



## DAILY GRAINS COMMENTARY

Thursday April 25, 2024

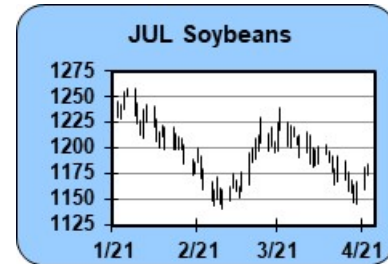
### DAILY SOY COMPLEX COMMENTARY

4/25/2024

#### Pullback may find technical support

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

**OVERNIGHT DEVELOPMENTS:** Soybeans (JUL 24) prices overnight are down -6 3/4; Soymeal (JUL 24) down -2.50; and Soyoil (JUL 24) down -0.03. Soybean open interest as of April 24 was down 9,927 contracts, soymeal up 4,658 contracts, and soybean oil down 3,837. Chinese Dalian (JUL 24) Soybeans up 0.91%, Soymeal down 0.09%, Soyoil down 0.44%, Palm oil down 1.44%. Malaysian Palm was down 1.73%. Global equity markets overnight were mixed with Chinese stocks higher and European stocks trading lower. Critical economic news released overnight included inflows of foreign investment in Japanese bonds, outflows of foreign investment in Japanese stocks, a stronger-than-expected Japanese Coincident Index reading for February, as expected Japanese Leading Economic Indicator reading for February, a slight improvement (but still deep in negative territory) German GfK Consumer Evidence Survey for May and a softer than expected French Business Climate in Manufacturing for April. The North American session will start with a reading on first quarter US gross domestic product which is expected to have a moderate downtick from the fourth quarter's 3.4% annualized rate. First quarter core personal consumption expenditures (a favorite Fed inflation gauge) are forecast to have a moderate uptick from the fourth quarter 2% reading. A weekly reading on initial jobless claims are expected to have a minimal uptick from the previous 212,000 reading. Ongoing jobless claims are forecast to have a modest weekly decline from the previous 1.812 million reading. March wholesale inventories are expected to have a mild downtick from February's 0.5% reading. March pending home sales are forecast to have a moderate downtick from February's 1.6% reading. The Kansas City Fed's April manufacturing index is expected to have a mild uptick from March's -9 reading. Earnings announcements will include Merck, Caterpillar, Comcast, Union Pacific, Honeywell, Valero Energy and Bristol-Myers Squibb before the Wall Street opening while Microsoft, Alphabet (Google) and Intel report after the close.



**NEAR-TERM MARKET FUNDAMENTALS:** The 4-day rally stalled Wednesday after breaching moving average resistance but failing to close above it, which gives a slight edge to the bear camp today. An expansion of rains across most all the Midwest is on tap starting this weekend through next week with the heaviest amounts slated for southeast Iowa, Missouri, eastern Kansas, and eastern Oklahoma. Chilly overnight lows are forecast for the Eastern corn belt over the next 24 hours with one more cool shot Monday for the central corn belt, before above normal temperatures move in for the balance of next week and the following week. Today's weekly export sales is expected in a range of 300,000 to 600,000 tonnes on beans and 100,000 to 400,000 tonnes on meal. China's sow heard at the end of March was down 3.6% from the previous quarter and down 7.3% year-over-year. Starting May 1, the CME is lowering the daily trading limit for beans to \$0.85 from the current \$0.95, with the expanded limit at \$1.30. Meal limits were left unchanged at \$25 and bean oil was lowered to 350 points, down from the current 400 and expanded limit would be 550 points.

Argentine harvest pace is quickening as fields dry out from recent rains. ANEC expects Brazil's April bean exports to reach 13.48 million tonnes, slightly down from a 13.74 million forecast last week. Brazil's meal exports are expected at 2.44 million in April and that is also down from 2.58 million last week. US meal is uncompetitive with current South American offers. July futures failure to close above moving average resistance at 1185 yesterday is a short-term negative and prices may pull back to retracement support at 1168 and possibly 1163, where technical buyers may be willing to step back in.

