



"It ain't what you don't know that gets you into trouble. It's what you know for sure that just ain't so." –
Mark Twain

Wednesday, September 18, 2024

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Morning Summary: Wall Street has all eyes on the US Federal Reserve today, which is expected to announce the first interest rate cut in over four years. The decision at 1 p.m. CST will be followed by a press conference from Fed Chair Jerome Powell at 1:30 p.m. CST. Traders think there's a 63% chance that the Fed cuts its benchmark interest rate by -50 basis points and now give 37% odds to a more typical -25 point move, which are little changed from the start of the week. I'm personally looking for a -25 basis point cut. Maybe more important for Wall Street will be the pace of future cuts that are charted in the so-called "dot plot," which shows Fed officials' projections for short-term interest rates over the next few years. In June, officials forecast only one 25 basis point cut in 2024. Wall Street is currently penciling a total trim of -100 to -125 basis points in 2024, which would bring the Fed funds rate down to a range of 4.00%-4.25% to 4.25%-4.50%. By the end of 2025, most traders expect the Fed rate will be down to a range between 3.25%-3.50% to 3.50%-3.75%. Investors will also be paying very close attention to Fed Chair Powell as he explains the Fed's decision and updated economic outlook at his press conference. Sometimes Powell's delivery - short and gruff vs easygoing and upbeat, for example - has as much impact on market sentiment as the actual policy decision. This week's Fed policy meeting is the last until November 6-7 - there is no meeting in October. Between now and then, a great deal of attention will continue to be on the job market, from both investors and the Fed. The key data to watch will be the upcoming jobs reports for September (10/4) and October (11/1). While the Fed has shifted its focus away from inflation and more toward the health of the job market, inflation does still matter, especially after the first rate cut. One of the Fed's big fears is that they cut rates too soon and allow inflation to rage back. Historically, prices on an inflation rebound have exceeded the initial peak. Meaning any signs that looser policy is somehow stoking inflation may squash hopes for further rate cuts this year. Beyond the Fed today, investors will be digesting Housing Starts & Permits, as well as earnings from General Mills. As a trader, I am expecting some increased volatility in the stock market the remainder of this week. Keep in mind, September stock market options expire this Friday.

Many inside the trade refer to the September options expiration as "triple witching" because stock options, stock index futures, and stock index options all expire on the same day. Triple witching can cause increased trading activity and volatility as traders close, roll out, or offset their expiring positions. This time it could be even crazier because the market will be adjusting to an entirely new direction by the Fed...

Oracle Chairman Larry Ellison is now the second-richest person in the world, with a net worth of +\$206 billion, unseating Amazon founder Jeff Bezos who had held the title on and off since 2016. Since the close of trading Friday, Ellison's net worth has jumped +\$8.1 billion, according to Forbes' real-time billionaires list. Bezos is worth and estimated +\$203 billion. Tesla CEO Elon Musk still sits at the top of the list, with a net worth of +\$251 billion. Shares of Oracle are up 20% for the month. If the rally stops there, it would be their best month since October 2022, when the stock soared 28%, and the second-best month since roughly two decades ago in October 2002. Oracle's stock success is partly due to the company's role in the artificial intelligence boom. Ellison, who founded Oracle in 1977, spoke on the company's earnings call last week about how the company is building data centers to accommodate the increasing demand for generative AI. Read more at [CNBC](#)

Will the Government Make "Ozempic" Cheaper? The Inflation Reduction Act, which allows the US to directly negotiate drug prices with manufacturers for the first time, last month slashed the cost of 10 of the world's biggest medicines by 38% to 79% for 2026. The 15 drugs targeted for the next round are expected to be named by early next year, drawing widespread speculation about which treatments will be in the government's crosshairs. "It is very likely that Ozempic will be part of negotiations in the coming round, and we're ready for that," Ulrich Otte, senior vice president of finance & operations for Novo Nordisk, said Tuesday. While Ozempic is formally approved in the US to treat diabetes, it's also one of a handful of medicines widely used for weight loss. It has a list price of \$968.52 a month in the US and is covered by most Medicare plans for type 2 diabetes. One million Americans are currently taking Novo's drugs for weight loss, Otte said. The company also sells a higher dose version of Ozempic, called Wegovy, for obesity. The US Centers for Medicare and Medicaid Services is slated to announce the next round of 15 retail prescription drugs that will be part of the negotiations by Feb. 1, 2025. The agency will announce the maximum fair prices for them by Nov. 30, 2025, and negotiated prices will go into effect on Jan. 1, 2027. Read more at [Reuters](#)

Amazon Using Generative AI and Robots to Improve Shipping: For years, Amazon has set the bar for package delivery. When Prime launched in 2005, two-day shipping was unheard of. By 2019, one-day shipping was standard for millions of items. Now, the retail giant is turning to generative AI to drive more same-day shipping. Amazon is using the technology to optimize delivery routes, make more intelligent warehouse robots, create more-ergonomic environments for employees and better predict where to stock new items. During an exclusive tour of Amazon's largest California sort center, it was reported that 60% of Prime orders in March were delivered the same day or next day in the top 60 metropolitan areas in the US. Executives are betting that generative AI can help improve that figure. Keep in mind, the number of Amazon warehouse robots grew from 350,000 in 2021 to now more than +750,000. Amazon began adding AI transformer models to its warehouse delivery robots in 2022 so the machines can dash around each other

more intelligently. CNBC watched hundreds of them move in a coordinated grid in the warehouse. Read more at [CNBC](#).



Jon Erlichman ✓
@JonErlichman



Number of Amazon warehouse robots:

2024: +750,000

2019: +200,000

2017: +100,000

2016: +45,000

2015: +30,000

2014: +15,000

2013: +1,000

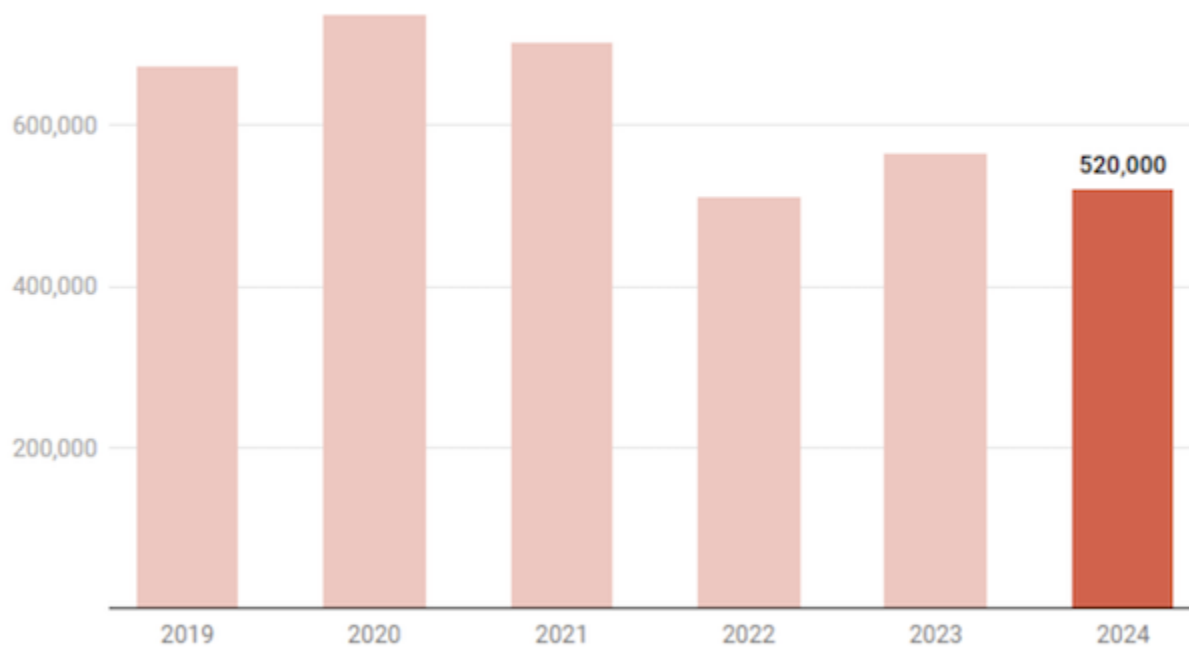
Fed Rate Cut Bets Lift Investor Sentiment for First Time Since June: *Optimism around the Federal Reserve's highly anticipated interest-rate cuts has boosted investor sentiment for the first time since June, according to a global survey by Bank of America Corp. The bank's measure of sentiment — based on cash levels, equity allocation and growth expectations — rose to 3.9 from 3.6, strategist Michael Hartnett wrote in a note. Fund managers see a 79% chance of a soft landing as rate cuts support the economy. Still, investors are "nervous bulls," with risk appetite tumbling to an 11-month low, said Hartnett. Hartnett said the survey indicated that economy-linked — or so-called cyclical — stocks are likely to benefit from a bigger rate cut on a tactical basis. For now, investors prefer sectors that are considered bond proxies, with exposure to utilities hitting the highest since 2008. Investors are also the most overweight consumer staples in a year and on banks since February 2023. Tech stocks have the smallest overweight since April 2023, while energy has the most underweight positioning since December 2020. Read more at [Bloomberg](#).*

Retailers to Hire Fewer Seasonal Holiday Workers: *U.S. retailers will hire fewer seasonal workers this holiday season than last year due to a softer labor market and tighter consumer spending heading into the crucial shopping period, according to a report by Challenger, Gray & Christmas provided exclusively to Reuters. Retailers are expected to add 520,000 new jobs in the final quarter of 2024 compared to 564,200 in*

2023, according to the firm. "This prediction considers that now, job gains are falling, and consumers have tightened spending ... Seasonal employers will add jobs, but need may fluctuate as the season progresses," said Andrew Challenger, senior vice president at Challenger, Gray & Christmas which tracks government data and hiring trends. The forecast for holiday hires is the lowest since 2022 when retailers added 509,300 seasonal jobs and second-lowest since 2009 when it was 495,800. U.S.-based companies have so far announced 178,350 planned hires for the holiday season, according to the report from Challenger, Gray & Christmas. The Challenger report does not include all retail companies. Read more at [Reuters](#).

