



## DAILY GRAINS COMMENTARY

Thursday January 11, 2024

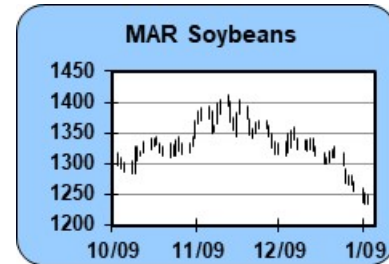
### DAILY SOY COMPLEX COMMENTARY

1/11/2024

**Minor short covering expected today**

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

**OVERNIGHT DEVELOPMENTS:** Soybeans (MAR 24) prices overnight are up 7 1/4; Soymeal (MAR 24) up 2.90; and Soyoil (MAR 24) up 0.25. Soybean open interest as of January 10 was up 12,542 contracts, soymeal up 6,139 contracts, and soybean oil up 7,532. Chinese Dalian (MAY 24) Soybeans down 0.17%, Soymeal down 0.86%, Soyoil up 0.43%, Palm oil up 1.06%. Malaysian Palm was up 0.98%. Global equity markets overnight were all higher with some markets gaining more than 1.5%. Critical economic news released overnight included a significant contraction in New Zealand building permits, a significant drop in Australian imports, a minor improvement in Australian exports, week Japanese coincident and leading economic indicators, better-than-expected Spanish industrial output and much weaker than expected Italian industrial output. The North American session will start out with the highlight for global markets, the December US consumer price index which is expected to hold steady with November's 3.1% year-over-year rate. The December US core consumer price index (which excludes food and energy) is forecast to have a minimal downtick from November's 4.0% year-over-year rate. The weekly reading on initial jobless claims is expected to have a moderate uptick from the previous 202,000 reading. Ongoing jobless claims are forecast to have a minimal weekly increase from the previous 1.855 million reading. Richmond Fed President Barkin will speak during early afternoon US trading hours. Earnings announcements will include Infosys before the Wall Street opening.



**NEAR-TERM MARKET FUNDAMENTALS:** Short covering before tomorrow's supply/demand report has surfaced as traders look at high odds of a higher close tomorrow as futures have closed higher on the January report day in each of the last 8 years. US ending stocks are expected to be near unchanged tomorrow from the December report, but export data suggests a good possibility soybean quarterly stocks will be lower than the average guesses of 2.975 billion bushels. Weekly export sales this morning are expected in a range of 335,000-1,100,000 for beans, 95,000-400,000 for soybean meal and 0 to 10,000 for bean oil. China is no longer the top importer from the US, Mexico has now taken the title. Exporter sources report China bought several cargoes of Brazilian beans yesterday, but nothing out of the US. It is worrisome that China demand has been weak during the time of year when the US typically gets more business. The US Attache to Argentina estimates their soy crop at 50.5 million tons, up from USDA's current number of 48 million. For the last 3 days, March futures has been in a range of 12.51 1/2 - 12.34. With short covering likely before tomorrow's report, we would expect stronger odds of a breakout to the upside of the range, with 12.65 as next resistance.

Tomorrow's January USDA supply/demand pre-report average estimate for 2023/24 US bean ending stocks is 243 million bushels with an estimate range of 215-314 million. Average yield is expected to be unchanged from the December report at 49.9 BPA. World ending stocks for 2023/24 are estimated at 111.58 with the range of 107.20-114.00. Brazil bean production is estimated at 156.26 million tons and Argentina 48.87. US December 1 quarterly stocks for beans are estimated at 2.975 billion bushels with an estimate range of 2.935-3.019.

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

March futures were unable to close higher yesterday to confirm Tuesday's reversal, but short covering is still expected today and tomorrow morning before the USDA report. Weekly export sales will be the focus this morning with an expected range in the beans of 335,000-1,100,000 tons. 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 yet be tested.

#### **NEW RECOMMENDATIONS:**

None.

#### **PREVIOUS RECOMMENDATIONS:**

None.

