



DAILY GRAINS COMMENTARY Thursday March 21, 2024

DAILY SOY COMPLEX COMMENTARY 3/21/2024

Flooding in Argentina gives weather bulls ammo

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

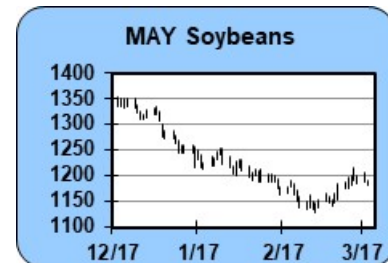
OVERNIGHT DEVELOPMENTS: Soybeans (MAY 24) prices overnight are up 7 3/4; Soymeal (MAY 24) up 4.10; and Soyoil (MAY 24) up 0.02. Soybean open interest as of March 20 was up 9,060 contracts, soymeal up 3,068 contracts, and soybean oil up 2,362. Chinese Dalian (MAY 24) Soybeans up 0.32%, Soymeal up 2.06%, Soyoil up 1.64%, Palm oil up 1.56%. Malaysian Palm was down 0.54%.

Global markets have maintained a mostly positive tone coming into this morning's trading session. While the Shanghai Composite closed with a modest loss, other major Asian stock indices finished with sizable gains. European equities and US stock index futures are posting mild to moderate gains early in today's action. Australian unemployment had a larger than expected decline while the Swiss National Bank surprised the market by cutting Swiss rates. The Bank of England is forecast to hold UK rates unchanged at today's meeting. This morning's trading will start out with a weekly reading on initial jobless claims which are expected to have a mild uptick from the previous 209,000. Ongoing jobless claims are forecast to have a minimal weekly increase from the previous 1.811 million. The March Philly Fed manufacturing survey is expected to have a moderate downtick from February's 5.2. The February Canadian new housing price index is forecast to have a moderate uptick from January's -0.1%. February US existing home sales are expected to have a modest downtick from January's 4.00 million annualized rate. The Conference Board's February reading on leading indicators is forecast to have a minimal uptick from January's -0.4%. Fed Vice Chair Barr will speak during afternoon US trading hours.

NEAR-TERM MARKET FUNDAMENTALS: Reports of excessive rains in Argentina flooding some bean fields along with a morning flash sale yesterday to Unknown, triggered some buy stops and put the bull camp back in control. Shorts continue to pare back positions before the quarterly stocks report late next week. The morning flash sale of 120,000 tonnes of beans to unknown was the 1st flash sale in 3 weeks. Rains for the central Midwest for next week look to be heaviest in northern Iowa and Minnesota, but Eastern South Dakota, Eastern Nebraska and Illinois also should see good coverage. Temperatures will remain below normal for the next 2 weeks across the Midwest. This morning's weekly export sales are expected in a range of 270,000 - 700,000 tonnes for beans and 150,000 - 450,000 for meal. LSEG Commodity Research projects US bean acres this spring up 4.1% from last year, resulting in potential production 7% higher than last season. Their yield range expectations were 49.3-52.4 bushels per acre. Both meal and oil were significantly stronger Wednesday and processor maintenance downtime in April is inching closer, which could mean an abrupt slowdown for crush next month. Most processors hold back some inventory to cushion the drop in supplies during the downtime. In addition, processors may be bidding for additional supplies before the farmer gets on the planter and origination of supplies gets tougher. The USDA attache said China's soybean imports for 2024/25 should reach 103 million tonnes, a new record. China is considering asking some of its crushers to prioritize local bean supplies to reduce reliance on imports. After yesterday's close above the 50-day moving average on May for the 1st time since December 12, retracement resistance from the November high to the February low stands at 1239 1/2. Funds shorts are likely to further pare down their positions before next week's quarterly stocks report and that raises the odds of further upside gains toward resistance.

TODAY'S MARKET IDEAS:

The bull camp finally got a reason to add weather premium yesterday on reports of excessive rains in Argentina causing some flooding. US central Midwest rains are still on tap for next week but a reduction in fund net shorts is



supporting breaks. Support has moved up to 1197 on May. Technical action looks supportive for a move to retracement resistance at 1239 1/2.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

SOYBEAN COMPLEX TECHNICAL OUTLOOK:

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SOYBEANS (MAY) 03/21/2024: The cross over and close above the 40-day moving average is an indication the longer-term trend has turned positive. The daily stochastics have crossed over up which is a bullish indication. Studies are showing positive momentum but are now in overbought territory, so some caution is warranted. The market's close above the 9-day moving average suggests the short-term trend remains positive. The market's close above the 2nd swing resistance number is a bullish indication. The near-term upside target is at 1231 3/4. The next area of resistance is around 1223 1/2 and 1231 3/4, while 1st support hits today at 1195 1/2 and below there at 1175 1/2.

