

COMMODITIES + INVESTMENTS



**WEATHERWEALTH**

HELPING YOU MAKE BETTER INVESTMENT DECISIONS BASED  
ON THE "BEST WEATHER" INFORMATION

*Will El Niño transition to La Niña?*  
*Implications for Global Commodities*

**Jim Roemer**

- Meteorologist
- Commodity Trading Advisor



\*Why ***bear markets may continue for grains;***  
possible ***bull markets for Robusta coffee and sugar***

\****El Nino may not transition as quickly to La Nina*** as others feel

\****Teleconnections***: Linking global climate events to predict long-range weather trends

\*PD0 and other ***weather forecast techniques*** for predicting ***China crops***





40 years experience advising farmers,  
commodity traders and hedge funds

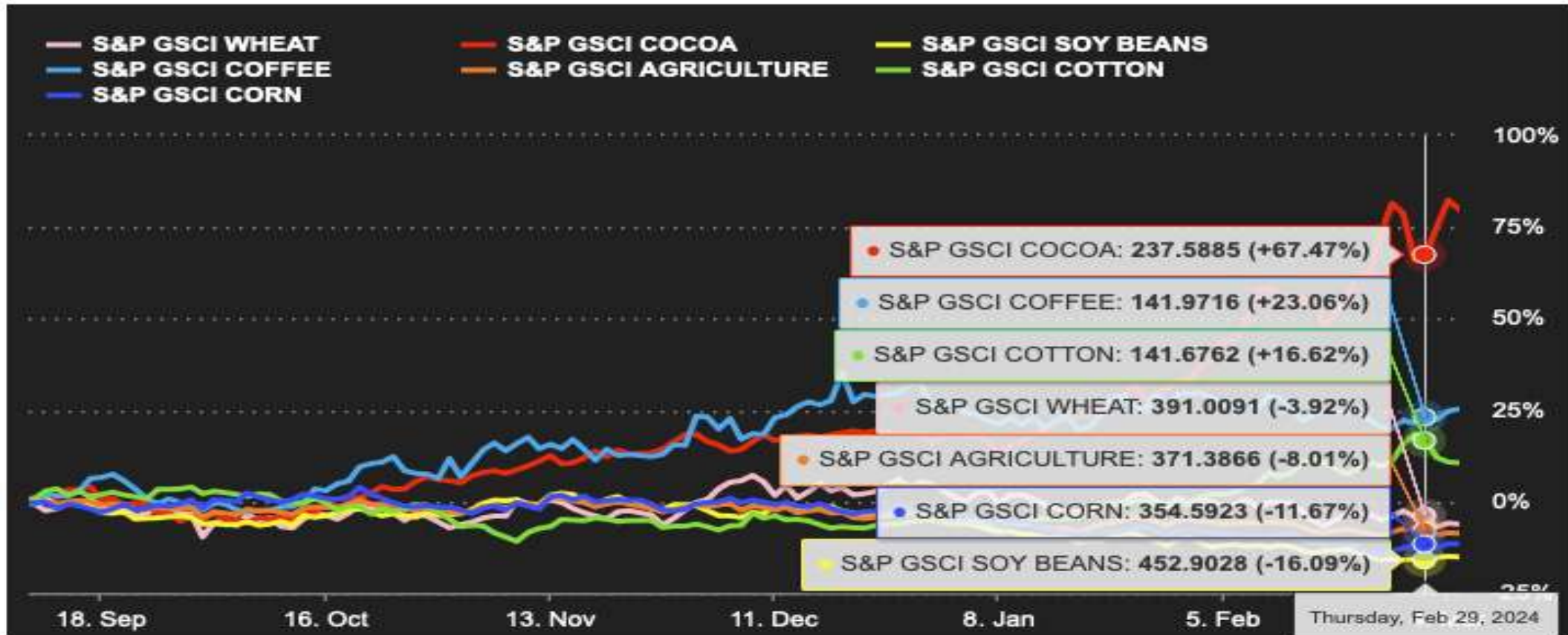


**Today I publish the only global weather commodity  
newsletter with commodity trading ideas**

The image contains two promotional banners for WeatherWealth. The left banner has a dark background with a blue gas flame from a stove burner. A gold coin with a weather icon is centered over the flame. Text includes 'COMMODITIES + INVESTMENTS' in a white box, 'WEATHERWEALTH' in yellow, and 'HELPING YOU MAKE BETTER INVESTMENT DECISIONS BASED ON THE "BEST WEATHER" INFORMATION' in white. A yellow button at the bottom says '14 DAY FREE TRIAL'. The right banner has a colorful, abstract background with yellow, orange, and blue. It features the text 'El Niño La Niña' in large white letters, 'FREE WEATHER WEALTH REPORT' in a white box, 'COMMODITY SCAVENGER HUNT: CLUES FOR HOW EL NIÑO MAY TRANSITION AND POTENTIAL WEATHER IMPACTS' in white, and 'Will we see El Niño switch?' in large yellow letters. A blue button at the bottom says 'READ FREE REPORT'.



Chart: Commodities



BULL MARKETS IN SUGAR, COCOA, ROBUSTA COFFEE AND COTTON

As of March 1

BEAR MARKETS IN GRAINS DUE TO WEAK DEMAND, IMPROVED WEATHER, BIG SUPPLIES





*Odds favor an El Niño neutral summer (North America)  
and a 60% chance of La Niña by autumn or winter 2024*

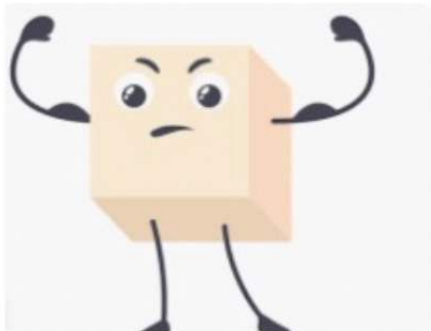
**Analog years: 1992, 1998, 2016**



All three cases saw a 10-20% bear market from current price levels by late summer. However, 2016 had a 10-15% spring rally on some planting concerns and increased demand.



All three had summer bear markets and a 10-20% break in prices from current levels. However, odds favor a late winter and spring rally of 5%-8% from current levels. What China does and global demand will be important. They had a huge crop last summer.



Two of three cases bullish with >20% move higher by late summer. One bearish case was 1998 as La Niña formed by summer and increased global sugar production.



Potential problems for Vietnam coffee from drought, while Brazil Arabica coffee area improve with rain



Good global wheat crops = The bear market continuing into spring

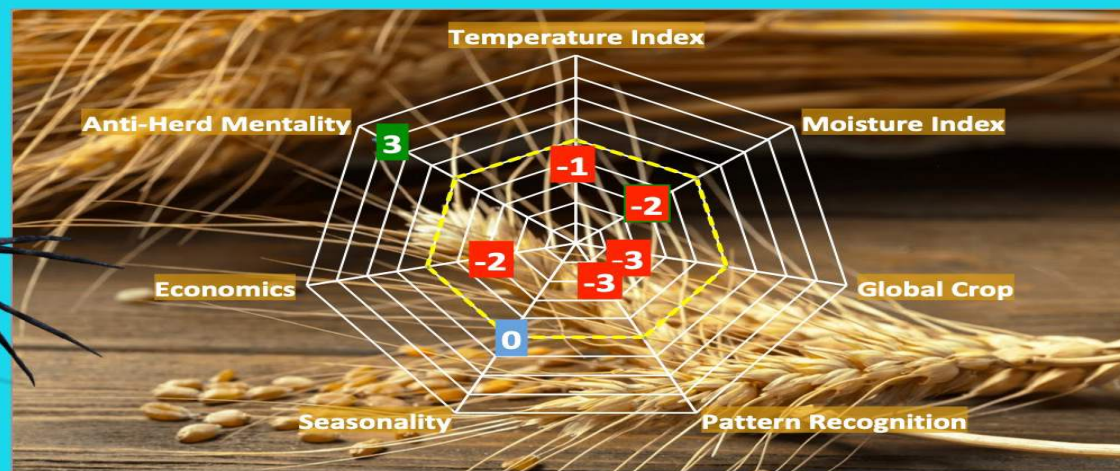
### Best Weather Spider

March 5, 2024

Wheat

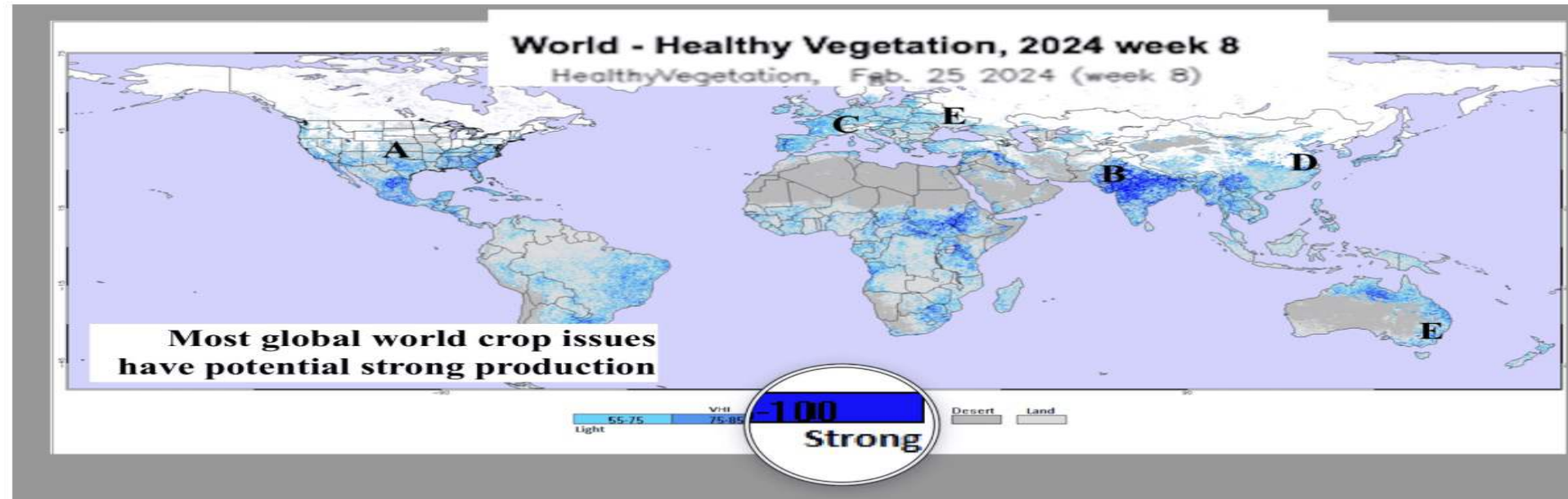
Score -8

Very Bearish





**Most global *wheat* areas are doing well.** Crops in the northern Hemisphere come out of dormancy by later March and April.



