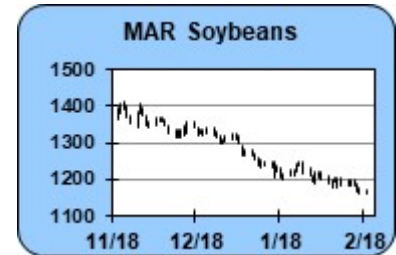




DAILY SOY COMPLEX COMMENTARY
2/20/2024

Stronger start to the week

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):
SOY BEANS +0.1, BEAN OIL +0.0, SOYMEAL +0.4



OVERNIGHT DEVELOPMENTS: Soybeans (MAY 24) prices overnight are up 10 3/4; Soymeal (MAY 24) up 2.80; and Soyoil (MAY 24) up 0.29. Soybean open interest as of February 16 was up 9,541 contracts, soymeal up 4,504 contracts, and soybean oil up 4,298. Chinese Dalian (MAY 24) Soybeans up 0.34%, Soymeal up 0.56%, Soyoil up 1.47%, Palm oil up 1.44%. Malaysian Palm was down 0.13%. Global equity markets overnight were mixed with Asian markets showing gains and European markets starting off under pressure. In fact, Chinese equity markets saw a six straight consecutive daily gain off hopes lower mortgage rates will save the beleaguered Chinese property market. Critical economic news released overnight included better than expected Japanese machinery orders for December, the largest ever reduction in Chinese mortgage reference rates, and Swiss CPI increased over the previous month. The North American trading session presents a very thin economic report slate with the only key reading Canadian Consumer Price Index readings for January with have expectations calling for a 0.4% gain. It should be noted that the US will auction six-month, 52-week, and three-month bills in auctions today. Critical corporate earnings reports due out today include Walmart Inc., Home Depot, BHP group Limited, Palo Alto networks, Toll Brothers, Chesapeake Energy, and Intercontinental Hotels Group PLC. Public Storage, Barclays PLC.

NEAR-TERM MARKET FUNDAMENTALS: Bearish sentiment may have peaked last week after the Outlook Forum numbers were released, at least for the near term, as money managers are now holding the 5th largest net short in history. Another supportive factor to start the week is the anticipation of new China demand after their Lunar new year holiday. Mato Grosso harvest is moving quickly, now at 65% compared to 58% average and overall soybean harvest in the country is 29.4% complete. Safras estimated 2024 Brazil bean exports at 94 million tonnes, down from 101.86 last season. Brazil's Ag Ministry says the crop is likely under 145 million tonnes as yields are not improving much as harvest moves along. This compares to USDA at 156 million, which is likely to be reduced in coming supply/demand reports. Also, Brazil's largest farm cooperative, COAMO, reported combined carryover soy, corn, and wheat stocks 50% higher than this time last year, as supplies remain from the bumper 2023 crop and farmer selling has been sluggish. A gap higher overnight in the March beans is a positive start to the week and 1st resistance is 1198. Now that the Forum numbers are behind us, the focus is on weather and the funds heavy bearish tilt.

TODAY'S MARKET IDEAS:

March beans "gapped" higher overnight and if the gap can hold through today's close, it could be the start of a larger short covering rebound to correct the nearly \$2.50 decline since November. Funds are holding the fifth-largest net short and last week's break appears to have reached extremely bearish sentiment levels that encouraged profit taking by the bear camp. Close-in resistance on March is 1198.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

	Non-Commercial		Net Position	Commercial		Non-Reportable	
	Net Position	Weekly Net Change		Net Position	Weekly Net Change	Net Position	Weekly Net Change
Grains							
Soybeans	-154,531	+1,028	166,491	-1,205	-11,959	+178	
Soymeal	-44,172	-10,439	25,259	+11,360	18,913	-921	
Soyoil	-27,766	+8,626	27,853	-5,752	-87	-2,874	

SOYBEAN COMPLEX TECHNICAL OUTLOOK:

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SOYBEANS (MAR) 02/20/2024: 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. With the close over the 1st swing resistance number, the market is in a moderately positive position. The next downside objective is 1158 3/4. The next area of resistance is around 1178 and 1181 1/2, while 1st support hits today at 1166 1/2 and below there at 1158 3/4.

SOYBEAN OIL (MAR) 02/20/2024: Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. A negative signal for trend short-term was given on a close under the 9-bar moving average. The daily closing price reversal down is a negative indicator for prices. The market setup is somewhat negative with the close under the 1st swing support. The next downside objective is now at 44.82. The next area of resistance is around 46.05 and 46.66, while 1st support hits today at 45.13 and below there at 44.82.

