



DAILY GRAINS COMMENTARY Tuesday January 23, 2024

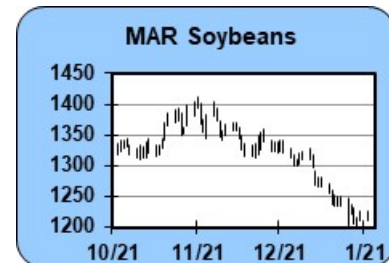
DAILY SOY COMPLEX COMMENTARY 1/23/2024

Technicals favor more upside

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

OVERNIGHT DEVELOPMENTS: Soybeans (MAR 24) prices overnight are up 2; Soymeal (MAR 24) up 1.30; and Soyoil (MAR 24) down -0.19. Soybean open interest as of January 22 was up 15,070 contracts, soymeal up 2,545 contracts, and soybean oil down 2,575. Chinese Dalian (MAY 24) Soybeans up 0.06%, Soymeal down 0.07%, Soyoil down 0.18%, Palm oil down 0.37%. Malaysian Palm was up 1.13%.

Global equity markets overnight were mixed with the Chinese market making a very minimal recovery severe losses in previous sessions. Economic news released overnight included a Bank of Japan decision to leave interest rates steady, positive but slightly softer than the prior month national Australia is bank business conditions reading for December and significantly smaller GBP public-sector net borrowing for December. The North American session will start out with a weekly private survey of same store sales, followed by the December Canadian new housing price index which is expected to have a mild uptick from November's -0.9% year-over-year rate. The Richmond Fed's January manufacturing index is forecast to have a mild uptick from December's -11 reading. Earnings announcements will include Johnson & Johnson, Procter & Gamble, Verizon, General Electric, Lockheed Martin, and 3M before the Wall Street opening while Netflix, Texas Instruments and Intuitive Surgical report after the close.



NEAR-TERM MARKET FUNDAMENTALS: The bull camp is gaining some momentum, building on last week's upside reversal and offering an improved technical outlook for the short-term. South American weather has taken on a less bearish feel now that Argentina is drying out and heavier rains expand into northern Brazil where harvest is ongoing. Soymeal prices weakened yesterday to their lowest since July 2022 as record US exports are not enough to fully offset record production. China's Ag Ministry overnight said they will continue efforts to boost yields by licensing 26 seed companies to offer GMO seed to Chinese farmers and expanding GMO planted area. Long-term, there is no doubt China's use of GMO seed will be a headwind for US prices, but it will depend on how quickly planted area can be ramped up. China's shrinking hog herd has also been a bearish demand problem with the number of sows at the end of 2023 down 2.5 million head from 2022 and the the soymeal ratio in animal feed dropped 1.5% in 2023. Soybean oil was boosted yesterday by the announcement Phillips 66 Rodeo California biofuel facility, the largest in the country, has passed its environmental review process. There is talk once the plant begins operating feedstock will be supplemented with imports of Argentine soyoil. S&P Global estimated US bean acreage this spring at 85.5 million acres, up from USDA's 83.6 million in the supply/demand report last week, but below the 2022/23 acreage of 87.5 million. With bearish news taking a backseat to the improved technical picture, we think the path of least resistance is higher with 1st initial resistance at 12.37 on March futures and then 12.49.

Soybean export inspections for the week ending January 18 came in at 1,161,100 metric tonnes. Cumulative inspections year-to-date are 26,751,644 metric tonnes which is 21.9% below last year. This is 56.0% of the USDA's forecast for the 2023-24 marketing year versus the 5-year average of 56.0%.

TODAY'S MARKET IDEAS:

Technical indicators have turned higher and prices look to be headed to initial resistance at 12.37 on March futures and possibly 12.49. How far rallies can extend will depend on how long Argentina's dry spell lasts. Funds are holding their most bearish position since February 2020, but fund selling has faded after last week's reversal

higher. Further upside gains are expected.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

SOYBEAN COMPLEX TECHNICAL OUTLOOK:

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SOYBEANS (MAR) 01/23/2024: A bullish signal was given with an upside crossover of the daily stochastics. The stochastics indicators are rising from oversold levels, which is bullish and should support higher prices. 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. With the close over the 1st swing resistance number, the market is in a moderately positive position. The next upside target is 1237. The next area of resistance is around 1232 1/4 and 1237, while 1st support hits today at 1216 1/4 and below there at 1204 3/4.

SOYBEAN OIL (MAR) 01/23/2024: The daily stochastics have crossed over up which is a bullish indication. 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. The market setup is supportive for early gains with the close over the 1st swing resistance. The next upside target is 49.32. The next area of resistance is around 48.90 and 49.32, while 1st support hits today at 47.42 and below there at 46.35.

SOYMEAL (MAR) 01/23/2024: 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. The market tilt is slightly negative with the close under the pivot. The next downside objective is 348.7. With a reading under 30, the 9-day RSI is approaching oversold levels. The next area of resistance is around 359.0 and 361.8, while 1st support hits today at 352.5 and below there at 348.7.

