



## DAILY GRAINS COMMENTARY

Tuesday March 19, 2024

### DAILY SOY COMPLEX COMMENTARY

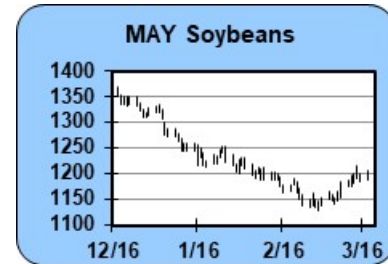
3/19/2024

#### China approves more GMO varieties

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

**OVERNIGHT DEVELOPMENTS:** Soybeans (MAY 24) prices overnight are down -1 1/4; Soymeal (MAY 24) up 1.20; and Soyoil (MAY 24) down -0.35. Soybean open interest as of March 18 was down 2,262 contracts, soymeal up 3,847 contracts, and soybean oil up 5,732. Chinese Dalian (MAY 24) Soybeans down 0.44%, Soymeal down 0.27%, Soyoil down 0.33%, Palm oil down 0.20%. Malaysian Palm was down 0.83%.

Asian stock indices finished with mixed results and were led to the downside by the Hong Kong Hang Seng while major European equity markets are seeing mild early losses led to the downside by the French CAC-40. The Bank of Japan raised interest rates for the first time since 2007 and finished negative rate policy and yield curve control programs. Although the Nikkei finished in positive territory, there was little carryover support to other major stock markets. Japanese industrial production and the Swiss trade balance were slightly above market expectations. The European session will feature March readings for the German ZEW survey and Euro zone ZEW survey. The US session starts out with a weekly private survey of same-store sales followed by February US housing starts which are expected to have a sizable uptick from January's 1.331 million annualized rate. February US building permits are forecast to have a minimal uptick from January's 1.489 million annualized rate. February Canadian CPI is expected to have a modest uptick from January's 2.9% year-over-year rate. Later today, the January TIC report will include net changes to Chinese and Japanese Treasury holdings.



**NEAR-TERM MARKET FUNDAMENTALS:** The forecast models show beneficial rains expected into some of the dry areas of the central Midwest this weekend and that keeps the edge with the bear camp today. In addition, Dr. Cordonnier raised his Argentine bean crop estimate 1 million tonnes to 51 million, USDA stands at 50 million. He left his Brazil production unchanged. The major discrepancy between USDA's 156 million tonne Brazil production number and CONAB's 146.858 million is mainly due to USDA using 1.8 million more acres and a 1.9 bushel per acre higher yield than CONAB.

A correction lower in bean oil yesterday and potentially very beneficial rains in the forecast for the central Midwest this coming weekend kept prices under pressure and that may continue today. China will auction off 226,000 tonnes of 2019/20 beans today to rotate reserve stocks. China approved 3 more GMO bean varieties for planting. China's hog herd in February was down 1.1% from January and the number of newborn piglets has decreased each month since September. Fresh market moving news was absent overnight and choppy action may dominate trade today as traders look ahead to the major quarterly stocks and acreage intention report a week from Thursday. Potential weekend rains in the US Midwest this weekend would improve conditions for early planting, but a warm-up in temperatures will be needed before planters will get rolling.

Soybean export inspections for the week ending March 14 came in at 686,181 metric tonnes. Cumulative inspections year-to-date are 35,766,875 metric tonnes which is 18.8% below last year. This is 76.4% of the USDA's forecast for the 2023-24 marketing year versus the 5-year average of 72.6%.

#### TODAY'S MARKET IDEAS:

Rainfall potential across the Midwest this weekend is a bearish headwind, and rallies are unlikely to extend to the upside until we see the 1st adverse 6-10 day forecast for a major US growing area. Fading rallies this week is our advice. Next support is 1173. Target rallies over 1196 on May for speculative short positioning.

**NEW RECOMMENDATIONS:**

None.

**PREVIOUS RECOMMENDATIONS:**

None.

**SOYBEAN COMPLEX TECHNICAL OUTLOOK:**

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SOYBEANS (MAY) 03/19/2024: Rising stochastics at overbought levels warrant some caution for bulls. The market's close above the 9-day moving average suggests the short-term trend remains positive. The daily closing price reversal down is a negative indicator for prices. The close below the 1st swing support could weigh on the market. The near-term upside target is at 1211 1/4. The next area of resistance is around 1197 1/4 and 1211 1/4, while 1st support hits today at 1178 1/4 and below there at 1173.

SOYBEAN OIL (MAY) 03/19/2024: Rising stochastics at overbought levels warrant some caution for bulls. The close above the 9-day moving average is a positive short-term indicator for trend. The daily closing price reversal down is a negative indicator for prices. The market tilt is slightly negative with the close under the pivot. The next upside objective is 50.49. The next area of resistance is around 49.53 and 50.49, while 1st support hits today at 47.87 and below there at 47.18.

