



DAILY GRAINS COMMENTARY

Wednesday January 10, 2024

DAILY SOY COMPLEX COMMENTARY

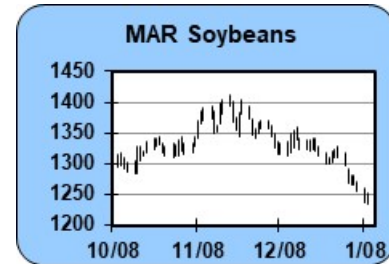
1/10/2024

Fundamental arguments bearish but market oversold

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):

SOY BEANS -0.1, BEAN OIL +0.0, SOYMEAL -0.1

OVERNIGHT DEVELOPMENTS: Soybeans (MAR 24) prices overnight are down -6 1/2; Soymeal (MAR 24) down -1.20; and Soyoil (MAR 24) down -0.18. Soybean open interest as of January 9 was up 4,435 contracts, soymeal up 1,634 contracts, and soybean oil up 2,573. Chinese Dalian (MAY 24) Soybeans down 0.27%, Soymeal down 0.06%, Soyoil up 1.63%, Palm oil up 2.32%. Malaysian Palm was up 0.67%. Global equity markets overnight were mixed with Chinese equities down, European stock generally higher in the US market starting off with fractional gains. Critical economic news released overnight included a significant jump in New Zealand ANZ, a significant jump in Australian monthly consumer price index readings for November relative to year ago levels, a much stronger-than-expected French industrial output reading for November, and Italian retail sales which on a month over month basis replicated the previous months +0.4% reading. The North American session will start out with a weekly private survey of mortgage application, followed by a November reading on US wholesale trade which is expected to have a mild uptick from October's -0.4% reading. New York Fed President Williams will speak during morning US trading hours.



NEAR-TERM MARKET FUNDAMENTALS: Although we continue to side with the bear camp, additional short covering can be expected before Friday's report. The January USDA Supply/Demand report is typically one of the more important USDA reports of the year with final output numbers from the past season, quarterly stocks, and US wheat production numbers. CONAB's Brazil crop estimate cut this morning is a bullish headline but is unlikely to offer prices much support with crops now on an improving track in Brazil and especially, Argentina. CONAB estimated Brazil's crop at 155.29 million tons, down from their previous forecast of 160.177 million and slightly above last year's output at 154.609 million. Planted area was estimated to be down 2.7% from a year ago. USDA is expected to lower their Brazil estimate Friday morning from their December number of 161 million tons. The majority of the private analyst estimates are now in the 151-157-million-ton range. US export data for November showed bean exports of 7.463 million tons, down 24% from November a year ago. China, Mexico, and the Netherlands were the top 3 buyers. US meal exports were 1.331 million tons, up 23.2% from November a year ago. Exporter sources say China bought 3 cargoes of Brazilian beans yesterday, but US demand remains limited. Coamo (Brazil's largest soy co-op) says the quick start to harvest means sizable Brazil supplies will be available by the end of January, meaning the US export window will soon close. Census trade data for November showed larger soybean exports than inspection data showed, which means odds favor a possible lower than expected soybean quarterly stocks number Friday. Short covering is expected before Friday's report but a bullish surprise in the report numbers is needed to offset the current bearish fundamentals.

TODAY'S MARKET IDEAS:

Yesterday's minor reversal higher in March futures could indicate a short-term turn higher if prices can confirm with a higher close today, but rally power may be limited in the current environment of improving conditions in South America. Initial resistance is 12.65 and longer-term resistance remains at last week's gap at 12.96 3/4. Unless we see surprisingly bullish numbers in Friday's report, longer term support at 12.10 may still be tested.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

SOYBEAN COMPLEX TECHNICAL OUTLOOK:

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SOYBEANS (MAR) 01/10/2024: 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 upside daily closing price reversal gives the market a bullish tilt. The market has a slightly positive tilt with the close over the swing pivot. The next downside objective is now at 1228 1/4. The market is approaching oversold levels on an RSI reading under 30. The next area of resistance is around 1257 1/4 and 1263, while 1st support hits today at 1239 3/4 and below there at 1228 1/4.

SOYBEAN OIL (MAR) 01/10/2024: Daily stochastics are showing positive momentum from oversold levels, which should reinforce a move higher if near term resistance is taken out. The market's short-term trend is positive on the close above the 9-day moving average. It is a mildly bullish indicator that the market closed over the pivot swing number. The next upside objective is 49.32. The next area of resistance is around 48.95 and 49.32, while 1st support hits today at 47.95 and below there at 47.33.

SOYMEAL (MAR) 01/10/2024: 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 tilt is slightly negative with the close under the pivot. The next downside objective is 360.5. The market is approaching oversold levels on an RSI reading under 30. The next area of resistance is around 370.9 and 373.8, while 1st support hits today at 364.3 and below there at 360.5.

