



## DAILY GRAINS COMMENTARY Monday February 05, 2024

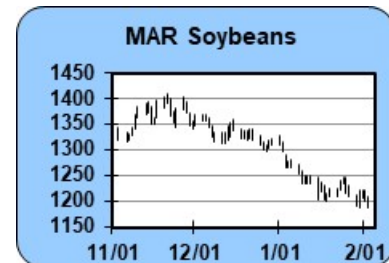
### DAILY SOY COMPLEX COMMENTARY 2/5/2024

#### Brazil harvest and upcoming Arg rains bearish

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

**OVERNIGHT DEVELOPMENTS:** Soybeans (MAR 24) prices overnight are down -3/4; Soymeal (MAR 24) down -0.70; and Soyoil (MAR 24) up 0.15. Soybean open interest as of February 2 was up 3,579 contracts, soymeal up 2,615 contracts, and soybean oil up 3,098. Chinese Dalian (MAY 24) Soybeans down 0.32%, Soymeal down 0.33%, Soyoil down 0.67%, Palm oil down 0.51%. Malaysian Palm was up 1.01%.

Global equity markets overnight were mixed with the Shanghai stock exchange composite trading down 1% and extending last week's significant losses. Critical economic news released overnight included stronger than expected Australian Judo Bank composite and services PMI readings for January, softer than expected TD securities inflation readings for January, a speech from the US Federal Reserve Chairman Powell, a stronger-than-expected Japanese Jibun services PMI reading, a recovery in Australian job advertisements, growth in Australian imports and exports, a softer than expected Chinese Caixin services PMI reading for January, much weaker than expected German import and export data for December, better than expected Italian French and German HCOB services PMI readings for January, stronger than expected French HCOB composite PMI readings for January, and softer than expected German HCOB composite PMI for January. The North American session will start out with January services PMI readings for the US and Canada, both of which are forecast to see upticks from their previous results. The January ISM services index is forecast to have a mild uptick from December's 50.6 reading. Earnings announcements will include McDonald's, Caterpillar and Tyson Foods before the Wall Street opening while Vertex Pharmaceuticals reports after the close.



**NEAR-TERM MARKET FUNDAMENTALS:** Ongoing Brazilian harvest and rains scheduled for this coming weekend in Argentina are the market's focus to start the week, which favors the bear camp. After 2 weeks of high 90s and 100s heat in Argentina, showers and moderating temperatures are expected this coming weekend. The Buenos Aires Grain Exchange says 59% of Argentine beans are flowering and 23% setting pods, which means upcoming weather is of increasing importance to the crop. AgRural says Brazil harvest is 17% done, compared to 10% average for this date. China's Rural Policy meetings over the weekend pushed high-yield crop development, farm mechanization and higher oil-content soybean seeds. China's Lunar New Year arrives at the end of this week and export demand generally is poor during the holiday week. USDA's February Supply/Demand report will be out Thursday morning and the bean ending stocks estimate is 285 million bushels, slightly up from 280 million in the January report. Brazil bean crop is expected at 153.7 million tonnes, down from 157 in January. Argentina's crop is expected at 50.8 million tonnes, compared to 50 million in January. Argentina's current dry spell may give USDA pause in raising their crop this soon in the growing season. March futures have taken out last week's low to start the week and fundamentals and technicals point to more weakness. A move down to the lows in summer of 2023 at 1145 is possible if prices break support at 1180.

Managed Money added 16,000 contracts giving them a total net short of 108,000, the largest net short in 4 years. Soybean oil and meal weakness, due to the potential earlier than expected meal export competition is weighing on beans as well. Technically, March futures negated the reversal last week and look poised for further downside action this week, as long as Argentine rains arrive as forecast. Close-in support is 1180 and then 1162.

