



DAILY GRAINS COMMENTARY

Friday January 19, 2024

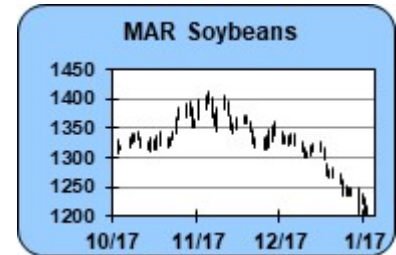
DAILY SOY COMPLEX COMMENTARY

1/19/2024

Test of support holds

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):
SOY BEANS +0.1, BEAN OIL +0.0, SOYMEAL +0.3

OVERNIGHT DEVELOPMENTS: Soybeans (MAR 24) prices overnight are up 6; Soymeal (MAR 24) up 2.70; and Soyoil (MAR 24) up 0.12. Soybean open interest as of January 18 was up 4,725 contracts, soymeal up 8,664 contracts, and soybean oil up 1,745. Chinese Dalian (MAY 24) Soybeans up 0.13%, Soymeal up 0.60%, Soyoil up 1.24%, Palm oil up 1.63%. Malaysian Palm was up 1.13%. Global equity markets overnight were generally higher except for the markets in China and Spain which traded moderately lower. Critical economic news released overnight included a slower pace of visitor arrivals in New Zealand, a slight downtick in Japanese national consumer price index readings, a massive drop in German producer price index readings for December and a much softer than anticipated GBP retail sales reading for December which in turn sparked talk of a recession in the UK. The North American session will start out with November Canadian retail sales which are expected to have a moderate downtick from October's 2.2% year-over-year rate. December US existing home sales are forecast to have a minimal uptick from November's 3.82 million annualized rate. A private survey of January US consumer sentiment is expected to have a modest uptick from the previous 69.7 reading. The November Treasury International Capital (TIC) report will show net changes for Chinese and Japanese Treasury holdings. San Francisco Fed President Daly and Fed Vice Chair will speak during afternoon US trading hours. Earnings announcements will include Schlumberger, Travelers, State Street and Fifth Third Bancorp before the Wall Street opening.



NEAR-TERM MARKET FUNDAMENTALS: Price support at \$12 on March futures has held and Thursday's higher close, after hitting the lowest level since June 9 of last year, is a sign of hope for the bulls that a correction is on the horizon after the 2-month downtrend. Weekly export sales this morning are expected in the range of 250,000 - 900,000 tonnes for beans and 100,000 - 400,000 tonnes for meal. Highlighting the improved crop in Argentina, the Buenos Aires Grain Exchange says the bean crop is 97.1% planted with good moisture and good/excellent conditions were up 1% to 98%. AgroConsult lowered their Brazil crop production number to 153.8 million tonnes compared to 161.6 million in November. They estimated Mato Grosso yields at 52.5 bags per hectare compared to 63.8 in their previous forecast and reported record re-plantings of 6.4% or 2.9 million hectares in the state and projected Brazil's soy exports in 2024 would fall to 95 million tonnes from 101 million in 2023. The most recent CONAB estimate, Brazil's equivalent to the USDA, was 155.29 million tonnes. Brazil farmers are 30% forward sold compared to 50% average, which indicates they have further hedge selling to do on rallies. US Midwest river shipping has been disrupted by cold temperatures and ice, but above normal temperatures are on the way through the end of the month. The bearish news appears to have been digested and a short covering rally looks to be beginning after a more than \$2 a bushel slide since mid-November.

TODAY'S MARKET IDEAS:

Trader focus has shifted to the oversold technical conditions as prices reversed up off support yesterday. Relative strength index dipped into the single digits late last week, showing similar action on the lows in late May 2023. A higher close today confirms yesterday's reversal and raises the odds this break has run its course. Initial resistance is 12.37 on March futures and retracement resistance sits at 12.81.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

SOYBEAN COMPLEX TECHNICAL OUTLOOK:

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SOYBEANS (MAR) 01/19/2024: 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 daily closing price reversal up on the daily chart is somewhat positive. The market has a slightly positive tilt with the close over the swing pivot. The next downside target is now at 1196. The 9-day RSI under 30 indicates the market is approaching oversold levels. The next area of resistance is around 1221 and 1226, while 1st support hits today at 1206 and below there at 1196.

SOYBEAN OIL (MAR) 01/19/2024: Stochastics are at mid-range but trending higher, which should reinforce a move higher if resistance levels are taken out. The close below the 9-day moving average is a negative short-term indicator for trend. The daily closing price reversal down is a negative indicator for prices. The market has a slightly positive tilt with the close over the swing pivot. The next upside objective is 48.84. The next area of resistance is around 48.23 and 48.84, while 1st support hits today at 47.00 and below there at 46.36.

SOYMEAL (MAR) 01/19/2024: Daily momentum studies are on the rise from low levels and should accelerate a move higher on a push through the 1st swing resistance. 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 under the swing pivot. The next upside objective is 367.0. The next area of resistance is around 364.7 and 367.0, while 1st support hits today at 357.9 and below there at 353.3.

