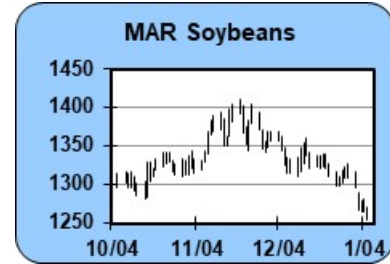




**DAILY SOY COMPLEX COMMENTARY**  
1/8/2024

**Brazil rains, lackluster demand bearish**

**OVERNIGHT CHANGES THROUGH 6:06 AM (CT):**  
**SOY BEANS -0.1, BEAN OIL +0.0, SOYMEAL +0.0**



**OVERNIGHT DEVELOPMENTS:** Soybeans (MAR 24) prices overnight are down -3 3/4; Soymeal (MAR 24) up 0.90; and Soyoil (MAR 24) down -0.25. Soybean open interest as of January 5 was up 2,744 contracts, soymeal up 7,903 contracts, and soybean oil up 6,511. Chinese Dalian (MAY 24) Soybeans down 0.64%, Soymeal down 1.61%, Soyoil up 0.03%, Palm oil up 0.40%. Malaysian Palm was up 0.30%. Global equity markets overnight were lower except for Russian and Japanese markets which traded moderately lower. Critical economic news released overnight included a slightly larger than expected increase in Chinese foreign-exchange reserves for December, weaker than expected German factory orders, much improved German import and export data, a slightly higher-than-expected Swiss CPI, than expected Swiss retail sales, an as expected but contractionary euro zone retail sales in slightly improved but still deep in negative territory euros on consumer and industrial confidence. Over the weekend, there was progress on avoiding a US government shutdown which may provide a mild boost to risk appetites early this week. In addition, the Fed's Logan said that we should not rule out a Fed rate hike given the recent easing of financial conditions. The Asian session will be relatively quiet data wise. The European session will have November readings for the German trade balance, Swiss retail sales and Euro zone retail sales as well as December readings for Swiss CPI and a set of Euro zone sentiment readings. The North American session will start out with the New York Fed's December reading on consumer 1-year inflation expectations which is expected to have a minimal downtick from November's 3.4% year-over-year rate. November US consumer credit is forecast to have a moderate uptick from October's \$5.1 billion reading.

**NEAR-TERM MARKET FUNDAMENTALS:** The bear camp remains in control to start the week as prices extend last week's break. Poor demand and the weak technical picture are likely to keep pressure on the market through the first half of this week. Brazil is expected see more rains through mid to late week before a drier trend moves in. CONAB estimates will be out Thursday morning and the USDA supply/demand report will be released Friday morning. Spain, not China, was the top buyer of US beans last week, which highlights the demand problems. Brazil is expected export 1.3 million tons of beans in January, up from 940,000 tons January of last year. Managed Money increased their soybean net short by 16,396 contracts to a net short of 11,629 contracts as of Tuesday of last week. Weakness in the soybean meal market last week pulled beans lower as well, and with crush rates still at record highs, meal usage and demand need to remain high to avoid excess supplies pushing the market lower. The gap lower a week ago is still a negative technical influence on the market and further downside looks possible. Retracement support is being tested in the March futures at 12.52. However, limited support below that level could send the market quickly down to the 12.00 - 12.10 support area.

The January 2nd Commitments of Traders report showed Soybeans Managed Money traders net sold 16,396 contracts which moved them from a net long to a net short position of 11,629 contracts. CIT traders were net long 125,284 contracts after decreasing their long position by 392 contracts. Non-Commercial No CIT traders were net short 35,654 contracts after increasing their already short position by 11,801 contracts. Non-Commercial & Non-Reportable traders added 18,774 contracts to their already short position and are now net short 31,846.

The January 2nd Commitments of Traders report showed Soyoil Managed Money traders are net short 50,554 contracts after net selling 901 contracts. CIT traders were net long 111,610 contracts after increasing their already

long position by 801 contracts. Non-Commercial No CIT traders were net short 70,707 contracts after decreasing their short position by 341 contracts. Non-Commercial & Non-Reportable traders are net short 31,786 contracts after net selling 1,525 contracts.