Soybeans positioning in the Commitments of Traders for the week ending January 30th showed Managed Money traders are net short 108,247 contracts after net selling 16,405 contracts. CIT traders were net long 119,996

contracts after increasing their already long position by 4,388 contracts. Non-Commercial No CIT traders are net short 146,623 contracts after net selling 30,486 contracts. Non-Commercial & Non-Reportable traders net sold 29,234 contracts and are now net short 152,016 contracts.

Soyoil Managed Money traders were net short 54,418 contracts after increasing their already short position by 9,713 contracts. CIT traders are net long 126,044 contracts after net selling 3,563 contracts. Non-Commercial No CIT traders added 7,220 contracts to their already short position and are now net short 73,860. Non-Commercial & Non-Reportable traders added 12,968 contracts to their already short position and are now net short 36,899.

Soymeal Managed Money traders added 3,052 contracts to their already short position and are now net short 22,068. CIT traders net sold 7,474 contracts and are now net long 99,056 contracts. Non-Commercial No CIT traders net sold 3,642 contracts and are now net short 56,071 contracts. Non-Commercial & Non-Reportable traders are net short 16,067 contracts after net selling 9,387 contracts.

#### **TODAY'S MARKET IDEAS:**

Managed Money is net short more than 108,000 contracts, the most since 2019. But with prices sinking and expectations of relief rains in Argentina this coming weekend, there is no impetus for funds to cover shorts. March futures has close-in support at 1180, however if that gives way, a quick move down to 1145 could be seen. The US dollar made a 2 1/2 month high overnight, creating additional headwinds for prices.

#### **NEW RECOMMENDATIONS:**

None.

#### **PREVIOUS RECOMMENDATIONS:**

None.

Commitment of Traders - Futures and Options - 1/23/2024 - 1/30/2024						
	Non-Commercial		Commercial	Non-Reportable		
	Net Position	Weekly Net Change		Net Position	Weekly Net Change	
<b>Grains</b>						
<b>Soybeans</b>	-135,910	-30,640	152,015	+29,234	-16,106	+1,406
<b>Soymeal</b>	-34,251	-11,627	16,068	+9,388	18,184	+2,240
<b>Soyoil</b>	-41,338	-12,909	36,897	+12,967	4,439	-59

#### **SOYBEAN COMPLEX TECHNICAL OUTLOOK:**

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SOYBEANS (MAR) 02/05/2024: A bearish signal was triggered on a crossover down in the daily stochastics. 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 market's close below the 1st swing support number suggests a moderately negative setup for today. The next downside target is 1171 1/2. The next area of resistance is around 1199 1/4 and 1214 1/2, while 1st support hits today at 1177 3/4 and below there at 1171 1/2.

SOYBEAN OIL (MAR) 02/05/2024: 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 target is 43.78. The market is approaching oversold levels on an RSI reading under 30. The next area of resistance is around 45.31 and 46.11, while 1st support hits today at 44.15 and below there at 43.78.

SOYMEAL (MAR) 02/05/2024: Positive momentum studies in the neutral zone will tend to reinforce higher price action. The market back below the 18-day moving average suggests the intermediate-term trend could be turning down. It is a slightly negative indicator that the close was lower than the pivot swing number. The next upside target is 368.2. The next area of resistance is around 361.5 and 368.2, while 1st support hits today at 352.1 and

below there at 349.4.

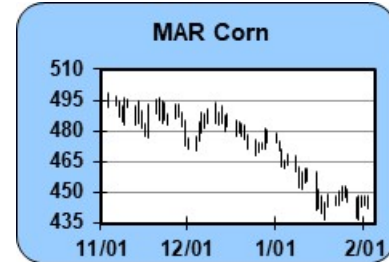
## DAILY CORN COMMENTARY

2/5/2024

**Argentine rains late this week may come just in time**

**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 February 2 was up 6,655 contracts. Chinese Dalian (MAY 24) Corn was down 0.50%.