SOYBEAN OIL (MAY) 03/21/2024: The daily stochastics gave a bullish indicator with a crossover up. Rising stochastics at overbought levels warrant some caution for bulls. A positive signal for trend short-term was given on a close over the 9-bar moving average. The outside day up is a positive signal. The market setup is supportive for early gains with the close over the 1st swing resistance. The near-term upside objective is at 49.94. The next area of resistance is around 49.57 and 49.94, while 1st support hits today at 48.43 and below there at 47.65.

SOYMEAL (MAY) 03/21/2024: The major trend could be turning up with the close back above the 40-day moving average. The crossover up in the daily stochastics is a bullish signal. Positive momentum studies in the neutral zone will tend to reinforce higher price action. 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 objective is at 349.8. The next area of resistance is around 347.2 and 349.8, while 1st support hits today at 337.8 and below there at 330.9.

DAILY CORN COMMENTARY

3/21/2024

Market turns its focus to excess rains in Argentina

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):

CORN +0.3

OVERNIGHT DEVELOPMENTS: Corn (MAY 24) prices overnight are up 4. Corn open interest as of March 20 was up 12,492 contracts. Chinese Dalian (MAY 24) Corn was down 0.12%.



NEAR-TERM MARKET FUNDAMENTALS: After very quiet action so far this week, May corn caught a bid overnight and made a new high for the month on excess Argentina rains and anticipation of another good weekly export sales number this morning. The Rosario Grain Exchange says too much rain is hurting the Argentine corn crop, which is a short-term positive, but weather bull markets do not generally extend very far on too much precipitation. Next week looks wet for the

central Midwest with northwest Iowa, northeast Nebraska and Minnesota favored for the heaviest moisture. Moisture deficits in the Northwest 1/3rd of the Midwest are also expected to be eased with the forecasted rains over the next 10 days. Weekly export sales this morning are expected in a range of 900,000-1,200,000 tonnes. LSEG Commodity Research projects US corn acreage this spring will fall to 91.3 million acres from 94.6 million in 2023/24 and total crop production is expected down 1% from last year on the acreage decline. They also lowered their Brazil corn production to 118.1 million tonnes, down 1% from their previous number and 5.9 million tonnes below USDA. CONAB last week was 112.8 million tonnes. Ethanol production was slightly above guesses, as were ethanol stocks. May tested the key 50-day moving average overnight and a close above 443 would be the 1st close over the moving average since October 23rd and suggest a test of at least 450.

Ethanol average daily production for the week ending March 15 averaged 1.046 million barrels. This was up 2.1% from last week and up 4.9% from last year. The 5-year average for this week is 1.010 million barrels per day. Ethanol production for the week was 7.322 million barrels. Ethanol stocks were 26.009 million barrels. This was up 0.9% from last week and down 0.7% from last year. The 5-year average stocks for this week is 24.537 million barrels. The amount of corn used for the week is estimated at 103.82 million bushels. Cumulative corn use for the crop year has reached 2.893 billion bushels. Corn use needs to average 102.82 million bushels per week to meet the USDA's marketing year forecast of 5.375 billion bushels.

TODAY'S MARKET IDEAS:

May prices finally exceeded the 50-day moving average and a close above 443 would point to a further extension of the rally. Traders were looking for a weather spark after several days of sideways action and reports of flooding in Argentina took center stage. The technical picture looks positive and May resistance at 450 could be a major pivot point. Support from 432 down to 426 1/2 on May should hold any breaks.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

CORN TECHNICAL OUTLOOK:

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CORN (MAY) 03/21/2024: Momentum studies trending lower from overbought levels is a bearish indicator and would tend to reinforce lower price action. The market's close above the 9-day moving average suggests the short-term trend remains positive. It is a mildly bullish indicator that the market closed over the pivot swing number. The next downside target is 434 1/4. The next area of resistance is around 441 and 442 1/4, while 1st support hits today at 437 and below there at 434 1/4.

CORN (JUL) 03/21/2024: The daily stochastics have crossed over up which is a bullish indication. Momentum studies are trending higher but have entered overbought levels. A positive signal for trend short-term was given on a close over the 9-bar moving average. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The near-term upside target is at 455 3/4. The next area of resistance is around 454 1/4 and 455 3/4, while 1st support hits today at 450 1/4 and below there at 447 1/2.

DAILY WHEAT COMMENTARY

3/21/2024

Egypt tender uncovers plenty of offers

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):

WHEAT +0.33

OVERNIGHT DEVELOPMENTS: Chicago wheat (MAY 24) prices overnight are up 6 1/2; Kansas City (MAY 24) up 6; and Minneapolis (MAY 24) up 7. MATIF Milling Wheat(MAY 24) was up 0.8%. Chicago wheat open interest as of March 20 was up 5,632 contracts and Minneapolis wheat was up 1,030 contracts.



