

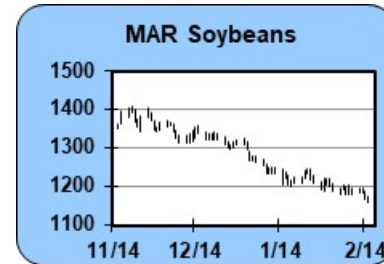


**DAILY SOY COMPLEX COMMENTARY**  
2/16/2024

**Bearish fundamental outlook and lack of S American crop threat**

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

**OVERNIGHT DEVELOPMENTS:** Soybeans (MAY 24) prices overnight are up 3; Soymeal (MAY 24) up 1.10; and Soyoil (MAY 24) down -0.14. Soybean open interest as of February 15 was up 12,939 contracts, soymeal up 411 contracts, and soybean oil down 122. Global equity markets overnight were higher except for the Spanish IBEX which fell by fractions of one percent. Critical economic news released overnight included net positive total US net treasury international capital flow reading, a significant rebound in New Zealand business PMI readings for January, a rebound in the Japanese industry Tertiary Index, a minimal increase of 0.1% in German wholesale price index readings for January, a rebound in GBP major proportion, a contraction in Swiss industrial production a contraction in French consumer price index readings normalized for the EU. The North Global equity markets overnight were higher with the exception the Spanish Ibex 35 which traded American session will start out with January US housing starts which are expected to have a minimal uptick from December's 1.46 million annualized rate. January US building permits are forecast to have a mild uptick from December's 1.49 million annualized rate. The January US producer price index is expected to have a moderate downtick from December's 1.0% year-over-year rate. The January US core producer price index (excluding food and energy) is forecast to have a mild downtick from December's 2.5% year-over-year rate. December Canadian wholesale sales are expected to have a minimal downtick from November's 0.9% reading. A private survey of February US consumer sentiment is forecast to have a minimal uptick from the previous 79.0 reading. Richmond Fed President Barkin, Fed Vice Chair Barr and San Francisco Fed President Daly will speak during morning US trading hours.



**NEAR-TERM MARKET FUNDAMENTALS:** The bearish hangover remains in place from the Outlook Forum's very large 2024/25 ending stocks estimate, the highest since the 2019 season and more than 35% above 2023/24. Notably, the Outlook Forum carryout has been above the final crop year carryout in 12 of the last 16 years. New crop November beans led the break yesterday as the USDA acreage number was 3.9 million acres above last year. February Outlook Forum acreage compared to the final acreage for the season has fluctuated significantly over the last 5 years so revisions will be inevitable and growing season weather will still be the determining factor for crop size. NOPA January crush Thursday was 185.78 million bushels, a new January record and compares to an average estimate of 189.9 million. Soybean oil stocks were 1.507 billion pounds, above the average guess of 1.409 billion. February crush is expected to be much stronger than January as there has been a lack of extreme weather this month. The Buenos Aires Grain Exchange reported good/excellent condition at 31%, unchanged from last week. Recent rains will keep the crop stable through the current drier period. US bean area under drought dropped 2% this week to 25%, compared to 34% a year ago. China will be back from their Lunar holiday next week. The Forum put the focus squarely on the potential for much larger supplies this year if weather cooperates. NOAA's long-term seasonal outlook shows the potential for below normal precipitation in the Western corn belt. Trader focus will soon shift to US planting weather, however, the potential for a very large increase in ending stocks year-over-year will allow some cushion for a minor weather problem. A technical bottom will need to be made to encourage buyers to jump in in face of the bearish fundamentals.

The Export Sales Report showed that for the week ending February 8, net soybean sales came in at 353,775 tonnes for the current marketing year and 24,000 for the next marketing year for a total of 377,775. Cumulative

soybean sales have reached 82.9% of the USDA forecast for the 2023/2024 marketing year versus a 5-year average of 79.8%. Sales need to average 273,000 tonnes per week to reach the USDA forecast.