2024 holiday hiring is set to fall below 2023 levels

US retailers are expected to add 520,000 seasonal jobs between October and December



2024 column represents forecast holiday hiring numbers

Chart: Savyata Mishra | Reuters • Source: Challenger, Gray & Christmas • [Get the data](#)

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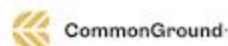


Early Bird!
\$999
Early Bird!

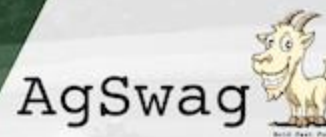
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Give us a call @ (816) 221-7924 if you see something you like and want some fresh ideas or email us @ jordan@agswag.com

Learn More About "**Precision Planting**" [HERE](#)



FARM TANK

Tweets of the Day





Ryan Detrick, CMT

@RyanDetrick



You are here.

The worst two weeks of the year for stocks.

Historically The Second Part of September Isn't Good For Stocks

S&P 500 Average Performance Per Day (1950 - 2023)

	January	February	March	April	May	June	July	August	September	October	November	December
1		0.17%	0.30%	0.28%	0.20%	0.18%	0.27%	-0.05%	0.11%	0.23%	0.17%	0.05%
2	0.30%	0.16%	0.14%	0.08%	0.15%	0.17%	0.05%	0.09%	0.25%	0.16%	0.30%	0.03%
3	0.16%	0.14%	0.06%	-0.01%	0.06%	0.02%	0.31%	0.08%	0.02%	-0.05%	0.39%	-0.15%
4	0.10%	-0.08%	0.20%	-0.05%	0.05%	-0.01%		-0.24%	-0.16%	0.17%	0.21%	0.15%
5	0.09%	-0.14%	0.09%	0.28%	0.13%	0.17%	0.14%	-0.12%	-0.07%	0.26%	0.28%	0.15%
6	0.13%	0.08%	-0.06%	0.16%	-0.13%	0.16%	0.09%	0.07%	0.10%	0.15%	-0.07%	0.17%
7	-0.08%	0.02%	-0.27%	-0.19%	-0.15%	0.05%	0.07%	0.19%	-0.03%	-0.12%	-0.07%	0.09%
8	-0.21%	-0.14%	0.01%	0.26%	0.23%	-0.07%	0.03%	-0.07%	0.03%	0.01%	0.06%	0.06%
9	-0.11%	-0.14%	-0.07%	0.26%	-0.16%	-0.24%	0.19%	-0.05%	-0.19%	-0.27%	-0.04%	-0.03%
10	0.13%	-0.01%	0.16%	0.20%	-0.06%	0.02%	-0.08%	-0.13%	-0.09%	0.04%	0.13%	0.03%
11	0.09%	0.00%	0.15%	-0.14%	-0.21%	-0.05%	0.07%	0.17%	0.08%	0.10%	0.21%	-0.14%
12	-0.09%	0.19%	-0.14%	0.26%	0.08%	0.02%	0.14%	-0.01%	0.04%	0.04%	-0.08%	0.00%
13	-0.09%	0.21%	0.18%	-0.08%	-0.06%	0.04%	-0.02%	0.00%	0.08%	0.27%	0.11%	0.00%
14	0.23%	0.03%	-0.08%	-0.01%	-0.03%	-0.05%	0.25%	0.03%	0.10%	0.00%	0.04%	-0.25%
15	0.10%	0.21%	0.27%	0.17%	0.04%	0.07%	0.06%	-0.02%	-0.07%	-0.03%	-0.03%	-0.07%
16	0.11%	-0.08%	0.12%	0.24%	0.05%	0.10%	0.01%	0.08%	-0.03%	-0.03%	0.05%	0.33%
17	0.05%	-0.12%	0.36%	0.30%	-0.08%	0.06%	0.09%	0.19%	-0.24%	0.00%	0.00%	-0.01%
18	0.04%	0.02%	0.16%	0.22%	-0.05%	-0.10%	-0.11%	-0.16%	0.16%	0.25%	-0.01%	0.25%
19	-0.06%	-0.14%	-0.14%	-0.09%	-0.10%	-0.04%	0.02%	-0.21%	0.07%	-0.52%	-0.36%	-0.01%
20	-0.26%	0.03%	-0.07%	-0.12%	-0.04%	-0.11%	-0.02%	0.23%	-0.21%	0.36%	-0.10%	-0.10%
21	0.00%	-0.21%	-0.06%	0.15%	-0.04%	0.07%	-0.10%	-0.05%	-0.34%	0.22%	0.21%	0.27%
22	-0.04%	-0.01%	-0.10%	-0.02%	0.04%	-0.10%	-0.09%	0.00%	-0.08%	-0.36%	0.01%	0.14%
23	0.15%	-0.14%	0.13%	-0.05%	-0.16%	-0.03%	-0.11%	0.04%	-0.19%	-0.03%	0.20%	0.06%
24	-0.07%	0.11%	0.06%	-0.08%	-0.03%	-0.16%	0.02%	0.01%	-0.12%	-0.09%	0.47%	0.10%
25	0.04%	-0.03%	0.07%	0.11%	-0.06%	-0.06%	0.09%	-0.08%	-0.11%	-0.16%	0.15%	
26	0.12%	0.06%	0.34%	0.03%	0.21%	-0.30%	0.08%	-0.02%	-0.23%	-0.25%	0.21%	0.50%
27	0.03%	-0.24%	-0.11%	0.00%	0.24%	0.00%	0.04%	-0.01%	0.02%	-0.11%	0.21%	0.17%
28	0.21%	-0.07%	-0.08%	0.01%	-0.01%	0.17%	-0.09%	-0.03%	0.27%	0.51%	0.12%	-0.05%
29	0.06%	-0.06%	0.20%	0.14%	0.17%	0.03%	0.16%	0.13%	-0.35%	0.32%	0.03%	0.17%
30	0.01%		-0.16%	-0.03%	0.15%	0.14%	0.24%	-0.12%	-0.09%	0.23%	0.09%	0.12%
31	0.33%		-0.03%		0.11%		0.06%	0.04%		0.08%		0.16%

Source: Carson Investment Research, FactSet 09/03/2024

@ryandetrick





Is buying the dip still the best strategy?

The average return when buying the dip in the S&P 500 varies based on timeframe.

Within 6 months of buying a -10% decline, the average return has been +13% compared to a +4% return when holding stocks through the pullback and recovery.

Within 12 months, the "buy the dip" strategy has returned a +22% gain, beating a +5% return with the buy and hold strategy.

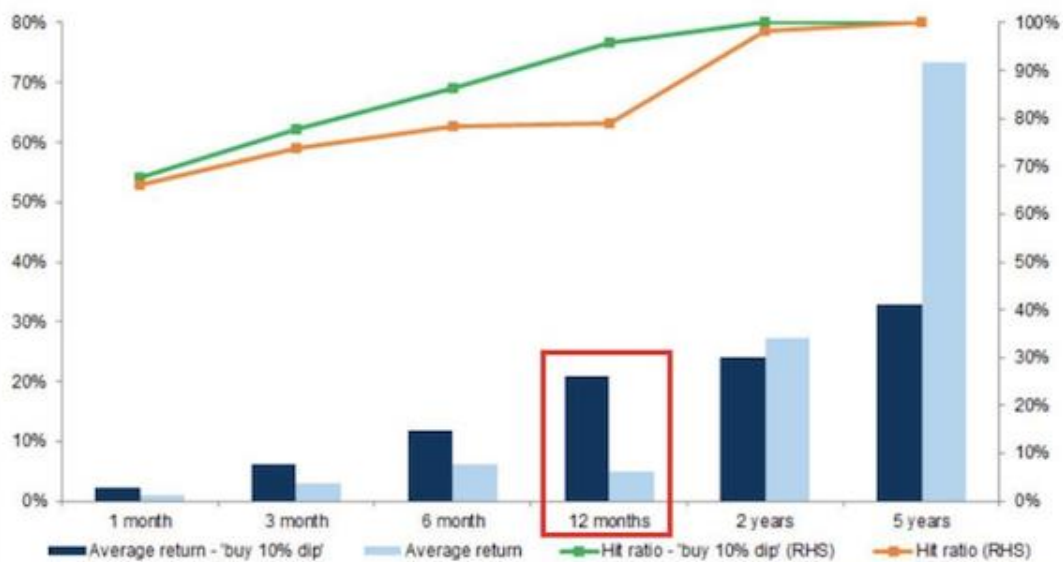
On the other hand, buying dips over a 5-year period has returned +33%, well below a +75% from simply holding.

