

October 18, 2024

Weather:

- U.S. hard red winter wheat areas are advertised to receive less rain this weekend than suggested earlier this week
 - o Rain is still expected across the region, but amounts outside of southeastern Colorado and a few far western Texas Panhandle locations will not be more than 0.75 inch
- Some rain developed in Russia's Southern Region Thursday, and it will continue periodically through the weekend offering a short-term bout of drought relief
 - o Temporary improvements in winter crop emergence and establishment will result, but follow up moisture will be very important and there is not much expected
- China's winter wheat production area received some extremely important and beneficial rain Thursday and early today with 0.20 to 0.79 inch in northern Shandong and Hebei while amounts to the west varied from 0.40 to 1.50 inches with a few amounts in Henan getting up to 2.00 inches and a few coastal southeastern Shandong locations reporting up to 4.00 inches
 - o Some rain also reached in the dry areas of the Yangtze River Basin, although amounts there were light varying from 0.15 to 1.10 inches and local totals to 1.47 inches
- East-central China will receive some additional light precipitation this weekend followed by drying which will be ideal for more aggressive wheat planting and quick seed germination, plant emergence and the start of establishment after recent rain
- Western Europe is not as wet today in the coming week to ten days relative to that of previous days this week, although some heavy rain will impact parts of Italy and neighboring islands in the Mediterranean Sea
 - o Western Europe will continue to have wet soil conditions for a while keeping some fieldwork a little slow in France and the U.K., but conditions will improve
- Eastern Europe will continue quite dry for the next ten days with mild to warm temperatures supporting fieldwork and winter crop establishment
- Russia's Southern Region received rain Thursday and showers will continue through the weekend offering an opportunity for improved emergence and establishment for winter crops, although much more rain will be needed, and temperatures must stay warmer than usual until the crop is adequately established
 - o Temperatures will trend warmer than usual next week and into the last days of October
 - o Not much follow up moisture is expected after this weekend
- Western Australia will continue drier than usual during the next couple of weeks with near normal temperatures; crop moisture stress may continue to shave off a little yield as each

week goes by for wheat, barley and canola, though the changes in production should not be dramatic without excessive heat

- New South Wales, Victoria and southeastern South Australia will remain good for winter crop production
- Rain is needed in Queensland for dryland spring and summer crop planting
- Southern India will remain wet over the coming week
- Brazil weather will remain favorably mixed with rain and sunshine for spring and summer crop planting and early development
- Brazil coffee areas are benefiting from recent rain and the stress that occurred by delaying rainfall may not have had a big impact on production potential
- Interior southern Argentina will see heavy rainfall next week; including northern Buenos Aires, southern Entre Rios, southern Santa Fe, southern Cordoba and northeastern La Pampa
 - o Southern Buenos Aires will stay drier than usual over the next ten days
 - o Timely rain occurs in other crop areas in Argentina
- 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

News:

- **USDA reported private sale of 292,800 metric tons of soybeans received in the reporting period for delivery to unknown destinations during the 2024/2025 marketing year.**
- **USDA reported private sale of 125,000 metric tons of corn for delivery to unknown destinations during the 2024/2025 marketing year.**
- **USDA reported private sale of 21,000 metric tons of soybean oil for delivery to Mexico during the 2024/2025 marketing year.**
- Traders said around 65,000 mt of Brazil origin Corn was bought by Taiwan's MFIG. They reportedly paid \$1.9860 cf over May 2025 CBOT corn futures.
- Chinese customs data estimated September Corn imports at 310,000 mt off -81% from the year ago month; Jan-Sept corn imports totaled 12.83 mln mt, that is off -22.5% from the year ago period. They estimated September Sorghum imports at 970,000 mt up 108% from the year ago month; Jan-Sept sorghum imports totaled 6.78 mln mt, that is up +85.7% from the year ago period. They also had September Wheat imports at 250,000 mt off -60.1% from the year ago month; Jan-Sept wheat imports totaled 10.74 mln mt, that is up +5.5% from the year ago period.
- Chinese data released for the 3Q 2024 showed Pork production fell -0.8% from the year earlier quarter. That is the third consecutive quarterly decline in

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production. Output over the June-September period totaled 12.59 mln mt. Over the Jan-Sep 2024 pork output was off -1.4% at 42.4 mln mt. They pegged September Pork imports at 100,000 mt off 1.4% from the year ago month; Jan-Sept pork imports totaled 800,000 mt, that is off -37.3% from the year ago period.