## EL NINO YEAR

Trade Winds collapse



# Difference Between El niño and La niña

## LA NINO YEAR



Recent (preliminary) Southern Oscillation Index values

Date	Tahiti (hPa)	Darwin (hPa)	30 day Av. SOI	90 day Av. SOI
8 Feb 2024	1005.88	1007.85	-32.23	-4.64
7 Feb 2024	1005.31	1008.70	-2.84	-4.42
6 Feb 2024	1005.56	1009.50	-1.50	-4.12
5 Feb 2024	1007.06	1009.90	-0.02	-3.85



**FEB 6, 2024 (EL NINO STRENGTHENS AGAIN AS TRADE WINS COLLAPSE)**





**El Niño**

**La Niña**

**Will we see El Niño switch?**

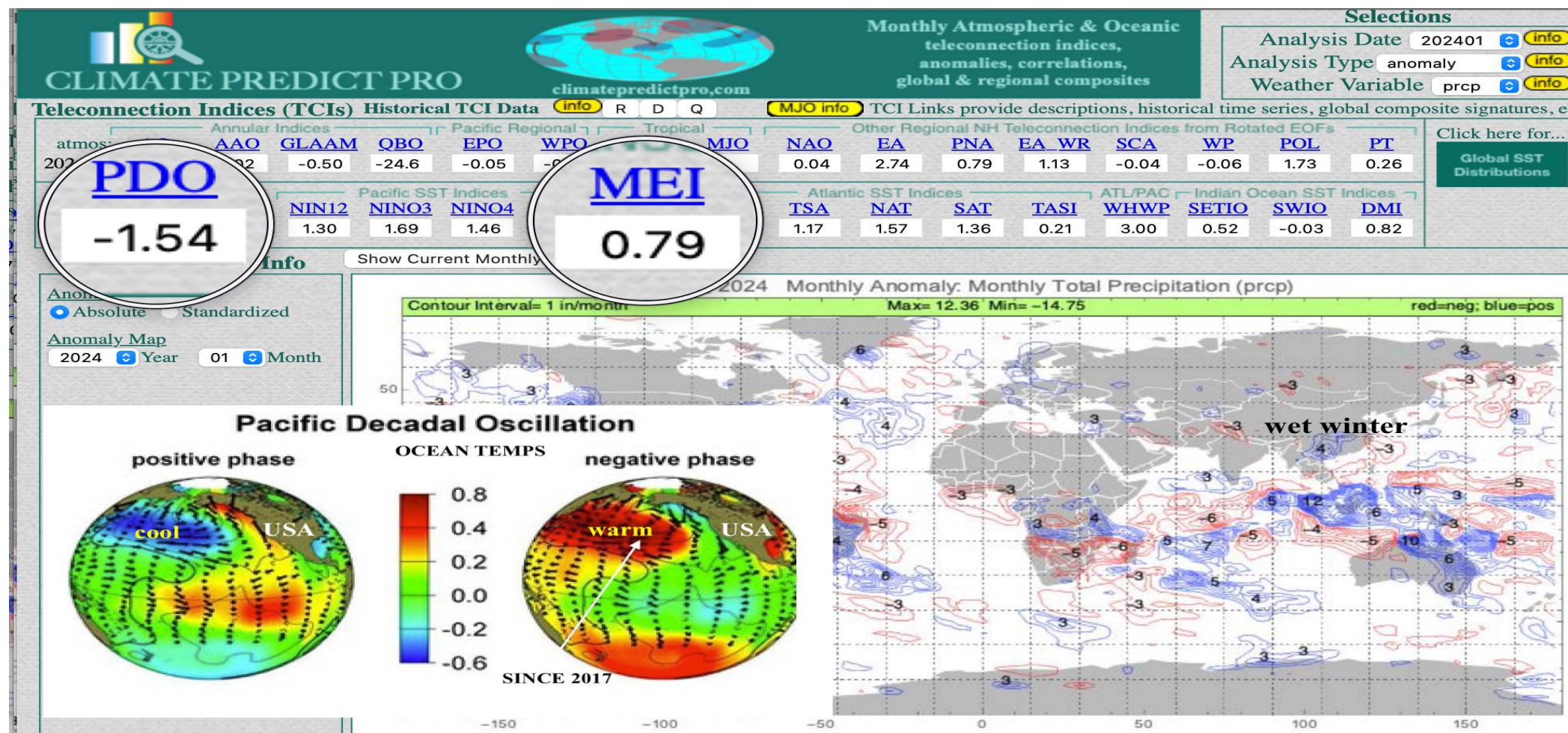
## SUMMER 2024 (ENSO & IOD FORECAST)—JAPAN MODEL

### ENSO forecast probabilities





TELECONNECTIONS: Climatic events sometimes thousands of miles away that are linked together can help us predict weather months in advance.  
([www.climatepredict.com](http://www.climatepredict.com))





# PDO Index

\*Has been negative the last few years (a long-term climate feature)

\*-PDO can result in summer heat waves and droughts in the western U.S., Corn Belt, parts of Russia and China grain regions

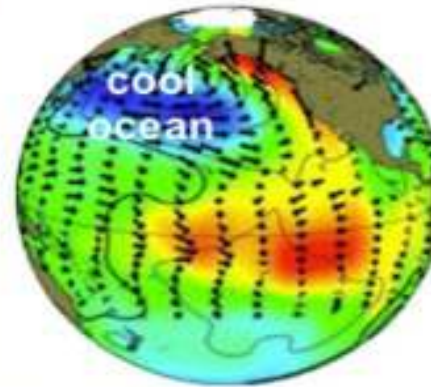
(Especially with La Niña)

\*El Nino is usually accompanied by a (+PDO)

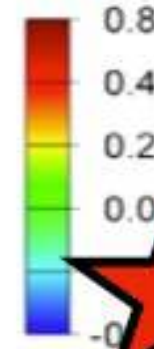
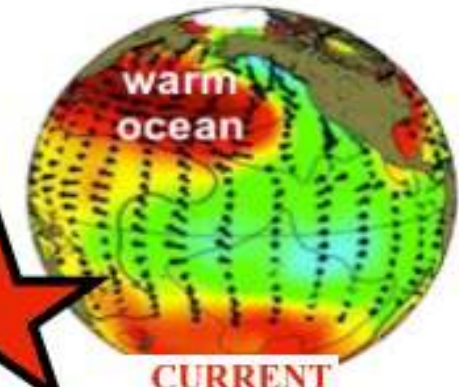
(This current El Niño is unusual)

## Pacific Decadal Oscillation

positive phase



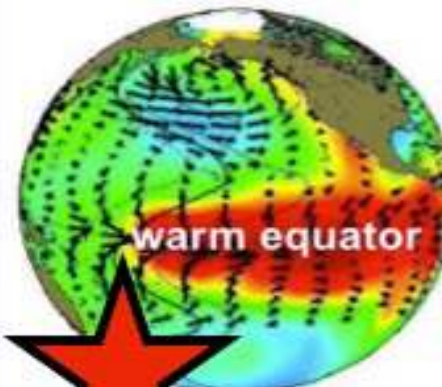
negative phase



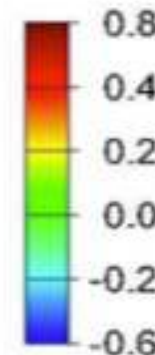
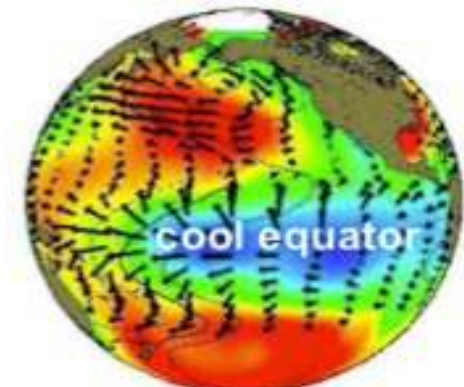
CURRENT