SOYMEAL (MAY) 03/19/2024: A crossover down in the daily stochastics is a bearish signal. Declining momentum studies in the neutral zone will tend to reinforce lower 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 pivot swing number is a mildly negative setup. The next downside objective is now at 326.5. The next area of resistance is around 335.3 and 340.1, while 1st support hits today at 328.5 and below there at 326.5.

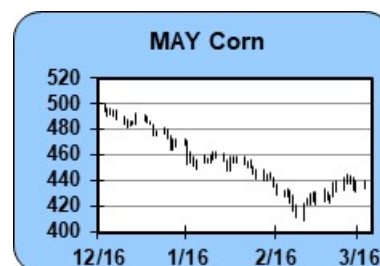
**DAILY CORN COMMENTARY**

3/19/2024

**Rains added to the weekend forecast for the central Midwest****OVERNIGHT CHANGES THROUGH 6:06 AM (CT):**

CORN +0.0

**OVERNIGHT DEVELOPMENTS:** Corn (MAY 24) prices overnight are unchanged. Corn open interest as of March 18 was up 20,032 contracts. Chinese Dalian (MAY 24) Corn was down 1.14%.



**NEAR-TERM MARKET FUNDAMENTALS:** Forecast models have added some heavier precipitation for the central Midwest this weekend and Brazil is expected to see good rains as well, keeping the slight edge with the bear camp. China approved 27 more GMO corn varieties overnight and the Chinese Premier stressed increased policy efforts to stabilize grain supplies. Dr Cordonnier raised his Argentine corn production number 1 million tonnes to 55 million, USDA stands at 56 million. The Baltic freight index hit a 3-month high yesterday as global shipping volumes are recovering. Below normal temperatures are expected across the Midwest for the next 2 weeks and rains forecast for this weekend targeting the driest areas, including Iowa, are very important to set the stage for spring planting. A small 3 1/4 cent range overnight highlights the lack of fresh market moving news. Pullbacks in May futures below 432 will find good support, however, if rains this weekend are as heavy as forecast, it will go a long way to relieving early drought fears across the Midwest.

Corn export inspections for the week ending March 14 came in at 1,238,897 metric tonnes. Cumulative inspections year-to-date are 23,093,006 metric tonnes which is 31.3% above last year. This is 43.3% of the USDA's forecast for the 2023-24 marketing year versus the 5-year average of 42.1%.

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

Beneficial precipitation is expected across Brazil and the US and that makes it unlikely the 450 level on May will be breached in the near-term without some new bullish news. Surprisingly, corn open interest jumped more than 20,000 contracts yesterday on a fairly low volume, small range day. Layers of 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) 03/19/2024: Daily stochastics turning lower from overbought levels is bearish and will tend to reinforce a downside break especially if near term support is penetrated. The market's short-term trend is negative as the close remains below the 9-day moving average. The market could take on a defensive posture with the daily closing price reversal down. The market's close below the pivot swing number is a mildly negative setup. The next downside target is 430 1/4. The next area of resistance is around 439 1/4 and 443, while 1st support hits today at 432 3/4 and below there at 430 1/4.

CORN (JUL) 03/19/2024: Daily stochastics turning lower from overbought levels is bearish and will tend to reinforce a downside break especially if near term support is penetrated. The close below the 9-day moving average is a negative short-term indicator for trend. The market could take on a defensive posture with the daily closing price reversal down. The market has a slightly positive tilt with the close over the swing pivot. The next downside objective is 443. The next area of resistance is around 451 3/4 and 455 1/4, while 1st support hits today at 445 3/4 and below there at 443.

#### **DAILY WHEAT COMMENTARY**

**3/19/2024**

#### **EU proposes tariffs on Russian ag imports**

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

**WHEAT -0.18**

**OVERNIGHT DEVELOPMENTS:** Chicago wheat (MAY 24) prices overnight are down -2 1/4; Kansas City (MAY 24) down -1/4; and Minneapolis (MAY 24) unchanged. MATIF Milling Wheat(MAY 24) was down -0.1%. Chicago wheat open interest as of March 18 was down 1,591 contracts and Minneapolis wheat was up 578 contracts.



**NEAR-TERM MARKET FUNDAMENTALS:** Wheat prices are finding some support from the colder temperatures coming into the Plains and increasingly aggressive military tactics by Russia and Ukraine and we give the edge to the bull camp today. May Chicago futures failure to make new contract lows this week gives some hope to the bulls and a move above last week's high of 556 would be a technically positive signal. The Canadian government says 70% of the country is abnormally dry or worse. The US southern Plains will see some rains this weekend,

but the Southwest areas will be shortchanged. The EU is ready to propose placing tariffs on Russian imports of oilseeds and cereals in a concession to protesting farmers. Kansas good/excellent conditions were 53% this week up 2% from last week, Texas 44% up 1% and Oklahoma 61% down 4%. Yesterday's weekly export inspections hit a 6-week low but did show one cargo of SRW shipped to China, which should ease any talk of further cancellations. India says they will be purchasing additional wheat for their state fund, as it recently hit a 7-year low, which will lower supplies for their domestic market. Ukraine's farm service says spring wheat sown area could drop to 204,000 hectares from 280,000 last season. Wheat finally feels like it's digested the known bearish news and is ready for a bounce. The trigger point for more aggressive short covering may be 556 on May Chicago, which is last week's high. A move above that level could shift prices higher for the near-term.