**NEAR-TERM MARKET FUNDAMENTALS:** The week begins on a bearish notice as prices look to be headed for a test of the contract lows seen last week. Rains in Argentina are expected late this week into the weekend and temperatures will moderate and if the rains arrive as expected, the subsequent reduction in crop stress takes away the only bullish news the market has going for it. The extremely large fund net shorts could become a bullish factor if prices begin to move high enough to trigger short covering, but in meantime, bullish fundamental arguments are going to be hard to find. Commitment of Traders data showed Managed Money increased their net short by 15,000 contracts to 280,000 contract short, nearing a record. USDA's February supply/demand report will be out Thursday and ending stocks are expected at 2.149 billion bushels, slightly below the 2.162 billion in January. Brazil's crop is expected to be cut 2 million tonnes from January and Argentina's crop is expected to rise slightly less than 1 million tonnes. The Buenos Aires Grain Exchange says 46% of Argentina's corn crop is currently pollinating, which makes upcoming weather of critical importance. Safrinha planting in Brazil is 20% complete. No major market moving news over the weekend, and we expect more of the same sideways/lower action to start the week. March futures has support at 436 1/2 and nearby resistance at 453 1/4.

The Commitments of Traders report for the week ending January 30th showed Corn Managed Money traders are net short 280,151 contracts after net selling 14,866 contracts. CIT traders were net long 271,582 contracts after increasing their already long position by 21,206 contracts. Non-Commercial No CIT traders net sold 21,123 contracts and are now net short 292,204 contracts. Corn Non-Commercial & Non-Reportable traders hit a new extreme short of 267,696 contracts. Non-Commercial & Non-Reportable traders added 4,759 contracts to their already short position and are now net short 267,696.

### TODAY'S MARKET IDEAS:

March futures looks determined to take out last week's reversals low at 436 3/4. With nearly half of the Argentine corn crop currently pollinating, Argentine showers late this week may come just in time to save the crop from any significant reduction. Nearby resistance is at 449 and next support below last week's low is 427.

### NEW RECOMMENDATIONS:

None.

### PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 1/23/2024 - 1/30/2024						
	Non-Commercial			Commercial		Non-Reportable
	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change
<b>Grains</b>						
Corn	-241,269	-9,525	267,696	+4,759	-26,427	+4,766

## CORN TECHNICAL OUTLOOK:

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CORN (MAR) 02/05/2024: 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 outside day down is somewhat negative. The swing indicator gave a moderately negative reading with the close below the 1st support number. The next upside target is 450 3/4. The next area of resistance is around 446 and 450 3/4, while 1st support hits today at 439 1/2 and below there at 437 1/2.

CORN (JUL) 02/05/2024: Momentum studies are trending higher from mid-range, which should support a move higher if resistance levels are penetrated. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The daily closing price reversal down puts the market on the defensive. The market setup is somewhat negative with the close under the 1st swing support. The near-term upside objective is at 469. The next area of resistance is around 465 1/4 and 469, while 1st support hits today at 459 3/4 and below there at 457 3/4.

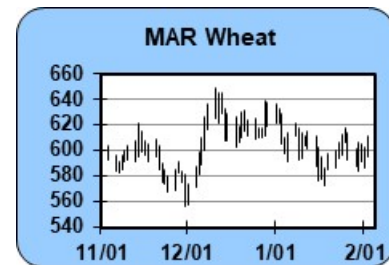
## DAILY WHEAT COMMENTARY

2/5/2024

**World wheat price weakness a negative**

**OVERNIGHT CHANGES THROUGH 6:06 AM (CT):**  
**WHEAT -0.7**

**OVERNIGHT DEVELOPMENTS:** Chicago wheat (MAR 24) prices overnight are down -6; Kansas City (MAR 24) down -6 1/4; and Minneapolis (MAR 24) down -4 1/2. MATIF Milling Wheat(MAR 24) was down -0.7%. Chicago wheat open interest as of February 2 was down 5,877 contracts and Minneapolis wheat was up 2,137 contracts.



