

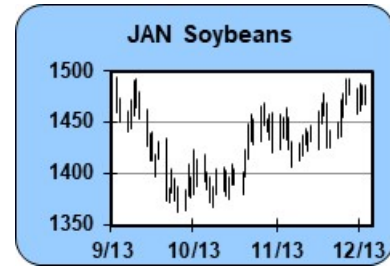


DAILY SOY COMPLEX COMMENTARY
12/16/2022

Corrective breaks look like buying opportunities

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):
SOY BEANS -0.0, BEAN OIL -0.0, SOYMEAL +0.2

OVERNIGHT DEVELOPMENTS: March soybeans are down 2 1/2 cents this morning. Soybean open interest as of December 15 was down 747 contracts, soymeal up 5,506 contracts, and soybean oil down 1,004. Chinese Dalian (MAR 23) Soybeans down 0.76%, Soymeal up 1.05%, Soyoil down 1.53%. Malaysian Palm was up 0.31%. Global equity markets overnight were mostly lower with exceptions seen in Shanghai and Hong Kong. Critical economic news released overnight included will softer than expected New Zealand business PMI readings for November, weaker than expected Australian S&P global composite, manufacturing, and services PMI readings for December, not as weak as expected GfK GBP consumer confidence, better than expected Japanese Jibun bank manufacturing and services PMI readings, significantly weaker than expected GBP retail sales, weaker than expected French S&P global composite and services PMI readings, better-than-expected French S&P global manufacturing PMI, positive German and euro zone S&P global composite, manufacturing, and global services PMI readings for December, a hotter than expected Italian consumer price index reading (EU normalize) and as expected Italian consumer price index readings for November with a gain of 0.5%. The North American session will start out with the November Canadian new housing price index which is forecast to have a moderate downtick from October's 5.1% year-over-year rate. A "flash" reading on US manufacturing PMI is expected to have a modest uptick from the previous 47.7 reading. For the month to date wheat prices are down 38 1/4 in SRW, down 41 1/4 in HRW, down 26 3/4 in HRS; Corn is down 15 1/2; Soybeans down 6; Soymeal up \$36.60; Soyoil down 8.23. Year-To-Date nearby futures are down -2% in SRW, up 7% in HRW, down -7% in HRS; Corn is up 10%; Soybeans up 10%; Soymeal up 10%; Soyoil up 12%.



NEAR-TERM MARKET FUNDAMENTALS: March soybeans closed moderately lower on the session yesterday as fears of a slowing global economy plus a sharp break in the US stock market and strength in the US dollar combined to spark selling. The lower close came in spite of very strong export sales news and strength in the other grains. Outside market forces carried a bearish tilt, and the lower close for meal suggest the market needs more time to correct the overbought condition. November NOPA crush came in at 179.184 million bushels which was well below trade expectations for 181.473 million bushels and even under the range (180.000-183.115). Oil yield of 11.63 was well below last month's 11.92. The 11.92 yield was a very high and the trade wondered if it signaled a "norm" for the year. Future reports will tell if November or October was the outlier. Oil stocks of 1.630 billion pounds were up 102 million from October and above expectations for 1.619 billion pounds. Brazil's forecast continues to look favorable with light rains and normal to below normal temperatures over the next week. However, far southern regions look to receive less precipitation over the coming week and are a behind so far in December.

Far southern Brazil can track more closely with Argentina's weather and will be watched for additional signs of stress. This lack of rains in southern Brazil extends north and west into eastern Paraguay which is also experiencing weather stress. Refinitiv Commodities Research revised their Paraguay soybean estimate down slightly to 9.3 million tonnes citing extended dryness in the forecasts. Argentina's weather forecast continues to show little to no rain for the next week. Temperatures are forecast to move from below to above normal into early next week. Extended forecasts show temperatures dropping and chances to rains mid-next week, however. On top of Argentina concerns, demand for US soybeans has been impressive recently. In fact, this week's export sales came in at the highest since November 10 and the second highest for the crop season. The weekly export

sales report showed that for the week ending December 8, net soybean sales came in at 2,943,405 tonnes from trade expectations for 1.5-2.0 million tonnes. Cumulative soybean sales have reached 75.1% of the USDA forecast for the 2022/2023 marketing year versus a 5 year average of 68.6%.