DAILY CORN COMMENTARY

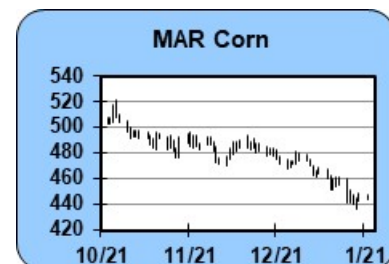
1/23/2024

More recovery expected to ease oversold conditions

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 22 was up 7,257 contracts. Chinese Dalian (MAY 24) Corn was up 0.04%.



NEAR-TERM MARKET FUNDAMENTALS: Upside recovery after last week's reversal higher has been disappointing so far with a very small trading range yesterday and overnight. There was little reaction to yesterday's S&P Global 93-million-acre US corn planting estimate for this spring, well below USDA's 94.6 million in last Friday's supply/demand report. Corn acres in 2022/23 were 88.6 million. Brazil consultancy, COGO, estimated Brazil's total corn crop at 118.5 million tonnes down from their previous estimate of 129.6. They expect planted area for 1st crop corn was down 11% and 2nd crop Safrinha will be down 5%. USDA's latest number for Brazil corn is 127 million tonnes. Interior Brazil

corn prices are down \$0.80 from early January. US Egg production in December was up 3.3% from year ago. Over the next 2 weeks, the southeast US and Delta, where conditions have been dry, are expected to receive heavy rains, replenishing soil moisture for upcoming spring planting. While the technical picture has improved with last week's reversal higher, the price recovery has been minimal so far. However, a move above 4.50 on March futures could trigger additional short covering. Key support remains at last week's low of 4.36 3/4.

Corn export inspections for the week ending January 18 came in at 713,290 metric tonnes. Cumulative inspections year-to-date are 14,702,517 metric tonnes which is 27.7% above last year. This is 27.6% of the USDA's forecast for the 2023-24 marketing year versus the 5-year average of 27.0%.

TODAY'S MARKET IDEAS:

Trading volume has been sinking for the last 4 trading sessions and there seems to be little interest in aggressive positioning at these levels, despite the improved technical picture with last week's reversals higher off support. The divergence between commercial net longs of 50,000 contracts and speculative net shorts of more than 260,000 contracts seems inordinately wide for this time of year. We think the downside is limited for the short-term and speculative traders can consider buying breaks but must be aware rally power is limited until fund short covering is triggered. Initial resistance stands at 4.62. 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) 01/23/2024: 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 market tilt is slightly negative with the close under the pivot. The near-term upside objective is at 449 3/4. The 9-day RSI under 30 indicates the market is approaching oversold levels. The next area of resistance is around 447 3/4 and 449 3/4, while 1st support hits today at 443 3/4 and below there at 442.

CORN (JUL) 01/23/2024: 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. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The near-term upside objective is at 468. The market is approaching oversold levels on an RSI reading under 30. The next area of resistance is around 466 1/2 and 468, while 1st support hits today at 463 and below there at 461 1/4.

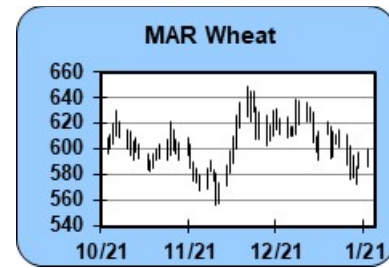
DAILY WHEAT COMMENTARY

1/23/2024

Lower US wheat acreage estimates supportive

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):
WHEAT +0.25

OVERNIGHT DEVELOPMENTS: Chicago wheat (MAR 24) prices overnight are up 1; Kansas City (MAR 24) up 1; and Minneapolis (MAR 24) down -1/4. MATIF Milling Wheat(MAR 24) was up 0.2%. Chicago wheat open interest as of January 22 was up 913 contracts and Minneapolis wheat was up 2,361 contracts.



NEAR-TERM MARKET FUNDAMENTALS: Prices have been able to rebound after last week's reversals and geopolitical risk seems to be rising again after Ukraine struck a Russian energy port with drones. The futures price gains in the face of beneficial moisture for the southern Plains favors the bull camp. Additional support may be coming from S&P Global estimating US all wheat planting at 47.225 million acres and Farm Futures at 47.994 million, down from USDA's 49.6 million last week. For now, prices seem to have digested the known news and are reacting to the improved technical outlook. Weather around the globe is a mixed bag with Australia rains boosting output after early-season dryness and northern Europe enduring a cold start to the crop year with dryness plaguing the southern EU. Ag Canada expects their 2024/25 crop at 33.3 million tonnes, up 4.2% from the past season. The EU says their continued look for ways to control Ukraine grain imports into EU countries to avoid further farmer unrest and blockades. Strong moving average resistance sits just above the market at 6.04 on March Chicago and a close above that level would open the door for an extension of the rally.