**NEAR-TERM MARKET FUNDAMENTALS:** March Chicago prices are inside the narrow range of the last 7 days and will likely struggle to gain bullish footing after good rains across the HRW belt over the weekend. The US dollar moved to a 8-week high overnight and spillover pressure from corn and beans adds further headwinds for wheat today. Beneficial HRW rains fell across the southern Plains over the weekend covering much of Nebraska, Kansas, Oklahoma and central Texas. China says they will raise the minimum price for wheat to encourage more production. Thursday's USDA February Supply/Demand report is expected to show US ending stocks at 647 million bushels nearly unchanged from the 648 in the January report. In geopolitical news, the US and the UK struck more Houthi targets in Iraq and Yemen over the weekend and Ukraine struck a Russian oil refinery with a drone attack. Weak Russian prices are like an anchor around the neck of US wheat futures and crop weather there has been good overall. However, warm temperatures in the US and Russia have melted the snow cover and traders will be watching the extended forecasts for any major cold spell which could increase winterkill potential. Turkey says they will be discussing with Russia a 'new mechanism' for Ukraine exports on Putin's next visit with Erdogan, but there doesn't seem to be much incentive for either side to make a deal, since Ukraine's corridor is working. Commitment of Traders data showed managed Money net short 65,000 contracts, unchanged from last week. March Chicago prices were mostly sideways last week and that may be the case for the 1st half of this week as well, before USDA's Supply/Demand report on Thursday. The near-term range of 584 1/2-611 1/2 on March Chicago remains intact.

The Commitments of Traders report for the week ending January 30th showed Wheat Managed Money traders added 277 contracts to their already short position and are now net short 64,818. CIT traders added 9,154 contracts to their already long position and are now net long 91,098. Non-Commercial No CIT traders net bought 3,668 contracts and are now net short 63,498 contracts. Non-Commercial & Non-Reportable traders net bought 6,775 contracts and are now net short 46,037 contracts.

The January 30th Commitments of Traders report showed KC Wheat Managed Money traders net bought 4,985 contracts and are now net short 33,355 contracts. CIT traders added 2,878 contracts to their already long position and are now net long 61,513. Non-Commercial No CIT traders net bought 3,849 contracts and are now net short 38,817 contracts. Non-Commercial & Non-Reportable traders net bought 6,661 contracts and are now net short 22,624 contracts.

**TODAY'S MARKET IDEAS:**

With bearish HRW rains covering much of the southern Plains over the last few days, the path of least resistance to start the week looks lower. March Chicago support is 584 1/2 and then 573. The fundamental news is mostly bearish and technicals are neutral, setting the stage for Thursday's Supply/Demand report to initiate a breakout of the short-term trading range of 584 1/2-611 1/2.

**NEW RECOMMENDATIONS:**

None.

**PREVIOUS RECOMMENDATIONS:**

None.

Commitment of Traders - Futures and Options - 1/23/2024 - 1/30/2024						
	Non-Commercial			Commercial		Non-Reportable
	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change
<b>Grains</b>						
KC Wheat	-20,789	+6,653	22,624	-6,661	-1,835	+8
Wheat	-39,627	+7,789	46,037	-6,776	-6,410	-1,014

**WHEAT TECHNICAL OUTLOOK:**

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WHEAT (MAR) 02/05/2024: Stochastics are at mid-range but trending higher, which should reinforce a move higher if resistance levels are taken out. The market's short-term trend is negative as the close remains below the 9-day moving average. The downside closing price reversal on the daily chart is somewhat negative. The market has a slightly positive tilt with the close over the swing pivot. The next upside target is 617 1/4. The next area of resistance is around 607 1/2 and 617 1/4, while 1st support hits today at 592 and below there at 586.