- Persistent dry weather in southern regions of Australia that suffered frost damage last month is lowering wheat yield potential but the country could still produce an above-average harvest due to favorable weather in other areas. South Australia is set to produce 2.8 MMT of wheat and Victoria 3.6 MMT this year, Commonwealth Bank analyst Dennis Voznesenski told *Reuters*, down from the five-year averages of 4.7 MMT and 4.6 MMT, respectively. Still, overall Australian production should come in around 30.6 MMT due to expected large harvests in Western Australia, New South Wales and Queensland, where conditions have been better, Voznesenski said.
- **At the BRICS summit in Kazan from Oct. 22-24, Reuters reports Russia will advocate for a new international payment system to bypass U.S. dollar dominance and avoid Western sanctions. Russian President Vladimir Putin aims to strengthen BRICS, now expanded to include Egypt, Ethiopia, Iran, and the UAE, as well as Brazil, Russia, India, China and South Africa, as a geopolitical counterweight to the West. Moscow's proposal includes a blockchain-based payments network backed by national currencies, a grain trading exchange and a new "BRICS Clear" platform for settling securities trade. The proposal envisages the extension of BRICS grain trading mechanisms to oil, natural gas and gold in the future.**
- China's refinery output fell 5.4% last month versus a year earlier, official data showed, declining for a sixth consecutive month even with the start-up of a new plant as weak fuel consumption and skinny refining margins curbed processing. Refiners processed 58.73 million metric tons of crude oil last month, data from the National Bureau of Statistics showed, equivalent to 14.29 million barrels per day.

Export Sales

10/4/24 - 10/10/24

	Estimates	Net Sales		Accum. Exports	Year Ago Accum. Exports	This Week YOY % change	Last Week YOY % change
		24/25	25/26				
Wheat	200-600k	504,100	0	12,552,600	10,723,100	17.06%	18.61%
Corn	1.2-2.3m	2,225,700	0	19,875,500	16,176,300	22.87%	15.40%
Beans	1.0-2.3m	1,702,700	0	21,840,800	20,796,100	5.02%	3.68%
Meal	150-400k	251,400	800	5,169,000	5,014,100	3.09%	7.32%
Soyoil	0-15k	400	0	80,000	20,900	282.78%	362.79%
Sorghum		9,400	0	678,300	2,356,300	-71.21%	-70.84%
Beef		14,100	900	759,400	751,900	1.00%	-0.81%
Pork		38,100	800	1,563,800	1,476,800	5.89%	5.52%
Cotton		159,800	0	5,304,200	5,895,100	-10.02%	-11.66%

Source: USDA (FAS) - Gulke Group

Wheat: Net sales of 504,100 metric tons (MT) for 2024/2025 were up 16 percent from the previous week and 57 percent from the prior 4-week average. Increases primarily for Mexico (135,000 MT), the Philippines (70,000 MT), Italy (66,500 MT), Japan (58,200 MT), and Egypt (35,000 MT). **Corn:** Net sales of 2,225,700 MT for 2024/2025 were up 82 percent from the previous week and up noticeably from the prior 4-week average. Increases were primarily for **unknown destinations (902,900 MT)**, Japan (452,700 MT), Colombia (244,500 MT), Mexico (231,800 MT). **Soybeans:** Net sales of 1,702,700 MT for 2024/2025 were up 35 percent from the previous week and 16 percent from the prior 4-week average. Increases primarily for **China (999,700 MT)**, Egypt (144,600 MT), the Netherlands (137,000 MT). **Soybean Cake and Meal:** Net sales of 251,400 MT for 2024/2025 primarily for Mexico (109,800 MT), Vietnam (50,800 MT). **Pork:** Net sales of 38,100 MT for 2024 were down 25 percent from the previous week, but up 1 percent from the prior 4-week average. Increases were primarily for Mexico (8,900 MT), Japan (7,800 MT), Colombia (5,100 MT), South Korea (4,900 MT).