Wheat export inspections for the week ending March 14 came in at 302,302 metric tonnes. Cumulative inspections year-to-date are 13,740,403 metric tonnes which is 15.6% below last year. This is 69.6% of the USDA's forecast for the 2023-24 marketing year versus the 5-year average of 75.4%.

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

While rains are still on tap for portions of the southern Plains this weekend, chilly temperatures and Black Sea attacks raise the odds for a short covering bounce. Traders appear to be looking past the bearish news and if resistance on May Chicago is 556 is taken out, a quick move to next resistance at 583 could be seen. Contract low support remains at 523 1/2. Be aware this is the time of year a weather rally can catch traders by surprise.

#### **NEW RECOMMENDATIONS:**

None.

#### **PREVIOUS RECOMMENDATIONS:**

None.

#### **WHEAT TECHNICAL OUTLOOK:**

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WHEAT (MAY) 03/19/2024: The crossover up in the daily stochastics is a bullish signal. Daily momentum studies are on the rise from low levels and should accelerate a move higher on a push through the 1st swing resistance. The market's close above the 9-day moving average suggests the short-term trend remains positive. There could be more upside follow through since the market closed above the 2nd swing resistance. The next upside objective is 556. The next area of resistance is around 551 1/4 and 556, while 1st support hits today at 534 1/4 and below there at 522 1/4.

KC WHEAT (MAY) 03/19/2024: 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. The market setup is supportive for early gains with the close over the 1st swing resistance. The next downside objective is now at 559. The next area of resistance is around 584 1/2 and 589 1/4, while 1st support hits today at 569 1/2 and below there at 559.

MINN WHEAT (MAY) 03/19/2024: Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. The market's close below the 9-day moving average is an indication the short-term trend remains negative. It is a mildly bullish indicator that the market closed over the pivot swing number. The next downside target is now at 640. The next area of resistance is around 656 and 661 1/4, while 1st support hits today at 645 1/2 and below there at 640.

RICE (MAY) 03/19/2024: 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 market's close below the 1st swing support number suggests a moderately negative setup for today. The next downside objective is 17.673. The next area of resistance is around 17.824 and 17.892, while 1st support hits today at 17.715 and below there

at 17.673.

## 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	436	51.31	48.44	76.68	72.90	436.94	437.53	430.76	441.79	451.21
CNAN24	448 3/4	53.28	49.99	77.28	73.85	449.38	449.58	442.75	452.03	461.38
SSAK24	1187 3/4	57.08	52.22	73.52	74.71	1194.50	1183.53	1165.18	1191.56	1216.32
SSAN24	1202 1/4	59.35	53.90	74.89	76.28	1208.69	1196.14	1176.47	1201.44	1225.24
SMAK24	331.9	42.20	41.94	58.26	54.78	335.10	335.89	332.68	343.84	352.63
BOAK24	48.70	68.18	63.12	79.36	84.79	48.77	47.49	46.28	46.77	47.31
WHAK24	542 3/4	43.80	41.48	21.15	21.88	536.94	537.75	553.93	581.01	592.28
WHAN24	557 1/2	47.04	43.98	26.48	28.10	551.75	551.28	562.04	586.83	598.47
RCAK24	17.770	34.35	39.17	7.98	6.42	17.86	17.86	18.18	18.30	18.16
KWAK24	577	45.82	45.56	55.14	47.26	575.56	579.78	577.75	595.03	604.22
MWAK24	650 3/4	42.60	42.30	45.35	35.90	654.00	657.86	656.21	676.87	688.51
OTAK24	358 1/2	38.47	42.79	64.86	52.61	367.19	365.58	364.78	366.20	367.26

Calculations based on previous session. Data collected 03/18/2024

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						
CNAK24	Corn	430	432 3/4	436 1/2	439 1/4	443
CNAN24	Corn	442 3/4	445 1/2	449	452	455 1/4
SSAK24	Soybeans	1172 3/4	1178	1192	1197 1/2	1211 1/4
SSAN24	Soybeans	1187 1/2	1192 3/4	1206 1/2	1211 3/4	1225 1/2
SMAK24	Soymeal	326.5	328.5	333.3	335.3	340.1
BOAK24	Soybean Oil	47.17	47.87	48.83	49.53	50.49
WHAK24	Wheat	522	534 1/4	539	551 1/4	556
WHAN24	Wheat	538 1/4	549 1/2	554	565 1/2	569 3/4
RCAK24	Rice	17.672	17.714	17.782	17.824	17.892
KWAK24	KC Wheat	558 3/4	569 1/2	574	584 1/2	589 1/4
MWAK24	MINN Wheat	639 3/4	645 1/2	650 1/2	656	661 1/4
OTAK24	Oats	352	354 1/4	360 1/2	362 3/4	369

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