## El Nino Southern Oscillation

El Nino



La Nina



CURRENT

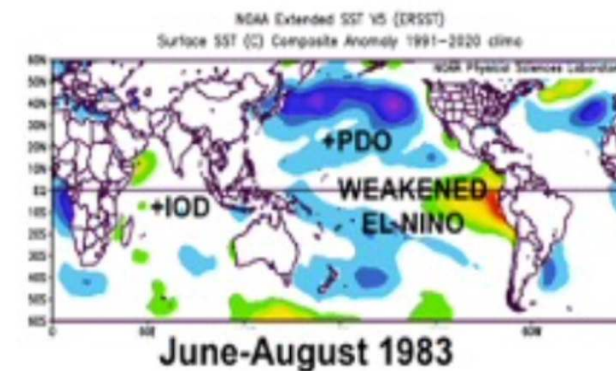
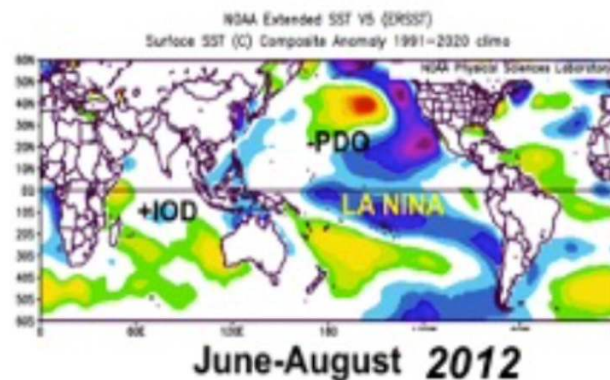
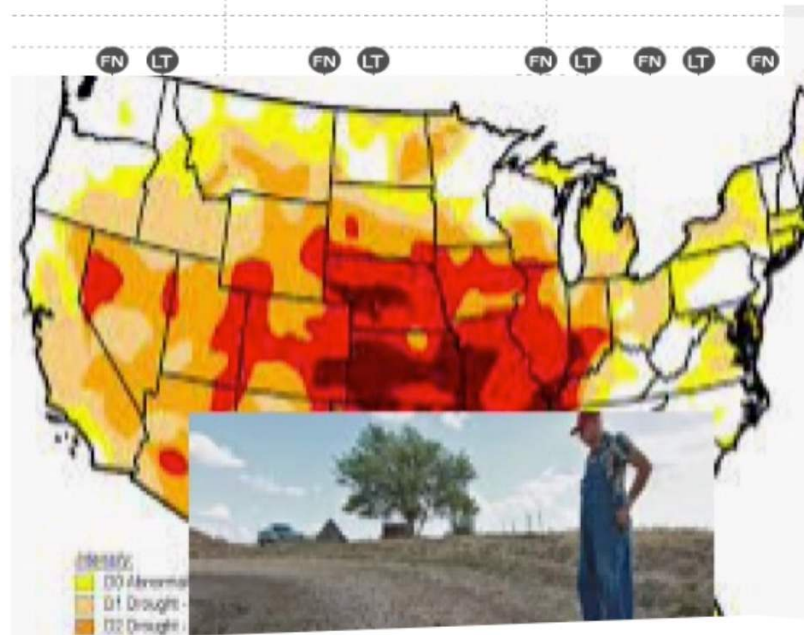




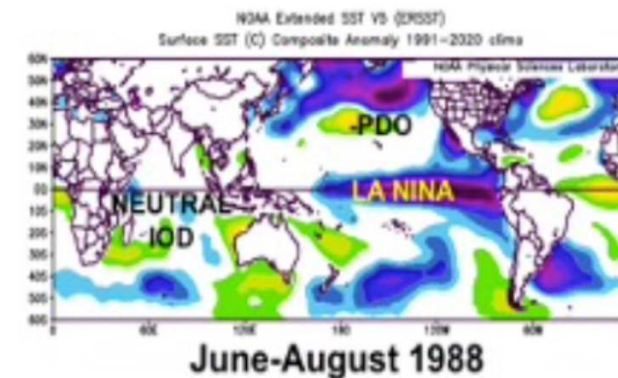
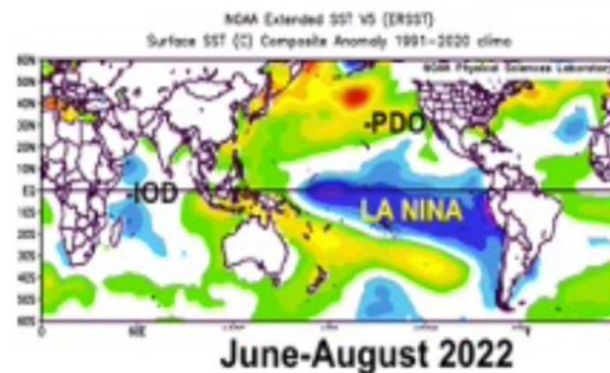
# Most May-August Bull Markets in Grains: -PDO & La Niña

Nov12 Soybeans(CBOT)

28.5; H: 1445.25; L: 1427.75; C: 1432.75) ■ EMA(20): 1501.08

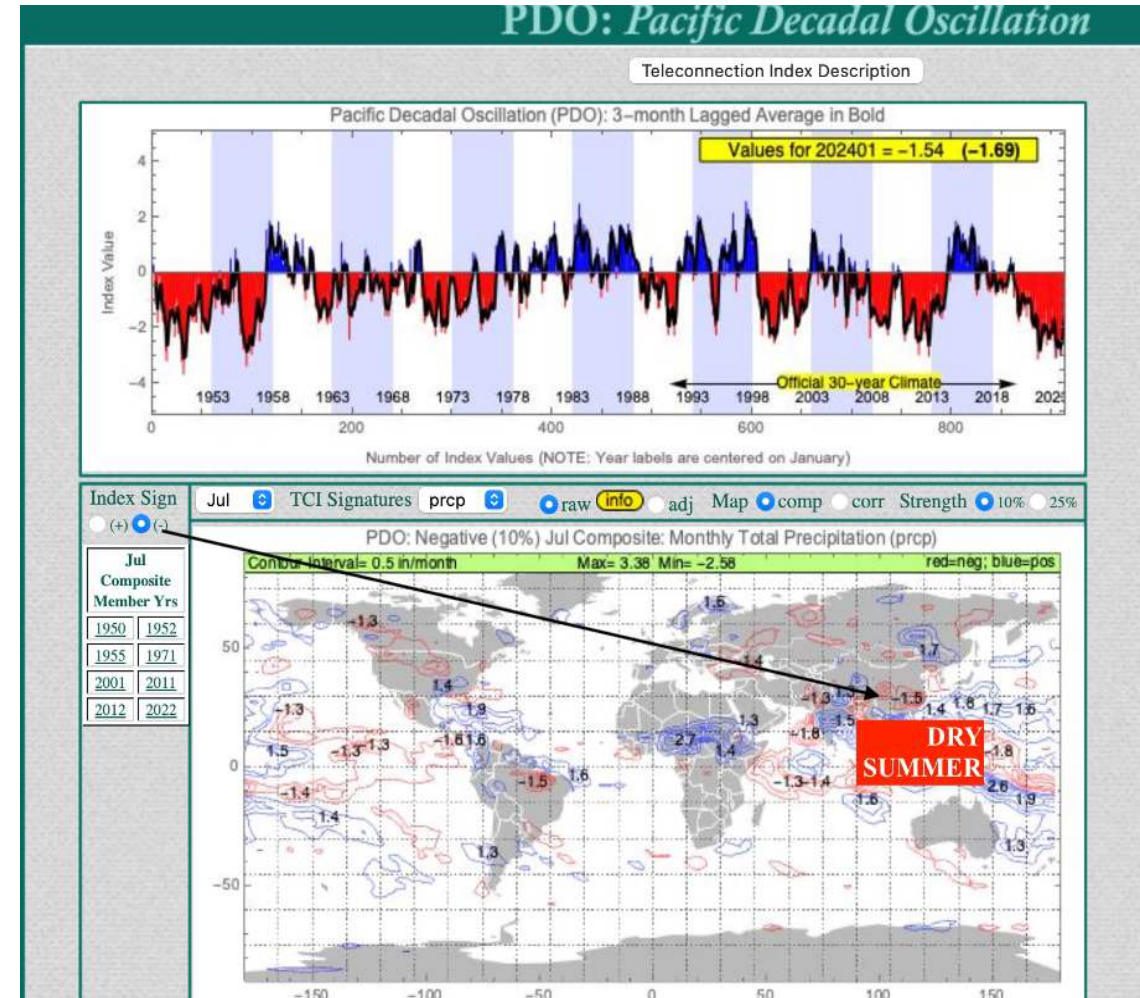
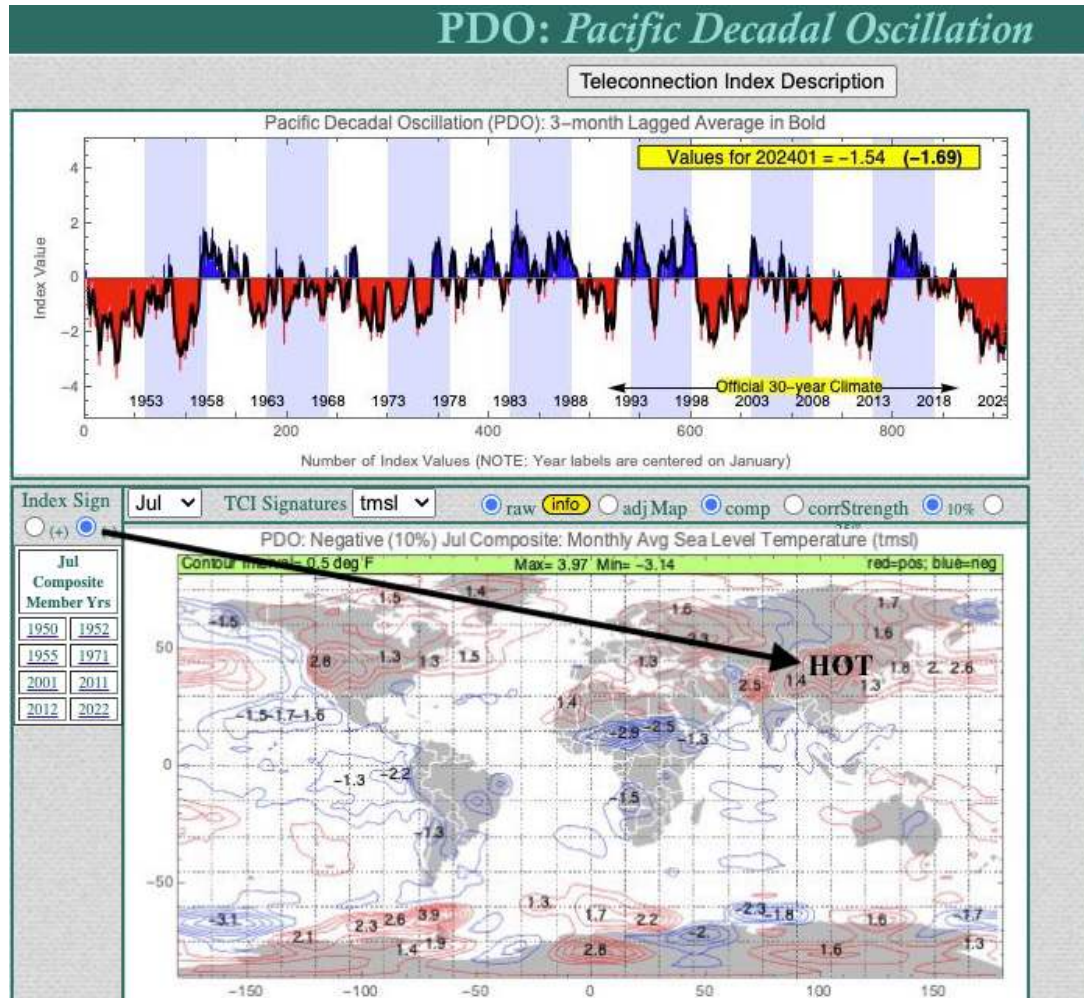


