



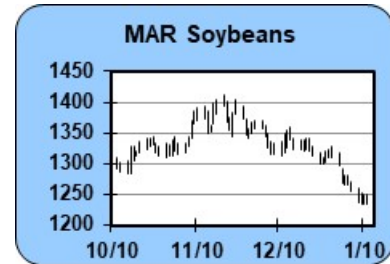
DAILY GRAINS COMMENTARY Friday January 12, 2024

DAILY SOY COMPLEX COMMENTARY 1/12/2024

The bear trend remains intact

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

OVERNIGHT DEVELOPMENTS: Soybeans (MAR 24) prices overnight are up 6 1/2; Soymeal (MAR 24) up 0.40; and Soyoil (MAR 24) up 0.74. Soybean open interest as of January 11 was down 3,012 contracts, soymeal up 4,825 contracts, and soybean oil up 4,898. Chinese Dalian (MAY 24) Soybeans down 0.10%, Soymeal down 0.86%, Soyoil down 0.48%, Palm oil up 0.61%. Malaysian Palm was up 1.63%. Global equity markets overnight were mostly lower with markets in China posting losses of roughly 0.3% and Australia posting a small fractional loss. Critical economic news released overnight included a stronger-than-expected Japanese bank lending reading for December, a slight softening of investment lending for homes in Australia for the month of November, a better-than-expected Australian home loans reading for November, softer than expected Chinese consumer price index readings for December, a softer than expected Chinese producer price index reading for December, an increase in Chinese exports in December over year ago levels, a favorable Japanese Eco Watchers Survey of current views, a disappointing Japanese Eco Watchers Outlook survey, a stronger than expected GBP manufacturing production reading for November, as expected GBP industrial production reading for November, slightly better-than-expected GBP Gross Domestic Product for November, a much stronger-than-expected French consumer spending, an unchanged and as expected French consumer price index reading, unchanged and as expected Spanish consumer price index readings for December, and a very disappointing Chinese new loans for the month of December reading which came in significantly below expectations but above the November tally. The North American session will start out with the December US producer price index which is forecast to have a mild uptick from November's 0.9% year-over-year rate. The December US core producer price index (excluding food and energy) is expected to have a minimal downtick from November's 2.4% year-over-year rate. Minneapolis Fed President Kashkari will speak during morning US trading hours. The first big day of quarterly earnings results this year will include updates from UnitedHealth Group, J.P. Morgan Chase, Bank of America, Wells Fargo, BlackRock, and Citigroup before the Wall Street opening.



NEAR-TERM MARKET FUNDAMENTALS: Another significant cut to the Brazilian crop by a private estimate and some minor short covering before today's report may lift prices this morning. Patria Consultancy cut their Brazil bean crop estimate to 143.18 million tonnes, down from their previous forecast of 150.7 million and said the rains came too little too late for a good portion of the crop. This is one of the lower private estimates we have seen. The USDA is at 161 million tonnes but is expected to cut that number today. Chinas December bean imports were 9.82 million tons compared to 7.92 in November and year-to-date imports from all origins are up 11.4%. The China Ag Ministry cut their domestic bean production for 2023/24 to 20.84 million tons, slightly down from 20.89 million in their previous forecast. This week's consolidation and oversold technical condition suggests a bounce is due, however, today's USDA report will be the price driver. While ending stocks are expected to be nearly unchanged from last month, quarterly stocks have the potential to lean bullish after census export data indicated stronger bean exports than expected last quarter. Nonetheless, recent US demand trends may give USDA a reason to cut US soybean exports in the report. Other balance sheet changes should be minimal. Close-in resistance is 12.50 and then 12.68. Close in support remains at 12.34 with longer term support at 12.10. In less the report numbers are significant bullish surprise, we expect to see selling on any report bounce today.

Today's January USDA supply/demand pre-report average estimate for 2023/24 US bean ending stocks is 243 million bushels with an estimate range of 215-314 million. Average yield is expected to be unchanged from the

December report at 49.9 BPA. World ending stocks for 2023/24 are estimated at 111.58 with the range of 107.20-114.00. Brazil bean production is estimated at 156.26 million tons and Argentina 48.87. US December 1 quarterly stocks for beans are estimated at 2.975 billion bushels with an estimate range of 2.935-3.019.

The Export Sales Report showed that for the week ending January 4, net soybean sales came in at 280,398 tonnes for the current marketing year and none for the next marketing year. Cumulative soybean sales have reached 77.1% of the USDA forecast for the 2023/2024 marketing year versus a 5-year average of 73.8%. Sales need to average 319,000 tonnes per week to reach the USDA forecast.