In other words, buying the dip has been a successful strategy during periods of market volatility.

Volatility is the ultimate trading opportunity.

Exhibit 5: Since 2010 buying the 10% dip has been very successful

Average return and hit ratio for positive returns for 'buy the 10%+ dip' strategy since 2010



Source: Bloomberg, Goldman Sachs Global Investment Research

POSTED BY @KOBESSILETTER



Cale Carlson ✓
@LEAADFarms

Nebraska

...

Good morning





Rachel Veenstra Cott
@RachelVCott

Kansas ...

I feel like I'm on the wrong end of this deal.

4 corn stalks with pitiful/no ear for \$12.

At a population of 30,000/acre, that would be \$90,000/acre. Oof.





Prinzhaven Farms
@PrinzhavenFarms


Ontario ...

The final cow that I will milk in our tiestall barn. The herd is off to a couple willing host farms for a while as we do a retrofit for a couple @DairyRobot 's.

Big exciting changes but still a little nerve wracking
[#everythinggoingtobeallright](#)





Aaron Fintel ****21st Century Wholesale**** 
@AaronFintel

...

Nebraska

I see this and all I can think is “man you could wick some milo with that rig!!!”





Alvin Foo ✓
@alvinfoo

...

Human nature 😂

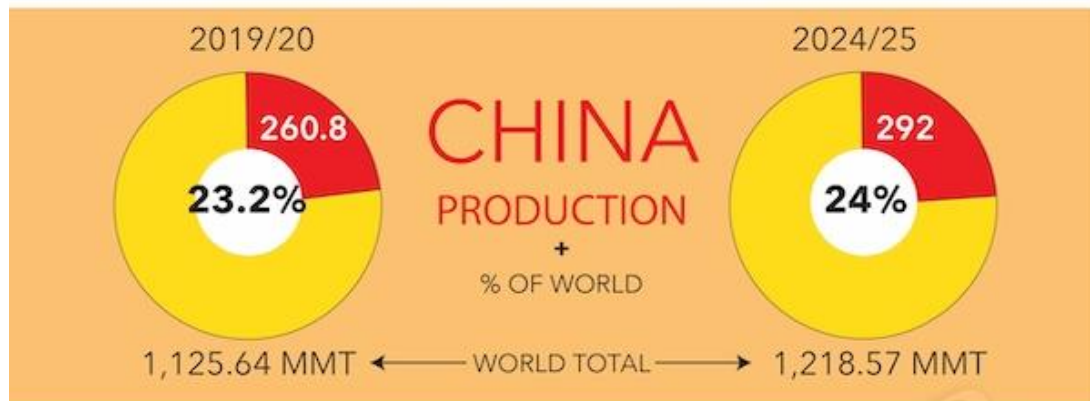


Corn bulls are pointing toward increasingly dry conditions mounting in the eastern corn belt, particularly

parts of Ohio, Indiana, Pennsylvania, etc. There are also some dry conditions building in parts of Minnesota, Michigan and Wisconsin. Yes, this should help dry down the crop ahead of the harvest, but there's also some talk it could take some off the top-end of the yield. Even though the USDA showed weekly crop conditions improving and bumped its yield estimate higher to 183.6 in last week's monthly report, I still think the new-crop yield will end up lower. At best, I'm in the 180 to 182 range. Globally, there's not much fresh or new in the headlines. Bulls are thinking dry conditions in Brazil could slow early soybean planting and perhaps (if delayed long enough) reduce some second-crop corn acres. There's also talk and worry that overly dry conditions associated with a La Nina weather pattern will create continued problems in parts of Brazil and Argentina and may continue to slow the movement of grain as river systems struggle with low water levels. On the demand side, there's a new bill being proposed in Brazil that would ratchet the blending of ethanol higher from a minimum of 22% to 27% with a cap of 35%. Bulls will argue that the +5% bump higher in Brazil's ethanol blend would work to keep more bushels inside the country and limit some of the bushels available for exports. Technically, we still have heavy resistance on the charts in the \$4.20 to \$4.40 range. Remember, the DEC24 contract hasn't traded above \$4.26⁴ since back in early-June. As a producer, I am paying very close attention as I still wouldn't mind pricing another 10% of new-crop production prior to yearend.

China Share of Global Corn Trade

(IN MILLION METRIC TONS)



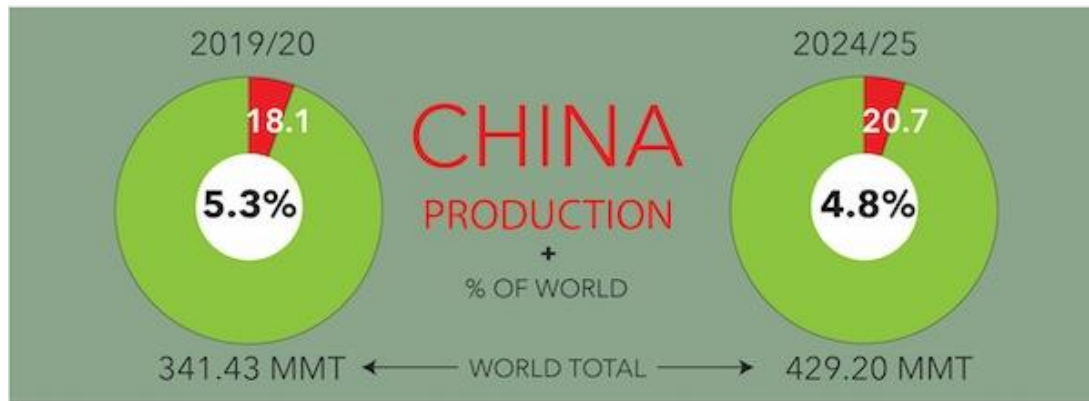
VANTRUMPREPORT.COM

SOURCE : USDA, PSD

Soybean traders continue to debate US new-crop production. Similar to the corn comments, bulls argue that the recent hot and dry finishing weather in parts of the US might take a bit off the USDA's current record-setting yield forecast of 53.2 bushels per acre. Bears are pointing to a recent weak NOPA crush number and the fact the USDA could be too optimistic regarding both old-crop and new-crop crush. In other words, any small setback in US yield might be offset by a reduction in overall demand. Over in Brazil, there's a new bill floating around called "Fuels of the Future," and it's not only trying to increase the bending of corn for ethanol but also increasing the crushing of soybeans for biodiesel. From what I understand, the new bill would take the soybean crushing for biodiesel from 31 MMTs forecast for this year up to 55.8 MMTs in 2025. At the same time, Conab released its latest forecast for Brazil's new-crop production at 166.28 MMTs vs. the USDA currently at 169 MMTs vs. 153 MMTs produced last year in Brazil. In other words, regardless of early weather complications, most inside the trade are still looking for Brazil to produce +10 to +20 MMTs more than last year. Argentina's new-crop production is thought to be +2 to +5 MMTs higher than last year. Bottom line, we are about to harvest a new all-time record yield here in the US, and weather permitting, we could be looking at +10 to +25 MMTs of additional production out of SAM. Throw on top all of the political uncertainty regarding the next US president and how trade relations with the Chinese are going to play. Until those dynamics change, I still argue we have the recipe for lower-highs and lower-lows. As a producer, I continue to pay very close attention as I would like to price more new-crop bushels on an extended rally, +30 to +50 cents higher. Technically, there's still a lot of resistance in the \$10.30 to \$10.50 range, with heavier longer-term resistance up in the \$10.80 to \$11.30 range. Staying patient for the moment...

China Share of Global Soybean Trade

(IN MILLION METRIC TONS)



VANTRUMPREPORT.COM

SOURCE : USDA, PSD

Wheat bulls continue to talk about lower production numbers coming out of the European Union, parts of Australia (frost freeze) and parts of the Black Sea region. Interestingly, however, bears are quick to point toward lower export prices out of parts of Europe, and Russia remaining the world's low-cost provider. In other words, even though production in France is going to be down -25% to -30% and Russia's production has fallen from 91.5 MMTs last year to 83.0 MMTs this year, their export prices remain relatively cheap from a global perspective and continue to be highly competitive in regard to US export prices. As I've said several times the past few months, it's tough to be wildly bullish when there are still cheaper global alternatives. However, I still think the war between Russia and Ukraine is eventually going to overheat and spill over, creating another round of extreme volatility, and perhaps some fund short-covering. Recent headlines report that over +1 million are now dead or injured from the Russian-Ukraine war, that is now 2.5 years old. The losses are causing problems for Russia as it is forced to use waves of poorly trained soldiers to try to advance in Ukraine's east while also trying to counter a recent Ukrainian incursion in the Kursk region. But the human losses are significantly more damaging for Ukraine, with a population less than one-quarter the size of its giant neighbor. I should note, just this week Putin ordered the country's military to increase its number of troops by +180,000 to a total of 1.5 million, as more casualties mount. I think, eventually, there's going to be one big finale to this fireworks show. As a producer, I'm content for the moment playing the waiting game, as I think a better pricing-window for new-crop will present itself within the next six-months.

