

**October 17, 2024**

## **Weather:**

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- Windy conditions will develop in the central U.S. Plains today and continue Thursday with gusts of 40 to 55 mph possible at times from the northern Texas Panhandle into South Dakota and Minnesota
- Rain is still expected Friday into Monday in U.S. hard red winter wheat areas resulting in some improved wheat germination, emergence and establishment
- U.S. Midwest crop areas may trend a little wetter next week and into the following weekend, although the changes in soil moisture are unlikely to be very great for a while
- West Texas cotton areas will get some rain Friday into Monday resulting in a disruption to harvesting of cotton, sorghum and other crops
  - o Some brief cotton fiber quality decline is possible, although improving weather will be quick to follow
- U.S. Delta and southeastern states will be dry in this first week of the outlook and then “some” showers will evolve especially in the Delta
- Showers in the U.S. Pacific Northwest through early next week will mostly bring moisture to the mountains leaving the valleys in need for moisture to support dryland crops
- Western Europe will be wetter biased over the coming week to ten days slowing fieldwork once again and raising the need for sunny and warm weather to induce better winter crop emergence and establishment
- Eastern Europe weather will be favorable for winter crop emergence and establishment during the next ten days
- Rain is still expected periodically from eastern Ukraine into western Kazakhstan through the weekend
  - o The moisture will be good for improved winter seed germination, emergence and establishment, although much more moisture will be needed to end long term drought – there is not much follow up moisture advertised after Monday
- Argentina’s southeastern crop region will be drier biased during the next ten days, although some showers will occur briefly early next week
- Other areas in Argentina should see a good mix of rain and sunshine to support spring planting and early crop development; winter wheat in central areas will also benefit, although the moisture comes too late for the northern crop
- Brazil is expecting some periodic rainfall through the next two weeks supporting spring fieldwork, crop emergence and establishment

- India's greatest rainfall will continue in the south during the next two weeks while good field working opportunities prevail in the north
- China's wheat and rapeseed areas will get some rain through the weekend and into Monday followed by resuming dry weather which should prove to be ideal for planting, emergence and establishment
  - o Summer crop harvesting will be briefly disrupted by the rain, but no harm to crop conditions is expected except possibly to cotton fiber quality
- Western and South Australia do not get much significant moisture outside of coastal areas over the next ten days to two weeks leaving some winter crops poised to underperform during reproduction and filling
- Queensland, Australia still needs significant moisture to improve dryland spring and summer crop planting prospects
- U.S. frost and freezes this morning occurred southward into the Tennessee River Basin with several areas reporting freezes a week or two earlier than usual.

