality violations under a 2023 consent decree with the Iowa Department of Natural Resources.
- The UN Food and Agriculture Organization global food price index rose 3.0% from August, as all five components increased, led by a 10.4% jump in sugar. The September index rose 2.1% from last year to the highest level since July 2023. Compared to year-ago, prices rose 4.8% for meat, 21.7% for dairy and 17.8% for vegoils, while values fell 10.1% for cereal grains and 22.7% for sugar.

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## Technically Speaking:



## Market Fundamentals:

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

**ADVICE:** We'll take advantage of the recent rally per action below.

**SOYBEANS:** For futures users we want to get to 50% cash delivered for 2024 soybeans by adding another 30% cash sale out of the field while still holding hedges for now. In addition, if July 2025 soybeans appear to close below \$11.00 sell the \$11.40 July 2025 call options for the premium on 15% of 2025 soybeans production.

**CORN:** We want to make cash corn sales on an additional 20% of 2023 crop and 15% of 2024 crop basis the December futures. We'll take advantage of the recent rally for those who still have 2024 crop in the bins, but we suspect few are holding any corn from last year.

**COMMENTS:** Markets are mixed overnight with corn and wheat lower, beans up 6-8 but on a weekly closing basis wheat and corn are higher for the week, soybeans lower. Soybeans are on the verge of the first sell signal including the 3,5,9 moving averages since the buy signal posted the end of Aug. All three have rallied to targeted percentages like 38%, 50% retracements while in a 6-week weather market.

Harvest was intense yesterday in N IL despite very dry beans ranging from 8.5—9.8%. Media was suggesting dry matter affecting soybean yields in many areas. Overall soy yields continue very good with some exceptions of disappointments in NW IA, MN and IN.

Corn is taking its turn trading negatively as CZ exceeded \$4.30 and nearly a 50-cent rally from the Aug lows as well as retracing 50% of the June to Aug range. In the process all three are now well above the 50-Day MA on a daily chart. On the weekly chart prices have rallied up to the 50-Day MA for the first time. Prices rallied and failed to push through this MA 3 times in May and have not been above it since June of last year.

As discussed in the daily MComments, selling cash beans upon delivery against futures hedges was advised and should be at or near 50% currently.

The Weekly US\$ has bounced off the 200-Day MA and is sharply higher. Both Minneapolis Wheat and Crude Oil look like Weekly Key Reversals.

Spec Table is long.

Gulke GroupSpec Table Buy/Sell Stops				(*New Positions in BOLD)			
	10/4/2024			Today's Stops		Current Position*	
	High	Low	Close	Buy	Sell	Long	Short
CZ24	433 1/4	427 1/2	428 1/4	434 1/2	422	408	
CH25	450 1/2	445	446	452	440	426 3/4	
SX24	1056 1/4	1041 3/4	1046	1061	1031	1013 1/2	
SF25	1074 1/2	1060 1/4	1064 1/2	1079 1/4	1049 3/4	1031 3/4	
SMZ24	341.3	331.7	332.5	342.3	322.8	328.2	
SMH25	339.6	330.6	331.1	340.6	321.6	331.5	
BOZ24	44.99	43.30	44.53	46.72	42.34	42.02	
WZ24	617 1/4	601 1/4	603 1/2	620	587	579 1/2	
KWZ24	623 1/2	610	611 1/2	625 1/2	597 1/2	577 1/4	
MWZ24	653 1/2	645	646 1/4	655 1/4	637 1/4	617	
LCZ24	187.900	186.075	186.400	188.725	184.075	187.600	
LCG25	188.500	186.975	187.750	189.475	186.025	188.175	
LHZ24	76.800	75.025	76.400	78.375	74.425	74.875	
LHG25	80.250	78.600	80.150	82.000	78.300	78.775	
FCX24	249.225	246.825	248.125	250.725	245.525	247.325	
CTZ24	73.60	71.86	72.730	74.52	70.94		70.63
CTH25	75.54	73.93	74.800	76.61	72.99		72.22
SBH25	23.34	22.39	23.240	24.24	22.24	23.07	
GCZ24	2683.4	2657.8	2676.00	2702.10	2649.90	2623.6	
RSX24	627.6	611.1	622.0	658.5	585.5		594.6
DJZ24	42575	42142	42317	42770	41864		<b>42194</b>
CLX24	74.09	70.52	73.71	77.48	69.94	70.12	
NGX24	2.988	2.900	2.970	3.073	2.867	2.709	
DXZ24	101.89	101.405	101.730	102.42	101.05		101.005
USZ24	124 11/32	123 10/32	123 14/32	124 23/32	122 5/32	125 6/32	

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.