China Share of Global Wheat Trade

(IN MILLION METRIC TONS)



VANTRUMPREPORT.COM

SOURCE : USDA, PSD



> **Port Strikes Won't Be Blocked By Biden Administration:** *U.S. President Joe Biden does not intend to invoke a federal law to prevent a port strike on the East Coast and Gulf of Mexico if dockworkers fail to secure a new labor contract by an Oct. 1 deadline, an administration official said on Tuesday. The International Longshoremen's Association, negotiating on behalf of workers at three dozen U.S. ports from Maine to Texas that handle about half of the nation's ocean imports, warned again on Tuesday that its members are prepared to stop work in two weeks. Their current six-year agreement with the United States Maritime Alliance (USMX) expires on Sept. 30. U.S. presidents can intervene in labor disputes that threaten national security or safety by imposing an 80-day cooling-off period under the federal Taft-Hartley Act. The National Retail Federation on Tuesday led a group of 177 trade associations representing retailers like Walmart, manufacturers, farmers, automakers and truckers in calling on Biden to help reach a resolution. Read more at [Reuters](#).*

> **Minnesota SAF Hub Building Blend Plant:** *It has been just one year since the formation of a partnership to create what is the nation's first large-scale sustainable aviation fuel value chain in Minnesota, and the partnership was just the beginning. Part of that partnership includes building what is believed to be the nation's first SAF blend facility in Minnesota. Jeff Davidman, vice president of government affairs for Delta Airlines, said during the Agricultural Outlook Forum in Kansas City, Missouri, that the Minnesota project is helping all parts of the future SAF value chain to learn what works. According to a news release from the partnership, work on the facility is expected to be completed in the fourth quarter of 2025. A so-called*

"demand consortium" that includes Bank of America, Deloitte, Delta and Ecolab was formed to purchase the first several million gallons of SAF each year in Minnesota. Learn more at [DTN](#).

> Parched Fields Threaten Wheat in Black Sea Region: Dried out soils in Russia and Ukraine are threatening plantings for next year's wheat harvest, yet another headache for farmers hit by weather setbacks and the ongoing war. Swaths of land across the nations, which together account for more than a quarter of all wheat exports, are too dry to plant some crops on. While there's still plenty of time for conditions to improve and farmers to catch up, the challenges risk shortening the sowing window for winter crops that make up the bulk of their annual production. Most of European Russia is experiencing "tremendous dryness," said Dmitry Rylko, director of Moscow-based consultant IKAR. "Farmers were hesitant to sow in the dust." Temperatures up to +7C (44.6F) above normal in Ukraine and western Russia in the first week of September kept soils "devoid of moisture." Read more at [Bloomberg](#).

> Weed Killers Face AI Threat: The global agricultural sector is rapidly rolling out advancements that promise to curb the use of weed-control sprays by as much as 90%. Using artificial-intelligence powered cameras, the new sprayers can identify and target invasive plants while avoiding the cash crops. If even a fraction of growers adopt the new tools, it could mean a big shift for crop-chemical majors like Bayer AG and BASF SE. Machinery makers big and small are pushing out solutions. The world's top tractor maker, Deere & Co., is in the second year of selling its top-of-the-line crop sprayer that it says can cut chemical applications by as much as 77% using AI and machine learning. Israel-based Greeneye Technology just opened its first US retail location to sell AI-powered spray booms that can be retrofitted onto any existing machine, with plans to expand to eight additional states next year. Brazil's Solinftec is building robot sprayers at an Indiana factory that it says lets growers cut herbicide volumes by more than 90%. Read more at [Bloomberg](#).

> JBS Teams with US Company on Biogas Project: JBS SA has teamed with GreenGasUSA to turn animal waste into marketable fuel as the world's largest meat producer seeks to reduce harmful emissions. Under the agreement, GreenGasUSA will initially collect, process and trade biogas — a fuel made of methane, a potent planet warming gas — at two beef plants in Nebraska and Utah as well as at a chicken plant in South Carolina. The projects are expected to be completed in 2025, JBS said in a statement. South Carolina-based GreenGasUSA has also announced methane-capturing partnerships with chicken producers Wayne-Sanderson Farms, a joint venture between Cargill Inc. and Continental Grain Co., and Perdue Farms Inc. The company is controlled by IFM Investors Pty Ltd., a fund manager owned by Australian pension funds. Read more at [Bloomberg](#).

> Consumers Stick With Private Label Grocery Products: Private label grocery brands are gaining momentum as changing consumer perceptions and a widening customer base are fueling sales growth and market share gains. Higher food prices and the inflationary environment over the last two years prompted more consumers to try private label products, given their lower prices and association with value. However, recent research shows consumers are increasingly citing quality, taste, and variety as key drivers influencing their repeat purchases. According to a new report from CoBank's Knowledge Exchange, grocery retailers are

seizing on the growing popularity of private label products, which typically generate higher profit margins than national brands. The report suggests retailers will accelerate efforts to expand their private label offerings, targeting growth segments such as bakery, seafood and beverages. Read more at [Feedstuffs](#).

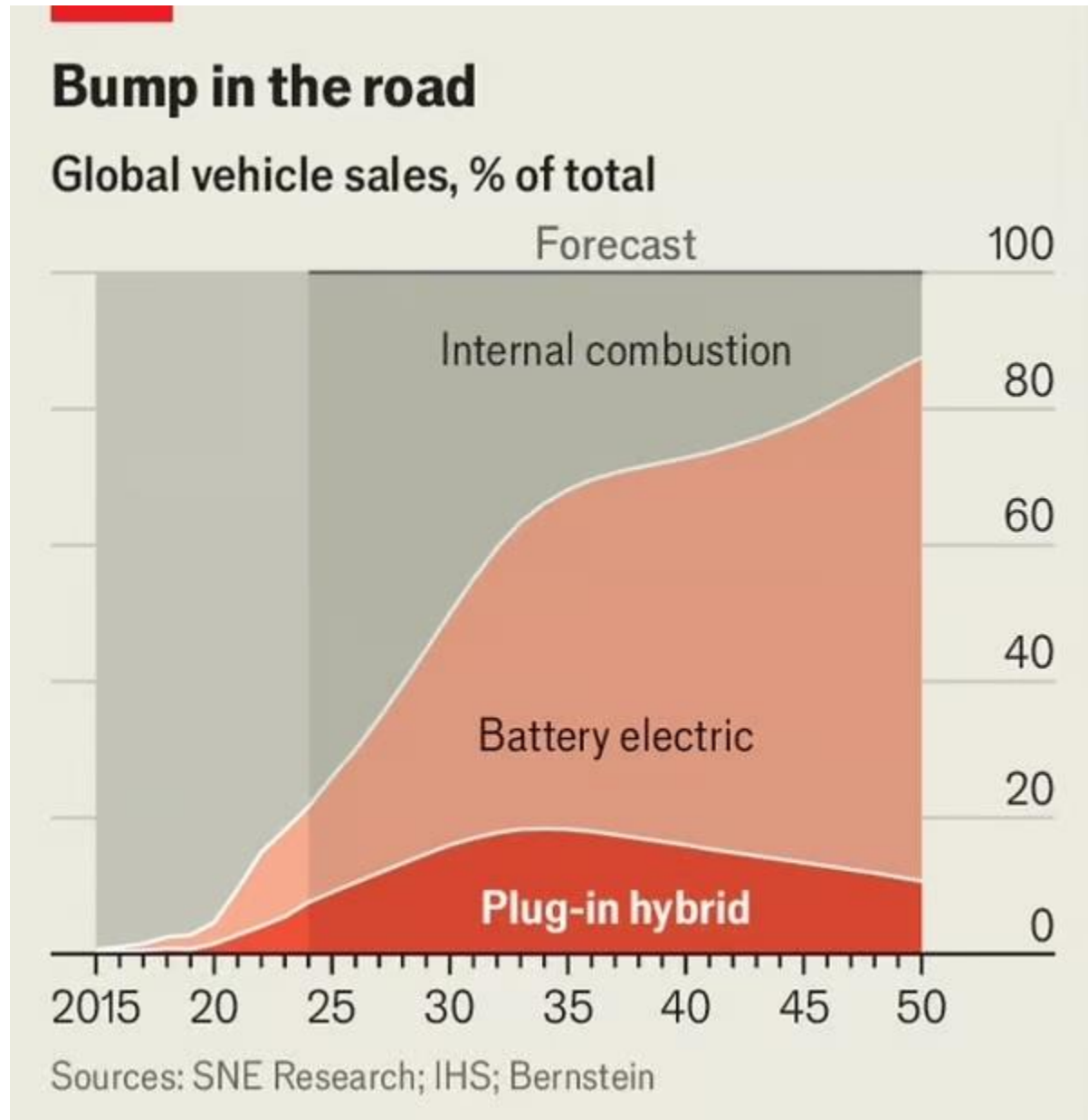
> **Group Raising \$100 Billion to Invest in AI Data Centers, Power:** Microsoft and BlackRock are part of a group of companies collaborating to pull together up to \$100 billion to develop data centers for artificial intelligence and the energy infrastructure to power them. The companies are part of the Global Artificial Intelligence Infrastructure Investment Partnership, or GAIIIP, which was announced in a press release on Tuesday. Microsoft CEO Satya Nadella said the initiative brings “together financial and industry leaders to build the infrastructure of the future and power it in a sustainable way.” Tech companies have been racing to build data centers full of Nvidia graphics processing units, or GPUs, that can run generative AI models such as those enabling OpenAI’s ChatGPT chatbot. Those GPUs consume serious power, and soaring demand has created a bottleneck for standing up new facilities. Read more at [CNBC](#).