## News:

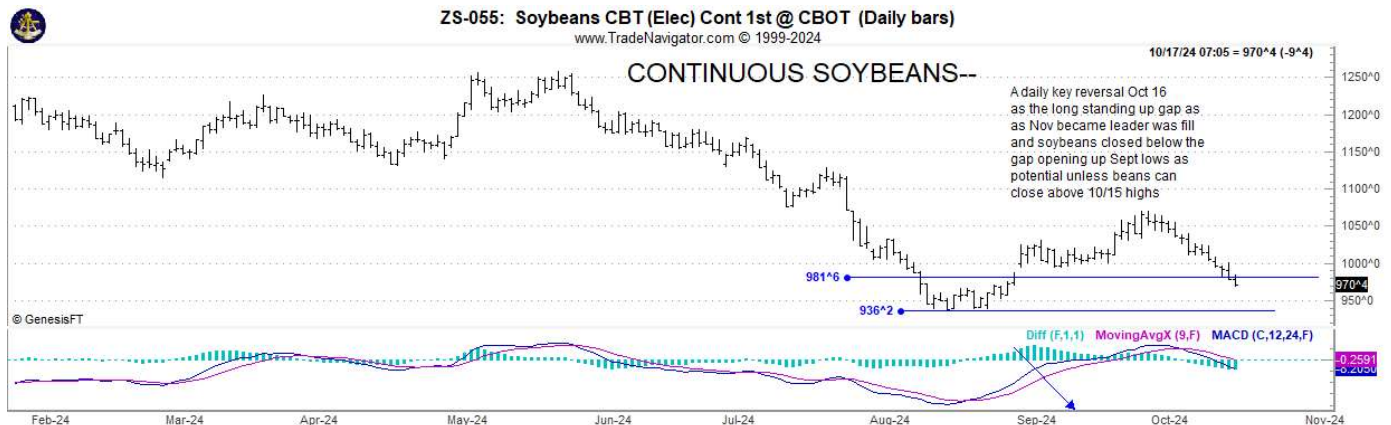
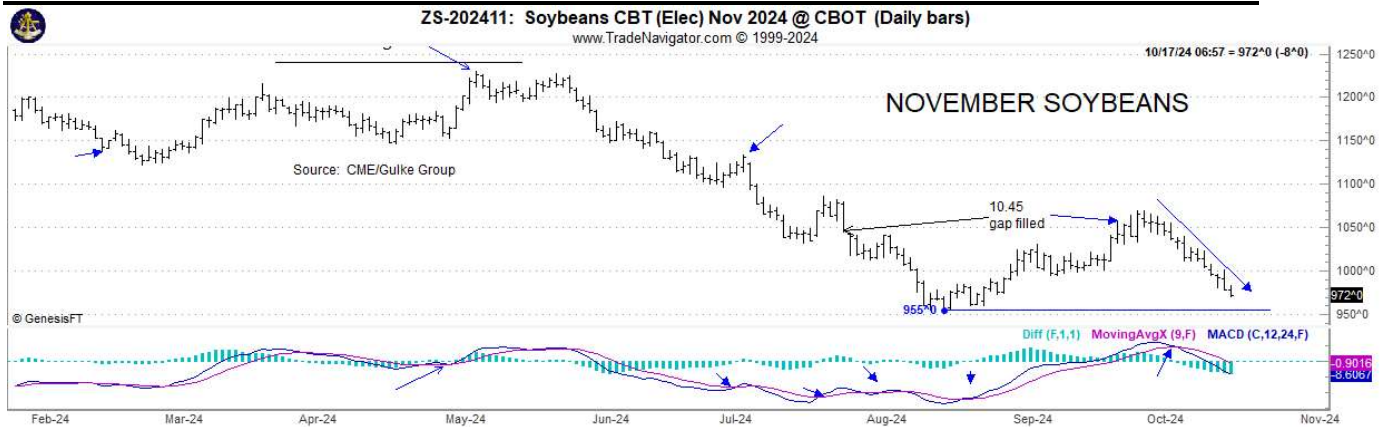
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- **USDA reported private sale of 197,180 metric tons of corn for delivery to Mexico during the 2024/2025 marketing year and another private sale of 101,000 metric tons of corn for delivery to unknown destinations during the 2024/2025 marketing year.**
- Grain trade sources reported 65,000 mt of either US or South American origin Corn was bought in a privately negotiated deal by Nonghyup Feed.
- Grain traders estimated Taiwan Flour Millers Association bought 78,200 mt of US origin mill grade Wheat. The purchase included 48,350 mt of DNS wheat, 17,075 mt of HRW wheat, and 12,775 mt of white wheat.
- Chinese state media Thursday, citing the Ag Ministry, reported 70% of the country's fall grain harvest has been completed. Around 83% of soybeans and over 70% of corn has been collected. In addition to harvest, the media reported 42% of the country's winter rapeseed has been planted, and 27% of winter wheat has been sown.
- Russia's government agreed to allow Kazakhstan to transit its grain across Russia for export to other countries but will keep a temporary ban on Kazakh grain imports to protect its domestic farmers.
- India's crude oil imports from Russia rose by 11.7% to about 1.9 million barrels per day in September, accounting for about two-fifths of the South Asian nation's overall crude imports in the month, tanker data obtained from industry sources showed. Overall, refiners in India imported a total of 4.7 million bpd of crude oil in September, marginally higher than in August and about 8.5% more than the same month a year ago, the data showed.
- The U.S. Supreme Court declined to halt EPA' new climate regulation for power plants, allowing the rule to remain in effect while legal challenges continue. This

decision comes despite opposition from Republican-led states and energy industry groups who sought to block the regulation.

- Buenos Aires Grains Exchange monthly climate report suggests stronger than typical polar winds could dry out the country's breadbasket region over the coming months. This spring is expected to have lower than average rainfall and remain that way into early summer months.

## Technically Speaking:



## Market Fundamentals:

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

## ADVICE:

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**WHEAT:** At 11:30 am place sells tops in Dec Chicago wheat at \$5.74 ½ for 15% of 2024 wheat crop using Chicago WZ for ALL classes.

**SOYBEANS:** On our personal farms, we sold all remaining soybeans in open storage and kept short futures/hedges as well.

**CORN:** This week's lows so far must hold otherwise we will have no choice but to assume a retest of sub-\$4 and lower.

**SPEC TABLE:** It is largely short, most everything suggesting some sort of harvest low will evolve or with everything negative, especially ahead of the tariff influenced election, Ag-commodities will suffer more.