#### TODAY'S MARKET IDEAS:

The strong upside reversal last Friday remains the dominant technical feature and suggests buying support on pullbacks. Speculators can target 1163 and 1168 on July futures for a near-term buying opportunities. However, long-term headwinds remain in place.

**NEW RECOMMENDATIONS:**

None.

**PREVIOUS RECOMMENDATIONS:**

None.

**SOYBEAN COMPLEX TECHNICAL OUTLOOK:**

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SOYBEANS (JUL) 04/25/2024: 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 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 near-term upside target is at 1196. The next area of resistance is around 1187 3/4 and 1196, while 1st support hits today at 1175 1/4 and below there at 1171.

SOYBEAN OIL (JUL) 04/25/2024: 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 short-term trend is negative as the close remains below the 9-day moving average. The close below the 1st swing support could weigh on the market. The next upside objective is 46.28. The next area of resistance is around 45.71 and 46.28, while 1st support hits today at 44.83 and below there at 44.53.

SOYMEAL (JUL) 04/25/2024: Studies are showing positive momentum but are now in overbought territory, so some caution is warranted. The market's short-term trend is positive on the close above the 9-day moving average. With the close over the 1st swing resistance number, the market is in a moderately positive position. The next upside objective is 355.2. The next area of resistance is around 352.3 and 355.2, while 1st support hits today at 346.1 and below there at 342.8.

**DAILY CORN COMMENTARY**

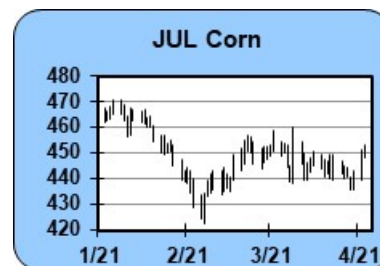
4/25/2024

**Heavy rains on tap for parts of the Midwest next 5 days**

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

**CORN** -0.1

**OVERNIGHT DEVELOPMENTS:** Corn (JUL 24) prices overnight are down -1/2. Corn open interest as of April 24 was down 10,790 contracts. Chinese Dalian (JUL 24) Corn was down 0.12%.



**NEAR-TERM MARKET FUNDAMENTALS:** The rally since last Friday stalled with a minor reversal down yesterday but the market remains inside the recent trading range. A revival of worries yesterday over bird flu in cattle and future feed demand as USDA will require bird flu testing for dairy cattle moving between states starting Monday, whether symptomatic or not. Particles of the virus were found in grocery store milk, but USDA says the pasteurization process inactivates the virus based on "the current information". The dry season in Brazil has started and some safrinha areas are drying down with poor subsoil moisture a concern. Pollination remains just ahead for over half the crop. The

Rosario Grain Exchange says a warmer than normal winter temperature forecast could worsen the leafhopper problem that has devastated the crop in some areas of Argentina. Also, LSEG updated their Argentine corn estimate to 52.3 million tonnes, down 4% from their last update and below USDA at 55 million. They reiterated further cuts are possible due to humid conditions spreading disease. Deral says safrinha corn conditions were 69% good, but that is 20% below the normal level. Rain across the Midwest over the next 5 days will be heaviest in Missouri, Eastern Kansas, and southeast Iowa, but most all the Midwest will see some precipitation over the next 10 days. The market seems in limbo whether traders focus should be on planting delays or the beneficial subsoil replenishment. Excessive wetness typically does not result in a major bullish reaction. Weekly ethanol production was 954,000 barrels per day, down from 983,000 last week and 13% below this week a year ago. The production slowdown is mostly attributed to maintenance downtime. Ethanol stocks were 25.733 million barrels, which would be the 2nd highest for this week in history. Thursday morning's weekly export sales are expected in a range of 400,000 to 900,000 tonnes. Starting May 1, the CME will lower the daily trading limit for corn to \$0.30 from the current \$0.35 and expanded limit will be \$0.45. While July corn prices turned down Wednesday before reaching key resistance at 460, prices should see retracement support from 445 down to 442.