The Commitments of Traders report for the week ending January 2nd showed Soymeal Managed Money traders are net long 43,039 contracts after net selling 16,194 contracts. CIT traders are net long 101,216 contracts after net buying 2,289 contracts. Non-Commercial No CIT traders net sold 18,898 contracts which moved them from a net long to a net short position of 3,659 contracts. Non-Commercial & Non-Reportable traders are net long 43,763 contracts after net selling 19,182 contracts.

**TODAY'S MARKET IDEAS:**

Despite the RSI hitting its lowest since May 2023, there is no sign prices are ready to rebound. Brazil rains and slack demand are a bearish combination that could accelerate the break. Friday's USDA supply/demand report may encourage some short covering later this week. If 12.52 on March futures gives way, watch out for a quick flush lower.

Resistance remains at last week's gap lower at 12.96 3/4.

**NEW RECOMMENDATIONS:**

None.

**PREVIOUS RECOMMENDATIONS:**

None.

Commitment of Traders - Futures and Options - 12/26/2023 - 1/2/2024						
	Non-Commercial		Commercial Net Position	Commercial Weekly Net Change	Non-Reportable	
	Net Position	Weekly Net Change			Net Position	Weekly Net Change
<b>Grains</b>						
Soybeans	-17,237	-12,608	31,845	+18,773	-14,609	-6,166
Soymeal	31,116	-16,494	-43,763	+19,182	12,647	-2,688
Soyoil	-34,891	+1,117	31,786	+1,525	3,105	-2,642

**SOYBEAN COMPLEX TECHNICAL OUTLOOK:**

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SOYBEANS (MAR) 01/08/2024: Daily stochastics declining into oversold territory suggest the selling may be drying up soon. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The swing indicator gave a moderately negative reading with the close below the 1st support number. The next downside objective is now at 1243 1/4. Some caution in pressing the downside is warranted with the RSI under 30. The next area of resistance is around 1264 1/2 and 1276 1/4, while 1st support hits today at 1248 and below there at 1243 1/4.

SOYBEAN OIL (MAR) 01/08/2024: A crossover down in the daily stochastics is a bearish signal. 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 market's close below the 1st swing support number suggests a moderately negative setup for today. The next downside objective is now at 46.83. The next area of resistance is around 48.12 and 48.80, while 1st support hits today at 47.14 and below there at 46.83.

SOYMEAL (MAR) 01/08/2024: Momentum studies are still bearish but are now at oversold levels and will tend to support reversal action if it occurs. A negative signal for trend short-term was given on a close under the 9-bar moving average. The defensive setup, with the close under the 2nd swing support, could cause some early weakness. The next downside objective is now at 364.0. With a reading under 30, the 9-day RSI is approaching oversold levels. The next area of resistance is around 372.9 and 378.1, while 1st support hits today at 365.9 and below there at 364.0.

## DAILY CORN COMMENTARY

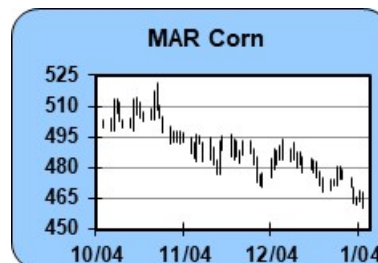
1/8/2024

### Fundamentals suggest adequate supplies

#### OVERNIGHT CHANGES THROUGH 6:06 AM (CT):

CORN -0.1

**OVERNIGHT DEVELOPMENTS:** Corn (MAR 24) prices overnight are down -1/4. Corn open interest as of January 5 was up 18,623 contracts. Chinese Dalian (MAY 24) Corn was down 0.50%.



**NEAR-TERM MARKET FUNDAMENTALS:** Prices have started this week with the same lackluster action that was the feature last week as prices drift sideways/lower. The continued rise in open interest, up another 18,263 contracts on Friday, is a sign speculators are willing to add new shorts at these levels. Brazil rains are expected to be active for the first half of this week and trend drier beyond that. Demand has been lackluster, funds continue to add to their net short position, which is nearing 200,000 contracts, and a US supply and demand balance sheet that simply does not offer much in the way of tight supplies are all tough headwinds to overcome. The National Agriculture Statistics Service, or NASS, announced they will do a data cleanup on January 9 for the years 2018 to 2022. Major data changes are not expected, but they will refine some of the balance sheet numbers of the last five years. Slow demand and a supply/demand report coming Friday that is not expected to offer any bullish surprises is likely to keep the pressure on the market to start the week. Following that, a short covering bounce before the report Friday is expected.