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

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SOYBEANS (MAR) 01/11/2024: 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 swing indicator gave a moderately negative reading with the close below the 1st support number. The next downside objective is 1225. Some caution in pressing the downside is warranted with the RSI under 30. The next area of resistance is around 1243 3/4 and 1254 1/4, while 1st support hits today at 1229 1/4 and below there at 1225.

SOYBEAN OIL (MAR) 01/11/2024: Positive momentum studies in the neutral zone will tend to reinforce higher price action. The market's short-term trend is positive on the close above the 9-day moving average. The daily closing price reversal down puts the market on the defensive. The market tilt is slightly negative with the close under the pivot. The near-term upside objective is at 49.11. The next area of resistance is around 48.64 and 49.11, while 1st support hits today at 47.86 and below there at 47.54.

SOYMEAL (MAR) 01/11/2024: 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 target is now at 360.3. The 9-day RSI under 20 suggests the market is extremely oversold. The next area of resistance is around 366.7 and 369.9, while 1st support hits today at 361.9 and below there at 360.3.

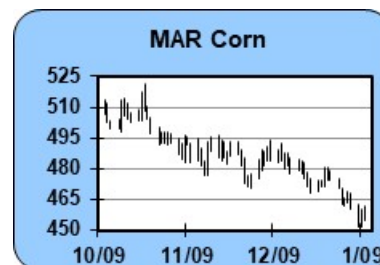
### **DAILY CORN COMMENTARY**

1/11/2024

#### **Reversal higher favors bounce**

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

**OVERNIGHT DEVELOPMENTS:** Corn (MAR 24) prices overnight are up 3/4. Corn open interest as of January 10 was up 11,587 contracts. Chinese Dalian (MAY 24) Corn was up 0.63%.



**NEAR-TERM MARKET FUNDAMENTALS:** Although trading volume this week has been the best since late November, prices are still lacking enthusiasm and offering little direction for neither bull nor bear. This morning's weekly export sales are expected in a range of 400,000 - 1,200,000 tons. Open interest rose nearly 12,000 contracts again yesterday and since mid-December is up a significant 173,000 contracts. This is certainly short covering fuel, but the funds have no reason to cover their net short positions as long as prices are drifting sideways/lower. The Rosario Grain Exchange raised their Argentine crop estimate 3 million tons to 59 million, which would be up 64% from last season. USDA currently stands at 55 million tons. Argentina will see a mix of rain and sun for the next week and Brazil conditions feature enough rain to keep ideas alive the crop has stabilized. Extreme cold temperatures are

expected to disrupt US Midwest river shipping over the next 10 days. Below normal temperatures for the Midwest are here to stay for the next 2 weeks. US corn is competitive off the Pacific Northwest Coast; however, buying interest has been limited this week as global buyers are clearly waiting to see how much improvement is seen in South American conditions. March futures key support remains at 4.50. Nearby resistance sits at 4.68.

Tomorrow's USDA January supply/demand report average estimate for US 2023/24 ending stocks is 2.105 billion bushels with the range of 1.977 - 2.221 billion. Yield is expected to be unchanged from the December report at 174.9 BPA. World ending stocks are expected at 313.03 with the range of 308.00 - 318.00. Argentine corn production is expected at 54.78 million tons and Brazil 125.33 million. December 1 quarterly stocks average guess is 12.0512 billion bushels with the range of 11.826 - 12.250 billion.

Ethanol average daily production for the week ending January 5 averaged 1.062 million barrels. This was up 1.2% from last week and up 12.6% from last year. The 5-year average for this week is 0.989 million barrels per day. Ethanol production for the week was 7.434 million barrels. Ethanol stocks were 24.371 million barrels. This was a new high stocks level for this week of the year. The previous high was 23.800 million barrels in 2023. This was the highest since April 14, 2023, was up 3.4% from last week and up 2.4% from last year. The 5-year average stocks for this week is 23.142 million barrels. The amount of corn used for the week is estimated at 105.41 million bushels. Cumulative corn use for the crop year has reached 1.873 billion bushels. Corn use needs to average 101.09 million bushels per week to meet the USDA's marketing year forecast of 5.325 billion bushels.