SOYMEAL (MAR) 02/20/2024: 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. With the close over the 1st swing resistance number, the market is in a moderately positive position. The next downside objective is now at 336.1. The next area of resistance is around 349.8 and 353.0, while 1st support hits today at 341.4 and below there at 336.1.

DAILY CORN COMMENTARY

2/20/2024

Bearish sentiment peaking

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):
CORN +0.3

OVERNIGHT DEVELOPMENTS: Corn (MAY 24) prices overnight are up 2 3/4. Corn open interest as of February 16 was up 5,804 contracts. Chinese Dalian (MAY 24) Corn was up 0.50%.



NEAR-TERM MARKET FUNDAMENTALS: A positive start to the week is expected as the Forum numbers are behind us, and the weekend focus was on the funds holding the second-largest net short in history. Mato Grosso planting is moving quickly and now stands at 65.17% done compared to 58.4 average. Safras lowered their Brazil corn production number to 129.2 million tonnes, down from 140.1 million last year and corn planted area is expected to be down 6.2%. The Biden Administration is expected to back a tougher ethanol climate model which would make it harder for corn ethanol to get government subsidies when used for production of sustainable aviation fuel. Other fresh weekend news was limited. March corn has closed steady or lower 10 out of the last 12 trading days and have reached extreme oversold levels on the chart. The bull camp may finally get the anticipated short covering rally after sentiment reached such bearish levels last week.

Commitment of Traders data later today should show fund net shorts nearing an all-time record, which may offer some support next week. Fundamentals and technicals remain bearish, but we may be nearing a peak of supply bearishness prior to the US spring planting season.

TODAY'S MARKET IDEAS:

The relative strength index reached its lowest level since March of 2023 and the positive start to the week may finally trigger some short covering. New market moving fundamental news was absent over the long weekend and although last week's Outlook Forum numbers were certainly bearish, negative sentiment may have peaked. The next major support for March is 405 and resistance stands at 436.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 2/6/2024 - 2/13/2024						
	Non-Commercial			Commercial		Non-Reportable
	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change
Grains						
Corn	-257,324	-12,819	290,388	+18,266	-33,064	-5,446

CORN TECHNICAL OUTLOOK:

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CORN (MAR) 02/20/2024: 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 411. 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 419 3/4 and 423 3/4, while 1st support hits today at 413 1/4 and below there at 411.

CORN (JUL) 02/20/2024: 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 daily closing price reversal up on the daily chart is somewhat positive. It is a slightly negative indicator that the close was under the swing pivot. The next downside target is now at 436 1/2. Selling may soon dry up since the RSI is under 20 indicating the market is extremely oversold. The next area of resistance is around 442 1/4 and 444 3/4, while 1st support hits today at 438 1/4 and below there at 436 1/2.

DAILY WHEAT COMMENTARY

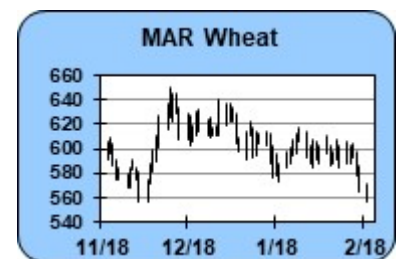
2/20/2024

Spillover support from corn and beans to start the week

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):

WHEAT +0.05

OVERNIGHT DEVELOPMENTS: Chicago wheat (MAY 24) prices overnight are up 1/4; Kansas City (MAY 24) up 1 1/4; and Minneapolis (MAY 24) down -1 3/4. MATIF Milling Wheat(MAY 24) was up 1.4%. Chicago wheat open interest as of February 16 was up 7,290 contracts and Minneapolis wheat was up 835 contracts.



NEAR-TERM MARKET FUNDAMENTALS: Higher Russian wheat crop estimates and a lack of weather threats were serious bearish headwinds this week, but March Chicago has tested the contract low overnight and that may be low enough to finally see a reasonable short covering bounce. Spillover support from corn and beans is also supportive for Wheat to start the week as well as the oversold technical conditions. However, if Black Sea supplies are abundant, US prices will continue to face selling on rallies. Parts of Russian wheat areas are expected to see a cold snap and traders will be watching closely for any winterkill issues. The Houthi's continued to attack ships in the Red Sea over the weekend and shot down a US drone. Polish farmers blocked most all border traffic with Ukraine and the drumbeat of protest is getting louder against cheap Ukrainian imports into EU countries. The US Southern Plains will see above normal temperatures for at least the next 2 weeks. EU wheat hit a 2 1/2 year low yesterday and the Commitment of Traders report shows net managed Money shorts were at their least bearish of the last 6 months. March Chicago wheat hit support that 556 overnight and nearby resistance is 583. Look for a test of that area early this week.