Net meal sales came in at 209,648 tonnes. Cumulative meal sales have reached 44.6% of the USDA forecast for the 2022/2023 marketing year versus a 5 year average of 44.8%. Net oil sales came in at -244 tonnes (cancelations). Cumulative oil sales have reached 5.2% of the USDA forecast for the 2022/2023 marketing year versus a 5 year average of 35.7%. Soymeal technical action is bullish, but the market is in the process of correcting the overbought condition. March meal posted a new contract high on December 9 after trading higher for eight sessions in a row. The market is now in the process of correcting the extreme overbought condition as stochastic measures hit 91.6 and 95.6 at the highs. Indonesia (world's biggest palm oil producer) will use 13.15 million kiloliters of palm-based biodiesel for blending with gasoil, a 19% increase from this year. Indonesia requires biodiesel to contain 35% palm oil from next year, up from the current 30% mix.

TODAY'S MARKET IDEAS:

Some traders see better weather eventually for Argentina and a strong start to the Brazil crop as reasons for selling. However, Argentina conditions are a long way from good yield potential. Support for March Soybeans is at 1465 and 1455, with 1508 and 1545 as resistance. Support for March Soybean oil is at 61.91, with 64.23 and 65.87 as resistance. Short-term resistance for March meal is at 457.80 and 460.60, with 443.40 and 435.30 as support. It seems likely that a break to support would be enough to correct the overbought condition. Look for a resumption of the uptrend soon with 478.40 and 482.30 as next upside targets.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

SOYBEAN COMPLEX TECHNICAL OUTLOOK:

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SOYBEANS (MAR) 12/16/2022: Daily stochastics have risen into overbought territory which will tend to support reversal action if it occurs. The market's short-term trend is positive on the close above the 9-day moving average. It is a slightly negative indicator that the close was under the swing pivot. The next upside target is 1496. The next area of resistance is around 1485 1/2 and 1496, while 1st support hits today at 1468 and below there at 1461.

SOYBEAN OIL (MAR) 12/16/2022: Rising from oversold levels, daily momentum studies would support higher prices, especially on a close above resistance. The market's close above the 9-day moving average suggests the short-term trend remains positive. The upside closing price reversal on the daily chart is somewhat bullish. The market's close below the pivot swing number is a mildly negative setup. The near-term upside objective is at 64.21. The next area of resistance is around 63.76 and 64.21, while 1st support hits today at 62.20 and below there at 61.10.

SOYMEAL (MAR) 12/16/2022: Daily stochastics turning lower from overbought levels is bearish and will tend to reinforce a downside break especially if near term support is penetrated. The market's close above the 9-day moving average suggests the short-term trend remains positive. The daily closing price reversal down puts the market on the defensive. It is a slightly negative indicator that the close was under the swing pivot. The next downside target is now at 443.3. The next area of resistance is around 458.0 and 464.8, while 1st support hits today at 447.2 and below there at 443.3.

DAILY CORN COMMENTARY

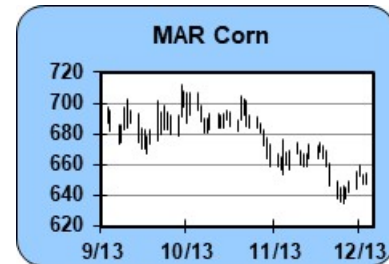
12/16/2022

Outside market forces bearish again today

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):

CORN -0.1

OVERNIGHT DEVELOPMENTS: March Corn is trading 1 cent lower on the session. Corn open interest as of December 15 was down 92 contracts. Chinese Dalian Corn was up 0.68%.



NEAR-TERM MARKET FUNDAMENTALS: March corn closed higher on the session yesterday after choppy and two-sided trade early. Strength in the wheat market and better than expected export sales were seen as positive forces. In addition, private exporters announced the sale of 101,600 tonnes of US corn sold to Mexico. The rally is impressive given the sharp rally in the US dollar with weakness in energy markets, the stock market and metal markets. Brazil's forecast continues to look favorable with light rains and normal to below normal temperatures over the next week. However, far southern regions look to receive less precipitation over the coming week and are a behind so far in December. Far southern Brazil can track more closely with Argentina's weather and will be watched for additional signs of stress.