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

Prices failed yesterday to get definitive closing confirmation of Tuesday's key reversal, but short covering should still be a feature into tomorrow's report. Increasing crop estimates for Argentina corn will limit rallies. Initial resistance is 4.68 and then 4.81 on March futures. Close-in support is at 4.50. Volatility is expected to ramp up tomorrow.

#### **NEW RECOMMENDATIONS:**

None.

#### **PREVIOUS RECOMMENDATIONS:**

None.

#### **CORN TECHNICAL OUTLOOK:**

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CORN (MAR) 01/11/2024: The stochastics indicators are rising from oversold levels, which is bullish and should support higher prices. 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 near-term upside objective is at 466. The next area of resistance is around 463 and 466, while 1st support hits today at 456 and below there at 451 3/4.

CORN (JUL) 01/11/2024: The stochastics indicators are rising from oversold levels, which is bullish and should support higher prices. The market's short-term trend is negative as the close remains below the 9-day moving average. The daily closing price reversal down is a negative indicator for prices. The market has a slightly positive tilt with the close over the swing pivot. The near-term upside objective is at 486 3/4. The next area of resistance is around 484 1/4 and 486 3/4, while 1st support hits today at 478 1/4 and below there at 474 3/4.

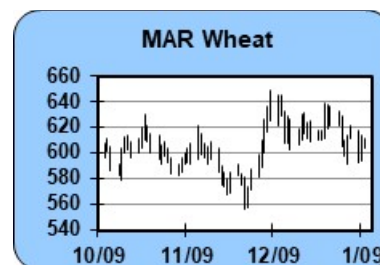
#### **DAILY WHEAT COMMENTARY**

1/11/2024

## Range-bound trade before Friday's USDA report

**OVERNIGHT CHANGES THROUGH 6:06 AM (CT):**  
**WHEAT -0.23**

**OVERNIGHT DEVELOPMENTS:** Chicago wheat (MAR 24) prices overnight are down -1 1/4; Kansas City (MAR 24) down -1/2; and Minneapolis (MAR 24) up 2 1/2. MATIF Milling Wheat(MAR 24) was down -0.1%. Chicago wheat open interest as of January 10 was up 4,171 contracts and Minneapolis wheat was down 1,153 contracts.



**NEAR-TERM MARKET FUNDAMENTALS:** Very narrow trading ranges yesterday and overnight suggest traders don't fear a significant move from tomorrow's report. Durum purchases by Algeria and Tunisia and feed wheat purchases by the Japanese and Thailand are indications of an uptick in demand this week but US exports are expected to remain weak. This morning's weekly export sales are estimated in a range of 200,000 - 475,000. Turkey, Romania, and Bulgaria have signed an agreement to clear sea mines in the Black Sea to lower shipping risks. The southern Plains will see only very light precipitation this weekend and next week as the heavier amounts are further east into the Eastern Midwest and the Ohio Valley. We favor further short covering into tomorrow morning; however, nearby resistance at 6.22 must be taken out to raise the odds of a rally to the top of the bull flag formation at 6.32 on March Chicago futures.

Tomorrow's USDA January supply/demand report average guess for US 2023/24 ending stocks is 658 million bushels with the range of 630 - 674. World ending stocks average estimate is 258.09 million tons with an estimate range of 256.00 - 261.10. US All Winter wheat seeding's are expected at 35.786 million acres with a range of 34.45 - 39.40 million. HRW acres are expected to be at 25.113 million and SRW at 7.077 million. December 1 quarterly stocks average guess is 1.387 billion bushels with a range of 1.272 - 1.466 billion.

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

Today's weekly export sales and positioning for tomorrow's report will be the market focus. A larger bull flag formation is evident on the March Chicago chart, and a trade above 6.32 would confirm a breakout to the upside. Close-in support is 6.02.

### **NEW RECOMMENDATIONS:**

None.

### **PREVIOUS RECOMMENDATIONS:**

None.