TODAY'S MARKET IDEAS:

The relative strength index on the Chicago March wheat reached the most oversold level since September 2023 and prices tested the contract low overnight and bounced. A strong close today would be a good sign a short covering rally is ready to start. Resistance on March is 583 and key support is at the overnight low at 555.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 2/6/2024 - 2/13/2024						
	Non-Commercial		Net Position	Commercial		Non-Reportable
	Net Position	Weekly Net Change		Weekly Net Change	Net Position	
Grains						
KC Wheat	-28,679	-5,472	30,685	+6,465	-2,007	-994
Wheat	-31,243	+10,355	35,017	-10,327	-3,774	-28

WHEAT TECHNICAL OUTLOOK:

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WHEAT (MAR) 02/20/2024: 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. It is a slightly negative indicator that the close was lower than the pivot swing number. The next downside target is now at 547 1/2. The market is approaching oversold levels on an RSI reading under 30. The next area of resistance is around 568 and 577 1/4, while 1st support hits today at 553 and below there at 547 1/2.

KC WHEAT (MAR) 02/20/2024: Momentum studies are still bearish but are now at oversold levels and will tend to support reversal action if it occurs. 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 lower than the pivot swing number. The next downside target is now at 555 1/2. The market is approaching oversold levels on an RSI reading under 30. The next area of resistance is around 574 3/4 and 582 1/4, while 1st support hits today at 561 1/4 and below there at 555 1/2.

MINN WHEAT (MAR) 02/20/2024: Daily stochastics declining into oversold territory suggest the selling may be drying up soon. The market's short-term trend is negative as the close remains below the 9-day moving average. The market tilt is slightly negative with the close under the pivot. The next downside objective is 646. The market is approaching oversold levels on an RSI reading under 30. The next area of resistance is around 659 1/4 and 664 1/4, while 1st support hits today at 650 1/4 and below there at 646.

RICE (MAR) 02/20/2024: Declining momentum studies in the neutral zone will tend to reinforce lower price action. The close below the 18-day moving average is an indication the intermediate-term trend has turned down. The close below the 1st swing support could weigh on the market. The next downside objective is now at 17.982. The next area of resistance is around 18.522 and 18.791, while 1st support hits today at 18.118 and below there at 17.982.

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	416 1/2	15.74	21.41	10.17	6.01	422.31	428.33	437.46	453.01	460.62
CNAN24	440 1/4	17.93	22.42	11.27	6.89	444.94	450.31	457.76	474.14	481.68
SSAH24	1172 1/4	36.31	35.74	13.23	12.20	1172.81	1183.31	1196.97	1243.56	1269.67
SSAN24	1184 3/4	33.30	33.19	10.64	9.74	1186.94	1198.78	1213.49	1260.38	1287.18
SMAH24	345.6	40.41	39.22	18.92	14.98	343.30	347.33	353.43	368.20	378.71
BOAH24	45.59	39.51	41.16	48.93	42.78	46.31	46.67	46.34	47.73	48.60
WHAH24	560 1/2	27.40	34.12	28.12	15.88	577.63	587.81	594.40	603.03	603.24
WHAN24	561 3/4	20.04	27.69	14.66	7.95	578.44	592.06	603.81	617.89	619.98
RCAH24	18.320	49.42	53.05	66.09	54.23	18.48	18.58	18.33	17.86	17.75
KWAH24	568	20.15	28.67	17.94	9.54	581.31	595.92	610.08	618.57	623.82
MWAH24	654 3/4	20.41	27.49	13.95	8.12	661.75	676.33	687.56	701.11	707.29
OTAH24	383 1/4	58.90	55.61	78.22	80.49	382.31	380.22	375.79	373.13	372.88

Calculations based on previous session. Data collected 02/16/2024

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	411	413 1/4	417 1/2	419 3/4	424
CNAN24	Corn	436 1/4	438	440 1/2	442 1/2	444 3/4
SSAH24	Soybeans	1158 1/2	1166 1/2	1170	1178	1181 1/2
SSAN24	Soybeans	1171 3/4	1179 1/4	1182 3/4	1190 1/4	1193 3/4
SMAH24	Soymeal	336.0	341.3	344.5	349.8	353.0
BOAH24	Soybean Oil	44.82	45.13	45.74	46.05	46.66
WHAH24	Wheat	547 1/2	553	562 1/2	568	577 1/2
WHAN24	Wheat	550 1/2	555 1/2	563 1/4	568	576
RCAH24	Rice	17.981	18.117	18.386	18.522	18.791
KWAH24	KC Wheat	555 1/2	561 1/4	569	574 3/4	582 1/2
MWAH24	MINN Wheat	646	650	655 1/4	659 1/2	664 1/2
OTAH24	Oats	374	378 1/4	384	388 1/4	394

Calculations based on previous session. Data collected 02/16/2024

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