Net meal sales came in at 203,359 tonnes for the current marketing year and 463 for the next marketing year for a total of 203,822. Cumulative meal sales have reached 63.4% of the USDA forecast for the 2023/2024 marketing year versus a 5-year average of 59.8%. Sales need to average 151,000 tonnes per week to reach the USDA forecast.

There were no net bean oil sales last week. Cumulative oil sales have reached 24.6% of the USDA forecast for the 2023/2024 marketing year versus a 5-year average of 53.1%. Sales need to average 3,100 tonnes per week to reach the USDA forecast.

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

Open interest was up nearly 13,000 contracts Thursday, indicating new shorts entering the market. Technical action remains weak and major support on March is 1145, which was the 2023 summer low. US spring planting weather will become a major influence on prices, but it is a bit early to build in any weather premium. Close-in resistance on March is 1180.

#### **NEW RECOMMENDATIONS:**

None.

#### **PREVIOUS RECOMMENDATIONS:**

None.

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

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SOYBEANS (MAR) 02/16/2024: Daily stochastics are trending lower but have declined into oversold territory. 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 now at 1150 1/2. The 9-day RSI under 30 indicates the market is approaching oversold levels. The next area of resistance is around 1169 1/2 and 1179 1/4, while 1st support hits today at 1155 and below there at 1150 1/2.

SOYBEAN OIL (MAR) 02/16/2024: The upside crossover of the 9 and 18 bar moving average is a positive signal. A crossover down in the daily stochastics is a bearish signal. Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. The market's short-term trend is negative as the close remains below the 9-day moving average. It is a slightly negative indicator that the close was lower than the pivot swing number. The next downside objective is 45.20. The next area of resistance is around 46.39 and 46.75, while 1st support hits today at 45.61 and below there at 45.20.

SOYMEAL (MAR) 02/16/2024: Daily stochastics are trending lower but have declined into oversold territory. A negative signal for trend short-term was given on a close under the 9-bar moving average. The market's close below the 1st swing support number suggests a moderately negative setup for today. The next downside objective is 333.7. With a reading under 30, the 9-day RSI is approaching oversold levels. The next area of resistance is around 343.2 and 348.5, while 1st support hits today at 335.8 and below there at 333.7.

#### **DAILY CORN COMMENTARY**

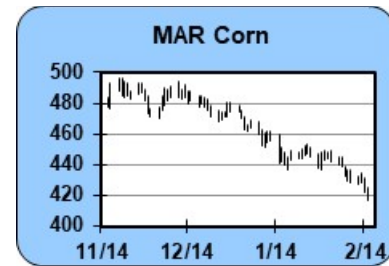
**2/16/2024**

## Bear action despite huge funds net short

### OVERNIGHT CHANGES THROUGH 6:06 AM (CT):

CORN +0.1

**OVERNIGHT DEVELOPMENTS:** Corn (MAY 24) prices overnight are up 1/2. Corn open interest as of February 15 was down 9,361 contracts.



**NEAR-TERM MARKET FUNDAMENTALS:** USDA's estimate of 2024/25 ending stocks at 2.532 billion bushels, the highest since 1987, will be a major bearish headwind until trader focus shifts to US crop weather or Brazil's Safrinha crop is threatened. But, keep in mind USDA's Outlook Forum ending stocks have been above the final crop year ending stocks each of last 5 years. Outlook Forum acres across grains and oilseeds were 225.5 million, slightly down from 227.8 million in 2023 and 221.4 million in 2022. The Buenos Aires Grain Exchange says good/excellent conditions dropped 4% this week to 27%. The International Grains Council raised global corn production for 2023/24 4 million tonnes to 1.23 billion tonnes. Ukrainian business Association, UCAB, estimates grain and oilseed planted area may be down 15 to 20% this season. CONAB recently estimated Brazil's corn planted area down 7.5% as more Milo is being planted due to its drought tolerance and wider planting window. A major South American weather threat is lacking at this time and trader focus has not yet shifted to US planting weather, leaving the bearish supply situation as the main market driver. While US corn is competitive, prices have not fallen to a level where global buyers get aggressive. Technical action and bearish fundamentals keep the bear camp in control until some new news can spark fund short covering.