GLOBAL OCEAN TEMPERATURES





The **PDO** (*more than El Nino/La Nina*) can sometimes influence summer weather more in China

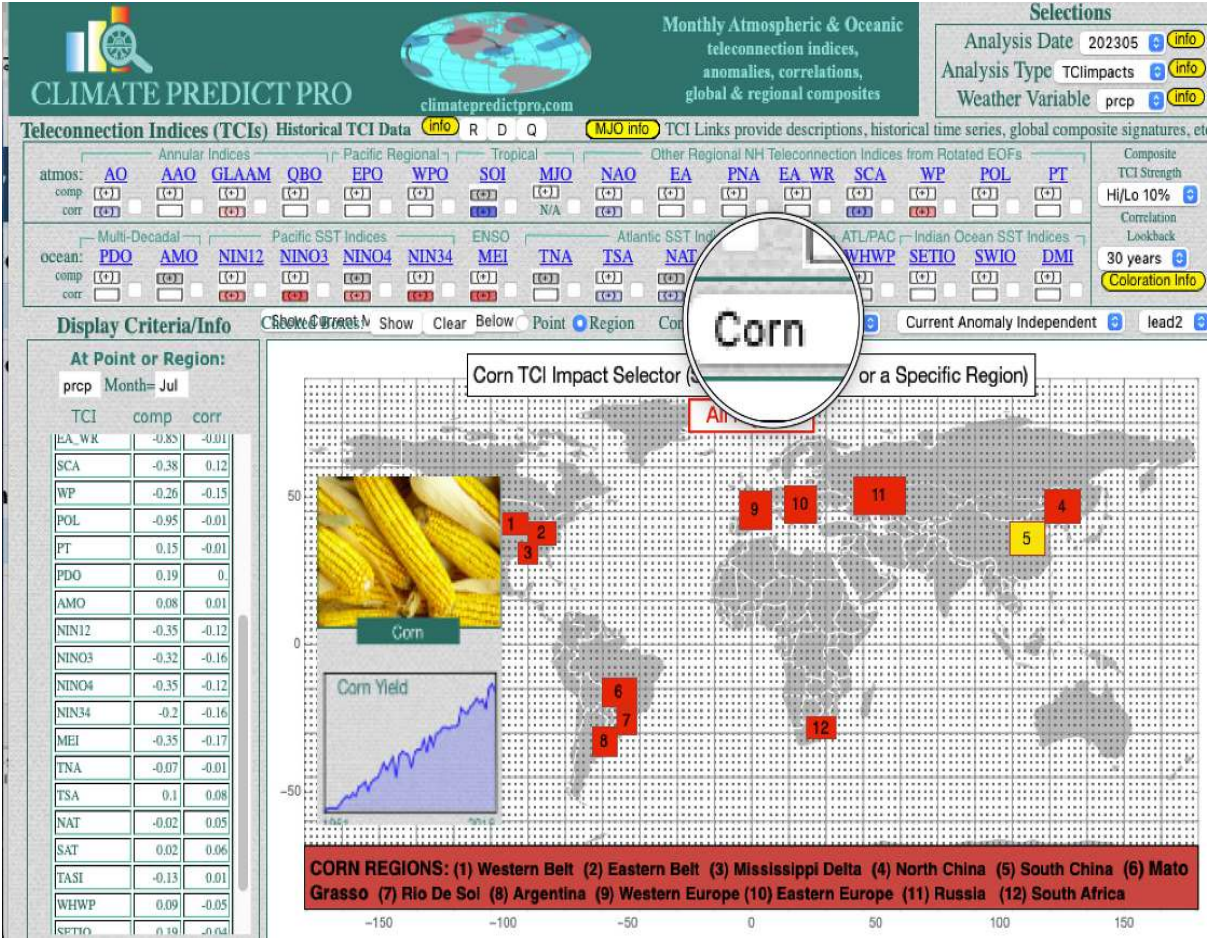
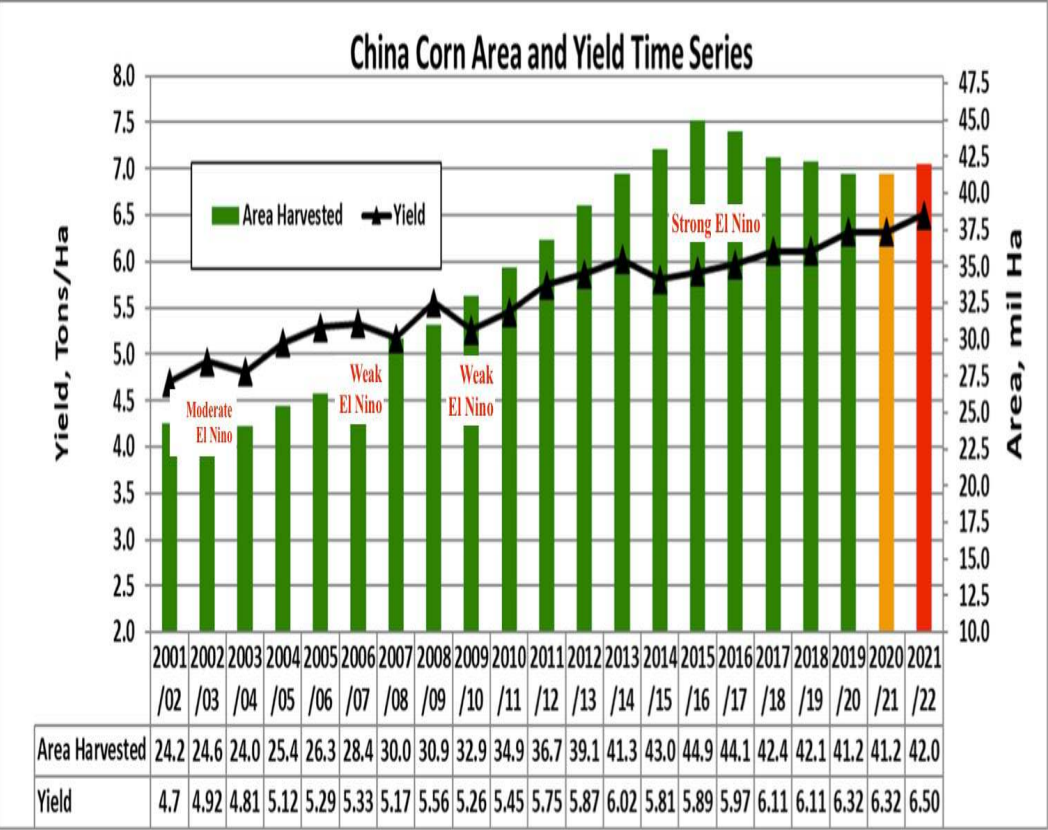


July rainfall/temperature trends when the PDO is negative





We look at *28 global teleconnections* to predict weather and potential crop yields