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

A down trending channel this month is evident with resistance at Thursday's high of 454 1/4 and support at the lower boundary of the channel at 435. Worries over cattle feed demand resurfaced Wednesday turning the market down, but we still feel pullbacks can be considered a buying opportunity. If the coming heavy Midwest rains happen to continue for a couple weeks, talk of some switching from corn to bean acres may surface. Probably a bit early to think about that yet but extended forecasts must be watched. Short-term speculators can consider 443 as an entry point for longs on July futures.

#### **NEW RECOMMENDATIONS:**

None.

#### **PREVIOUS RECOMMENDATIONS:**

None.

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

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CORN (JUL) 04/25/2024: Momentum studies are trending higher from mid-range, which should support a move higher if resistance levels are penetrated. A positive signal for trend short-term was given on a close over the 9-bar moving average. The downside closing price reversal on the daily chart is somewhat negative. The market's close below the 1st swing support number suggests a moderately negative setup for today. The next upside target is 456. The next area of resistance is around 451 1/2 and 456, while 1st support hits today at 445 1/2 and below there at 443 3/4.

CORN (DEC) 04/25/2024: Positive momentum studies in the neutral zone will tend to reinforce higher price action. 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 market's close below the 1st swing support number suggests a moderately negative setup for today. The next upside target is 478 3/4. The next area of resistance is around 475 1/4 and 478 3/4, while 1st support hits today at 470 1/4 and below there at 468 1/2.

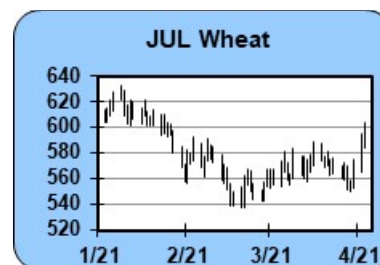
#### **DAILY WHEAT COMMENTARY**

**4/25/2024**

## Russia/SW US Plains dryness encouraging funds to cover

### OVERNIGHT CHANGES THROUGH 6:06 AM (CT): WHEAT +0.1

**OVERNIGHT DEVELOPMENTS:** Chicago wheat (JUL 24) prices overnight are up 2 1/4; Kansas City (JUL 24) down -1/2; and Minneapolis (JUL 24) up 2 1/4. MATIF Milling Wheat(SEP 24) was down -0.3%. Chicago wheat open interest as of April 24 was down 4,503 contracts and Minneapolis wheat was down 345 contracts.



**NEAR-TERM MARKET FUNDAMENTALS:** Wheat continues its streak higher for the 5th consecutive day with July Chicago gaining \$0.73 over the last 5 trading sessions, keeping the bull camp in firm control. Fund short covering has propelled the rally as well as weather concerns in the Southwest US Plains and southern Russia. Western Kansas precipitation will remain elusive, and no soaking rains are forecast for southern Russia or eastern Ukraine wheat areas for at least the next 10 days, keeping weather concerns elevated. This morning's weekly export sales are expected in a range of -100,000 tonnes on old crop to a +100,000 new crop. SovEcon saying 80% of Russia's projected grain has been exported and exports should begin to slow in the next 2 months. Russia's share of the global wheat market in 2023/24 is expected at 30% according to the union of grain exporters. Starting May 1, the CME will lower HRW and SRW daily trading limits to \$0.40 from the current \$0.50, with expanded limits set at \$0.60. Wednesday's passage of the US weapons package for Ukraine will likely extend the war and create continued problems for Ukraine farmers struggling with low prices and a shortage of manpower. LSEG said 2024/25 Australian wheat production could rise to 30.5 million tonnes, 15% above the 10-year average if weather cooperates. July Chicago is moving towards the important 200-day moving average at 628, which has not been breached since late July 2023. We expect that level may be a significant hurdle for prices at this stage. However, if dryness in southern Russia continues, all bets are off since they are the world's key swing producer.

### TODAY'S MARKET IDEAS:

Open interest fell sharply on the 5-day rally indicating a reduction of net shorts by the Managed Money crowd, spurred by dryness in the Black Sea region and the US Southwest Plains. Important 200-day moving average resistance at 628 looks like the next stop for July Chicago and if prices touch that level, longs may consider taking profits or at the very least moving trailing stops up tight. Pullbacks under 590 should find solid support.