KC WHEAT (MAR) 02/05/2024: Momentum studies are rising from mid-range, which could accelerate a move higher if resistance levels are penetrated. The market's short-term trend is positive on the close above the 9-day moving average. The market setup is supportive for early gains with the close over the 1st swing resistance. The near-term upside target is at 642 3/4. The next area of resistance is around 635 and 642 3/4, while 1st support hits today at 619 and below there at 610 3/4.

MINN WHEAT (MAR) 02/05/2024: Momentum studies are trending higher from mid-range, which should support 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. It is a mildly bullish indicator that the market closed over the pivot swing number. The near-term upside objective is at 714 1/2. The next area of resistance is around 707 1/4 and 714 1/2, while 1st support hits today at 692 1/4 and below there at 684 1/2.

RICE (MAR) 02/05/2024: Rising stochastics at overbought levels warrant some caution for bulls. The close above the 9-day moving average is a positive short-term indicator for trend. 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 18.757. The next area of resistance is around 18.635 and 18.757, while 1st support hits today at 18.235 and below there at 17.958.

## 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
<b>GRAIN COMPLEX</b>										
CNAH24	442 3/4	37.04	36.90	37.29	39.77	446.50	447.00	448.19	465.14	470.27
CNAN24	462 1/2	36.51	35.65	30.66	34.83	465.56	465.67	467.81	486.08	490.78
SSAH24	1188 1/2	31.98	32.80	28.58	23.93	1208.19	1215.44	1220.49	1277.89	1301.92
SSAN24	1208 1/4	31.37	31.98	26.29	22.95	1227.50	1232.64	1238.72	1295.74	1319.17
SMAH24	356.8	42.43	40.92	42.57	47.71	362.45	359.52	360.85	380.41	392.52
BOAH24	44.73	27.74	31.86	20.61	14.73	45.59	46.32	47.12	48.70	49.28
WHAH24	599 3/4	48.94	48.63	57.61	59.80	600.50	601.69	598.64	609.70	604.12
WHAN24	613	45.98	46.25	49.96	50.68	614.31	616.61	616.00	627.77	624.97
RCAH24	18.435	69.84	65.83	74.12	81.64	18.15	17.98	17.78	17.59	17.49
KWAH24	627	52.64	50.62	65.84	67.86	624.63	624.64	617.79	630.59	631.71
MWAH24	699 3/4	49.38	47.24	52.13	55.31	696.94	699.67	698.04	712.68	717.94
OTAH24	371 3/4	49.52	49.81	57.90	65.93	378.88	371.67	371.85	370.74	370.74

Calculations based on previous session. Data collected 02/02/2024

Data sources can & do produce bad ticks. Verify before use.

## DAILY SWING STATISTICS

Contract		Support 2	Support 1	Pivot	Resist 1	Resist 2
<b>GRAIN COMPLEX</b>						
CNAH24	Corn	437 1/4	439 1/2	444	446	450 3/4
CNAN24	Corn	457 1/2	459 1/2	463 1/4	465 1/2	469
SSAH24	Soybeans	1171 1/2	1177 3/4	1193	1199 1/4	1214 1/2
SSAN24	Soybeans	1191 3/4	1197 1/2	1213	1219	1234 1/4
SMAH24	Soymeal	349.4	352.1	358.8	361.5	368.2
BOAH24	Soybean Oil	43.77	44.14	44.94	45.31	46.11
WHAH24	Wheat	586	592	601 3/4	607 1/2	617 1/2
WHAN24	Wheat	600 3/4	606 1/4	614 1/4	619 3/4	627 3/4
RCAH24	Rice	17.957	18.235	18.357	18.635	18.757
KWAH24	KC Wheat	610 3/4	619	626 3/4	635	642 3/4
MWAH24	MINN Wheat	684 1/2	692 1/4	699 1/2	707 1/4	714 1/2
OTAH24	Oats	359	364 1/4	374	379 1/4	389

Calculations based on previous session. Data collected 02/02/2024

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