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HYPOTHETICAL HEDGING POSITION MATRIX				
<b>2023 Corn - margin= \$1425</b>				
Date	Action	Price	Status	% Hedged
<b>Cash (futures price day of sale)</b>				
6/22/23	Sold CASH vs. CZ	621 1/2		5.0%
5/7/24	Sold CASH vs. CN	470 1/4		10.0%
5/8/24	Sold CASH vs. CN	459		10.0%
5/15/24	Sold CASH vs. CN	462		15.0%
8/30/24	Sold CASH vs. CZ24	399		20.0%
<b>Total</b>				<b>60.0%</b>
<b>Futures/Options</b>				
8/23/2024	Sold CZ	391 1/4	(\$1,888.34)	20.0%
9/6/2024	Sold CZ	406	(\$1,150.84)	10.0%
9/6/2024	Sold CZ 420 calls(25%)	9 3/4	(\$341.34)	25.0%
<b>Futures/Options Hedged</b>				<b>55.0%</b>
<b>Total Hedged(Included CASH)</b>				<b>115.0%</b>
<b>2024 Corn - margin= \$1075</b>				
Date	Action	Price	Status	% Hedged
<b>Cash (futures price day of sale)</b>				
<b>Total</b>				<b>0.0%</b>
<b>Futures/Options</b>				
8/23/2024	Sold CZ	391 1/4	(\$1,888.34)	10.0%
9/6/2024	Sold CZ	406	(\$1,150.84)	10.0%
9/6/2024	Sold CZ 420 calls(25%)	9 3/4	(\$341.34)	25.0%
9/6/2024	Sold CH	425 1/2	(\$1,063.34)	20.0%
9/20/2024	Sold CZ(option exercise)	405	(\$1,200.84)	10.0%
<b>Futures/Options Hedged</b>				<b>75.0%</b>
<b>Total Hedged(Included CASH)</b>				<b>75.0%</b>
<b>2025 Corn - margin= \$1075</b>				
Date	Action	Price	Status	% Hedged
<b>Cash (futures price day of sale)</b>				
<b>Total</b>				<b>0.0%</b>
<b>Futures/Options</b>				
9/6/2024	Sold CZ25	445 1/2	(\$600.84)	15.0%
9/6/2024	Sold CZ25	444 1/2	(\$650.84)	10.0%
9/6/2024	Sold CN 450 calls(25%)	27	(\$366.34)	20.0%
<b>Futures/Options Hedged</b>				<b>45.0%</b>
<b>Total Hedged(Included CASH)</b>				<b>45.0%</b>
<b>End User Coverage - Corn</b>				
Date	Action	Price	Status	% Hedged
<b>4th Quarter 2024</b>				
<b>Total</b>				<b>0.0%</b>
<b>Live Cattle - margin = \$1600</b>				
Date	Action	Price	Status	% Hedged
<b>2/24/2025</b>				
9/6/2024	Sold LCG	175.850	(\$4,798.34)	20.0%
<b>Total</b>				<b>20.0%</b>
<b>Feeder Cattle - Producer - margin = \$2850</b>				
Date	Action	Price	Status	% Hedged
<b>Fall 2024</b>				
9/6/2024	Sold FCV	231.18	(\$8,938.34)	20.0%
<b>Total</b>				<b>20.0%</b>
<b>Live Hogs - margin = \$1600</b>				
Date	Action	Price	Status	% Hedged
<b>2024/25</b>				
9/6/2024	Sold LHV	80.000	(\$1,708.34)	20.0%
<b>Total</b>				<b>20.0%</b>

