



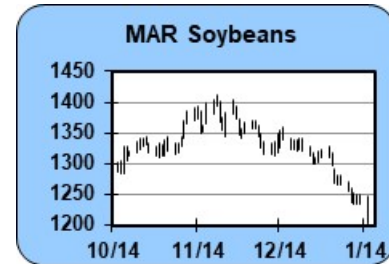
DAILY GRAINS COMMENTARY Tuesday January 16, 2024

DAILY SOY COMPLEX COMMENTARY 1/16/2024

Upside correction expected

**OVERNIGHT CHANGES THROUGH 6:06 AM (CT):
SOY BEANS +0.1, BEAN OIL +0.0, SOYMEAL +0.4**

OVERNIGHT DEVELOPMENTS: Soybeans (MAR 24) prices overnight are up 7 3/4; Soymeal (MAR 24) up 4.70; and Soyoil (MAR 24) up 0.26. Soybean open interest as of January 12 was up 2,588 contracts, soymeal up 17,497 contracts, and soybean oil up 11,028. Chinese Dalian (MAY 24) Soybeans up 0.54%, Soymeal down 0.13%, Soyoil up 0.11%, Palm oil up 0.38%. Malaysian Palm was up 1.62%. Global equity markets overnight were lower except for the two markets in Shanghai which traded fractionally higher. The weakest global market was the Hang Seng with a decline of 1.46%. Critical economic news released overnight included continued contraction in a New Zealand NZIER Business Confidence reading for the fourth quarter, a much weaker than expected Australian Westpac Consumer Confidence reading for January, much hotter than expected Japanese producer price index readings for December, as expected German consumer price index readings, a slight pickup in GBP employment, a slight pickup in GBP claimant count readings, softer than expected GBP average earnings including bonus, as expected Italian CPI, better than expected German and EU ZEW economic sentiment survey readings and a slightly softer than expected German ZEW current situation survey for January. The North America economic report slate today includes Canadian housing starts for December which are expected to jump significantly, a noted contraction is expected in Canadian consumer price index readings for December, a slightly less negative than the previous month US New York Empire State Manufacturing Index reading and a speech from the Fed's Waller at midmorning.



NEAR-TERM MARKET FUNDAMENTALS: USDA reinforced the ideas of adequate US stocks on Friday with an increase in US ending stocks of 35 million bushels from last month and a stocks to use ratio at a 4 year high. Trader participation surged last Friday with March futures having its highest volume day since it began trading back in late 2021. Prices closed well off the lows of the day, and combined with the high volume, a possible capitulation low can't be ruled out. Crop cuts in Brazil continued roll in as a prominent South American crop scout lowered his estimate two million tons to 149 million saying early yields continue to be poor, USDA's number from Friday was 157 million tons. On the contrary, that same crop scout increased Argentine's production two million tons to 52 million, up from USDA's Friday number of 50 million. AgRural says Brazil's harvest is now 2.3% complete but lowered their estimated production to 150.9 million tons. Argentina is expected to dry out for the next couple weeks after recent favorable weather and although southern Brazil will see showers, parts of northern Brazil have turned back dryer again. NOPA crush will be out today with estimates at 193 million bushels crushed, and bean oil stocks at 1.27 billion pounds. Our friends at Crushtraders.com estimate crush at 197.38, well outperforming pre-report estimates. China's bean imports in the 1st quarter are expected to hit a 4-year low at 18.5 million tons, compared to 23.1 last year as their pig herd continues to shrink. Commitment of Traders data showed funds increasing their short position in beans by over 19,000 contracts and heavy long liquidation in meal, as funds shed more than 32,000 net longs. Perhaps prices are finding a measure of support from a Reuters story overnight saying studies suggest herbicide resistance weeds are increasing faster than seed companies can find solutions. Friday's high-volume spike lower and subsequent bounce, especially coming on technically oversold conditions, should be enough to stabilize trade and offer an upside correction. Initial resistance on March futures will be 12.52 and then 12.68.

Soybean positioning in the Commitments of Traders for the week ending January 9th showed Managed Money traders net sold 19,619 contracts and are now net short 31,248 contracts. CIT traders are net long 121,580

contracts after net selling 3,704 contracts. Non-Commercial No CIT traders added 15,082 contracts to their already short position and are now net short 50,736. Non-Commercial & Non-Reportable traders were net short 51,720 contracts after increasing their already short position by 19,874 contracts.

