



DAILY GRAINS COMMENTARY Thursday January 18, 2024

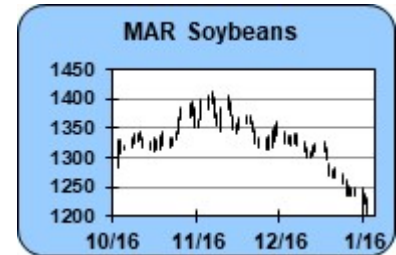
DAILY SOY COMPLEX COMMENTARY

1/18/2024

China approves more GMO varieties

**OVERNIGHT CHANGES THROUGH 6:06 AM (CT):
SOY BEANS +0.1, BEAN OIL +0.0, SOYMEAL +0.2**

OVERNIGHT DEVELOPMENTS: Soybeans (MAR 24) prices overnight are up 8; Soymeal (MAR 24) up 1.00; and Soyoil (MAR 24) up 0.36. Soybean open interest as of January 17 was up 9,925 contracts, soymeal up 2,231 contracts, and soybean oil down 293. Chinese Dalian (MAY 24) Soybeans down 0.93%, Soymeal down 1.92%, Soyoil down 0.56%, Palm oil down 0.24%. Malaysian Palm was up 2.10%. Global equity markets overnight were mostly higher except for the markets in Spain, UK, Australia, and Japan which traded fractionally lower. Apparently, global markets were unfazed by hawkish comments from the ECB suggesting the markets should not expect a rate cut until summer. Critical economic news released overnight included a noted loss of jobs in Australia for December, a much weaker than expected Japanese industrial production reading for November, and softer than expected euro zone construction output readings for November. The North American session will start out with a weekly reading on initial jobless claims which are expected to have a mild increase from the previous 202,000 reading. Ongoing jobless claims are forecast to have a minimal weekly increase from the previous 1.835 million reading. December US housing starts are expected to have a moderate downtick from November's 1.560 million reading, while December US building permits are forecast to have a minimal uptick from November's 1.467 million reading. The January Philly Fed manufacturing survey is expected to have a modest uptick from December's -10.5 reading. Atlanta Fed President Bostic will speak during morning US trading hours. Earnings announcements will include Truist Financial, Fastenal and Northern Trust before the Wall Street opening.



NEAR-TERM MARKET FUNDAMENTALS: Although the recent downtrend remains intact, prices are showing some resilience at the 12.03 support level on March but there has not been any signal of a bottom at this point. Good rains are expected across center-west Brazil next week and although Argentina is expected to stay in a drying trend for the next 10 days, crop stress should remain reasonably low, unless the dryness carries forward into February. Brazil beans are offered below US prices for February and March. Overnight, the China Ag Ministry approved 8 more GMO varieties for planting, expanding their recent push for wider use of GMO seed. Last week the USDA pegged global bean consumption up 5% year-over-year to a new record, despite China's 1st quarter bean imports expected to hit a 4-year low. Meal prices took the worst of the selling yesterday as crush rates should ramp back up after weather slowdowns. The US meal exports commitment is up 16% from a year ago and will need to stay high as production increases as the weather normalizes. In a funny note, Argentine's firebrand new president surprised a room full of globalists at the World Economic Forum in his speech telling them how wrong their policies are and how their socialist agenda is attacking the Western world. He won't have to worry about being invited back next year. Egypt is tendering for global veg oil. ADM says they will look to expand their traceability pilot program after the 1st ships loaded with verified traceable beans from the US are headed to the EU. EU's deforestation regulations go into effect at the end of this year and bean imports must come from certifiable non-deforested areas. Questions remain on how the regulations would be enforced and what certification is needed. Bean open interest rose nearly 10,000 contracts yesterday on a downswing, which indicates fresh short positioning. If March support at 12.03 can hold, an initial short covering run to resistance at 12.37 resistance could be expected. If 12.03 gives way, another long-term support level sits at 11.80.

TODAY'S MARKET IDEAS:

Rising open interest on yesterday's downswing is not a good sign for the bulls, however, support is holding so far. Although Friday's March low at 12.03 has not yet been penetrated, the disappointing action over the last 2 days

has raised the odds of a break below support. March prices may see a quick fall to the next important support level at 11.80 if 12.03 cannot hold. Initial resistance is 12.37.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

SOYBEAN COMPLEX TECHNICAL OUTLOOK:

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SOYBEANS (MAR) 01/18/2024: The daily stochastics gave a bearish indicator with a crossover down. Momentum studies are still bearish but are now at oversold levels and will tend to support reversal action if it occurs. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The close below the 2nd swing support number puts the market on the defensive. The next downside target is now at 1186. With a reading under 20, the 9-day RSI indicates the market is extremely oversold. The next area of resistance is around 1218 3/4 and 1237 3/4, while 1st support hits today at 1192 3/4 and below there at 1186.