**PRICE DISCOVERY:** With rains scheduled for winter wheat country and raining in S America the job of the market is to buy market share. There is no shortage of supplies except wheat could have a case, but we've seen a 70-cent rally yet from its 6-week weather market that ended Oct 2.

**POSITION MATRIX** showing a lot of black finally in grains/oilseeds, and over 100% hedges in some areas especially soybeans, not so in meats

**MEATS:** LC and FC have turned technically negative, but hogs seem relentless. Mid-day outlook likely

## **COMMENTS:**

The big flash sales to Mexico didn't do much. Jamie pointed out that it has been customary for Mexico to make big purchases during the 4th quarter in the past Oct/Nov/Dec. So pretty much expected by the trade but it did get a boost but was largely lost in overnight trade. Basis for corn in ethanol country seems to be improving while bean basis stable to lower. Odds are good basis country will repeat in 24/25. The president of the farm realtor's organization said he is seeing farmers very industrious in putting away the fast harvest of corn going from field (dry corn) to storage including bags on the ground. One must wonder if a \$1.10 in soybeans and 35-40 cents in corn didn't bring selling, what would?

**SOYBEANS:** On our farms we completed cash sales of soybeans as open storage was about due to decision time. The token amounts we had were sold and we will hold no soybeans in storage waiting for beans to regain the \$1.00/bu it lost recently, and will remain short futures/calls for now. A continuous chart above shows soybeans filled and closed below up gap of Oct 2-

**CORN:** If soybeans closed below its up gap, is corn next? New crop Sept low posted at \$3.60. Our local elevator is running 20 semis and can't keep up with harvest and is

planning to put corn on the ground. With the huge carry, who can blame them. On-farm storage needs to be managed like an elevator.

**WHEAT:** Ironically wheat uptrend started Aug 28 as well and topped Oct 2 as well in its 6-week weather rally and has turned negative on the 2<sup>nd</sup> as well but has yet to fall as fast as soybeans. See chart above and advice.

**PRICES:** Yesterday we put several charts in the comments, most of which looked tentative at best, negative at worst. Dec corn concerns were on the list as well as the soybeans. Today a daily soybean chart is updated for November.

Gulke Group Spec Table Buy/Sell Stops				(*New Positions in BOLD)			
	10/17/2024			Today's Stops		Current Position*	
	High	Low	Close	Buy	Sell	Long	Short
CZ24	406 3/4	401	404 3/4	411	398 1/2		419 3/4
CH25	422 1/4	417 1/4	420 1/2	426	415		437
SX24	1001 1/2	978 1/4	980	1003 3/4	956 1/4		1021
SF25	1012 1/2	992	994	1015	973		1040 1/4
SMZ24	316.0	311.7	313.7	318.2	309.3		323.6
SMH25	315.4	311.7	313.2	317.4	309.0		311.1
BOZ24	43.01	41.65	41.68	43.54	39.82	42.02	
WZ24	587 1/2	575 1/4	585	597 3/4	572 1/4		587
KWZ24	591	579 1/4	588 3/4	601	576 1/2		597 1/2
MWZ24	623 3/4	616	620 3/4	629	612 1/2		637 1/4
LCZ24	187.400	186.125	186.600	188.375	184.825		186.325
LCG25	188.100	186.650	186.975	188.625	185.325		187.675
LHZ24	77.850	75.225	77.700	80.525	74.875	<b>76.600</b>	
LHG25	81.150	79.200	81.100	83.250	78.950	<b>80.525</b>	
FCX24	246.925	244.925	245.500	247.700	243.300		247.175
CTZ24	71.99	70.62	71.260	72.68	69.84	<b>71.50</b>	
CTH25	73.98	72.72	73.340	74.80	71.88	<b>73.74</b>	
SBH25	22.95	21.97	22.000	23.03	20.97		21.95
GCZ24	2702.5	2674.9	2690.00	2718.10	2661.90	2647.2	
RSX24	616.1	597.6	599.6	638.1	561.1		594.6
DJZ24	43369	42937	43342	43794	42890	42731	
CLX24	71.31	69.64	70.39	72.26	68.52		73.16
NGX24	2.497	2.358	2.367	2.521	2.213		2.867
DXZ24	103.42	102.965	103.340	103.99	102.69	102.420	
USZ24	121 23/32	120 31/32	121 11/32	122 11/32	120 11/32	120 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 NO EXPERIENCE IN TRADING ACTUAL ACCOUNTS FOR ITSELF