DAILY CORN COMMENTARY

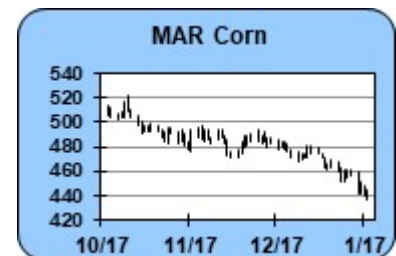
1/19/2024

Rally possible after reversal off support

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):

CORN +0.1

OVERNIGHT DEVELOPMENTS: Corn (MAR 24) prices overnight are up 1/2. Corn open interest as of January 18 was up 12,112 contracts. Chinese Dalian (MAY 24) Corn was up 0.26%.



NEAR-TERM MARKET FUNDAMENTALS: A test of support held and may encourage some short covering from the bears as prices saw a small reversal up on Thursday. Although reversals have been seen over the last couple months as prices have moved lower, oversold conditions are more extreme this week, which raises the odds a short covering rally could carry. Another sharp rise in open interest yesterday of more than 12,000 contracts continues the rising open interest trend seen since mid-December. The Buenos Aires Grain Exchange said Argentine corn is 93% planted with good/excellent conditions at 97% up 2% this week. Weekly ethanol production was slightly higher than last week and within guesses. However, stocks rose 5.4% to 25.695 million bushels, compared to the estimates of 24.577 million. Stocks have seen an unusually large jump in the last 1 1/2 months, now sitting at a 10-month high. Weekly export sales are expected in a range of 500,000-1,200,000 tonnes this morning. Extremely large fund short positions for this time a year and oversold technical conditions raise the odds for a rally after March tested 4.37 support yesterday and bounced. Certainly, fundamentals are bearish, but prices appear to have discounted the known bearish news and an initial rally to 1st resistance at 4.69 looks possible.

The average daily ethanol production for the week ending January 12 averaged 1.054 million barrels. This was down 0.8% from last week and up 4.6% from last year. The 5-year average for this week is 1.030 million barrels per day. Ethanol production for the week was 7.378 million barrels. Ethanol stocks were 25.695 million barrels. This was a new high stocks level for this week of the year. The previous high was 23.692 million barrels in 2021. This was the highest since March 17, 2023. This was up 5.4% from last week and up 9.8% from last year. The 5-year average stocks for this week are 23.409 million barrels. The amount of corn used for the week is estimated at 104.62 million bushels. Cumulative corn use for the crop year has reached 1.978 billion bushels. Corn use needs to average 102.49 million bushels per week to meet the USDA's marketing year forecast of 5.375 billion bushels.

TODAY'S MARKET IDEAS:

Thursday's higher close and reversal off support are an initial positive for the bull camp after the bears have been firmly in control for weeks. The relative strength index on March futures hit its lowest this week since early May 2023, highlighting the oversold conditions. Persistent rising open interest over the last 1 1/2 months and very heavy net fund short positioning may offer fuel for a short covering rally. Initial resistance stands at 4.69 and then 4.81 for March futures. Close-in support was tested and held at 4.37.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

CORN TECHNICAL OUTLOOK:

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CORN (MAR) 01/19/2024: 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 upside daily closing price reversal gives the market a bullish tilt. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The next downside target is now at 434 1/4. With a reading under 30, the 9-day RSI is approaching oversold levels. The next area of resistance is around 448 and 450 1/2, while 1st support hits today at 440 and below there at 434 1/4.

CORN (JUL) 01/19/2024: Daily stochastics are trending lower but have declined into oversold territory. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The daily closing price reversal up is a positive indicator that could support higher prices. The market has a slightly positive tilt with the close over the swing pivot. The next downside target is 455 1/4. The 9-day RSI under 20 suggests the market is extremely oversold. The next area of resistance is around 467 and 469 1/2, while 1st support hits today at 460 and below there at 455 1/4.

DAILY WHEAT COMMENTARY

1/19/2024

Odds favor rally to end the week

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):

WHEAT +0.38

OVERNIGHT DEVELOPMENTS: Chicago wheat (MAR 24) prices overnight are up 2; Kansas City (MAR 24) up 3; and Minneapolis (MAR 24) up 7 1/2. MATIF Milling Wheat(MAR 24) was down -0.1%. Chicago wheat open interest as of January 18 was up 6,120 contracts and Minneapolis wheat was up 558



contracts.