SOYBEAN OIL (MAR) 01/18/2024: Positive momentum studies in the neutral zone will tend to reinforce higher price action. The market's short-term trend is negative as the close remains below the 9-day moving average. The daily closing price reversal up is a positive indicator that could support higher prices. The close over the pivot swing is a somewhat positive setup. The next upside target is 48.74. The next area of resistance is around 48.34 and 48.74, while 1st support hits today at 47.06 and below there at 46.18.

SOYMEAL (MAR) 01/18/2024: 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 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 near-term upside target is at 378.5. The 9-day RSI under 30 indicates the market is approaching oversold levels. The next area of resistance is around 366.9 and 378.5, while 1st support hits today at 350.5 and below there at 345.6.

DAILY CORN COMMENTARY

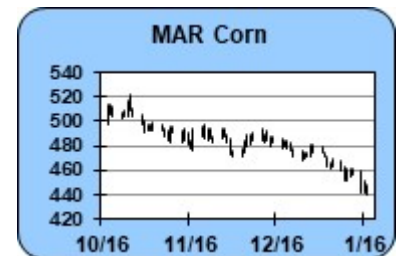
1/18/2024

Prices nearing 3-year lows

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):

CORN +0.2

OVERNIGHT DEVELOPMENTS: Corn (MAR 24) prices overnight are up 2 1/4. Corn open interest as of January 17 was up 24,637 contracts. Chinese Dalian (MAY 24) Corn was down 1.05%.



NEAR-TERM MARKET FUNDAMENTALS: Weak action continues in corn as March futures are stuck just above 3-year lows and the bear camp remains firmly in control. Open interest continued its recent surprising push higher, gaining another 24,000 contracts yesterday and is now up 280,000 contracts since mid-December. China's Ag Ministry approved 6 more GMO varieties for planting and one for import as they continue their push to advance their crop yields. Refinitiv raised their Argentine crop 2% to 56.7 million tonnes, citing better vegetative

density as an indication of crop improvements. USDA stands at 55 million tonnes. Argentina will see a generally dry stretch for the next 10 days, but crop stresses expected to stay at a minimum, while Brazil sees good rains in the center-west areas next week. China's December corn imports were 4.95 million tons, up 471% from December a year ago and up 32% year-to-date for 2023. Unfortunately for the bull camp, Brazil's 1st crop which has been under stress is only 21% of total Brazil production so losses there could easily be mitigated by gains in Argentina. If the 2nd crop, Safrinha, is threatened later this spring, it will be much more significant to price direction. Despite the current market weakness, March futures are coming into a long-term support zone in the 4.35-4.40 area and although bullish news is scarce, that price level should at least stabilize the break, especially with a very large fund net short already in place.

TODAY'S MARKET IDEAS:

Another sharp rise in open interest yesterday is indicative of funds adding to their already significant net short positions. With long-term support just below, we don't expect a flush lower from here, but rally power will likely be limited until Safrinha corn is threatened.

Initial resistance stands at 4.69 and then 4.81 for March futures. Close-in support is at 4.37.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

CORN TECHNICAL OUTLOOK:

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CORN (MAR) 01/18/2024: 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. It is a slightly negative indicator that the close was under the swing pivot. The next downside objective is now at 435. The 9-day RSI under 30 indicates the market is approaching oversold levels. The next area of resistance is around 446 1/4 and 451 1/4, while 1st support hits today at 438 1/4 and below there at 435.

CORN (JUL) 01/18/2024: 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's close below the pivot swing number is a mildly negative setup. The next downside target is now at 456. The 9-day RSI under 20 suggests the market is extremely oversold. The next area of resistance is around 466 1/4 and 470 3/4, while 1st support hits today at 458 3/4 and below there at 456.

DAILY WHEAT COMMENTARY

1/18/2024

March hits 7-week low pressured by S Plains moisture chances

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):

WHEAT -0.15

OVERNIGHT DEVELOPMENTS: Chicago wheat (MAR 24) prices overnight are down -1/4; Kansas City (MAR 24) up 1 1/2; and Minneapolis (MAR 24) up 7. MATIF Milling Wheat(MAR 24) was down -0.1%. Chicago wheat open interest as of January 17 was up 3,587 contracts and Minneapolis wheat was up 2,913 contracts.



NEAR-TERM MARKET FUNDAMENTALS: Wheat prices hit a 7-week low and global purchases by Egypt,

Jordan, Tunisia, Algeria, and Japan this week are expected to be filled by Russian, Ukrainian and EU wheat, which continues to remind traders of US un-competitiveness. China's December wheat imports were 610,000 tons up 44% from December a year ago and up 21.5% year-to-date for 2023. Strategy grains lowered EU - 27 SRW production to 122.7 million tons, down from 124.8 in their December forecast. Ukraine said attacks on shipping are expected to slow exports in January from December's strong pace. Turkey and Ukraine are working with the UN to find alternative export solutions. The US southern Plains will have a couple chances for rain next week as temperatures moderate to normal/above normal. StoneX lowered their Brazil crop estimate to 8.25 million tonnes from 8.59 million previously, down 26% from last season's total. Recent increases in Argentine's wheat output mitigates the losses in Brazil. Wheat prices are down nearly 50% from their peak in May 2022.