The Commitments of Traders report for the week ending January 9th showed Soymeal Managed Money traders net sold 32,578 contracts and are now net long 10,461 contracts. CIT traders are net long 100,780 contracts after net selling 436 contracts. Non-Commercial No CIT traders are net short 31,173 contracts after net selling 27,514 contracts. Non-Commercial & non-reportable traders were net long 13,940 contracts after decreasing their long position by 29,823 contracts.

The Commitments of Traders report for the week ending January 9th showed Soyoil Managed Money traders reduced their net short position by 3,946 contracts to a net short 46,608 contracts. CIT traders were net long 122,226 contracts after increasing their already long position by 10,616 contracts. Non-Commercial No CIT traders are net short 71,101 contracts after net selling 394 contracts. Non-Commercial & non-reportable traders were net short 30,029 contracts after decreasing their short position by 1,757 contracts.

TODAY'S MARKET IDEAS:

Friday's high-volume spike down to longer term resistance should stabilize the recent downswing and a correction is due as the technical picture was very oversold. Stochastics on March futures has now crossed over and is pointing higher. An initial bounce should find resistance at 12.52 and 12.68. Longer-term resistance remains at last week's gap at 12.96 3/4. For the short-term, speculators can consider buying breaks below 12.20, risking Friday's low.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 1/2/2024 - 1/9/2024						
	Non-Commercial			Commercial		Non-Reportable
	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change
Grains						
Soybeans	-35,675	-18,438	51,719	+19,874	-16,045	-1,436
Soymeal	-822	-31,938	-13,939	+29,824	14,762	+2,115
Soyoil	-32,674	+2,217	30,030	-1,756	2,645	-460

SOYBEAN COMPLEX TECHNICAL OUTLOOK:

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SOYBEANS (MAR) 01/16/2024: The crossover up in the daily stochastics is a bullish signal. The stochastics indicators are rising from oversold levels, which is bullish and should support higher prices. The close below the 9-day moving average is a negative short-term indicator for trend. The close below the 1st swing support could weigh on the market. The near-term upside objective is at 1268 1/4. More downside action may be limited by the RSI under 20 putting the market in extremely oversold territory. The next area of resistance is around 1246 and 1268 1/4, while 1st support hits today at 1202 1/2 and below there at 1181.

SOYBEAN OIL (MAR) 01/16/2024: Momentum studies are rising from mid-range, which could accelerate a move higher if resistance levels are penetrated. The close above the 9-day moving average is a positive short-term indicator for trend. The downside closing price reversal on the daily chart is somewhat negative. The close below the 1st swing support could weigh on the market. The next upside target is 50.41. The next area of resistance is around 49.22 and 50.41, while 1st support hits today at 47.28 and below there at 46.52.

SOYMEAL (MAR) 01/16/2024: The crossover up in the daily stochastics is a bullish signal. The stochastics indicators are rising from oversold levels, which is bullish and should support higher prices. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The market's close below the pivot swing number is a mildly negative setup. The next upside target is 372.0. The 9-day RSI under 20 suggests the market is extremely oversold. The next area of resistance is around 367.8 and 372.0, while 1st support hits today at 356.4 and below there at 349.2.

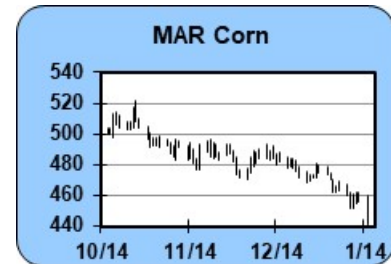
DAILY CORN COMMENTARY

1/16/2024

March futures testing longer term support

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):
CORN -0.3

OVERNIGHT DEVELOPMENTS: Corn (MAR 24) prices overnight are down -2 1/2. Corn open interest as of January 12 was up 42,666 contracts. Chinese Dalian (MAY 24) Corn was up 0.04%.



NEAR-TERM MARKET FUNDAMENTALS: USDA did the corn market no favors on Friday as nearly all the numbers were bearish. A surprising 2.4 bushel increase in yield could not be offset by a decrease in harvested acres. Adding further to the bearish stats, the USDA chose to adopt China's government corn stocks statistics for this report which raised China stocks 13 million tons, in turn raising world carryout by 10 million tons. Food/seed, feed/residual and ethanol numbers were all raised but carryout still grew 31 million bushels from last month's report. A prominent South American crop scout lowered his Brazilian corn estimate 2 million tons to 115 million, USDA's Friday number was 127 million. However, the crop scout also increased Argentine corn production 3 million tons to 56 million, up from USDA's Friday number of 55 million. Reuters is reporting studies suggesting the problem of herbicide tolerant weeds in the northern Plains and Midwest is growing quickly and seed companies must find new solutions to address the issue. Argentina is expected to enter a dryer trend for the next 2 weeks and southern Brazil will see rains while northern Brazil rains are more widely distributed. March corn had its highest volume day Friday since November 8th; however, prices did not bounce significantly off Friday's low and the bear camp remains in charge. We do believe we are entering a longer-term support area below 4.40 which should stabilize the downtrend.