NEAR-TERM MARKET FUNDAMENTALS: Positive technical action, global shipping risks and oversold conditions give the edge to the bull camp to end the week. The key reversal higher in KC wheat came yesterday on reports the US continued to strike Houthi targets in Yemen, which raises shipping risks in the Red Sea as the Houthis vow to retaliate. Furthermore, after Ukraine and Turkey said that they are working with the UN to revive the original grain corridor deal, Russia said there is no prospect to do so and vaguely threatened Ukraine, warning alternative corridors carry huge risks. The WTO says wheat shipments via the Suez Canal have plunged 40% in the 1st half of January due to the shipping attacks. This follows reports from Ukraine's Trade Minister that January exports may be down 20% due to the Red Sea shipping issues. The Buenos Aires Grain Exchange says Argentine wheat is now 98% harvested and they kept their crop estimate unchanged at 15.1 million tonnes. Weekly export sales Friday morning are expected in a range of 150,000 to 500,000 tonnes. Bearish news looks to be digested and the market looks poised for a correction rally. Important moving average resistance sits at 6.04 on March Chicago futures. Major resistance stands at 6.30.

TODAY'S MARKET IDEAS:

The technical picture improved yesterday with the higher closes, especially in Kansas City wheat as it formed a key reversal higher. Slowing export movement due to shipping risks in the Suez Canal and the Red Sea could turn some global buyers to the US as a more reliable supplier, although we have not seen evidence of that yet. The path of least resistance looks higher as short covering is likely to end the week. March Chicago futures close-in moving average resistance is at 6.04 and a move above that level could spark additional short covering, possibly up to 6.30.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

WHEAT TECHNICAL OUTLOOK:

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WHEAT (MAR) 01/19/2024: Momentum studies are declining, but have fallen to oversold levels. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The upside closing price reversal on the daily chart is somewhat bullish. It is a mildly bullish indicator that the market closed over the pivot swing number. The next downside target is now at 569 1/4. The next area of resistance is around 592 1/4 and 596 1/2, while 1st support hits today at 578 3/4 and below there at 569 1/4.

KC WHEAT (MAR) 01/19/2024: 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 upside closing price reversal on the daily chart is somewhat bullish. Market positioning is positive with the close over the 1st swing resistance. The next downside target is 580 1/2. The next area of resistance is around 614 1/4 and 620 3/4, while 1st support hits today at 594 1/4 and below there at 580 1/2.

MINN WHEAT (MAR) 01/19/2024: 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 daily closing price reversal up is a positive indicator that could support higher prices. The market setup is supportive for early gains with the close over the 1st swing resistance. The next downside target is now at 673 1/4. The next area of resistance is around 694 3/4 and 700 1/2, while 1st support hits today at 681 1/4 and below there at 673 1/4.

RICE (MAR) 01/19/2024: A positive indicator was given with the upside crossover of the 9 and 18 bar moving average. 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 slightly negative indicator that the close was under the swing pivot. The near-term upside objective is at 17.781. The next area of resistance is around 17.677 and 17.781, while 1st support hits today at 17.523 and below there at 17.472.

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	444	24.78	28.81	14.16	13.05	444.19	452.11	461.79	474.82	478.87
CNAN24	463 1/2	19.66	24.97	12.05	10.51	464.56	473.58	483.72	495.96	498.76
SSAH24	1213 1/2	23.12	26.58	10.07	9.71	1217.69	1232.67	1264.97	1317.09	1323.57
SSAN24	1233	21.55	25.33	10.23	9.75	1238.06	1251.28	1281.61	1334.59	1341.32
SMAH24	361.3	32.87	33.03	15.97	18.11	363.30	365.02	375.84	397.62	401.91
BOAH24	47.62	39.63	40.41	38.36	39.76	47.71	47.96	48.25	49.92	49.99
WHAH24	585 1/2	37.55	41.67	21.81	17.23	586.50	598.08	608.38	604.98	603.88
WHAN24	603 3/4	35.04	39.87	21.71	16.09	607.38	618.83	627.90	626.36	627.87
RCAH24	17.600	52.30	52.83	40.69	41.72	17.62	17.58	17.57	17.47	17.22
KWAH24	604 1/4	39.79	41.36	20.17	18.66	604.00	614.08	623.13	632.19	638.51
MWAH24	688	34.15	36.97	12.54	11.18	689.63	698.47	708.31	720.04	725.28
OTAH24	366 3/4	48.85	48.39	40.58	32.41	360.38	367.11	369.44	370.89	376.76

Calculations based on previous session. Data collected 01/18/2024
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	434 1/4	440	442 1/2	448	450 3/4
CNAN24	Corn	455 1/4	460	462 1/2	467	469 3/4
SSAH24	Soybeans	1196	1206	1211	1221	1226
SSAN24	Soybeans	1217 1/4	1226	1231	1240	1244 3/4
SMAH24	Soymeal	353.2	357.8	360.1	364.7	367.0
BOAH24	Soybean Oil	46.35	46.99	47.59	48.23	48.84
WHAH24	Wheat	569	578 1/2	582 3/4	592 1/2	596 1/2
WHAN24	Wheat	589	597 1/2	601 1/2	610	614
RCAH24	Rice	17.471	17.522	17.626	17.677	17.781
KWAH24	KC Wheat	580 1/4	594	600 1/2	614 1/2	620 3/4
MWAH24	MINN Wheat	673	681	686 3/4	695	700 1/2
OTAH24	Oats	342	355 3/4	364	377 3/4	386

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