Corn positioning in the Commitments of Traders for the week ending January 2nd showed Managed Money traders net sold 19,700 contracts and are now net short 197,326 contracts. CIT traders are net long 217,968 contracts after net buying 6,729 contracts. Non-Commercial No CIT traders were net short 204,315 contracts after increasing their already short position by 20,417 contracts. Non-Commercial & non-reportable traders are net short 198,395 contracts after net selling 30,324 contracts.

#### TODAY'S MARKET IDEAS:

The recent large increase in open interest on lower prices is an indication new shorts are willing to add at these levels. Demand remains sluggish and fresh bull news is absent. Sideways/lower action to start the week is expected. Some short covering may be a feature later in the week before Friday morning's USDA report. March corn resistance is 4.87 and next support is 4.55.

#### NEW RECOMMENDATIONS:

None.

#### PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 12/26/2023 - 1/2/2024						
Grains	Non-Commercial		Net Position	Commercial		Non-Reportable
	Net Position	Weekly Net Change		Weekly Net Change	Net Position	
Corn	-163,867	-21,138	198,396	+30,325	-34,528	-9,186

#### CORN TECHNICAL OUTLOOK:

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**CORN (MAR) 01/08/2024:** Daily stochastics declining into oversold territory suggest the selling may be drying up soon. A negative signal for trend short-term was given on a close under the 9-bar moving average. The market is in a bearish position with the close below the 2nd swing support number. The next downside target is 454 3/4. The next area of resistance is around 464 1/2 and 470, while 1st support hits today at 457 and below there at 454 3/4.

**CORN (JUL) 01/08/2024:** Daily stochastics declining into oversold territory suggest the selling may be drying up soon. The market's short-term trend is negative as the close remains below the 9-day moving average. The defensive setup, with the close under the 2nd swing support, could cause some early weakness. The next downside target is 477 1/2. The 9-day RSI under 30 indicates the market is approaching oversold levels. The next area of resistance is around 487 1/2 and 492 1/2, while 1st support hits today at 480 and below there at 477 1/2.

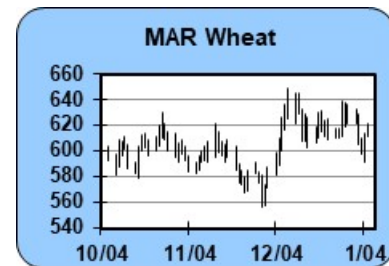
## DAILY WHEAT COMMENTARY

1/8/2024

### Test of support to start the week

**OVERNIGHT CHANGES THROUGH 6:06 AM (CT):**  
**WHEAT -1.05**

**OVERNIGHT DEVELOPMENTS:** Chicago wheat (MAR 24) prices overnight are down -9 1/4; Kansas City (MAR 24) down -5 1/2; and Minneapolis (MAR 24) down -2 1/2. MATIF Milling Wheat(MAR 24) was down -0.7%. Chicago wheat open interest as of January 5 was down 1,891 contracts and Minneapolis wheat was up 263 contracts.



**NEAR-TERM MARKET FUNDAMENTALS:** Beneficial rains falling in the southern Plains HRW belt are pressuring prices to start the week. The bull camp will be tested today after the outside reversal up on Thursday of last week turned the technical picture higher in the short-term. If last week's reversal is significant, buyers should step up as the market pulls back toward 6.00. There were a few rumors around late last week that China was once again looking for US wheat offers, but there has been no confirmation. Good moisture was seen in the Texas and Oklahoma Panhandles, along with western Oklahoma over the weekend and more is falling today. Cool temperatures are set to move into the US central and northern Plains in the 6-to-10-day timeframe, and winterkill may be possible in the Northwest 10% of the HRW belt. The rest of the belt should see snow to insulate the crop, which will also be the case in the Black Sea areas that are expected to see below normal temperatures. Chinese global shipping giant, Cosco, says they will no longer deliver goods to Israel due to the attacks in the Red Sea. In addition, Global shipper, Maersk, says their cargo ships will be avoiding the Red Sea for the foreseeable future which will add to costs and can add up to 10 days to the length of the journey. German farmers are protesting this week and blocking roads due to the government's decision to phase out some agriculture subsidies. After the reversal higher late last week, which improved the technical picture, prices should find support on March futures near 6.00.