Net meal sales came in at 65,354 tonnes for the current marketing year and 769 for the next marketing year for a total of 66,123. Cumulative meal sales have reached 52.0% of the USDA forecast for the 2023/2024 marketing year versus a 5 year average of 49.5%. Sales need to average 173,000 tonnes per week to reach the USDA forecast.

Net oil sales came in at -1,503 tonnes (cancelations) for the current marketing year and none for the next marketing year. Cumulative oil sales have reached 20.0% of the USDA forecast for the 2023/2024 marketing year versus a 5 year average of 43.7%. Sales need to average 3,300 tonnes per week to reach the USDA forecast.

TODAY'S MARKET IDEAS:

An aggressive cut to the Brazil crop by one of the private analysts sparked some short covering, however, prices will need to see a bullish USDA report today to avoid a 4th weekly loss in a row. Resistance is 12.65 and longer-term resistance remains at last week's gap at 12.96 3/4. Unless we see surprisingly bullish numbers in Friday's report, longer term support at 12.10 may yet be tested.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

SOYBEAN COMPLEX TECHNICAL OUTLOOK:

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SOYBEANS (MAR) 01/12/2024: Daily stochastics are trending lower but have declined into oversold territory. The market's short-term trend is negative as the close remains below the 9-day moving average. The market's close below the pivot swing number is a mildly negative setup. The next downside target is now at 1223 3/4. With a reading under 30, the 9-day RSI is approaching oversold levels. The next area of resistance is around 1244 1/4 and 1254 3/4, while 1st support hits today at 1228 3/4 and below there at 1223 3/4.

SOYBEAN OIL (MAR) 01/12/2024: Stochastics are at mid-range but trending higher, which should reinforce a move higher if resistance levels are taken out. The market's close above the 9-day moving average suggests the short-term trend remains positive. With the close over the 1st swing resistance number, the market is in a moderately positive position. The near-term upside target is at 49.48. The next area of resistance is around 49.14 and 49.48, while 1st support hits today at 48.30 and below there at 47.79.

SOYMEAL (MAR) 01/12/2024: 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 outside day down and close below the previous day's low is a negative signal. It is a slightly negative indicator that the close was under the swing pivot. The next downside objective is now at 356.5. With a reading under 20, the 9-day RSI indicates the market is extremely oversold. The next area of resistance is around 365.8 and 371.0, while 1st support hits today at 358.6 and below there at 356.5.

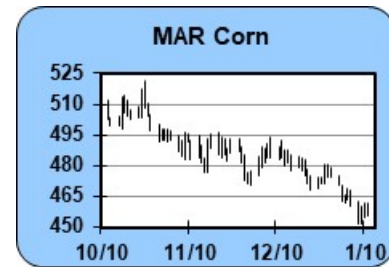
DAILY CORN COMMENTARY

1/12/2024

Volatility expected to ramp up today

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):
CORN +0.1

OVERNIGHT DEVELOPMENTS: Corn (MAR 24) prices overnight are up 1/4. Corn open interest as of January 11 was up 19,898 contracts. Chinese Dalian (MAY 24) Corn was up 0.08%.



NEAR-TERM MARKET FUNDAMENTALS: Ideas of adequate supplies heading into today's USDA supply and demand report have kept the market very quiet this week, although the report will certainly add some volatility today. The recent sideways to lower trend remains intact until the market can at least take out 4.69 on March futures. Brazil consultancy Patria, lowered their Brazil corn crop estimate to 110.29 million tons from 112.51 million previously. The Buenos Aires Grain Exchange says Argentine planting is 85% complete and an upcoming 5-day stretch of dry weather will allow for a final planting push. Open interest has steadily risen over the last 1 1/2 months, up another 19,000 contracts yesterday, as speculators have pressed the market lower. It is somewhat surprising they have not pared down their shorts in any significant way before today's report as is typically the case. The US and the UK struck Houthi targets in Yemen overnight, which risks escalating the Mideast conflict. Volatility will certainly ramp up today once the report is released and close in resistance is 4.69 and then 4.81.

Today's USDA January supply/demand report average estimate for US 2023/24 ending stocks is 2.105 billion bushels with the range of 1.977 - 2.221 billion. Yield is expected to be unchanged from the December report at 174.9 BPA. World ending stocks are expected at 313.03 with the range of 308.00 - 318.00. Argentine corn production is expected at 54.78 million tons and Brazil 125.33 million. December 1 quarterly stocks average guess is 12.0512 billion bushels with the range of 11.826 - 12.250 billion.