Argentina's weather forecast continues to show little to no rain for the next week. Temperatures are forecast to move from below to above normal into early next week. Extended forecasts show temperatures dropping and chances to rains mid-next week, however. The weekly export sales report showed that for the week ending December 8, net corn sales came in at 958,920 tonnes from trade expectations for 600,000-900,000 tonnes. Cumulative sales have reached 37.9% of the USDA forecast for the 2022/2023 marketing year versus a 5 year average of 51.3%. Sales need to average 861,000 tonnes per week to reach the USDA forecast.

TODAY'S MARKET IDEAS:

Until there is a shift in the weather in Argentina, the market looks set to attract new buying support on corrections. March corn support is at 650 1/4 and 647 1/2, with 664 1/4 and 673 1/4 as resistance.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

CORN TECHNICAL OUTLOOK:

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CORN (MAR) 12/16/2022: Positive momentum studies in the neutral zone will tend to reinforce higher price action. The market's close above the 9-day moving average suggests the short-term trend remains positive. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The next upside target is 658 3/4. The next area of resistance is around 656 3/4 and 658 3/4, while 1st support hits today at 650 1/4 and below there at 645 3/4.

CORN (MAY) 12/16/2022: Stochastics are at mid-range but trending higher, which should reinforce a move higher if resistance levels are taken out. The close above the 9-day moving average is a positive short-term indicator for trend. It is a mildly bullish indicator that the market closed over the pivot swing number. The near-term upside objective is at 658 3/4. The next area of resistance is around 656 3/4 and 658 3/4, while 1st support hits today at 650 3/4 and below there at 646 3/4.

DAILY WHEAT COMMENTARY

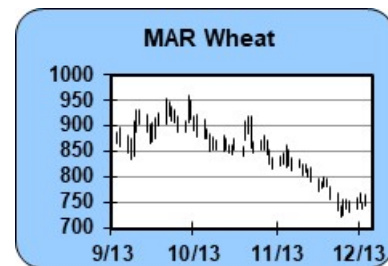
12/16/2022

Oversold and in position to rally but needs a spark

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):

WHEAT +0.3

OVERNIGHT DEVELOPMENTS: March wheat is trading 2 1/2 cents higher this morning. MATIF Milling Wheat was down -0.4%. Chicago wheat open interest as of December 15 was down 1,525 contracts and Minneapolis wheat was up 1,034 contracts.



NEAR-TERM MARKET FUNDAMENTALS: The market managed to hold critical support on the break this week and experienced follow-through buying yesterday. The bounce is especially impressive given the surge higher in the US dollar and weakness in outside market forces. The poor Argentina crop plus better than expected export sales helped to support. Talk of the slow pace of exports from the Black Sea added to the positive tone. Argentina's Rosario Grains Exchange cut its wheat production forecast for the 2022-23 harvest to 11.5 million tonnes, as compared with 22 million tonnes last year.

Weekly export sales came in better than expected as US wheat seems a bit more competitive on the world market. The weekly export sales report showed that for the week ending December 8, net wheat sales came in at 468,962 tonnes from trade expectations for 150,000-350,000 tonnes. Cumulative sales have reached 66.9% of the USDA forecast for the 2022/2023 marketing year versus a 5 year average of 69.8%. Sales need to average 184,000 tonnes per week to reach the USDA forecast.

TODAY'S MARKET IDEAS:

The market managed to hold critical support for March wheat at 741 this week, but it will take a close back over 761 1/2 to help improve the chart pattern. Key resistance is at 776 1/2 and 793.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

WHEAT TECHNICAL OUTLOOK:

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WHEAT (MAR) 12/16/2022: Rising from oversold levels, daily momentum studies would support higher prices, especially on a close above resistance. The close above the 9-day moving average is a positive short-term indicator for trend. Market positioning is positive with the close over the 1st swing resistance. The near-term upside target is at 778 1/2. Daily studies suggest buying dips today. The next area of resistance is around 768 1/4 and 778 1/2, while 1st support hits today at 746 1/4 and below there at 734 3/4.

KC WHEAT (MAR) 12/16/2022: Momentum studies are trending higher from mid-range, which should support a move higher if resistance levels are penetrated. The market's short-term trend is positive on the close above the 9-day moving average. The close over the pivot swing is a somewhat positive setup. The near-term upside target is at 880 1/4. The next area of resistance is around 871 1/4 and 880 1/4, while 1st support hits today at 848 3/4 and below there at 835.