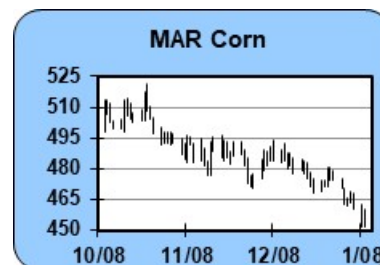
DAILY CORN COMMENTARY

1/10/2024

Reversal higher favors bounce

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):
CORN -0.1

OVERNIGHT DEVELOPMENTS: Corn (MAR 24) prices overnight are down -1 3/4. Corn open interest as of January 9 was up 16,948 contracts. Chinese Dalian (MAY 24) Corn was down 0.38%.



NEAR-TERM MARKET FUNDAMENTALS: Prices finally found some stability yesterday after making new contract lows and testing 4.50 support, then closing higher, which gives the slight edge today to the bull camp. If prices can close higher again today to confirm the reversal, a further short-covering rally can be expected into Friday's USDA report. CONAB estimated Brazil's total corn crop at 117.603 million tons, compared to 118.528 in their previous forecast and 131.945 a year ago. USDA is expected to update their Brazil production Friday morning but currently stand at 129 million tons. Planted area was estimated down 5.6% from a year ago. The Safrinha 2nd crop corn was estimated at 91.35, down from 102.365 a year ago. CONAB numbers look a bit bullish on the surface, however, steady improvement in the Argentine corn crop is tamping down any fundamental bullish ideas. US export data for November showed corn exports of 3.573 million tons, up 46% from November 2022. Mexico purchased significant volumes of US corn in November. The Buenos Aires Grain Exchange estimated the Argentine crop at 56 million tons compared with the current USDA number of 55 million tons. Although bearish fundamental arguments remain in place, yesterday's turn higher from oversold levels significantly raise the odds of at least a minor rally with initial resistance at 4.68 on March futures.

TODAY'S MARKET IDEAS:

March prices have faced selling pressure since the October 20th autumn high, but yesterday's potential key reversal may finally give the bulls a chance to push prices higher, at least into Friday morning's USDA supply/demand report. Initial resistance is 4.68 and then 4.81 on March futures. Close-in support is at 4.50.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

CORN TECHNICAL OUTLOOK:

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CORN (MAR) 01/10/2024: A bullish signal was given with an upside crossover of the daily stochastics. Rising from oversold levels, daily momentum studies would support higher prices, especially on a close above resistance. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The daily closing price reversal up on the daily chart is somewhat positive. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The near-term upside objective is at 466 1/4. The next area of resistance is around 463 1/2 and 466 1/4, while 1st support hits today at 455 and below there at 449.

CORN (JUL) 01/10/2024: The daily stochastics have crossed over up which is a bullish indication. Daily stochastics are showing positive momentum from oversold levels, which should reinforce a move higher if near term resistance is taken out. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The upside daily closing price reversal gives the market a bullish tilt. The market has a slightly positive tilt with the close over the swing pivot. The near-term upside objective is at 487 1/4. The next area of resistance is around 485 1/2 and 487 1/4, while 1st support hits today at 478 1/2 and below there at 473.

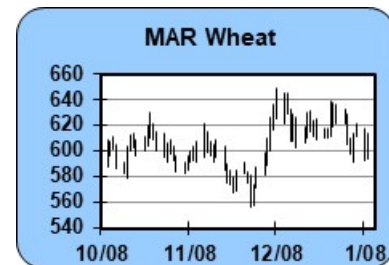
DAILY WHEAT COMMENTARY

1/10/2024

Technical action favors upside

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):
WHEAT -0.2

OVERNIGHT DEVELOPMENTS: Chicago wheat (MAR 24) prices overnight are down -2 1/2; Kansas City (MAR 24) down -4 3/4; and Minneapolis (MAR 24) down -3/4. MATIF Milling Wheat(MAR 24) was down -0.2%. Chicago wheat open interest as of January 9 was down 3,908 contracts and Minneapolis wheat was up 226 contracts.



NEAR-TERM MARKET FUNDAMENTALS: Global demand has picked up on this week's price weakness and yesterday's 420,000-ton purchase by Egypt was a sign the lower price level stimulated buyers, like what we saw on weakness in December. Forecasts for only light rains in the southern Plains in the 1-5-day timeframe may have aided yesterday's higher close as well. Overnight, US and UK warships repelled the largest attack to date by the Houthis in the Red Sea. Extreme lows of 20 to 30 below zero are expected in the northwest US Plains this weekend but only the far northwest 10% of the Plains wheat area is lacking snow cover and at risk of winterkill. US export data for November showed 1.149 million tons of wheat exported, up 1% from a year ago. Philippines, Mexico, and South Korea were the top 3 buyers. Polish farmers have ended the trucker blockade at the Ukraine

border having received written confirmation of financial compensation, a continuation of ag subsidies and preferential loan treatment. Look for more short covering as the market appears headed to test nearby resistance at 6.22 on March futures.