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HYPOTHETICAL HEDGING POSITION MATRIX					10/17/2024									
<b>2023 Corn - margin= \$1425</b>					<b>2024 Soybeans - margin - \$1725</b>					<b>2024 WHEAT - margin= \$2400</b>				
Date	Action	Price	Status	% Hedged	Date	Action	Price	Status	% Hedged	Date	Action	Price	Status	% Hedged
<b>Cash (futures price day of sale)</b>					<b>Cash (futures price day of sale)</b>					<b>Cash (futures price day of sale)</b>				
8/22/23	Sold CASH vs. CZ	621 1/2		5.0%	9/26/24	Sold CASH vs. SX	1045		20.0%	4/29/2024	Sold CASH vs. WN24	609		10%
5/7/24	Sold CASH vs. CN	470 1/4		10.0%	10/4/24	Sold CASH vs. SX	1043		30.0%	5/8/2024	Sold CASH vs. WN24	633 1/2		15%
5/8/24	Sold CASH vs. CN	459		10.0%						5/20/2024	Sold CASH vs. WN24	689		10%
5/15/24	Sold CASH vs. CN	462		15.0%						5/30/2024	Sold CASH vs. WZ24	723 1/4		15%
8/30/24	Sold CASH vs. CZ24	399		20.0%										
10/4/24	Sold CASH vs. CZ24	425 1/2		20.0%										
	<b>Total</b>			<b>80.0%</b>					<b>50.0%</b>					<b>50%</b>
<b>Futures/Options</b>					<b>Futures/Options</b>					<b>Futures/Options</b>				
8/23/2024	Sold CZ	391 1/4	(\$713.34)	20.00%	8/13/2024	Sold SF 1000 calls (5%)	32 3/8	\$133.91	5.0%					
9/6/2024	Sold CZ	406	\$24.16	10.00%	9/6/2024	Sold SX	1008 1/4	\$1,374.16	25.0%	9/6/2024	Sold WZ	568 1/2	(\$863.34)	25.0%
9/6/2024	Sold CZ 420 calls(25%)	9 3/4	\$258.66	25.00%	9/6/2024	Sold SH 1060 calls (35%)	39	\$789.91	35.0%					
	<b>Futures/Options Hedged</b>			<b>55.0%</b>		<b>Futures/Options Hedged</b>			<b>65.0%</b>		<b>Futures/Options Hedged</b>			<b>25.0%</b>
	<b>Total Hedged(Included CASH)</b>			<b>135.0%</b>		<b>Total Hedged(Included CASH)</b>			<b>115.0%</b>		<b>Total Hedged(Included CASH)</b>			<b>75.0%</b>
<b>2024 Corn - margin= \$1075</b>					<b>2025 Soybeans - margin - \$1725</b>					<b>2024 KC WHEAT - margin= \$2175</b>				
Date	Action	Price	Status	% Hedged	Date	Action	Price	Status	% Hedged	Date	Action	Price	Status	% Hedged
<b>Cash (futures price day of sale)</b>					<b>Cash (futures price day of sale)</b>					<b>Cash (futures price day of sale)</b>				
10/4/24	Sold CASH vs. CZ	425 1/2		15%	8/13/2024	Sold SN 1040 calls (10%)	50	(\$303.84)	10.0%	4/29/2024	Sold Cash vs. KWN24	652		10%
	<b>Total</b>			<b>15.0%</b>	10/4/2024	Sold SN 1140 calls (15%)	45 1/4	\$1,021.16	15.0%	5/20/2024	Sold Cash vs. KWN24	699		10%
<b>Futures/Options</b>					<b>Futures/Options</b>					<b>Futures/Options</b>				
8/23/2024	Sold CZ	391 1/4	(\$713.34)	10.00%						5/30/2024	Sold Cash vs. KWZ24	742 1/4		15%
9/6/2024	Sold CZ	406	\$24.16	10.00%										
9/6/2024	Sold CZ 420 calls(25%)	9 3/4	\$258.66	25.00%										
9/6/2024	Sold CH	425 1/2	\$211.66	20.00%										
9/20/2024	Sold CZ(option exercise)	405	(\$25.84)	10.00%										
	<b>Futures/Options Hedged</b>			<b>75.0%</b>		<b>Futures/Options Hedged</b>			<b>20.0%</b>		<b>Futures/Options Hedged</b>			<b>0.0%</b>
	<b>Total Hedged(Included CASH)</b>			<b>90.0%</b>		<b>Total Hedged(Included CASH)</b>			<b>60.0%</b>		<b>Total Hedged(Included CASH)</b>			<b>35.0%</b>
<b>2025 Corn - margin= \$1075</b>					<b>2023 Canola - margin = \$880CD</b>					<b>Energy</b>				