The Export Sales Report showed that for the week ending January 4, net corn sales came in at 487,609 tonnes for the current marketing year and none for the next marketing year. Cumulative sales have reached 56.8% of the USDA forecast for the 2023/2024 marketing year versus a 5-year average of 56.5%. Sales need to average 673,000 tonnes per week to reach the USDA forecast.

TODAY'S MARKET IDEAS:

Today's report is expected to add a measure of volatility after quiet action over the past several days. This week's sideways action has relieved some of the oversold technical condition, although the trend remains down. Initial resistance is 4.69 and then 4.81 on March futures. Close-in support is at 4.50.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

CORN TECHNICAL OUTLOOK:

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CORN (MAR) 01/12/2024: Rising from oversold levels, daily momentum studies would support higher prices, especially on a close above resistance. A negative signal for trend short-term was given on a close under the 9-bar moving average. The market's close below the pivot swing number is a mildly negative setup. The near-term

upside objective is at 463 3/4. The next area of resistance is around 460 1/2 and 463 3/4, while 1st support hits today at 455 and below there at 452 1/2.

CORN (JUL) 01/12/2024: Rising from oversold levels, daily momentum studies would support higher prices, especially on a close above resistance. The market's short-term trend is negative as the close remains below the 9-day moving average. It is a slightly negative indicator that the close was under the swing pivot. The near-term upside target is at 485 1/4. The market is approaching oversold levels on an RSI reading under 30. The next area of resistance is around 482 and 485 1/4, while 1st support hits today at 476 and below there at 473 1/2.

DAILY WHEAT COMMENTARY

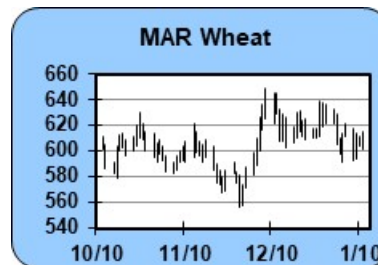
1/12/2024

Mideast conflict escalation supportive

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):

WHEAT +0.5

OVERNIGHT DEVELOPMENTS: Chicago wheat (MAR 24) prices overnight are up 5; Kansas City (MAR 24) up 2 1/4; and Minneapolis (MAR 24) up 3. MATIF Milling Wheat(MAR 24) was up 0.2%. Chicago wheat open interest as of January 11 was up 4,446 contracts and Minneapolis wheat was down 869 contracts.



NEAR-TERM MARKET FUNDAMENTALS: An expansion of the Middle East conflict is possible after the UK and the US hit Houthi targets in Yemen in retaliation for the Red Sea shipping attacks, which offers a supportive backdrop before today's USDA report. The report is expected to show wheat seedings down nearly 1 million acres from last year and US ending stocks unchanged. Quarterly stocks are expected slightly higher than last year's January stocks. The Buenos Aries Grain Exchange left their Argentine wheat crop estimate unchanged at 15.1 million tons. This week's range of 5.90-6.30 remains intact on March futures but it is likely we can break out of that range today. With the possible Mideast escalation and extreme low temperatures coming into the US Plains, we see the chances of a breakout to the upside greater than the downside, barring a bearish surprise in the USDA report.

Today's USDA January supply/demand report average guess for US 2023/24 ending stocks is 658 million bushels with the range of 630 - 674. World ending stocks average estimate is 258.09 million tons with an estimate range of 256.00-261.10. US All Winter wheat seeding's are expected at 35.786 million acres with a range of 34.45 - 39.40 million. HRW acres are expected to be at 25.113 million and SRW at 7.077 million. December 1 quarterly stocks average guess is 1.387 billion bushels with a range of 1.272 - 1.466 billion.

The Export Sales Report showed that for the week ending January 4, net wheat sales came in at 128,058 tonnes for the current marketing year and none for the next marketing year. Cumulative sales have reached 78.0% of the USDA forecast for the 2023/2024 marketing year versus a 5 year average of 73.9%. Sales need to average 126,000 tonnes per week to reach the USDA forecast.