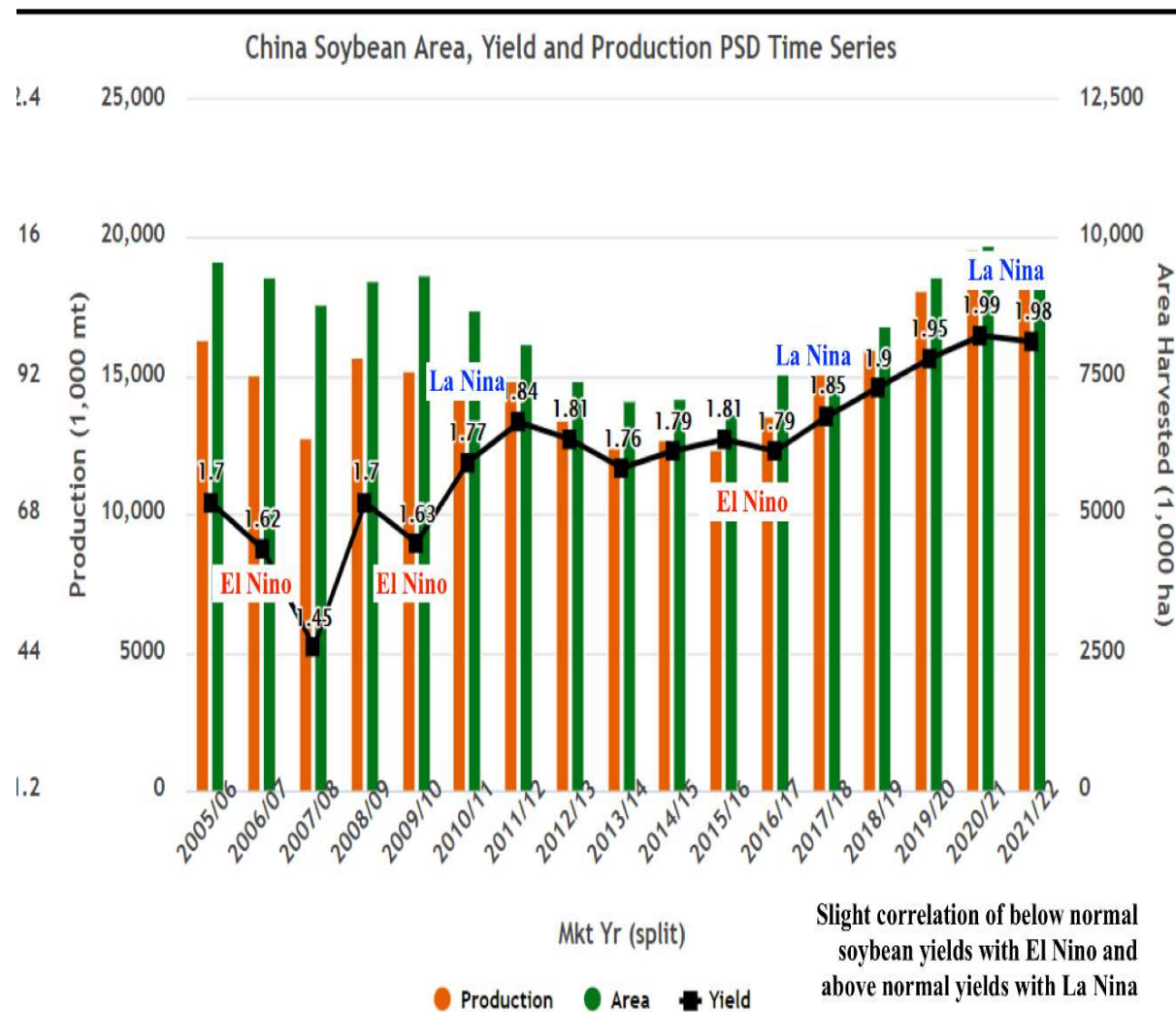


Correlation appears “weak” with El Nino and China corn yields



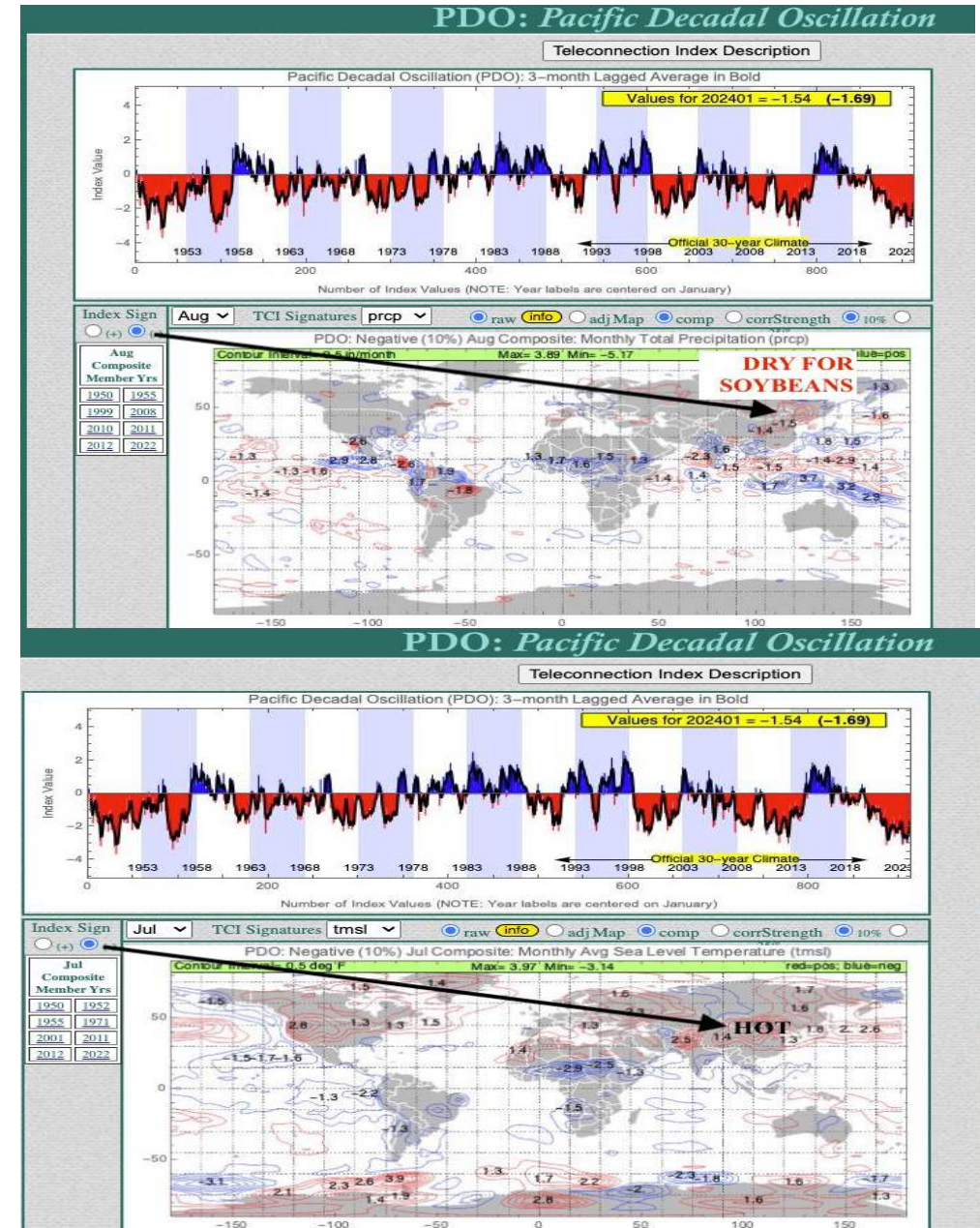


# -PDO & El Nino tends to lower China soybean yields



Slight correlation of below normal soybean yields with El Niño and above normal yields with La Niña

± (Updated): USDA FAS PSD (2021-09-10)





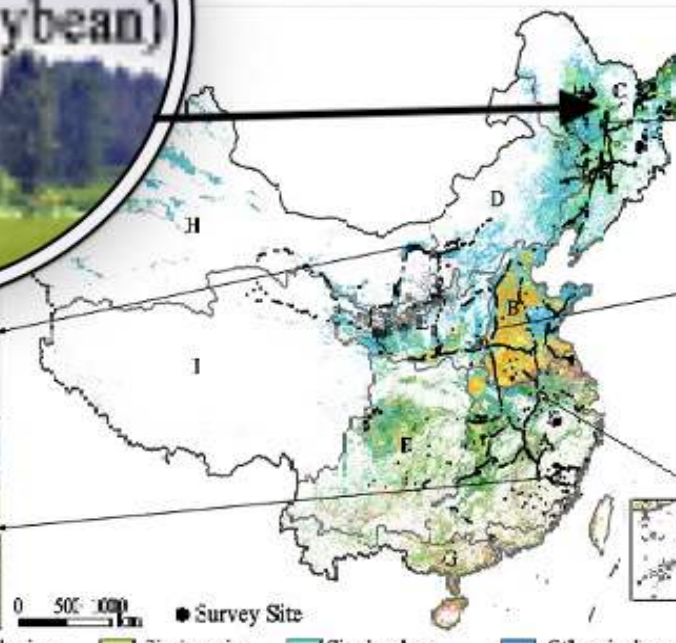
GREATEST LIKELIHOOD OF  
DROUGHT WITH EL NINO AND -PDO

Heilongjiang (Soybean)

Bayannur, Inner Mongolia  
(Sunflower)



Shaxian, Fujian (Tobacco)



Suihua, Heilongjiang (Maize)



Puyang, Henan (Winter wheat)