> **US Gained Thousands Of New “Centi-Millionaires”:** The United States is home to one-third of the world's centi-millionaires, or people with liquid assets of \$100 million or more, as the number of super-wealthy residents soars, a new report from Henley & Partners said Tuesday. The annual centi-millionaire report says there are 29,350 people across the world with liquid investable assets of at least \$100 million, representing more than a +50% increase over the last decade. The U.S. (home to about 9,850 as of March) and China have experienced what the report called a “centi-millionaire boom,” with American numbers surging 81% over the last 10 years and the country claiming the first three spots on a list of cities with the most people who have hit the milestone worldwide: New York City, the Bay Area of California and Los Angeles. Read more at [Forbes](#).

> **Music Festival Cancellations Soar:** It may not be too much of an exaggeration to say that 2024 was the year the music festival died. A wave of festivals has been unplugging their microphones and telling pass holders, “Sorry!” Desert Daze, a psychedelic rock fest in Southern California; Sierra Nevada World Music Festival, a reggae fest in Northern California; Kickoff Jam, a country music festival in Florida; Blue Ridge Rock Festival in Virginia; Sudden Little Thrills, a multi-genre festival in Pittsburgh; Float Fest in Austin; the list of recent cancellations goes on and on. And it’s not just America. The EU, Britain, and Australia have all had dozens of festivals cancelled. Meanwhile, even some big name festivals like Burning Man and Coachella that used to sell out in minutes struggled to sell tickets this year. What’s driving the slump? There are the predictable culprits: surging production costs, high ticket prices, and consumer demand dropping harder than an EDM beat. But the festival slump may also be driven by factors that are more thought-provoking: technological changes in music listenership and a generation of kids who may lack the same enthusiasm for festivals as generations past. Read more at [NPR](#).

> **Will the Hybrid Car Hype Last?** The car industry’s effort to decarbonise revolves around replacing gasoline with batteries. A growing number of customers want both. Buyers who cannot afford a fully electric car, or worry about the availability of charging points, are turning to plug-in hybrid electric vehicles (PHEVs), sales of which are rocketing. But the hybrid ride may prove to be short. Last year global sales of cars running

purely on batteries (BEVs) were more than double those of PHEVs. But the gap has been closing. Sales of PHEVs were up by almost +50%, year on year, in the first seven months of 2024, compared with just +8% for battery-only EVs (BEVs), according to Bernstein, a broker. Consumers are turning to hybrids partly because they are cheaper than all electrics. PHEVs are only a little more expensive than gas-powered cars, and cost less to run. The fashion for hybrids may prove fleeting, however. Rules in California, adopted by 16 other American states, stipulate that by 2035 only 20% of the new vehicles sold by carmakers can be plug-in hybrids; the remainder must be fully electric. The EU plans to slam the brakes on even harder. Read more at [The Economist](#).

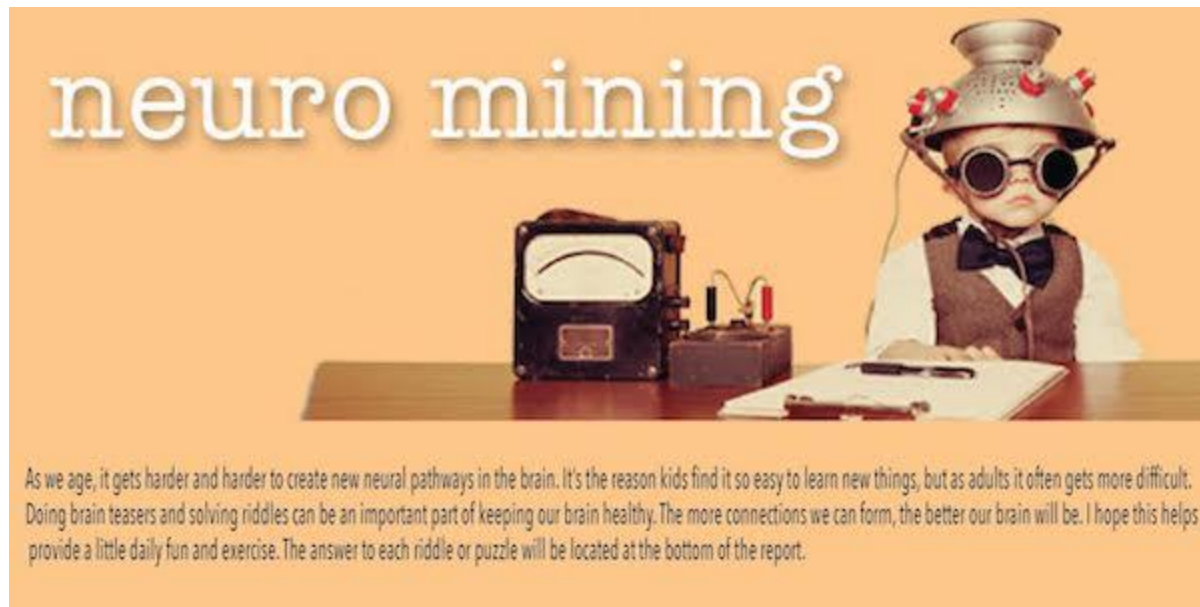




Southeast Kansas - *The early beans down our way are nothing to write home about and we aren't expecting more than 30 bushel at best. If we can catch a much needed rain we might see up to 40 bushels on the later beans. They're saying we have a chance later in the week but you all know how that generally works out. The dryland corn yield was very pleasing, ranging between 125 and 185 bushels. We got caught with our pants down and didn't market near enough early on. Heck, we just got the last 5K bushels of corn delivered out of the bin two weeks ago. I heard from a salesman that down in the very southeast corner of the state they are nearly done with corn but never heard how it did. As we work on next year's numbers, the local fertilizer guy is telling us to figure on prices being the same as this year. And our local JD salesman literally said make us an offer if you need new iron.*

Northeast South Dakota - *The edible and black beans are done and we are hopefully a week or so away from cutting the soybeans up here. With the wind and heat that have returned, I think it will be sooner than later. We were fortunate to miss all the hail that fell around us. We used to say that if you made it past the fourth of July, you had it made in regards to missing hail storms. Now, I have no idea what a safe date is so we're just hoping to get it out of the ground before the next storm comes through. Lots of folks are out putting down their pot ash and phos for next years crop and they'll get that worked in then wait. We made some sales but you never want to get too far out ahead of your skis up here when you're never exactly sure what production may look like. I don't know anyone around here that is hurting for cash and land sale prices are still strong. We had a quarter sell for \$8K recently.*

Western Nebraska - *Winds are howling here this afternoon with strong storms expected to blow through. Hoping that there isn't any hail in the system as the dryland corn isn't that far off and we actually will have an ok harvest this year if nothing changes. We certainly could have used a couple of inches more rain the last month but we've had it a whole lot worse out here. Some folks who grow peas out this way have been cutting in the last two weeks and we're seeing some late planted sunflowers that could use some moisture. We sold a decent amount of wheat when it got near \$6 on the board last week. Our basis is so bad and I didn't see much of any opportunities in the near term so we pulled the trigger.*



TODAY'S RIDDLE: Born at the same time as the world, destined to live as long as the world, and yet never five weeks old. What is it?



Does the World Need "Lab-Grown" Cotton?

Boston-based startup “Galy” recently closed a \$33 million series B funding round for its lab-grown cotton technology. You heard that right - just like meat and dairy and even diamonds, Galy is “growing” cotton in bioreactors. The company also claims its technology can work for almost any product that comes from a plant.

The textile industry over the years has developed a lot of synthetic fibers designed to be cheaper alternatives to natural fibers such as cotton. Most of these are made from petroleum-based materials. Up to 70% of the household textile products we use—everything from clothing to footwear—are made of petroleum-based materials like polyester and nylon.

The problem is that these synthetic fibers don’t break down easily and end up accumulating in landfills. The waste problem has ballooned in recent decades as so-called “fast fashion” companies crank out cheap

goods that can only survive a couple of trips through the washing machine before being trashed. Of the 100 billion garments produced each year, 92 million tons end up in landfills.