TODAY'S MARKET IDEAS:

Possible expansion of the Mideast conflict is an underlying positive before today's USDA report. US ending stocks are expected to be unchanged, but most analysts have all wheat acres down close to a million from last year. If the report happens to get a bullish reaction, a larger bull flag formation is evident on the March Chicago chart, and a trade above 6.32 would confirm a breakout to the upside. Close-in support is 5.91.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

WHEAT TECHNICAL OUTLOOK:

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WHEAT (MAR) 01/12/2024: The close under the 60-day moving average indicates the longer-term trend could be turning down. Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. The close below the 9-day moving average is a negative short-term indicator for trend. The market could take on a defensive posture with the daily closing price reversal down. The market setup is somewhat negative with the close under the 1st swing support. The next downside objective is now at 593 1/2. The next area of resistance is around 610 and 618 3/4, while 1st support hits today at 597 1/2 and below there at 593 1/2.

KC WHEAT (MAR) 01/12/2024: The daily stochastics gave a bearish indicator with a crossover down. Momentum studies are declining, but have fallen to oversold levels. The close below the 9-day moving average is a negative short-term indicator for trend. A negative signal was given by the outside day down. The swing indicator gave a moderately negative reading with the close below the 1st support number. The next downside objective is now at 603. The next area of resistance is around 623 3/4 and 634 1/4, while 1st support hits today at 608 1/4 and below there at 603.

MINN WHEAT (MAR) 01/12/2024: Momentum studies are still bearish but are now at oversold levels and will tend to support reversal action if it occurs. The market's short-term trend is negative as the close remains below the 9-day moving average. The outside day down and close below the previous day's low is a negative signal. The market is in a bearish position with the close below the 2nd swing support number. The next downside target is now at 689 1/4. The next area of resistance is around 706 3/4 and 716 1/2, while 1st support hits today at 693 1/4 and below there at 689 1/4.

RICE (MAR) 01/12/2024: Momentum studies trending lower at mid-range should accelerate a move lower if support levels are taken out. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The market has a slightly positive tilt with the close over the swing pivot. The next downside objective is now at 17.444. The next area of resistance is around 17.562 and 17.613, while 1st support hits today at 17.478 and below there at 17.444.

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										
CNAH24	457 3/4	32.81	35.39	18.48	20.30	457.88	462.11	468.78	478.34	483.20
CNAN24	479	29.08	33.04	17.21	17.98	480.06	484.75	491.13	499.29	502.57
SSAH24	1236 1/2	20.42	26.90	8.27	5.91	1241.75	1259.92	1289.36	1330.39	1331.40
SSAN24	1256	21.65	26.96	8.17	6.67	1259.88	1275.86	1305.31	1347.36	1348.96
SMAH24	362.2	17.89	24.97	8.18	5.10	365.65	372.68	382.84	403.33	404.30
BOAH24	48.72	49.15	45.88	31.19	38.53	48.31	48.23	48.89	50.09	50.34
WHAH24	603 3/4	44.81	46.99	35.19	32.45	605.19	609.47	615.76	606.58	605.45
WHAN24	624 3/4	45.20	46.99	36.37	33.93	626.25	629.56	634.29	628.83	630.10
RCAH24	17.520	50.36	51.61	39.53	35.22	17.53	17.54	17.56	17.38	17.15
KWAH24	616	40.64	42.87	31.88	29.48	620.69	625.44	629.85	636.66	643.55
MWAH24	700	35.84	39.44	21.46	15.01	703.94	709.56	716.08	724.99	729.62
OTAH24	383 1/2	57.96	54.57	58.85	67.01	377.38	372.97	373.97	371.11	379.06

Calculations based on previous session. Data collected 01/11/2024

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						
CNAH24	Corn	452 1/2	455	458 1/4	460 1/2	464
CNAN24	Corn	473 1/2	476	479 1/2	482	485 1/2
SSAH24	Soybeans	1223 3/4	1228 3/4	1239 1/4	1244 1/4	1254 3/4
SSAN24	Soybeans	1244	1249	1258	1263	1272
SMAH24	Soymeal	356.4	358.5	363.7	365.8	371.0
BOAH24	Soybean Oil	47.78	48.29	48.63	49.14	49.48
WHAH24	Wheat	593 1/4	597 1/2	606	610	618 3/4
WHAN24	Wheat	614 3/4	618 1/2	627	631	639 1/4
RCAH24	Rice	17.443	17.477	17.528	17.562	17.613
KWAH24	KC Wheat	603	608	618 3/4	624	634 1/2
MWAH24	MINN Wheat	689 1/4	693	703	707	716 3/4
OTAH24	Oats	367	375	384	392	401

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