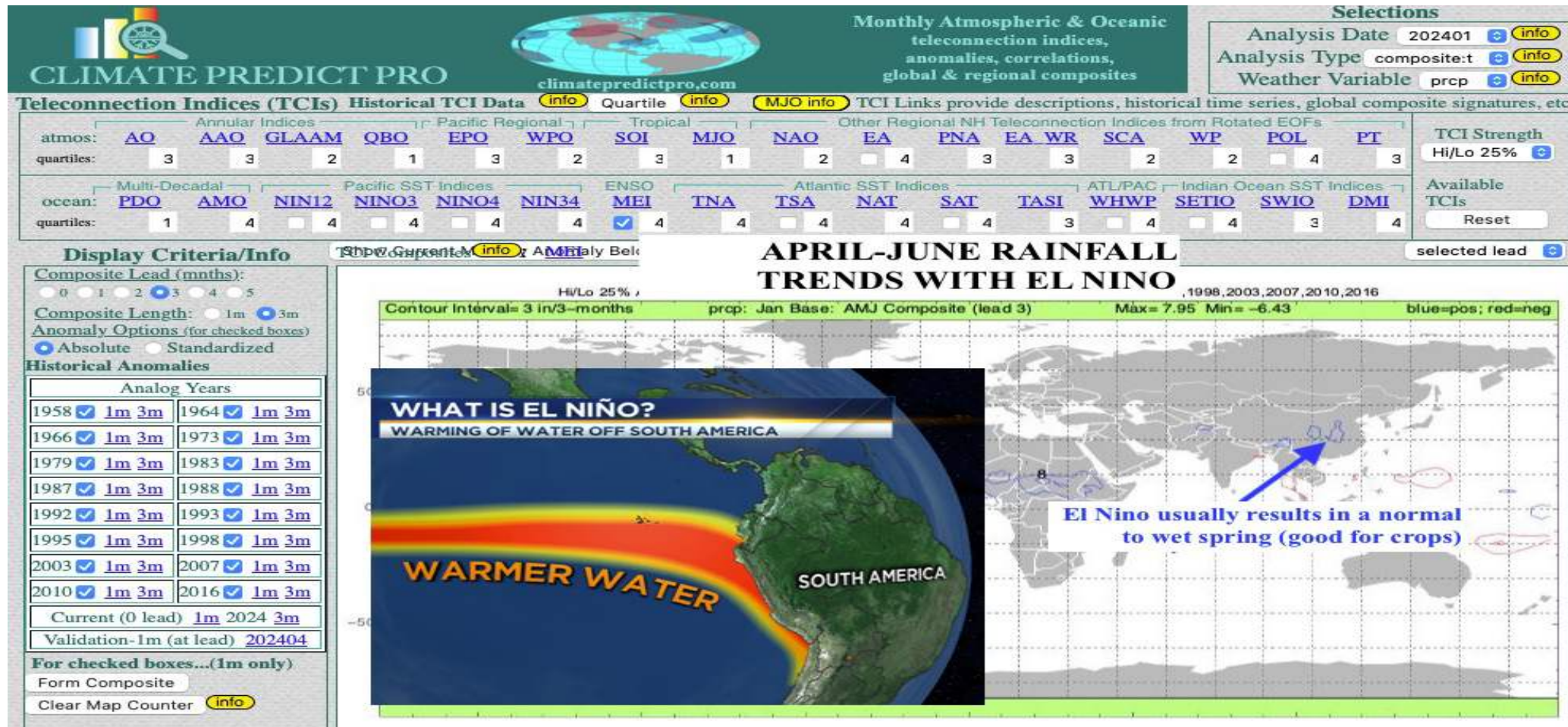
Xuanzhou, Anhui (Paddy rice)



Fallow Single paddy rice Single maize Single wheat Other single cropping Triple cropping  
 Maize - Paddy rice Winter wheat - Maize Double rice Winter wheat - Paddy rice Other double cropping

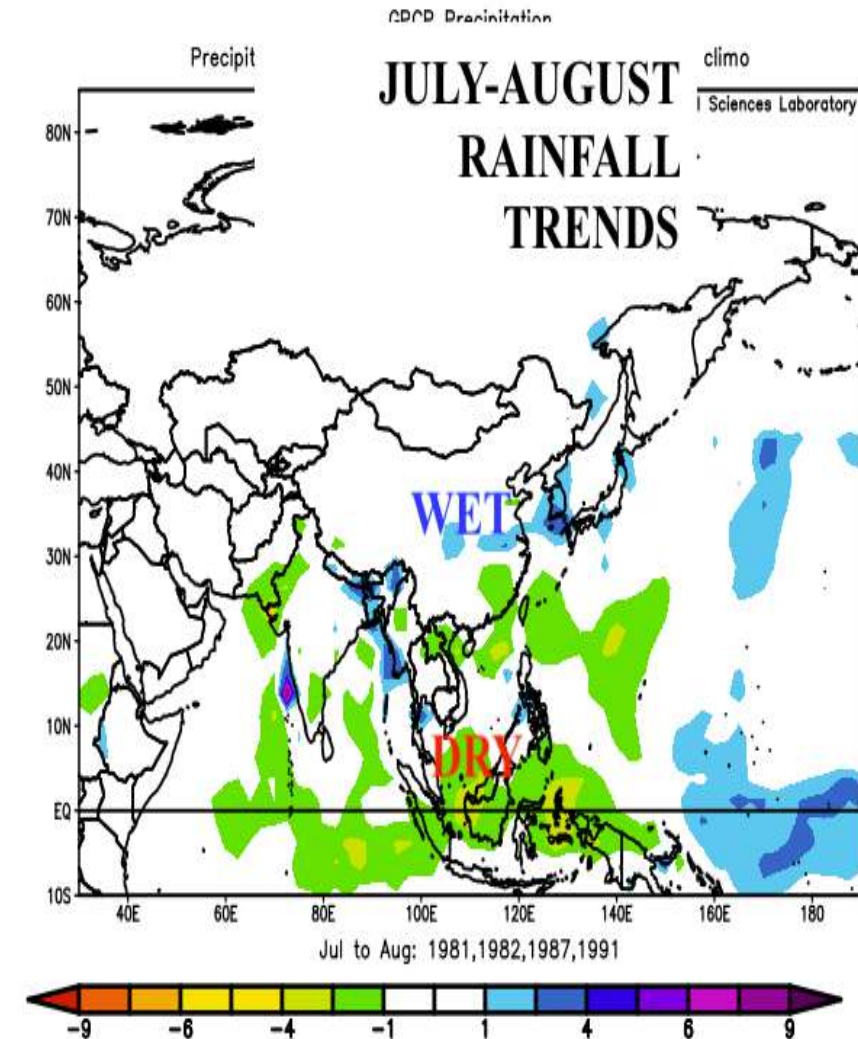
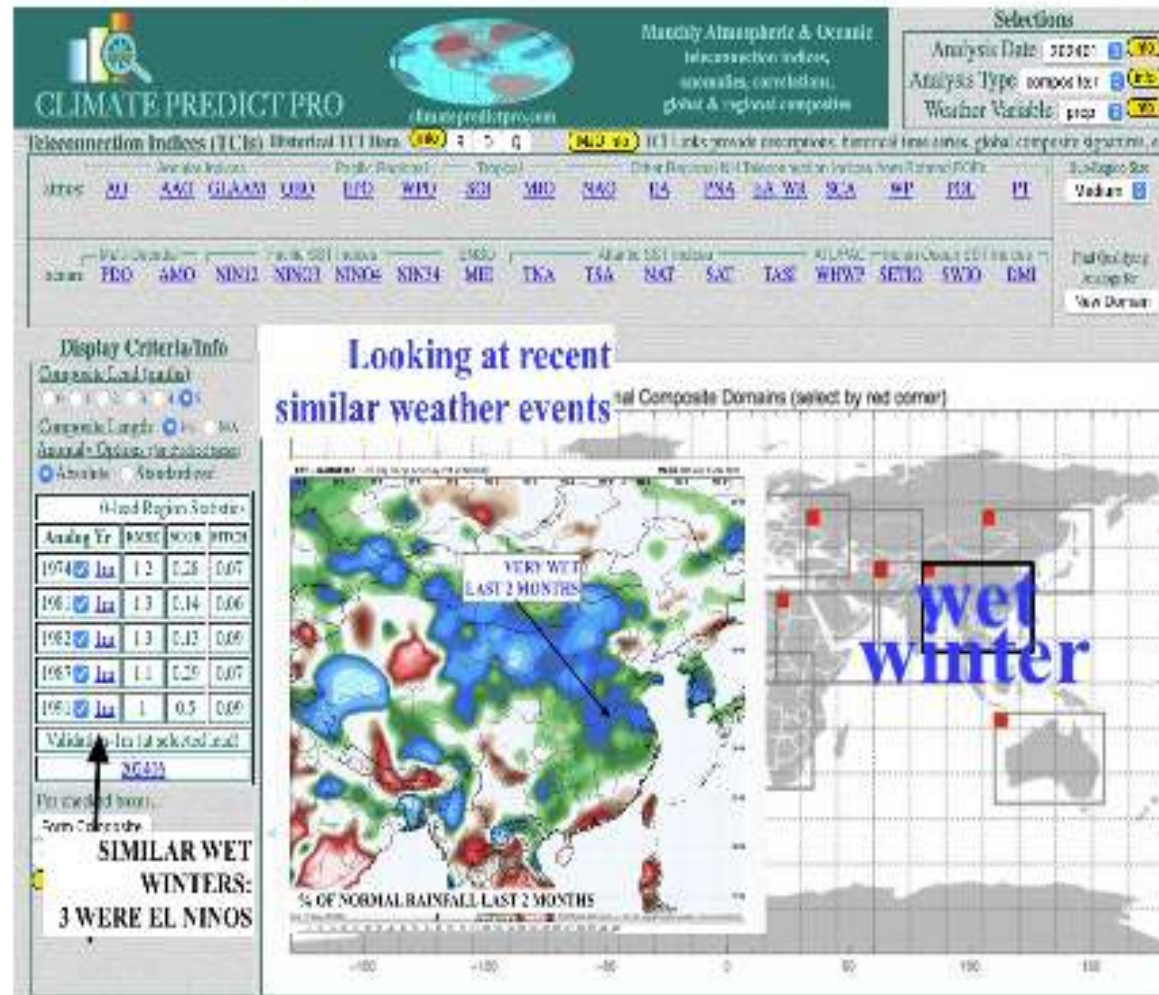