The world's most beloved natural fiber, cotton, has its own issues, including ties to forced labor in China and deforestation in Brazil that have scandalized the fashion industry. Cotton is also a labor and water-intensive crop that can make it challenging to grow. Drought in particular can ravage cotton fields, as growers like those in West Texas and other drought-prone areas of the US are very aware.

At the same time, the world is not exactly short on cotton. If anything, there is a glut of the stuff right now. So why do we need to grow more of it in labs?

For some, the motivation is environmental. They say cotton's water requirements are incompatible with a warming planet where freshwater resources are becoming more scarce. A popular statistic that has been used for years - it takes over 700 gallons of water to grow enough cotton for a single T-shirt. I don't know if that stat is accurate but it is true that it takes a plentiful supply of water to keep cotton plants happy. However, it's not necessarily more thirsty than other common crops and requires even less water than corn in some growing regions.

Some end-users find lab-grown cotton appealing for reasons like the reliability of quantity and quality. That's the case with Suzuran Medical, one of the largest manufacturers of surgical cotton in the world. The company in 2023 struck a deal with Galy to use thousands of tons a year of its "Literally Cotton" fibers as part of a 10-year, \$50 million partnership. Suzuran Medical president Yasuhiro Kuneida says Galy's lab-grown cotton will provide "a means of procuring raw materials that are less susceptible to weather and environmental influences in stable quantities and at stable prices."

To make its cotton, Galy starts with live cells collected from cotton plants. The cells are then grown in bioreactor or fermentation vessels in a cell culture process similar to beer brewing. Galy technicians then manipulate genes to transform the cells into an elongated cotton fiber. The final product, once dried and harvested, can allegedly be used just like regular cotton. By growing cotton this way, Kuneida says it can safeguard the material from the detrimental impacts of climate change.

Galy claims the process is 10 times faster and 500 times more productive than traditional cotton farming, while also using 99% less water and 97% less land than traditional cotton, and emitting 77% less carbon dioxide. What the company can't provide yet is a cost. The company is only producing small quantities at the moment, though it is in the process of scaling up.

Galy is also looking to branch out into other crops. Kuneida told Bloomberg that the company wants to make cell-based cocoa and coffee and even provided samples at an event earlier this year. The latest funding round was led by Bill Gates' Breakthrough Energy Ventures. It also included two of the world's largest fast-fashion brands, H&M Group and Inditex (the parent company of Zara, Bershka, Stradivarius and others). There is not much information on the website but you can check it out [HERE](#).

As I see it, lab-grown cotton might provide a more stable supply in the face of climate change, but it is probably not the environmental "fix" that some think it is. The bigger problem is simply overconsumption, which has nothing to do with cotton farming. The number of times a garment is worn has declined by around -35% in the last 15 years, with items typically only worn seven to ten times before being tossed. In America alone, our throwaway culture generates some 11.3 million tons of textile waste every year. That's equivalent to approximately 81.5 pounds per person per year and around 2,150 pieces per second countrywide. It also won't fix the pollution problem associated with color and chemicals that are applied to fabrics. Dyeing and finishing fabrics are blamed for a whopping 20% of water pollution worldwide. (Sources: AgFunder, Bloomberg, Green Queen)



OTHERS VS. OUR COTTON

COTTON PRODUCTION REPRESENTS



*TO PRODUCE 1,000 TON OF COTTON

unreasonableimpact MARKETS



Luciano Bueno
Founder & CEO • GALY



How Does the Stock Market Behave Around Presidential Elections?

This year's campaign for the next US President has been unprecedented in so many ways, with twists that have never happened in our country's history. Still, stock markets have taken the whole spectacle in stride, including two assassination attempts against former President Donald Trump and a last-minute replacement of incumbent President Joe Biden for his Vice President, Kamala Harris. If history is any gauge, the next seven weeks may be a rocky ride no matter what else goes down between now and November 5. Below is a look at how stock markets have historically behaved in Presidential election years.

Leading Up to Election Day - *Investors are often on edge in the months leading up to the presidential election. In the 19 presidential election years since WWII, the S&P 500 has had an average total return of -0.6% in the 60 days leading up to the election. Returns were negative four out of six times in the 60 days leading up to presidential elections this century, including a -7.6% decline in the 2020 election cycle.*

In the post-WWII era, average returns in the 60-day window leading up to Election Day are better when the incumbent party wins, with an average return of +2.9%, compared to an average decline of -3.6% when the challenging party wins. Of the nine elections in this period where the incumbent party won, the S&P 500 was up eight times, while returns were positive only three of ten times when the challenging party won. Stronger returns leading into the election when the incumbent party wins could suggest that markets have good intuition about the election's outcome.

The pattern make sense considering the markets' extreme disdain for uncertainty. However, things are a bit different this election. Donald Trump is not like an ordinary challenger because he was already President for four years. At the same time, Kamala Harris isn't exactly the incumbent because she has only been Vice

President, although a lot of investors do expect a Harris White House would largely be a continuation of the Biden agenda. Bottom line, markets might have a different perception of which candidates' economic agenda presents the greater amount of uncertainty.

Post Election Day - *A post-election relief rally occurred in nine of the last eleven presidential elections since 1980 and in 13 of the 19 post-WWII elections - measured from the day after Election Day through Inauguration Day, which usually falls on January 20. Returns are only slightly better on average when the incumbent party wins.*

The S&P 500 saw above-average returns in the last two election cycles. The S&P 500 rose +6.2% from the day after the 2016 election through Donald Trump's inauguration, and rose +14.3% in the post-election period following Joe Biden's win in 2020. Notably, returns were strong in both cases, even though the challenging party won. In the last two elections where the incumbent won, in 2004 (George W. Bush) and 2012 (Barack Obama), the post-election rally generated a +4% return in each case.

Stock Returns Under Democrat vs Republican President - *A lot is always said during the campaign season about which candidate will be better for the stock market. Believe it or not, US markets do well under both. Broken down by party, since 1957, the S&P 500 has achieved a median one-year return of +12.9% under Democratic presidents and a median one-year return of +9.9% under Republican presidents. It's easy to conclude that markets perform better under Democrats than Republicans, but it's not that simple.*

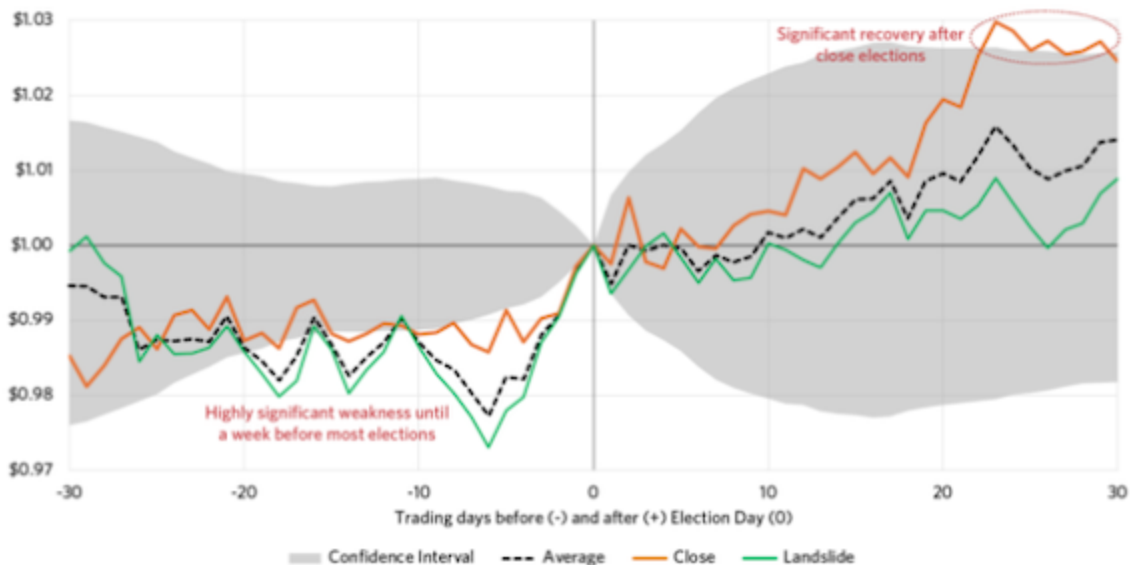
For example, take George W. Bush's two terms, which oversaw a cumulative loss of -40% for the S&P 500. However, President Bush's terms were cursed with multiple crisis, including the bust of the dotcom bubble, the 911 terrorist attacks, and the onset of the Great Financial Crisis. The winner among Presidents for the best cumulative stock market return is Democrat Bill Clinton, with the S&P 500 returning nearly +210% over his two terms. But those returns included most of the dotcom bubble gains and Republican President George W. Bush was stuck with the losses of the fallout.

For what it's worth, the S&P 500 was up +63% during Trump's tenure, although market performance was impacted by the Covid 19 pandemic towards the end of his term. That works out to an annualized return of +16.3% versus +11.8% during Biden's 3 years since taking office in 2021.