The Export Sales Report showed that for the week ending February 8, net corn sales came in at 1,306,889 tonnes for the current marketing year and 2,300 for the next marketing year for a total of 1,309,189. Cumulative sales have reached 67.9% of the USDA forecast for the 2023/2024 marketing year versus a 5-year average of 66.6%. Sales need to average 585,000 tonnes per week to reach the USDA forecast.

### TODAY'S MARKET IDEAS:

Outlook Forum stocks-to-use ratio of 17% would be the highest since the 2005/06 season. This week, RSI hit its lowest since March 2023. The next major support for March is 405 and resistance stands at 436. Outlook Forum potential ending stocks, the highest since 1987, means a more significant weather problem in the US or Brazil crop will be needed for prices to extend a rally.

### NEW RECOMMENDATIONS:

None.

### PREVIOUS RECOMMENDATIONS:

None.

### CORN TECHNICAL OUTLOOK:

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CORN (MAR) 02/16/2024: 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 411 3/4. 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 421 1/2 and 427, while 1st support hits today at 414 and below there at 411 3/4.

CORN (JUL) 02/16/2024: 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 defensive setup, with the close under the 2nd swing support, could cause some early weakness. The next downside objective is now at 433 1/4.

Selling may soon dry up since the RSI is under 20 indicating the market is extremely oversold. The next area of resistance is around 444 and 450, while 1st support hits today at 435 1/2 and below there at 433 1/4.

## DAILY WHEAT COMMENTARY

2/16/2024

### Few weather threats puts focus on bearish supply situation

#### OVERNIGHT CHANGES THROUGH 6:06 AM (CT):

WHEAT -0.45

**OVERNIGHT DEVELOPMENTS:** Chicago wheat (MAY 24) prices overnight are down -4 1/4; Kansas City (MAY 24) down -6 1/2; and Minneapolis (MAY 24) down -1/2. MATIF Milling Wheat(MAY 24) was down -0.5%. Chicago wheat open interest as of February 15 was down 2,270 contracts and Minneapolis wheat was down 1,389 contracts.



**NEAR-TERM MARKET FUNDAMENTALS:** Prices are struggling under the weight of growing Russian wheat crop estimates and mostly favorable conditions in US winter wheat areas. US winter wheat area under drought dropped to 12% this week compared to 57% under drought year ago. Bearish Outlook Forum potential US ending stocks, the highest since the 2020 season, came despite a 2.6 million acre drop in sown area. From the 2014/15 season through the 2020/21 season, Outlook Forum ending stocks were below final crop year ending stocks every year. 2021/22 and 2022/23 Outlook Forum numbers were above final ending stocks. IKAR raised their Russian wheat crop estimate to 93 million tonnes as weather has been generally good and Paris wheat is below \$200 per metric tonne for the 1st time since July 2021. Egypt bought 180,000 tonnes of Ukraine and Romanian wheat Thursday. In slight bullish news, French SRW conditions fell to a 4-year low at 68% good/excellent and sown area is the 2nd lowest in 30 years, due to a very wet planting season. Fundamental and technical action portends more weakness and without a major weather issue in Russia, Ukraine or the US, the bear camp is unlikely to give up the wheel in the near-term.

The Export Sales Report showed that for the week ending February 8, net wheat sales came in at 349,286 tonnes for the current marketing year and 48,000 for the next marketing year for a total of 397,286. Cumulative sales have reached 89.2% of the USDA forecast for the 2023/2024 marketing year versus a 5-year average of 83.1%. Sales need to average 73,000 tonnes per week to reach the USDA forecast.

#### TODAY'S MARKET IDEAS:

Rising Russian wheat crop estimates and mostly favorable weather in wheat areas around the globe has encouraged sellers to press the market lower. Chicago March is closing in on the contract low at 556 1/4, while KC slips further into new contract lows. Thursday's Egypt purchase price was considered be lower than the previous tender as Black Sea prices remain very weak. Nearby March Chicago resistance is 573,

#### NEW RECOMMENDATIONS:

None.

#### PREVIOUS RECOMMENDATIONS:

None.