El Nino is still holding on= Potential wet spring



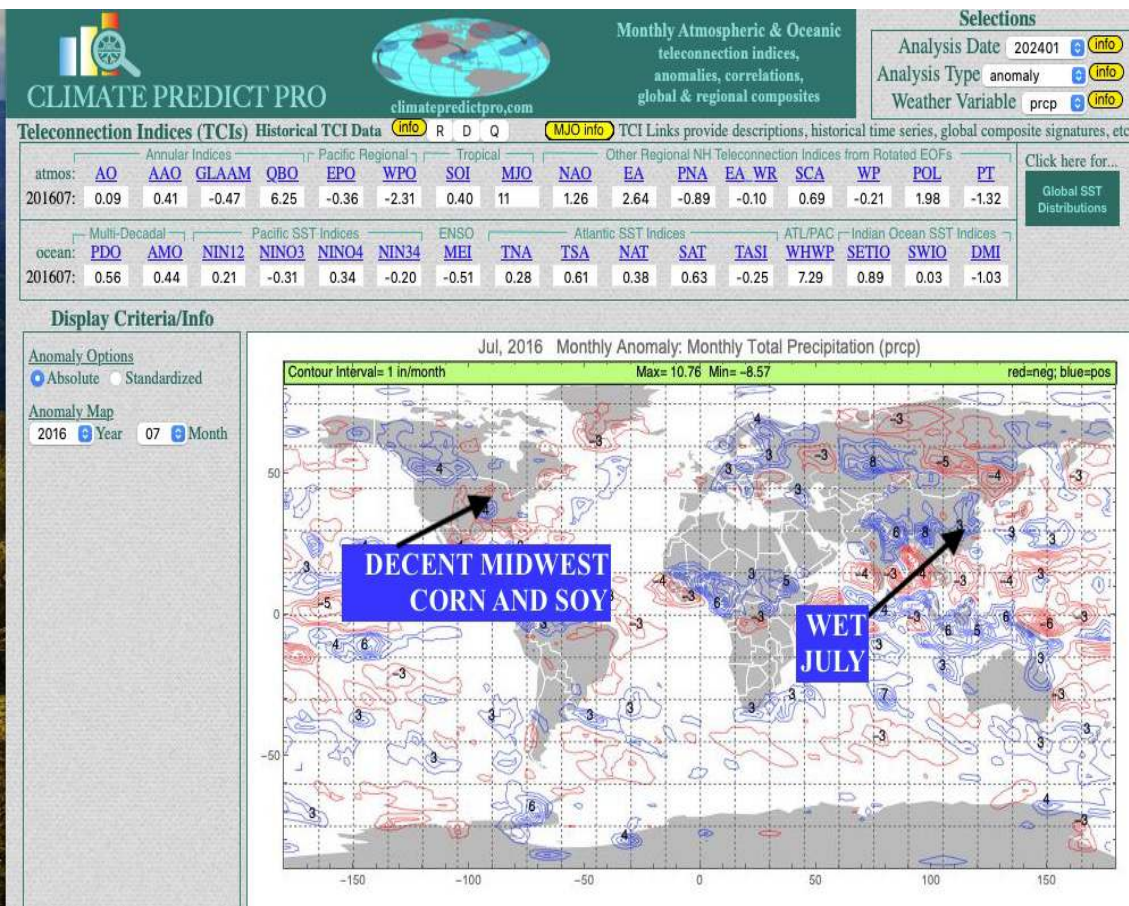


## Looking at similar winter rainfall trends to project summer rainfall

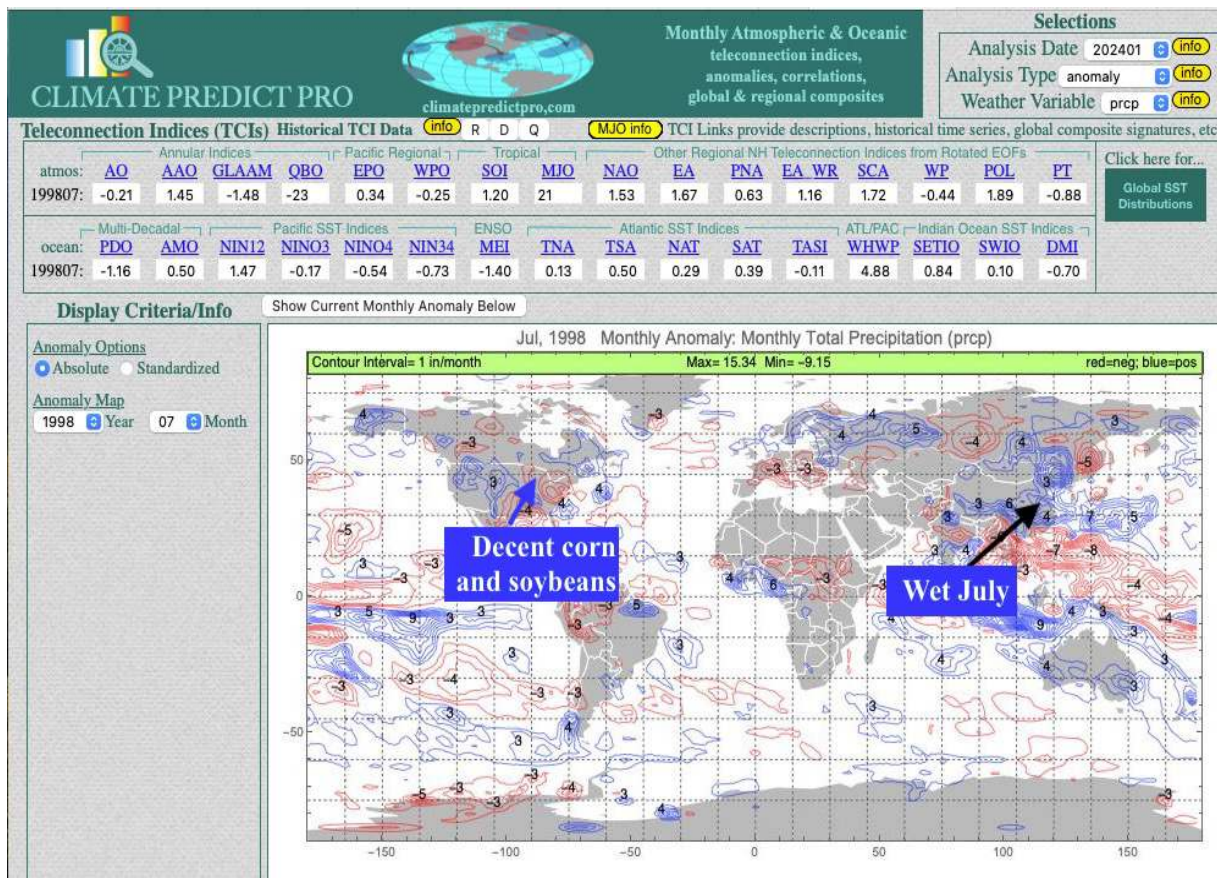




# Favorite weakening El Nino analogs : 1998 & 2016- July rainfall trends



Summer bear market in grains



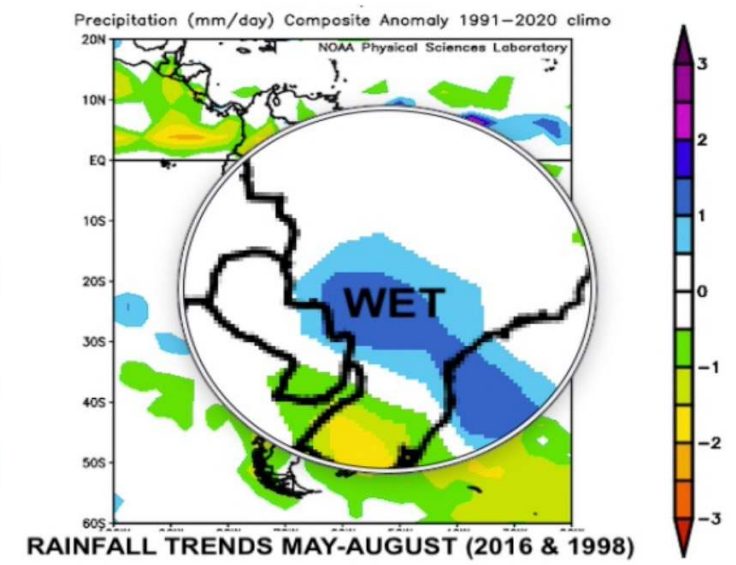
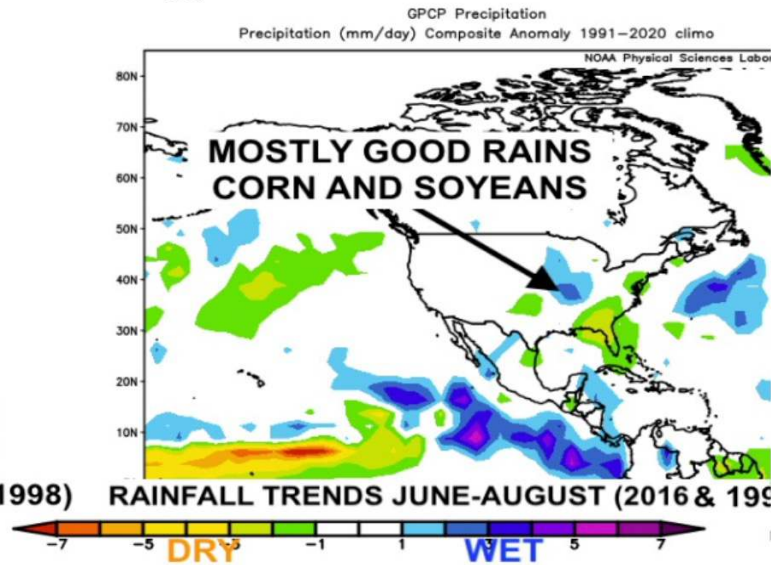
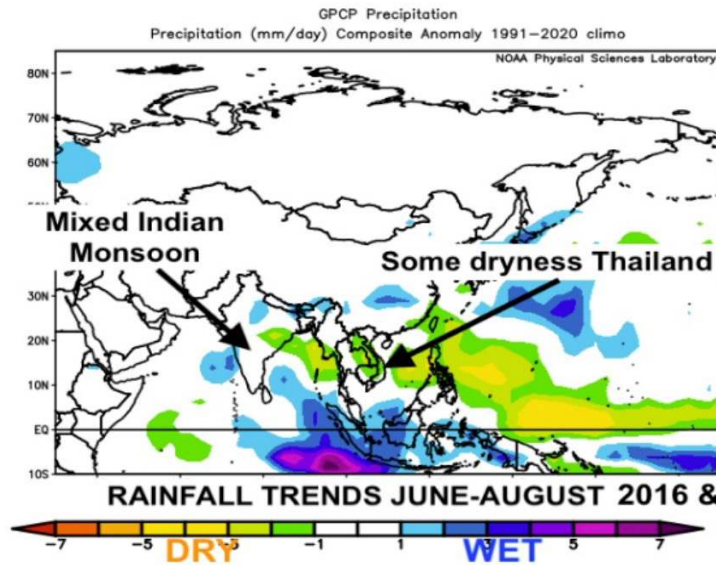
Too dry Vietnam Robusta coffee

Good China crops, but potential flooding may affect either cotton, corn or sugar in some areas.