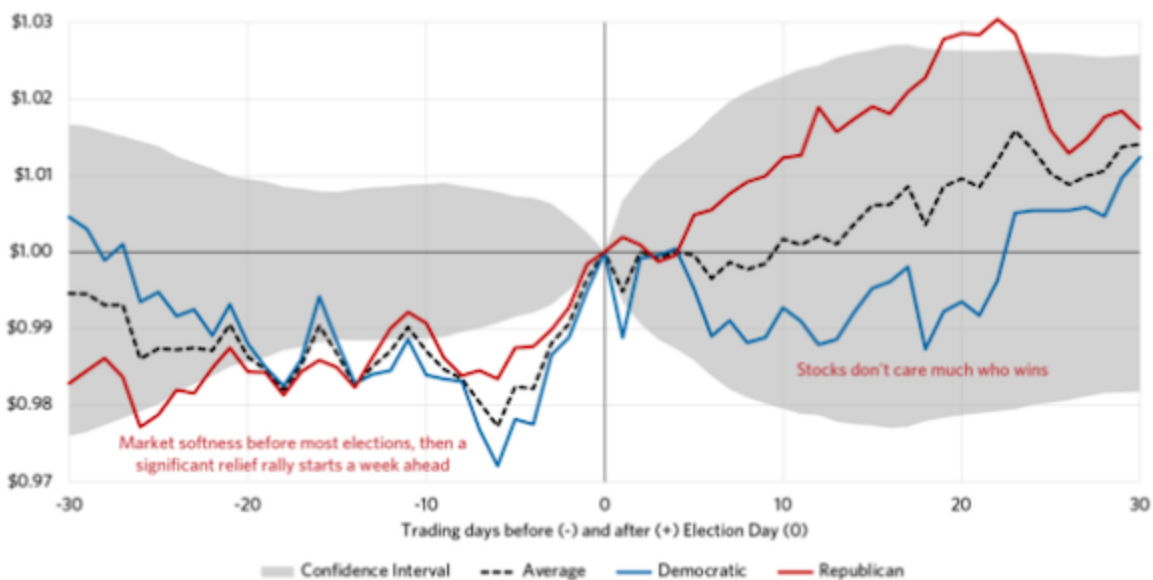
Also consider this - Ignoring politics altogether, \$1,000 invested in the S&P 500 in 1945, at an annual growth rate of +11.09%, would be worth more than \$4.6 million today. (Sources: Motley Fool, Of Dollars and Data, Forbes)

Exhibit 2. How Do Stocks Behave around U.S. Elections? Sorted by Close vs. Landslide, and by Winning Party, 1928 to 2020

Panel A: POTUS Elections, Close vs. Landslide, Average Market Returns



Panel B: POTUS Winner, Democratic vs. Republican, Average Market Returns



Source: Research Affiliates and data from The American Presidency Project, UC Santa Barbara, and Fama-French 3 Factors [Daily], June 2024. Please see disclosures for information regarding simulated performance.



Figure 3: Pre-Election Returns

S&P 500: 60-Days Before Election				
Election Year	Winner	Party	Incumbent Party?	Return (%)
1948	Truman	Democratic	Incumbent	3.3
1952	Eisenhower	Republican	Challenger	-2.6
1956	Eisenhower	Republican	Incumbent	-0.9
1960	Kennedy	Democratic	Challenger	-1.2
1964	Johnson	Democratic	Incumbent	3.5
1968	Nixon	Republican	Challenger	3.1
1972	Nixon	Republican	Incumbent	3.1
1976	Carter	Democratic	Challenger	-0.9
1980	Reagan	Republican	Challenger	2.3
1984	Reagan	Republican	Incumbent	2.6
1988	Bush I	Republican	Incumbent	3.0
1992	Clinton	Democratic	Challenger	1.1
1996	Clinton	Democratic	Incumbent	7.8
2000	Bush II	Republican	Challenger	-4.0
2004	Bush II	Republican	Incumbent	2.2
2008	Obama	Democratic	Challenger	-24.2
2012	Obama	Democratic	Incumbent	1.0
2016	Trump	Republican	Challenger	-2.5
2020	Biden	Democratic	Challenger	-7.6
Winning Party				Average (%)
Incumbent				2.9
Challenger				-3.6
Democratic				-1.9
Republican				0.6
Election Years (1948 - 2020)				-0.6

Source: Cetera Investment Management, FactSet, Standard & Poor's. Returns dates are the 60-days leading up to Election Day.

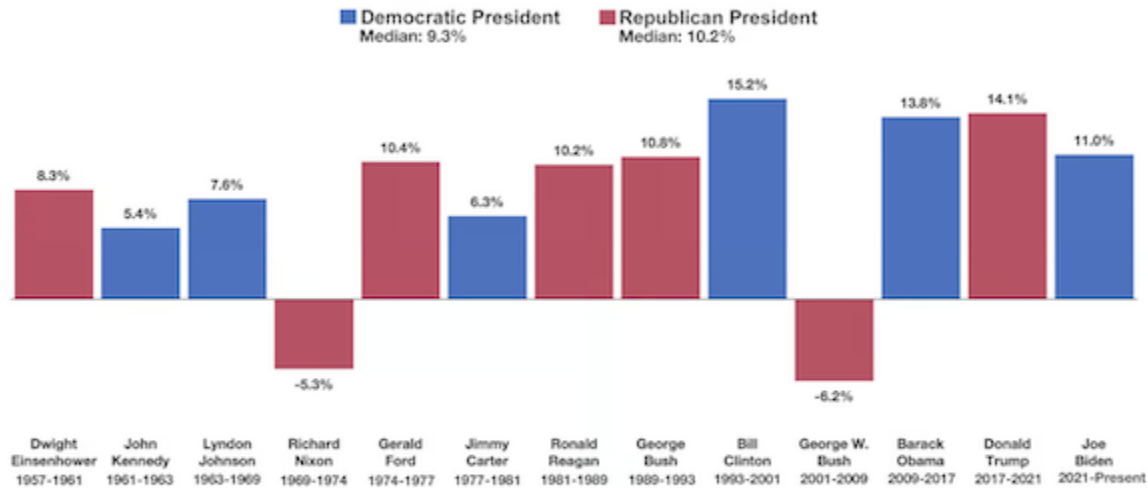
Figure 4: Post-Election Returns

S&P 500: Election Day to Inauguration Day				
Election Year	Winner	Party	Incumbent Party?	Return (%)
1948	Truman	Democratic	Incumbent	-7.2
1952	Eisenhower	Republican	Challenger	6.3
1956	Eisenhower	Republican	Incumbent	-6.7
1960	Kennedy	Democratic	Challenger	8.8
1964	Johnson	Democratic	Incumbent	1.7
1968	Nixon	Republican	Challenger	-1.4
1972	Nixon	Republican	Incumbent	4.2
1976	Carter	Democratic	Challenger	-0.1
1980	Reagan	Republican	Challenger	2.0
1984	Reagan	Republican	Incumbent	2.8
1988	Bush I	Republican	Incumbent	4.2
1992	Clinton	Democratic	Challenger	3.2
1996	Clinton	Democratic	Incumbent	8.8
2000	Bush II	Republican	Challenger	-6.2
2004	Bush II	Republican	Incumbent	4.0
2008	Obama	Democratic	Challenger	-19.9
2012	Obama	Democratic	Incumbent	4.0
2016	Trump	Republican	Challenger	6.2
2020	Biden	Democratic	Challenger	14.3

Winning Party	Average (%)
Incumbent	1.7
Challenger	1.3
Democratic	1.5
Republican	1.5
Election Cycles (1948 - 2020)	1.5

Source: Cetera Investment Management, FactSet, Standard & Poor's.

S&P 500 Performance Compound Annual Growth Rate

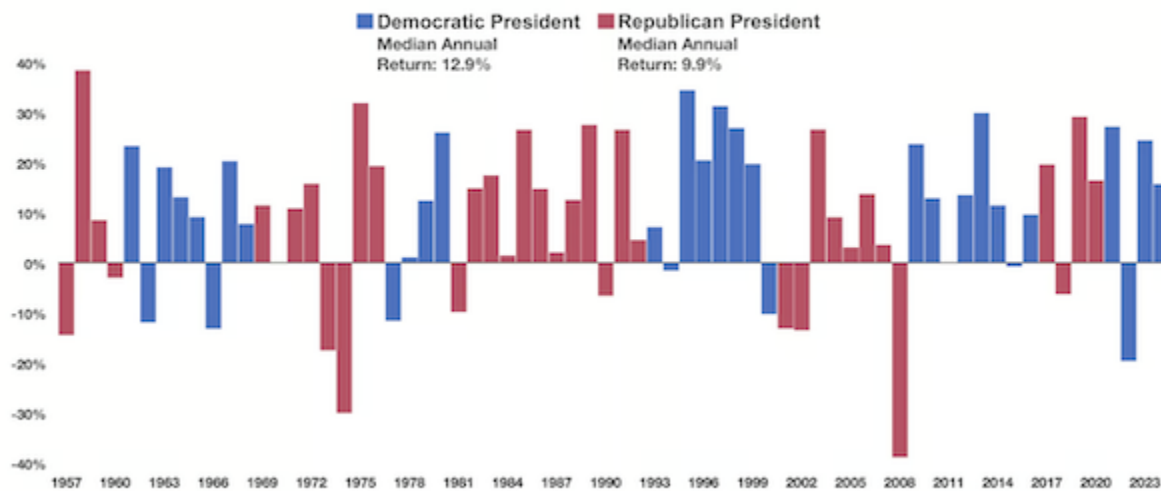


Data source: The White House Historical Association, YCharts



SINCE ITS INCEPTION IN 1957, THE S&P 500 HAS ACHIEVED A MEDIAN COMPOUND ANNUAL GROWTH RATE OF 9.3% DURING DEMOCRATIC PRESIDENCIES AND 10.2% DURING REPUBLICAN PRESIDENCIES. THE GRAPHIC INCLUDES S&P 500 PERFORMANCE DATA THROUGH JULY 3, 2024.