Wheat export inspections for the week ending January 18 came in at 314,521 metric tonnes. Cumulative inspections year-to-date are 10,723,042 metric tonnes which is 16.1% below last year. This is 54.3% of the USDA's forecast for the 2023-24 marketing year versus the 5-year average of 60.0%.

TODAY'S MARKET IDEAS:

A move above initial resistance at 6.04 on March Chicago could propel a rally to the January 11th high of 6.15 and a close over that level would turn the short-term trend up. The technical picture points higher and if prices can move up through nearby resistance, fund net shorts may begin to cover positions more aggressively extending the rally.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

WHEAT TECHNICAL OUTLOOK:

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WHEAT (MAR) 01/23/2024: 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 positive signal for trend short-term was given on a close over the 9-bar moving average. The close over the pivot swing is a somewhat positive setup. The next upside objective is 608 1/4. The next area of resistance is around 603 and 608 1/4, while 1st support hits today at 590 and below there at 582.

KC WHEAT (MAR) 01/23/2024: Daily momentum studies are on the rise from low levels and should accelerate a move higher on a push through the 1st swing resistance. 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 near-term upside objective is at 616 1/2. The next area of resistance is around 611 and 616 1/2, while 1st support hits today at 600 1/2 and below there at 595 1/2.

MINN WHEAT (MAR) 01/23/2024: The stochastics indicators are rising from oversold levels, which is bullish and should support higher prices. The close above the 9-day moving average is a positive short-term indicator for trend. It is a mildly bullish indicator that the market closed over the pivot swing number. The near-term upside target is at 708 1/4. The next area of resistance is around 704 3/4 and 708 1/4, while 1st support hits today at 696 1/4 and below there at 691 1/4.

RICE (MAR) 01/23/2024: The daily stochastics have crossed over down which is a bearish indication. Momentum studies trending lower at mid-range should accelerate a move lower if support levels are taken out. The intermediate trend has turned down with the cross over back below the 18-day moving average. The market's close below the pivot swing number is a mildly negative setup. The next downside target is now at 17.398. The next area of resistance is around 17.645 and 17.757, while 1st support hits today at 17.465 and below there at 17.398.

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	445 3/4	29.21	31.35	16.40	19.44	444.38	449.39	458.78	472.69	477.03
CNAN24	464 3/4	23.40	27.09	13.08	14.78	463.75	469.94	480.31	493.87	497.09
SSAH24	1224 1/4	33.48	32.58	11.49	14.38	1214.19	1225.53	1255.50	1309.09	1320.13
SSAN24	1241 1/4	31.11	30.76	11.03	13.13	1233.63	1244.81	1272.24	1326.84	1337.78
SMAH24	355.8	28.41	30.06	15.19	14.33	358.08	362.18	372.22	393.88	400.21
BOAH24	48.16	49.56	46.49	37.74	40.14	47.60	47.92	48.06	49.76	49.89
WHAH24	596 1/2	46.60	46.75	24.33	28.80	589.44	595.58	606.21	604.76	603.34
WHAN24	612	42.92	44.26	22.86	25.76	606.88	615.39	625.42	625.58	626.85
RCAH24	17.555	49.78	51.35	41.34	41.06	17.61	17.59	17.56	17.49	17.25
KWAH24	605 3/4	41.45	42.33	23.94	28.57	603.56	610.94	621.19	630.27	636.23
MWAH24	700 1/2	47.57	45.18	19.66	29.37	691.06	696.42	706.50	717.92	723.47
OTAH24	378 1/2	55.66	53.08	45.33	52.01	369.63	372.03	371.40	371.15	375.83

Calculations based on previous session. Data collected 01/22/2024

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DAILY SWING STATISTICS

Contract		Support 2	Support 1	Pivot	Resist 1	Resist 2
GRAIN COMPLEX						
CNAH24	Corn	442	443 3/4	446	447 3/4	450
CNAN24	Corn	461	463	464 1/2	466 1/2	468
SSAH24	Soybeans	1204 3/4	1216	1221	1232 1/2	1237 1/4
SSAN24	Soybeans	1224	1234	1238 1/4	1248 1/2	1252 1/2
SMAH24	Soymeal	348.6	352.5	355.2	359.0	361.8
BOAH24	Soybean Oil	46.34	47.41	47.83	48.90	49.32
WHAH24	Wheat	581 3/4	590	595	603	608 1/4
WHAN24	Wheat	599	606	611	618	623
RCAH24	Rice	17.397	17.465	17.577	17.645	17.757
KWAH24	KC Wheat	595 1/2	600 1/2	606	611	616 1/2
MWAH24	MINN Wheat	691 1/4	696 1/4	699 3/4	704 3/4	708 1/4
OTAH24	Oats	370 1/4	374	379 1/2	383	388 3/4

Calculations based on previous session. Data collected 01/22/2024

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