The January 2nd Commitments of Traders report showed Wheat Managed Money traders were net short 60,277 contracts after increasing their already short position by 718 contracts. CIT traders reduced their net long position by 834 contracts to a net long 84,551 contracts. Non-Commercial No CIT traders were net short 64,914 contracts after increasing their already short position by 454 contracts. Non-Commercial & non-reportable traders net sold 986 contracts and are now net short 44,538 contracts.

KC Wheat positioning in the Commitments of Traders for the week ending January 2nd showed Managed Money traders added 3,406 contracts to their already short position and are now net short 34,496. CIT traders added 5,126 contracts to their already long position and are now net long 51,715. Non-Commercial No CIT traders net sold 5,340 contracts and are now net short 39,795 contracts. Non-Commercial & non-reportable traders net sold 4,841 contracts and are now net short 25,217 contracts.



CNAH24	460 3/4	30.38	34.71	18.11	13.10	464.06	470.17	474.00	481.18	486.48
CNAN24	483 3/4	27.80	33.60	17.06	11.73	487.13	492.61	496.26	501.70	505.25
SSAH24	1256 1/4	23.44	29.88	12.06	6.87	1268.56	1292.22	1310.88	1340.37	1335.88
SSAN24	1269 3/4	21.40	27.88	10.44	6.05	1282.56	1306.42	1327.04	1357.38	1353.53
SMAH24	369.4	22.58	28.65	14.46	8.26	376.38	384.78	390.23	407.81	405.22
BOAH24	47.63	31.35	36.20	23.16	21.01	48.17	48.34	49.33	50.21	50.65
WHAH24	616	50.06	50.82	42.34	41.98	609.13	619.06	617.72	605.77	605.10
WHAN24	635	50.26	50.56	43.12	42.39	628.81	637.33	635.29	629.09	630.56
RCAH24	17.625	53.75	54.15	52.28	41.08	17.57	17.56	17.50	17.26	17.08
KWAH24	628 3/4	45.78	46.22	32.10	34.58	626.06	632.31	634.00	639.59	647.45
MWAH24	712	42.67	44.02	33.13	30.25	711.69	717.89	719.21	727.83	732.47
OTAH24	353	36.43	40.55	58.81	44.78	365.38	370.61	368.69	372.48	380.97

Calculations based on previous session. Data collected 01/05/2024

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

## DAILY SWING STATISTICS

Contract		Support 2	Support 1	Pivot	Resist 1	Resist 2
<b>GRAIN COMPLEX</b>						
CNAH24	Corn	454 1/2	457	462 1/4	464 1/2	470
CNAN24	Corn	477 1/2	480	485	487 1/2	492 1/2
SSAH24	Soybeans	1243 1/4	1248	1259 3/4	1264 1/2	1276 1/4
SSAN24	Soybeans	1256 1/4	1261	1273 1/2	1278 1/2	1290 3/4
SMAH24	Soymeal	363.9	365.8	371.0	372.9	378.1
BOAH24	Soybean Oil	46.82	47.13	47.81	48.12	48.80
WHAH24	Wheat	606 1/4	611	616 1/4	621	626 1/4
WHAN24	Wheat	626 1/2	630 3/4	635	639 1/4	643 1/2
RCAH24	Rice	17.146	17.422	17.551	17.827	17.956
KWAH24	KC Wheat	616 3/4	622 1/2	629 1/4	635	641 3/4
MWAH24	MINN Wheat	700	705 1/2	713 1/4	718 1/2	726 1/2
OTAH24	Oats	340	345	356 1/4	361	372 1/2

Calculations based on previous session. Data collected 01/05/2024

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