The Commitments of Traders report for the week ending December 5th showed Corn Managed Money traders reduced their net short position by 45,945 contracts to a net short 160,533 contracts. CIT traders reduced their net long position by 479 contracts to a net long 223,377 contracts. Non-Commercial No CIT traders were net short 179,057 contracts after decreasing their short position by 45,444 contracts. Non-Commercial & non-reportable traders net bought 37,578 contracts and are now net short 155,220 contracts.

TODAY'S MARKET IDEAS:

The heavy volume spike down on the bearish USDA report Friday has pushed March futures down into the longer-term support area, which is expected to stabilize this break. Weakness below 4.40 can be considered a longer-term buy zone, but how quickly the market can get a corrective bounce going is still a question mark. Initial resistance stands at 4.69 and then 4.81 on March futures. Close-in support is at 4.37.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 1/2/2024 - 1/9/2024

Non-Commercial

Commercial

Non-Reportable

	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change
Grains						
Corn	-189,481	-25,614	217,736	+19,340	-28,255	+6,273

CORN TECHNICAL OUTLOOK:

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CORN (MAR) 01/16/2024: The daily stochastics have crossed over down which is a bearish indication. Momentum studies are still bearish but are now at oversold levels and will tend to support reversal action if it occurs. The close below the 9-day moving average is a negative short-term indicator for trend. The market is in a bearish position with the close below the 2nd swing support number. The next downside objective is now at 429 3/4. Some caution in pressing the downside is warranted with the RSI under 30. The next area of resistance is around 456 1/2 and 467 3/4, while 1st support hits today at 437 1/2 and below there at 429 3/4.

CORN (JUL) 01/16/2024: A bearish signal was triggered on a crossover down in the daily stochastics. 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 defensive setup, with the close under the 2nd swing support, could cause some early weakness. The next downside objective is 452 3/4. The market is approaching oversold levels on an RSI reading under 30. The next area of resistance is around 476 3/4 and 487, while 1st support hits today at 459 3/4 and below there at 452 3/4.

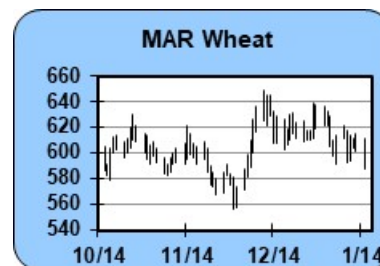
DAILY WHEAT COMMENTARY

1/16/2024

Lower winter wheat acreage supportive

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):
WHEAT +0.08

OVERNIGHT DEVELOPMENTS: Chicago wheat (MAR 24) prices overnight are up 1; Kansas City (MAR 24) up 3 3/4; and Minneapolis (MAR 24) up 1. MATIF Milling Wheat(MAR 24) was up 0.6%. Chicago wheat open interest as of January 12 was up 8,337 contracts and Minneapolis wheat was up 4,598 contracts.



NEAR-TERM MARKET FUNDAMENTALS: Friday saw the largest trading volume in a little over a month and USDA's supply demand report offered mostly neutral to slightly friendly numbers. Feed/residual was raised 24 million bushels resulting in ending stocks dropping a like amount from last month. Quarterly stocks were up 8% from a year ago, with on farm stocks up 9%. However, the surprise came in a larger than expected drop in all wheat acreage, down 6% at 34.425 million acres, and down 1.7 million from last season. A US-owned cargo ship was attacked by the Houthis and the leader of the group said US ships will continue to be a target after the US and the UK struck Houthi targets in Yemen last week. Tunisia is tendering again for 150,000 tons of SRW and 50,000 tons of durum. The Buenos Aries Grain Exchange says Argentine harvest is 94.3% complete. March wheat hit its lowest point since December 1st on Friday and with prices mildly oversold, we expect a short covering rebound is likely to start the week.