MINN WHEAT (MAR) 12/16/2022: Momentum studies are rising from mid-range, which could accelerate a move higher if resistance levels are penetrated. The market's close above the 9-day moving average suggests the short-term trend remains positive. The market has a slightly positive tilt with the close over the swing pivot. The near-term upside objective is at 933 1/2. The next area of resistance is around 926 and 933 1/2, while 1st support hits today at 911 1/2 and below there at 904 1/2.

RICE (MAR) 12/16/2022: Momentum studies are declining, but have fallen to oversold levels. A negative signal for trend short-term was given on a close under the 9-bar moving average. The close below the 2nd swing support number puts the market on the defensive. The next downside objective is 16.907. The 9-day RSI under 30 indicates the market is approaching oversold levels. The next area of resistance is around 17.037 and 17.116, while 1st support hits today at 16.933 and below there at 16.907.

DAILY TECHNICAL STATISTICS

	CLOSE	9 DAY RSI	14 DAY RSI	14 DAY SLOW STOCH D	14 DAY SLOW STOCH K	4 DAY M AVG	9 DAY M AVG	18 DAY M AVG	45 DAY M AVG	60 DAY M AVG
GRAIN COMPLEX										
CNAH23	653 1/2	48.42	44.84	33.56	40.32	652.88	646.33	655.10	671.70	675.49
CNAK23	653 3/4	48.29	44.54	33.84	40.65	653.06	647.31	655.11	671.53	675.60
SSAH23	1476 3/4	55.54	55.81	74.49	74.77	1477.94	1474.89	1462.44	1441.03	1432.78
SSAK23	1479 3/4	54.21	54.96	73.08	72.07	1481.88	1480.33	1468.79	1447.75	1439.38
SMAH23	452.6	64.47	65.54	82.96	79.04	451.78	452.39	431.08	412.93	409.83
BOAH23	62.98	42.36	41.54	19.53	26.17	62.67	61.57	65.36	67.19	65.97
WHAH23	757 1/4	43.22	40.11	22.35	29.08	753.00	745.56	769.50	823.10	844.61
WHAK23	766	42.14	39.29	21.31	27.55	762.44	755.67	779.93	833.14	853.77
RCAH23	16.985	21.40	28.63	9.43	5.35	17.07	17.13	17.66	17.61	17.62
KWAH23	860	44.44	42.25	25.24	31.68	859.56	848.50	874.76	916.59	930.33
MWAH23	918 3/4	45.29	43.59	27.95	35.12	918.75	909.56	926.01	949.92	956.48
OTAH23	341	32.95	34.10	14.92	18.26	341.13	337.11	360.11	376.31	381.00

Calculations based on previous session. Data collected 12/15/2022

Data sources can & do produce bad ticks. Verify before use.

DAILY SWING STATISTICS

Contract		Support 2	Support 1	Pivot	Resist 1	Resist 2
GRAIN COMPLEX						
CNAH23	Corn	645 3/4	650 1/4	652 1/4	656 3/4	658 3/4
CNAK23	Corn	646 3/4	650 3/4	652 3/4	656 3/4	658 3/4
SSAH23	Soybeans	1461	1468	1478 1/2	1485 1/2	1496
SSAK23	Soybeans	1463 3/4	1471	1481 1/2	1488 1/2	1499 1/4
SMAH23	Soymeal	443.2	447.2	454.0	458.0	464.8
BOAH23	Soybean Oil	61.09	62.20	62.65	63.76	64.21
WHAH23	Wheat	734 1/2	746 1/4	756 1/2	768 1/4	778 1/2
WHAK23	Wheat	744 1/2	755 1/2	765 3/4	776 1/2	787
RCAH23	Rice	16.906	16.932	17.011	17.037	17.116
KWAH23	KC Wheat	835	848 1/2	857 3/4	871 1/2	880 1/2
MWAH23	MINN Wheat	904 1/2	911 1/2	919	926	933 1/2
OTAH23	Oats	335 1/2	338 1/2	340 3/4	343 1/2	346

Calculations based on previous session. Data collected 12/15/2022

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