TODAY'S MARKET IDEAS:

March futures, having held support at 5.91 this week, are showing signs of further short covering before Friday morning's report. Resistance at 6.22 looks to be the next target. Extreme cold temperatures will be grabbing the headlines over the weekend and into early next week which may be supportive, although winterkill risks do not look to be a major issue for most of the crop.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

WHEAT TECHNICAL OUTLOOK:

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WHEAT (MAR) 01/10/2024: The cross over and close above the 60-day moving average is an indication the longer-term trend has turned positive. Declining momentum studies in the neutral zone will tend to reinforce lower price action. A negative signal for trend short-term was given on a close under the 9-bar moving average. With the close over the 1st swing resistance number, the market is in a moderately positive position. The next downside target is now at 587 1/4. The next area of resistance is around 619 3/4 and 626 1/2, while 1st support hits today at 600 1/4 and below there at 587 1/4.

KC WHEAT (MAR) 01/10/2024: The crossover up in the daily stochastics is a bullish signal. 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. A positive setup occurred with the close over the 1st swing resistance. The next upside objective is 644 1/2. The next area of resistance is around 635 3/4 and 644 1/2, while 1st support hits today at 616 1/4 and below there at 605 1/4.

MINN WHEAT (MAR) 01/10/2024: 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 close over the pivot swing is a somewhat positive setup. The next downside target is 695 1/2. The next area of resistance is around 711 1/4 and 718 1/4, while 1st support hits today at 699 3/4 and below there at 695 1/2.

RICE (MAR) 01/10/2024: Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. The intermediate trend could be turning up with the close back above the 18-day moving average. The market has a slightly positive tilt with the close over the swing pivot. The next downside target is 17.383. The next area of resistance is around 17.685 and 17.742, while 1st support hits today at 17.505 and below there at 17.383.

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	459 1/4	34.31	36.37	16.26	16.78	460.38	465.83	471.08	479.84	484.80
CNAN24	482	32.57	35.40	15.62	16.73	483.13	488.50	493.51	500.63	503.90
SSAH24	1248 1/2	23.51	29.28	10.41	9.98	1254.44	1277.64	1299.65	1336.44	1334.04
SSAN24	1266 1/2	23.96	28.85	9.52	9.76	1270.25	1292.39	1315.74	1353.34	1351.62
SMAH24	367.6	21.40	27.73	11.11	8.98	370.43	379.12	386.33	406.00	404.89

BOAH24	48.45	44.55	43.21	25.37	29.46	48.01	48.20	49.04	50.15	50.52
WHAH24	610	48.20	49.17	36.91	33.61	608.94	613.92	616.13	606.30	605.39
WHAN24	630 3/4	48.90	49.35	37.58	34.53	628.88	632.97	634.22	629.08	630.35
RCAH24	17.595	52.81	53.33	44.44	38.71	17.50	17.54	17.54	17.32	17.11
KWAH24	626	47.18	46.84	31.87	33.86	624.00	629.69	631.40	638.24	645.49
MWAH24	705 1/2	39.26	41.66	26.33	20.15	707.81	713.94	717.36	726.71	731.11
OTAH24	379 1/2	56.29	53.20	51.27	49.43	364.63	372.03	371.53	371.30	379.66

Calculations based on previous session. Data collected 01/09/2024

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	449	455	457 3/4	463 1/2	466 1/2
CNAN24	Corn	473	478 1/2	480 1/4	485 1/2	487 1/2
SSAH24	Soybeans	1228	1239 3/4	1245 1/2	1257 1/4	1263
SSAN24	Soybeans	1247	1258 1/4	1263 1/2	1274 3/4	1280
SMAH24	Soymeal	360.4	364.2	367.1	370.9	373.8
BOAH24	Soybean Oil	47.32	47.95	48.32	48.95	49.32
WHAH24	Wheat	587 1/4	600	607	620	626 3/4
WHAN24	Wheat	609 3/4	622	627 1/2	639 1/2	645 1/4
RCAH24	Rice	17.382	17.505	17.562	17.685	17.742
KWAH24	KC Wheat	605 1/4	616	625	636	644 3/4
MWAH24	MINN Wheat	695 1/2	699 3/4	707	711 1/4	718 1/2
OTAH24	Oats	356 1/2	369 3/4	376	389 1/4	395 1/2

Calculations based on previous session. Data collected 01/09/2024

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