10/4/2024				
<b>2024 Soybeans - margin - \$1725</b>				
Date	Action	Price	Status	% Hedged
<b>Cash (futures price day of sale)</b>				
9/26/24	Sold CASH vs. SX	1045		20.0%
<b>Total</b>				<b>20.0%</b>
<b>Futures/Options</b>				
4/11/2024	Sold SX	1162 1/2	\$5,786.66	10.0%
5/15/2024	Sold SX	1200 1/2	\$7,686.66	10.0%
5/28/2024	Sold SX	1209 1/2	\$8,136.66	10.0%
8/2/2024	Sold SX	1029	(\$888.34)	10.0%
8/13/2024	Sold SF 1000 calls (5%)	32 3/8	(\$2,291.09)	5.0%
9/6/2024	Sold SX	1008 1/4	(\$1,925.84)	25.0%
9/6/2024	Sold SH 1060 calls (35%)	39	(\$972.59)	35.0%
<b>Futures/Options Hedged</b>				<b>105.0%</b>
<b>Total Hedged(Included CASH)</b>				<b>125.0%</b>
<b>2025 Soybeans - margin - \$1725</b>				
Date	Action	Price	Status	% Hedged
<b>Futures/Options</b>				
8/13/2024	Sold SN 1040 calls (10%)	50	(\$2,435.09)	10.0%
<b>Futures/Options Hedged</b>				<b>10.0%</b>
<b>Total Hedged(Included CASH)</b>				<b>10.0%</b>
<b>2023 Canola - margin = \$880CD</b>				
Date	Action	Price	Status	% Hedged
<b>Cash (futures price day of sale)</b>				
5/30/2024	Sold CASH vs. RSX24	681		40.0%
<b>Total</b>				<b>40.0%</b>
<b>Futures/Options</b>				
9/6/2024	Sold RSX	570.00	(\$670.34)	20%
<b>Futures/Options Hedged</b>				<b>20.0%</b>
<b>Total Hedged(Included CASH)</b>				<b>60.0%</b>
<b>2024 Canola - margin = \$880CD</b>				
Date	Action	Price	Status	% Hedged
<b>Cash (futures price day of sale)</b>				
5/30/2024	Sold CASH vs. RSX24	681		15.0%
<b>Total</b>				<b>15.0%</b>
<b>Futures/Options</b>				
5/15/24	Sold RSX24	670.0	\$729.66	10%
7/10/24	Sold RSX24	620.0	(\$70.34)	20%
9/6/24	Sold RSX24	570.0	(\$670.34)	20%
<b>Total</b>				<b>50.0%</b>
<b>Total Hedged(Included CASH)</b>				<b>65.0%</b>
<b>2024 Cotton - margin = \$3500</b>				
Date	Action	Price	Status	% Hedged
<b>9/6/2024</b>				
9/6/2024	Sold CTZ	68.20	(\$1,812.00)	20%
<b>Total</b>				<b>20%</b>
<b>2023 Cotton - margin = \$3500</b>				
Date	Action	Price	Status	% Hedged
<b>3/10/2023</b>				
3/10/2023	Sold CASH vs. CTZ23	80.20		10%
4/4/2023	Sold CASH vs. CTZ23	81.65		10%
4/2/2023	Sold CASH vs. CTZ23	80.62		10%
8/2/2023	Sold CASH vs. CTZ23	84.38		15%
3/27/2028	Sold CASH vs. CTN24	91.89		15%
5/30/2024	Sold CASH vs. CTN24	77.71		15%
<b>Total</b>				<b>75.0%</b>
<b>Futures/Options</b>				
9/6/2024	Sold CTZ	68.20	(\$1,812.00)	25%
<b>Total</b>				<b>25.0%</b>
<b>Total Hedged(Included CASH)</b>				<b>100%</b>

<b>2024 WHEAT - margin= \$2400</b>				
Date	Action	Price	Status	% Hedged
<b>Cash (futures price day of sale)</b>				
4/29/2024	Sold CASH vs. WN24	609		10%
5/8/2024	Sold CASH vs. WN24	633 1/2		15%
5/20/2024	Sold CASH vs. WN24	689		10%
5/30/2024	Sold CASH vs. WZ24	723 1/4		15%
<b>Total</b>				<b>50%</b>
<b>Futures/Options</b>				
9/6/2024	Sold WZ	568 1/2	(\$1,788.34)	25.0%
<b>Futures/Options Hedged</b>				<b>25.0%</b>
<b>Total Hedged(Included CASH)</b>				<b>75.0%</b>
<b>2024 KC WHEAT - margin= \$2175</b>				
Date	Action	Price	Status	% Hedged
<b>Cash (futures price day of sale)</b>				
4/29/2024	Sold Cash vs. KWN24	652		10%
5/20/2024	Sold Cash vs. KWN24	699		10%
5/30/2024	Sold Cash vs. KWZ24	742 1/4		15%
<b>Total</b>				<b>35%</b>
<b>Futures/Options</b>				
<b>Futures/Options Hedged</b>				<b>0.0%</b>
<b>Total Hedged(Included CASH)</b>				<b>35.0%</b>
<b>Spec</b>				
Date	Action	Contracts	Price	Status
<b>Energy</b>				
Date	Action	Contracts	Price	Status
<b>2024 MN WHEAT - margin= \$2600</b>				
Date	Action	Price	Status	% Hedged
<b>Cash (futures price day of sale)</b>				
4/29/2024	Sold CASH vs. MWN24	706 1/2		10%
5/20/2024	Sold CASH vs. MWN24	742		10%
5/30/2024	Sold CASH vs. MWZ24	765		15%
<b>Total</b>				<b>35%</b>
<b>Futures/Options</b>				
9/6/2024	Sold MWZ	616 1/2	(\$1,525.84)	20.0%
<b>Futures/Options Hedged</b>				<b>20.0%</b>
<b>Total Hedged(Included CASH)</b>				<b>55.0%</b>
<b>Livestock Trading Hours</b>				
Mon - Fri	8:30 am to 1:05 pm CST	No Night Trading		
<b>Grain Trading Hours</b>				
Sun - Fri	7pm to 7:45am and 8:30am to 1:20pm CST			

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