TODAY'S MARKET IDEAS:

Despite the high-volume break on Friday, March futures did not close below recent lows which may be a sign the sideways/downward action has stabilized, and a short-term recovery is ready to begin. March futures has close-in resistance at 6.15 and 6.22. A breakout over 6.32 would be the signal to expect a run to longer term moving average resistance at 6.54. Close-in support now stands at 5.87.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 1/2/2024 - 1/9/2024						
	Non-Commercial		Net Position	Commercial		Non-Reportable
	Net Position	Weekly Net Change		Weekly Net Change	Net Position	
Grains						
KC Wheat	-24,191	+236	23,730	-1,488	462	+1,252
Wheat	-38,890	-454	47,103	+2,566	-8,213	-2,111

WHEAT TECHNICAL OUTLOOK:

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WHEAT (MAR) 01/16/2024: 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 1st swing support number suggests a moderately negative setup for today. The next downside objective is 573 1/4. The next area of resistance is around 608 1/4 and 622 1/4, while 1st support hits today at 583 3/4 and below there at 573 1/4.

KC WHEAT (MAR) 01/16/2024: 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 daily closing price reversal up is a positive indicator that could support higher prices. It is a slightly negative indicator that the close was lower than the pivot swing number. The next downside target is now at 601. The next area of resistance is around 625 3/4 and 631 3/4, while 1st support hits today at 610 1/4 and below there at 601.

MINN WHEAT (MAR) 01/16/2024: 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. The market's close below the pivot swing number is a mildly negative setup. The next downside objective is 688. The next area of resistance is around 705 1/4 and 711 1/4, while 1st support hits today at 693 3/4 and below there at 688.

RICE (MAR) 01/16/2024: The daily stochastics gave a bullish indicator with a crossover up. Momentum studies are rising from mid-range, which could accelerate a move higher if resistance levels are penetrated. The market now above the 18-day moving average suggests the intermediate-term trend has turned up. Since the close was above the 2nd swing resistance number, the market's posture is bullish and could see more upside follow-through early in the session. The near-term upside target is at 17.845. The next area of resistance is around 17.775 and 17.845, while 1st support hits today at 17.565 and below there at 17.425.

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	447	23.43	28.72	18.36	18.11	455.88	459.42	466.78	477.53	482.25
CNAN24	468 1/4	20.14	26.20	16.83	16.05	477.63	481.89	489.10	498.53	501.76
SSAH24	1224 1/4	17.45	24.53	8.97	10.37	1236.44	1251.72	1283.40	1327.07	1329.65
SSAN24	1244 1/4	18.55	24.58	9.02	10.72	1255.50	1268.22	1299.43	1344.13	1347.25
SMAH24	362.1	17.82	24.92	9.06	10.81	364.05	370.02	380.92	401.80	403.85
BOAH24	48.25	43.33	42.78	35.20	43.24	48.42	48.24	48.79	50.07	50.25

WHAH24	596	40.82	44.37	32.41	26.86	605.13	605.92	613.92	606.58	605.40
WHAN24	618 1/2	41.55	44.62	33.77	28.58	626.44	626.53	632.86	628.62	629.88
RCAH24	17.670	55.58	54.94	39.68	39.99	17.57	17.56	17.57	17.41	17.17
KWAH24	618	40.21	42.60	29.98	26.19	620.69	622.47	628.32	636.03	642.55
MWAH24	699 1/2	35.47	39.20	19.33	15.06	703.19	706.89	714.35	724.08	728.78
OTAH24	368 3/4	47.12	47.83	58.75	58.56	379.31	371.08	373.60	371.05	378.64

Calculations based on previous session. Data collected 01/12/2024

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	429 3/4	437 1/2	448 3/4	456 1/2	467 3/4
CNAN24	Corn	452 3/4	459 1/2	470	477	487 1/4
SSAH24	Soybeans	1180 3/4	1202 1/2	1224 1/2	1246	1268 1/4
SSAN24	Soybeans	1203	1223 1/2	1244 3/4	1265	1286 1/2
SMAH24	Soymeal	349.2	356.4	360.6	367.8	372.0
BOAH24	Soybean Oil	46.51	47.27	48.46	49.22	50.41
WHAH24	Wheat	573 1/4	583 3/4	597 3/4	608 1/4	622 1/4
WHAN24	Wheat	597 3/4	607 1/2	619 3/4	629 1/2	641 3/4
RCAH24	Rice	17.425	17.565	17.635	17.775	17.845
KWAH24	KC Wheat	601	610 1/4	616 1/2	625 3/4	632
MWAH24	MINN Wheat	687 3/4	693 1/2	699 1/2	705 1/2	711 1/4
OTAH24	Oats	355	360	372 3/4	377 1/2	390 1/2

Calculations based on previous session. Data collected 01/12/2024

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