NEAR-TERM MARKET FUNDAMENTALS: Plentiful world wheat supplies is the overriding bearish theme but prices are bumping up against important moving average resistance, which, if exceeded, could give the market a further technical bounce. Due to last week's Chinese cancellations, weekly export sales this morning are expected in a range of -200,000 to a positive 300,000 tonnes. Egypt bought 55,000 tonnes of wheat from Bulgaria and another 55,000 from Romania, the 110,000 tonne total was less than hoped for. Egypt received no less than 30+ offers which reinforces there is no shortage of world wheat. China's imports of Australian wheat for January-February were 4x higher than the same period last year. Central Oklahoma and Northwest Texas saw some beneficial rains overnight and light precipitation is expected this weekend in Kansas. No arctic cold spell is in the forecast. EU farmers are expected to increase their protests after Ukraine was granted another year of duty-free access to EU markets, although the proposals included emergency measures if Ukraine's ag exports to the EU become excessive. Key resistance on May Chicago is 556 and support has moved up to 536. Bearish global fundamentals remain in place, but a technical rally could be seen before next week's quarterly stocks report.

TODAY'S MARKET IDEAS:

Important resistance to extend a rally is 556 on May Chicago and if that level is exceeded, it could trigger a run to 580. There is no change to the bearish world price situation after Egypt's tender found plenty of wheat available. But the market appears sold out for the moment and a short covering rally could be seen at any time.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

WHEAT TECHNICAL OUTLOOK:

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WHEAT (MAY) 03/21/2024: Positive momentum studies in the neutral zone will tend to reinforce higher price action. The intermediate trend has turned down with the cross over back below the 18-day moving average. The market's close below the 1st swing support number suggests a moderately negative setup for today. The near-term upside objective is at 561. The next area of resistance is around 553 and 561, while 1st support hits today at 537 and below there at 529.

KC WHEAT (MAY) 03/21/2024: Declining momentum studies in the neutral zone will tend to reinforce lower price action. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The market tilt is slightly negative with the close under the pivot. The next downside objective is 561 1/2. The next area of resistance is around 589 1/2 and 595 1/4, while 1st support hits today at 572 1/2 and below there at 561 1/2.

MINN WHEAT (MAY) 03/21/2024: Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. 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 641 1/4. The next area of resistance is around 660 3/4 and 664 1/2, while 1st support hits today at 649 1/4 and below there at 641 1/4.

RICE (MAY) 03/21/2024: 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 market's close below the pivot swing number is a mildly negative setup. The next downside objective is 17.650. The next area of resistance is around 17.720 and 17.750, while 1st support hits today at 17.670 and below there at 17.650.

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										
CNAK24	439	55.99	51.62	75.09	73.84	437.81	438.83	433.35	440.99	449.73
CNAN24	452 1/4	59.02	53.79	76.72	76.76	450.56	451.25	445.39	451.42	460.00
SSAK24	1209 1/2	68.42	60.54	74.15	77.10	1195.25	1192.47	1170.78	1189.80	1212.23
SSAN24	1223 1/4	69.91	61.81	75.67	78.67	1209.56	1206.00	1182.67	1199.94	1221.43
SMAK24	342.5	61.28	54.52	59.24	64.53	335.75	337.18	333.63	342.68	351.08
BOAK24	49.00	66.93	62.97	79.85	81.05	48.82	48.09	46.71	46.79	47.25
WHAK24	545	45.89	43.35	27.36	33.51	542.19	541.97	551.11	578.60	589.81
WHAN24	560 1/4	48.87	45.80	34.80	43.22	557.25	556.28	560.79	584.69	596.26
RCAK24	17.695	31.72	37.52	6.02	3.97	17.75	17.82	18.05	18.29	18.16
KWAK24	581	49.89	48.33	53.15	51.95	575.81	583.36	579.21	593.64	602.61
MWAK24	655	46.53	44.90	40.55	36.67	652.00	659.06	656.68	674.68	686.16
OTAK24	353 1/4	32.81	38.88	45.27	24.69	358.50	364.97	365.04	365.96	366.78

Calculations based on previous session. Data collected 03/20/2024

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DAILY SWING STATISTICS

Contract		Support 2	Support 1	Pivot	Resist 1	Resist 2
GRAIN COMPLEX						
CNAK24	Corn	434 1/4	437	438 1/4	441	442 1/4
CNAN24	Corn	447 1/4	450	451 1/2	454 1/2	455 3/4
SSAK24	Soybeans	1175 1/4	1195 1/2	1203 1/2	1223 1/2	1231 3/4
SSAN24	Soybeans	1190 1/2	1209 3/4	1217 1/2	1236 3/4	1244 1/2
SMAK24	Soymeal	330.8	337.7	340.3	347.2	349.8
BOAK24	Soybean Oil	47.64	48.42	48.79	49.57	49.94
WHAK24	Wheat	529	537	545	553	561
WHAN24	Wheat	544 1/2	552 1/2	560 1/4	568	576
RCAK24	Rice	17.650	17.669	17.700	17.720	17.750
KWAK24	KC Wheat	561 1/2	572 1/2	578 1/2	589 1/2	595 1/2
MWAK24	MINN Wheat	641 1/4	649	653	661	664 3/4
OTAK24	Oats	347	349 1/4	355	357 1/4	363

Calculations based on previous session. Data collected 03/20/2024

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