S&P 500 Performance Annual Returns



Data source: The White House Historical Association, YCharts



This Will Make You Think...

Something my wife sent my direction that she received from one of her friends. It got my attention and made me think so I wanted to share it with you all. Below is the email...

One of my friends told me about a powerful lesson in her daughter's high school class this winter. They're learning about the Salem Witch Trials, and their teacher told them they were going to play a game.

"I'm going to come around and whisper to each of you whether you're a witch or a regular person. Your goal is to build the largest group possible that does NOT have a witch in it. At the end, any group found to include a witch gets a failing grade."

The teens dove into grilling each other. One fairly large group formed, but most of the students broke into small, exclusive groups, turning away anyone they thought gave off even a hint of guilt.

"Okay," the teacher said. "You've got your groups. Time to find out which ones fail. All witches, please raise your hands."

No one raised a hand.


The kids were confused and told the teacher he'd messed up the game. "Did I? Was anyone in Salem an actual witch? Or did everyone just believe what they'd been told?"

And that my friend is how you teach kids how easy it is to divide a community.

Keep being welcoming... Shunning, scapegoating, and dividing destroys far more than it protects!

Avoid jumping to conclusions...
Report, comment and share
only what you actually see.





THE PROBLEM WITH
MAKING ASSUMPTIONS IS THAT
WE BELIEVE THEY ARE THE TRUTH.

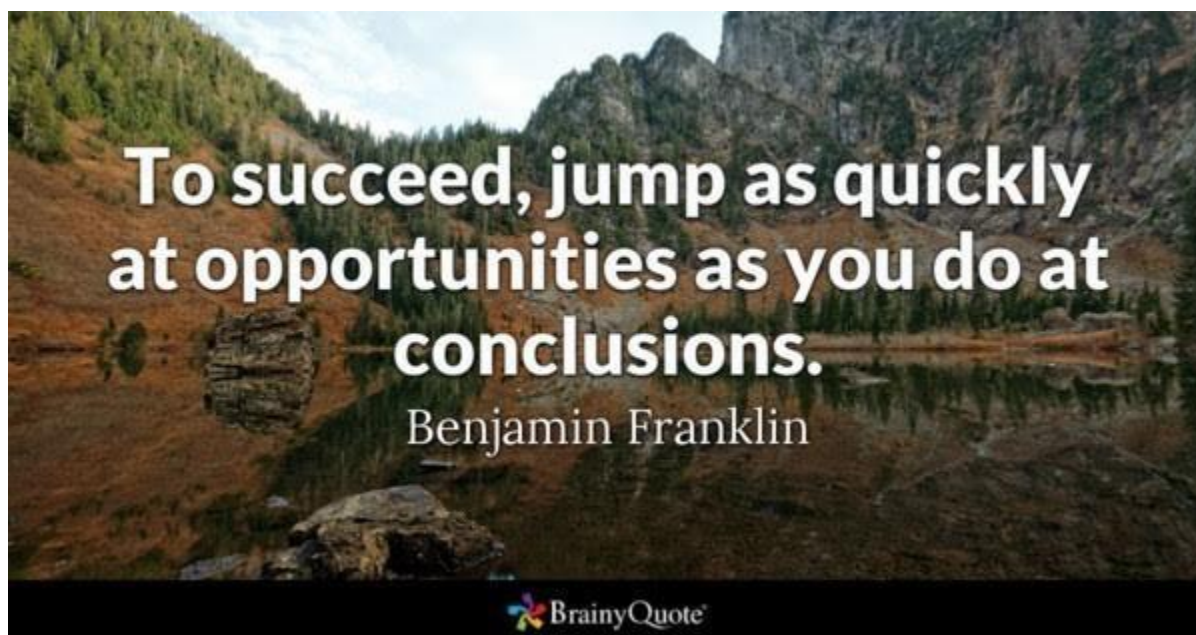
WE MAKE AN ASSUMPTION,
WE MISUNDERSTAND, WE TAKE IT
PERSONALLY, THEN WE REACT
BY SENDING EMOTIONAL
POISON WITH OUR WORD.

THIS CREATES A WHOLE BIG
DRAMA FOR NOTHING.



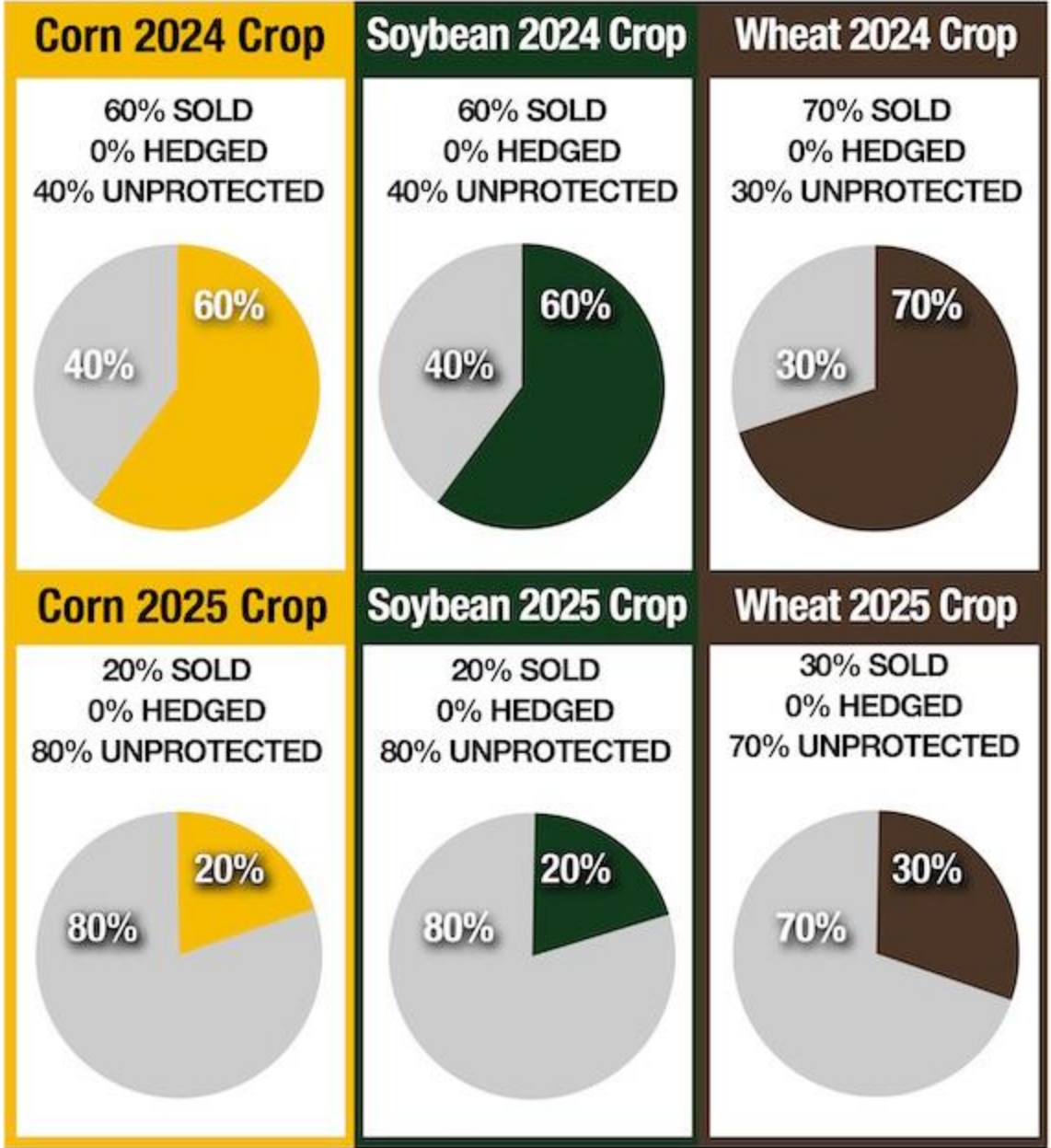
Most of the problems in life are
because:
We misunderstand people's
intentions,
We don't listen and jump to
conclusions,
Then we are too proud to
apologise and too stubborn to
forgive.

Mouloud Benzadi



**To succeed, jump as quickly
at opportunities as you do at
conclusions.**

Benjamin Franklin



ANSWER to riddle: The moon.

CASH SALES & HEDGING TOTALS

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