Date	Action	Price	Status	% Hedged	Date	Action	Price	Status	% Hedged	Date	Action	Contracts	Price	Status
<b>Cash (futures price day of sale)</b>					<b>Cash (futures price day of sale)</b>					<b>Energy</b>				
					5/30/2024	Sold CASH vs. RSX24	681		15.0%					
	<b>Total</b>			<b>0.0%</b>		<b>Total</b>			<b>40.0%</b>					
<b>Futures/Options</b>					<b>Futures/Options</b>					<b>2024 MN WHEAT - margin= \$2600</b>				
9/6/2024	Sold CZ25	445 1/2	\$311.66	15.00%	9/6/2024	Sold RSX	570.00	(\$511.94)	20%	4/29/2024	Sold CASH vs. MWN24	706 1/2		10%
9/6/2024	Sold CZ25	444 1/2	\$261.66	10.00%						5/20/2024	Sold CASH vs. MWN24	742		10%
9/6/2024	Sold CN 450 calls(25%)	27	\$271.16	20.00%						5/30/2024	Sold CASH vs. MWZ24	765		15%
	<b>Futures/Options Hedged</b>			<b>45.0%</b>		<b>Futures/Options Hedged</b>			<b>60.0%</b>					
	<b>Total Hedged(Included CASH)</b>			<b>45.0%</b>		<b>Total Hedged(Included CASH)</b>			<b>65.0%</b>					
<b>End User Coverage - Corn</b>					<b>2024 Cotton - margin = \$3500</b>					<b>2024 MN WHEAT - margin= \$2600</b>				
Date	Action	Price	Status	% Hedged	Date	Action	Price	Status	% Hedged	Date	Action	Price	Status	% Hedged
<b>4th Quarter 2024</b>					<b>2024 Cotton - margin = \$3500</b>					<b>2024 MN WHEAT - margin= \$2600</b>				
					9/6/2024	Sold CTZ	68.20	(\$1,224.00)	20%	9/6/2024	Sold MWZ	616 1/2	(\$250.84)	20.0%
	<b>Total</b>			<b>0.0%</b>		<b>Total</b>			<b>20%</b>		<b>Futures/Options Hedged</b>			<b>20.0%</b>
<b>Live Cattle - margin = \$1600</b>					<b>2023 Cotton - margin = \$3500</b>					<b>Total Hedged(Included CASH)</b>				
Date	Action	Price	Status	% Hedged	Date	Action	Price	Status	% Hedged	<b>55.0%</b>				
<b>2/24/2025</b>					<b>2023 Cotton - margin = \$3500</b>					<b>2024 MN WHEAT - margin= \$2600</b>				
9/6/2024	Sold LCG	175.850	(\$4,488.34)	20.00%	3/10/2023	Sold CASH vs. CTZ23	80.20		10%	4/29/2024	Sold CASH vs. MWN24	706 1/2		10%
	<b>Total</b>			<b>20.0%</b>	4/4/2023	Sold CASH vs. CTZ23	81.65		10%	5/20/2024	Sold CASH vs. MWN24	742		10%
<b>Feeder Cattle - Producer - margin = \$2850</b>					<b>2023 Cotton - margin = \$3500</b>					<b>2024 MN WHEAT - margin= \$2600</b>				
Date	Action	Price	Status	% Hedged	Date	Action	Price	Status	% Hedged	<b>2024 MN WHEAT - margin= \$2600</b>				
<b>Fall 2024</b>					<b>2023 Cotton - margin = \$3500</b>					<b>2024 MN WHEAT - margin= \$2600</b>				
9/6/2024	Sold FCV	231.18	(\$7,500.84)	20.0%	3/27/2028	Sold CASH vs. CTN24	91.89		15%	5/30/2024	Sold CASH vs. MWZ24	765		15%
	<b>Total</b>			<b>20.0%</b>	5/30/2024	Sold CASH vs. CTN24	77.71		15%					
<b>Live Hogs - margin = \$1600</b>					<b>2023 Cotton - margin = \$3500</b>					<b>2024 MN WHEAT - margin= \$2600</b>				
Date	Action	Price	Status	% Hedged	Date	Action	Price	Status	% Hedged	<b>2024 MN WHEAT - margin= \$2600</b>				
<b>2024/25</b>					<b>2023 Cotton - margin = \$3500</b>					<b>2024 MN WHEAT - margin= \$2600</b>				
9/6/2024	Sold LHV	80.000	(\$1,678.34)	20.00%	9/6/2024	Sold CTZ	68.20	(\$1,224.00)	25%					
	<b>Total</b>			<b>20.0%</b>		<b>Total</b>			<b>25.0%</b>		<b>Total Hedged(Included CASH)</b>			<b>55.0%</b>

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