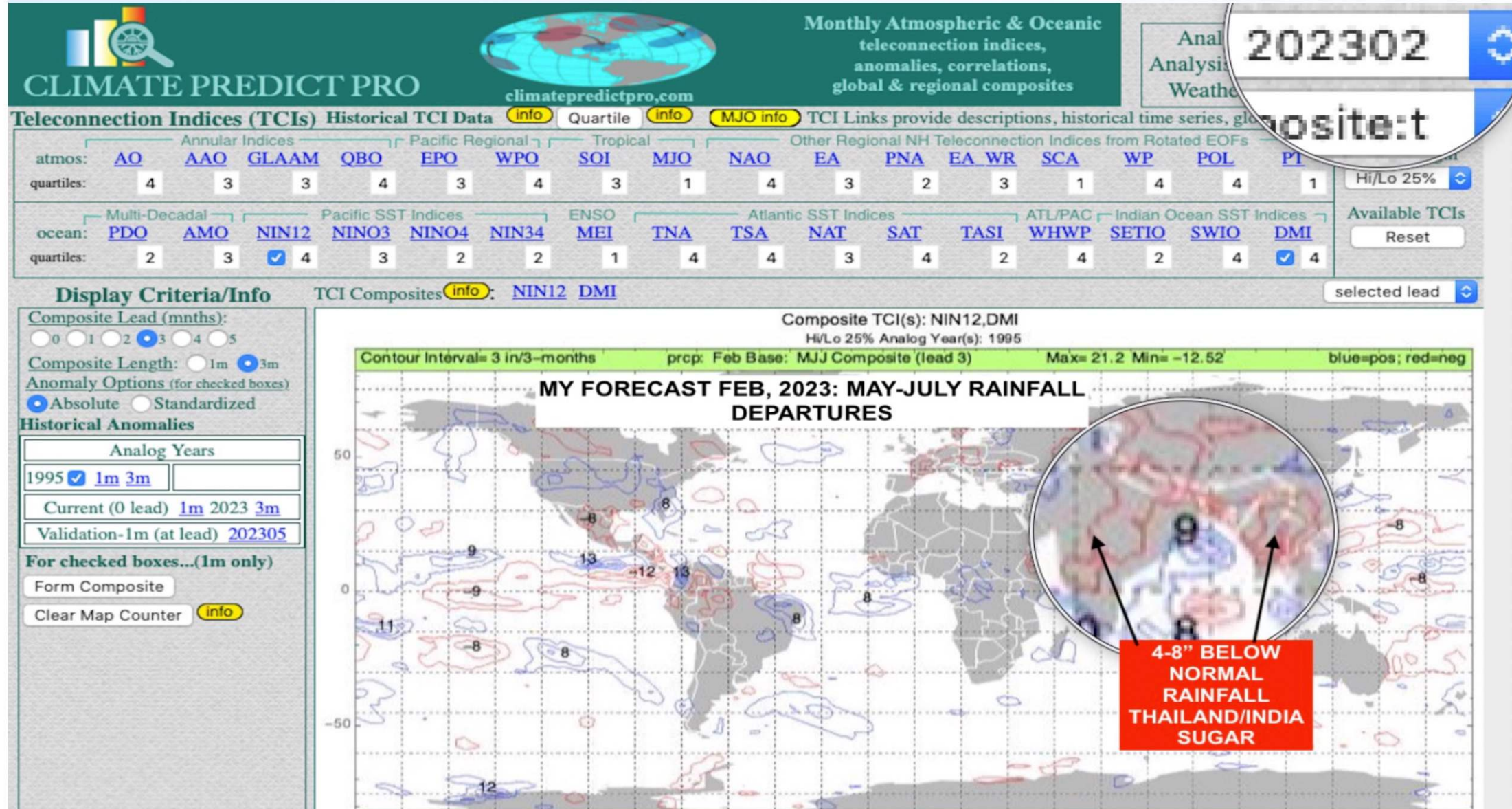


# Two Possible Analog Years for 2024: 1998 or 2016



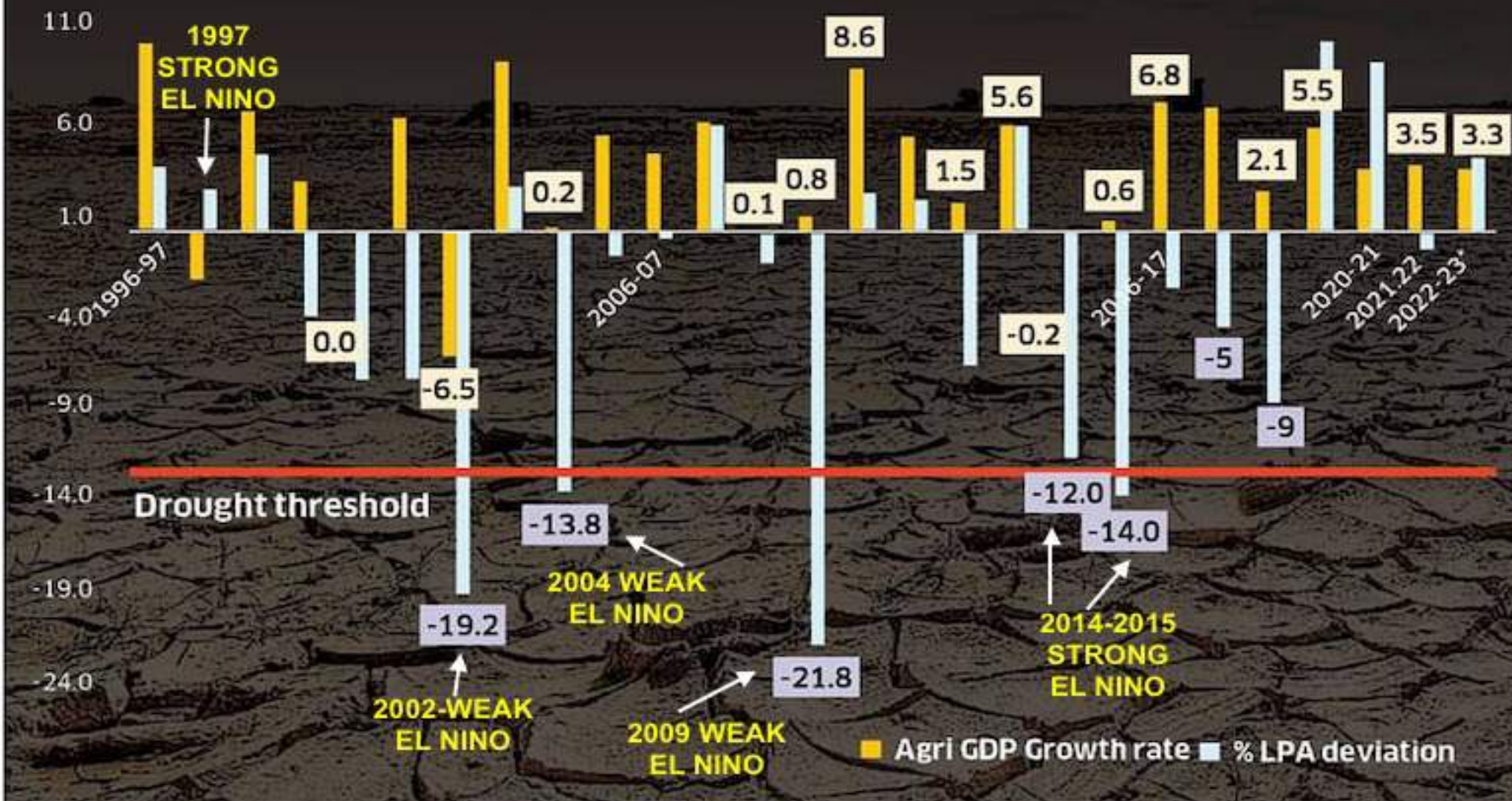


# How we predicted the recent bull market in sugar





# Trends in agri-GDP and Monsoon deviation (%)





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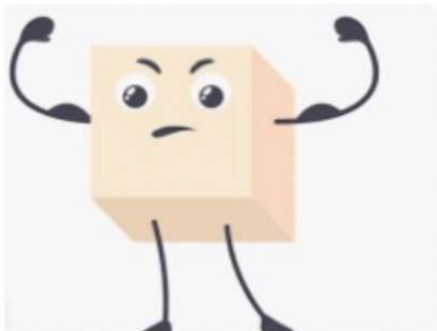
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