#### WHEAT TECHNICAL OUTLOOK:

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WHEAT (MAR) 02/16/2024: Momentum studies are still bearish but are now at oversold levels and will tend to support reversal action if it occurs. The market's close below the 9-day moving average is an indication the short-

term trend remains negative. The swing indicator gave a moderately negative reading with the close below the 1st support number. The next downside objective is now at 550 3/4. The next area of resistance is around 577 1/4 and 591 3/4, while 1st support hits today at 556 3/4 and below there at 550 3/4.

KC WHEAT (MAR) 02/16/2024: 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 swing indicator gave a moderately negative reading with the close below the 1st support number. The next downside target is 562 1/2. The 9-day RSI under 30 indicates the market is approaching oversold levels. The next area of resistance is around 584 1/4 and 595 1/4, while 1st support hits today at 567 3/4 and below there at 562 1/2.

MINN WHEAT (MAR) 02/16/2024: 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 market's close below the pivot swing number is a mildly negative setup. The next downside objective is 643 1/4. Some caution in pressing the downside is warranted with the RSI under 30. The next area of resistance is around 666 1/2 and 677 1/2, while 1st support hits today at 649 1/2 and below there at 643 1/4.

RICE (MAR) 02/16/2024: Momentum studies trending lower at mid-range should accelerate a move lower if support levels are taken out. A positive signal for trend short-term was given on a close over the 9-bar moving average. The market has a slightly positive tilt with the close over the swing pivot. The next downside objective is 18.263. The next area of resistance is around 18.830 and 19.062, while 1st support hits today at 18.430 and below there at 18.263.

## 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	417 3/4	16.45	22.02	12.25	6.97	425.81	431.25	439.13	454.54	461.80
CNAN24	439 3/4	16.36	21.47	13.46	7.90	447.94	452.72	459.19	475.61	482.78
SSAH24	1162 1/4	28.46	30.94	13.75	8.85	1178.00	1185.97	1200.71	1247.34	1273.18
SSAN24	1175 1/4	25.06	28.11	11.09	6.30	1192.63	1202.06	1217.35	1264.32	1290.74
SMAH24	339.5	28.81	32.33	20.90	11.78	344.13	349.06	354.29	369.44	380.12
BOAH24	46.00	42.79	43.28	52.00	50.38	46.64	46.64	46.48	47.84	48.71
WHAH24	567	30.09	36.19	34.24	22.22	586.88	591.11	596.40	604.47	603.41
WHAN24	570	22.86	30.10	18.02	9.68	588.06	596.67	606.64	619.67	620.62
RCAH24	18.630	59.75	60.17	72.02	63.48	18.56	18.58	18.28	17.83	17.74
KWAH24	576	23.21	31.23	22.14	11.86	589.19	601.11	612.88	620.56	624.70
MWAH24	658	21.80	28.63	16.87	9.00	668.69	680.36	690.01	702.77	708.44
OTAH24	382 1/4	57.72	54.96	77.09	82.52	381.06	378.47	375.07	372.25	372.55

Calculations based on previous session. Data collected 02/15/2024  
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	411 3/4	414	419 1/2	421 1/2	427 1/4
CNAN24	Corn	433	435 1/2	441 1/2	444	450
SSAH24	Soybeans	1150 1/2	1155	1165	1169 1/2	1179 1/2
SSAN24	Soybeans	1163	1167 1/2	1178 1/2	1183	1194
SMAH24	Soymeal	333.7	335.8	341.1	343.2	348.5
BOAH24	Soybean Oil	45.19	45.61	45.97	46.39	46.75
WHAH24	Wheat	550 3/4	556 3/4	571 1/4	577 1/4	591 3/4
WHAN24	Wheat	558	562 1/4	573 1/2	577 3/4	589
RCAH24	Rice	18.262	18.430	18.662	18.830	19.062
KWAH24	KC Wheat	562 1/2	567 3/4	579	584 1/4	595 1/2
MWAH24	MINN Wheat	643	649 1/2	660 1/4	666 1/2	677 1/2
OTAH24	Oats	374	378 1/2	381 1/2	386	389

**Calculations based on previous session. Data collected 02/15/2024**  
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