TODAY'S MARKET IDEAS:

This week's lineup of global tenders has not been enough to offset the coming moisture in the southern Plains and weak US demand. In addition, Turkey and Ukraine are working with the UN to revive an UN-brokered grain export initiative. Open interest has been slowly rising this week as funds add to their net short positions. March futures has close-in resistance at 6.02 and then 6.22. Close-in support now stands at 5.77, which was tested on Wednesday and contract low support in March futures sits at 5.56 1/4.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

WHEAT TECHNICAL OUTLOOK:

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WHEAT (MAR) 01/18/2024: Daily stochastics declining into oversold territory suggest the selling may be drying up soon. The close below the 9-day moving average is a negative short-term indicator for trend. It is a slightly negative indicator that the close was lower than the pivot swing number. The next downside objective is 566 3/4. The next area of resistance is around 591 1/2 and 602 1/2, while 1st support hits today at 573 1/2 and below there at 566 3/4.

KC WHEAT (MAR) 01/18/2024: 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 tilt is slightly negative with the close under the pivot. The next downside target is 581 1/4. Some caution in pressing the downside is warranted with the RSI under 30. The next area of resistance is around 601 1/2 and 613 1/4, while 1st support hits today at 585 1/2 and below there at 581 1/4.

MINN WHEAT (MAR) 01/18/2024: 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 close below the 1st swing support could weigh on the market. The next downside objective is 670. With a reading under 30, the 9-day RSI is approaching oversold levels. The next area of resistance is around 687 and 697, while 1st support hits today at 673 1/2 and below there at 670.

RICE (MAR) 01/18/2024: A bullish signal was given with an upside crossover of the daily stochastics. Momentum studies are trending higher from mid-range, which should support a move higher if resistance levels are penetrated. The cross over and close above the 18-day moving average indicates the intermediate-term trend has turned up. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The next upside objective is 17.780. The next area of resistance is around 17.720 and 17.780, while 1st support hits today at 17.570 and below there at 17.480.

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	442 1/4	20.44	26.31	14.72	10.64	447.63	454.61	463.22	475.59	479.95
CNAN24	462 1/2	16.91	23.36	12.82	8.68	468.44	476.39	485.33	496.72	499.73
SSAH24	1205 3/4	15.75	22.33	10.25	9.62	1223.44	1238.67	1270.65	1320.37	1325.53
SSAN24	1228 1/4	16.65	22.52	10.47	10.14	1243.81	1256.83	1287.15	1337.72	1343.28
SMAH24	358.7	28.20	30.02	14.91	18.21	363.53	366.68	377.37	398.99	402.60
BOAH24	47.70	40.43	40.89	37.65	39.92	47.98	48.02	48.42	49.98	50.07
WHAH24	582 1/2	34.97	40.26	24.10	15.98	591.06	601.19	609.74	605.29	604.35
WHAN24	602	33.37	38.94	24.52	14.76	612.63	621.97	629.25	626.92	628.57
RCAH24	17.645	54.30	54.06	40.18	41.61	17.60	17.54	17.57	17.45	17.20
KWAH24	593 1/2	29.59	35.59	20.93	11.25	606.69	616.36	624.22	633.21	639.75
MWAH24	680 1/4	23.93	31.22	13.22	6.68	692.63	701.06	709.97	721.25	726.36
OTAH24	353 1/2	39.05	42.20	44.67	29.06	364.56	366.92	370.11	370.89	377.35

Calculations based on previous session. Data collected 01/17/2024
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	435	438	443 1/4	446 1/2	451 1/2
CNAN24	Corn	456	458 3/4	463 1/2	466 1/4	471
SSAH24	Soybeans	1186	1192 3/4	1212	1218 3/4	1238
SSAN24	Soybeans	1210 1/2	1216 3/4	1233 1/2	1239 3/4	1256 1/2
SMAH24	Soymeal	345.5	350.4	362.0	366.9	378.5
BOAH24	Soybean Oil	46.18	47.06	47.46	48.34	48.74
WHAH24	Wheat	566 1/2	573 1/2	584 1/2	591 1/2	602 1/2
WHAN24	Wheat	589 1/2	594 1/2	604 1/2	609 1/2	619 1/2
RCAH24	Rice	17.480	17.570	17.630	17.720	17.780
KWAH24	KC Wheat	581 1/4	585 1/2	597 1/4	601 1/2	613 1/4
MWAH24	MINN Wheat	670	673 1/2	683 1/2	687	697
OTAH24	Oats	343 3/4	348	354 1/2	359	365 1/4

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