## **WHEAT TECHNICAL OUTLOOK:**

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**WHEAT (MAR) 01/11/2024:** Momentum studies trending lower at mid-range should accelerate a move lower if support levels are taken out. A negative signal for trend short-term was given on a close under the 9-bar moving average. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The next downside target is 601 1/4. The next area of resistance is around 614 3/4 and 617 1/2, while 1st support hits today at 606 3/4 and below there at 601 1/4.

**KC WHEAT (MAR) 01/11/2024:** Momentum studies are rising from mid-range, which could accelerate 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 market tilt is slightly negative with the close under the pivot. The near-term upside target is at 632 1/2. The next area of resistance is around 629 1/4 and 632 1/2, while 1st support hits today at 620 3/4 and below there at 615 1/4.

MINN WHEAT (MAR) 01/11/2024: 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 daily closing price reversal up is a positive indicator that could support higher prices. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The next downside target is 700. The next area of resistance is around 711 and 713, while 1st support hits today at 704 1/2 and below there at 700.

RICE (MAR) 01/11/2024: A negative indicator was given with the downside crossover of the 9 and 18 bar moving average. Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. The close below the 18-day moving average is an indication the intermediate-term trend has turned down. The swing indicator gave a moderately negative reading with the close below the 1st support number. The next downside objective is 17.355. The next area of resistance is around 17.580 and 17.675, while 1st support hits today at 17.420 and below there at 17.355.

## 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	459 1/2	34.82	36.67	17.57	20.19	458.63	463.94	469.97	479.11	483.98
CNAN24	481 1/4	31.70	34.81	16.83	19.24	481.25	486.64	492.38	499.99	503.22
SSAH24	1236 1/2	20.42	26.90	9.45	7.52	1246.69	1268.31	1294.67	1333.55	1332.77
SSAN24	1255 1/4	20.90	26.54	8.92	7.71	1263.31	1283.67	1310.65	1350.47	1350.33
SMAH24	364.3	19.20	26.03	9.72	6.93	367.45	375.84	384.71	404.69	404.62
BOAH24	48.25	42.26	41.98	27.52	31.81	48.04	48.15	48.95	50.13	50.44
WHAH24	610 3/4	48.62	49.43	36.56	35.85	608.25	612.56	616.43	606.56	605.46
WHAN24	631 3/4	49.52	49.74	37.59	37.62	628.81	632.11	634.67	629.08	630.26
RCAH24	17.500	49.65	51.16	41.68	36.18	17.55	17.54	17.55	17.35	17.13
KWAH24	625	45.66	45.93	33.08	35.49	623.69	628.53	630.99	637.57	644.59
MWAH24	707 3/4	41.92	43.13	24.69	21.41	706.94	712.39	717.04	726.01	730.47
OTAH24	385 1/2	59.61	55.56	54.77	61.77	369.75	373.39	373.26	371.18	379.36

Calculations based on previous session. Data collected 01/10/2024

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	451 1/2	456	458 3/4	463	466
CNAN24	Corn	474 3/4	478 1/4	480 3/4	484 1/4	486 3/4
SSAH24	Soybeans	1224 3/4	1229	1239 1/2	1244	1254 1/4
SSAN24	Soybeans	1244	1248	1258 1/4	1262 1/2	1272 1/2
SMAH24	Soymeal	360.3	361.9	365.1	366.7	369.9
BOAH24	Soybean Oil	47.53	47.85	48.32	48.64	49.11
WHAH24	Wheat	601	606 1/2	609 1/4	615	617 1/2
WHAN24	Wheat	623	628	630 1/4	635 1/2	637 1/2
RCAH24	Rice	17.355	17.420	17.515	17.580	17.675
KWAH24	KC Wheat	615	620 1/2	623 3/4	629 1/2	632 1/2
MWAH24	MINN Wheat	700	704 1/2	706 1/2	711	713
OTAH24	Oats	370 1/2	378 3/4	384	392 1/4	397 1/2

Calculations based on previous session. Data collected 01/10/2024

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