Technically Speaking:

Market Fundamentals:

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Yesterday's Trades: Corn – For 2023, bot 30% CZ at 407 ¼ (for 20% - \$800 loss/contract and for 10% - \$62.50 loss/contract). For 2024, bot 20% CZ at 407 ¼ (\$325 loss/contract). **Soybeans** – For 2024, bot 25% SX at 989 ½ (\$1875 profit/contract).

ADVICE: NO NEW ADVICE

COMMENTS:

Crop Insurance Harvest Price Update:

The soybean harvest price average is currently at \$10.19 or 88% of the spring price. With where current prices are you may hear how the average could continue to drop by a penny or two a day well into the second half of the month. The average of 88% of the spring price should not change anymore than 1% either way unless something crazy happens. The corn harvest price average is at \$4.10 or 90% of the spring prices and should not change.

EXPORT SALES were very good in corn and very respectable elsewhere as our window of opportunity is at hand. One would think the report begets more positive bias.

Spreads in especially corn began to narrow with CZ up against CH and CN with CZ25 little effected. CZ found support at \$4.00 and the up gap from September remains intact. Wheat is seeing some rains in US SRW areas on tap. Smeal continues to try to find support near the 50-day average and is borderline looking to turn positive. Otherwise, a trading affair.

Ahead of an open harvest weekend with an open next week for a while. Fall tillage and fertilization is basically on hold versus normal as dry/hard ground making it difficult, so an inch or two of rains would disappear quickly and be welcome. Harvest of corn progressing wide open with soybeans getting finished all under low moisture not seen perhaps in memory of most. Talk in media of some losses in yield but difficult to quantify.

If commercial storage was the only option, we are assuming it is sold as far as soybeans go but still in limbo in corn for another two weeks. We'll manage the position matrix as if on-farm storage is present.

FC and LC sowing a sideways trade while taking pause or outright short technically while hogs continue firm. No new advice

The economy continues to confound those thinking it must get weaker as measured by the stock market; apparently not yet?

Gulke Group Spec Table Buy/Sell Stops				(*New Positions in BOLD)			
	10/18/2024			Today's Stops		Current Position*	
	High	Low	Close	Buy	Sell	Long	Short
CZ24	407 1/2	399	406 3/4	415 3/4	397 3/4		419 3/4
CH25	422	414	421 1/4	429 3/4	412 3/4		437
SX24	991 1/4	968 1/4	988 3/4	1012 1/4	965 1/4		1021
SF25	1000 3/4	980 3/4	998	1018 1/2	977 1/2		1040 1/4
SMZ24	318.8	311.8	318.1	325.3	311.0	318.3	
SMH25	315.9	310.0	315.1	321.5	308.7		311.1
BOZ24	42.68	41.51	42.59	44.26	40.92	42.02	
WZ24	591 3/4	576 1/4	589 1/2	605 1/2	573 1/2		587
KWZ24	597 3/4	582 1/4	596	612	580		597 1/2
MWZ24	629 3/4	617 1/2	628 3/4	641 1/2	616	629	
LCZ24	187.325	185.200	186.175	188.800	183.550		186.325
LCG25	187.800	186.025	186.975	188.950	185.000		187.675
LHZ24	78.425	77.050	77.675	79.250	76.100	76.600	
LHG25	81.925	80.800	81.550	82.875	80.225	80.525	
FCX24	247.400	244.925	245.750	248.425	243.075		247.175
CTZ24	71.50	70.16	70.760	72.15	69.37	71.50	
CTH25	73.54	72.25	72.850	74.34	71.36	73.74	
SBH25	22.32	21.71	22.160	22.82	21.50		21.95
GCZ24	2712.7	2688.2	2708.00	2733.00	2683.00	2647.2	
RSX24	616.5	594.8	613.3	655.0	571.6		594.6
DJZ24	43550	43254	43511	43827	43195	42731	
CLX24	71.11	69.44	70.67	72.54	68.80		73.16
NGX24	2.417	2.338	2.347	2.441	2.253		2.867
DXZ24	103.70	103.255	103.600	104.24	102.96	102.420	
USZ24	121 12/32	119 30/32	120	121 22/32	118 10/32		120 11/32

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