### NEW RECOMMENDATIONS:

None.

### PREVIOUS RECOMMENDATIONS:

None.

### WHEAT TECHNICAL OUTLOOK:

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**WHEAT (JUL) 04/25/2024:** The upside crossover (9 above 18) of the moving averages suggests a developing short-term uptrend. 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 market setup is supportive for early gains with the close over the 1st swing resistance. The next upside target is 630 1/2. The 9-day RSI over 70 indicates the market is approaching overbought levels. The next area of resistance is around 623 1/4 and 630 1/2, while 1st support hits today at 602 3/4 and below there at 589 1/4.

**KC WHEAT (JUL) 04/25/2024:** Rising stochastics at overbought levels warrant some caution for bulls. The market's short-term trend is positive on the close above the 9-day moving average. 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 next upside target is 649 1/2. With a reading over 70, the 9-day RSI is approaching overbought levels. The next area of resistance is around 641 1/2 and 649 1/2, while 1st support hits today at 617 1/2 and below there at 601 1/2.

MINN WHEAT (JUL) 04/25/2024: The upside crossover of the 9 and 18 bar moving average is a positive signal. 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 market has a bullish tilt coming into today's trade with the close above the 2nd swing resistance. The near-term upside target is at 703. The 9-day RSI over 70 indicates the market is approaching overbought levels. The next area of resistance is around 696 1/2 and 703, while 1st support hits today at 674 1/2 and below there at 659 1/4.

RICE (JUL) 04/25/2024: Daily stochastics have risen into overbought territory which will tend to support reversal action if it occurs. The close above the 9-day moving average is a positive short-term indicator for trend. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The near-term upside target is at 19.665. With a reading over 70, the 9-day RSI is approaching overbought levels. The next area of resistance is around 19.570 and 19.665, while 1st support hits today at 19.260 and below there at 19.045.

## DAILY TECHNICAL STATISTICS

|                      | CLOSE    | 9 DAY<br>RSI | 14 DAY<br>RSI | 14 DAY<br>SLOW<br>STOCH D | 14 DAY<br>SLOW<br>STOCH K | 4 DAY<br>M AVG | 9 DAY<br>M AVG | 18 DAY<br>M AVG | 45 DAY<br>M AVG | 60 DAY<br>M AVG |
|----------------------|----------|--------------|---------------|---------------------------|---------------------------|----------------|----------------|-----------------|-----------------|-----------------|
| <b>GRAIN COMPLEX</b> |          |              |               |                           |                           |                |                |                 |                 |                 |
| CNAN24               | 448 1/2  | 53.98        | 52.09         | 48.13                     | 63.60                     | 448.44         | 445.03         | 445.08          | 444.83          | 447.29          |
| CNAZ24               | 472 3/4  | 55.15        | 53.15         | 50.73                     | 64.15                     | 471.56         | 468.83         | 469.82          | 467.87          | 468.69          |
| SSAN24               | 1181 1/2 | 51.73        | 49.04         | 32.63                     | 46.11                     | 1176.44        | 1170.86        | 1180.10         | 1184.29         | 1189.97         |
| SSAX24               | 1174 1/2 | 53.42        | 51.23         | 36.70                     | 49.38                     | 1170.31        | 1165.97        | 1172.36         | 1168.39         | 1168.81         |
| SMAN24               | 349.2    | 66.00        | 60.24         | 71.89                     | 80.17                     | 345.83         | 342.33         | 339.29          | 338.69          | 341.58          |
| BOAN24               | 45.27    | 35.68        | 38.34         | 17.77                     | 21.60                     | 45.44          | 45.55          | 47.02           | 47.21           | 47.14           |
| WHAN24               | 613      | 75.11        | 67.91         | 58.94                     | 79.59                     | 592.50         | 575.36         | 573.92          | 567.84          | 575.36          |
| WHAZ24               | 654      | 77.52        | 70.87         | 60.00                     | 80.92                     | 633.63         | 615.86         | 614.44          | 602.28          | 606.96          |
| RCAN24               | 19.415   | 79.84        | 72.54         | 85.85                     | 91.28                     | 19.28          | 18.76          | 17.67           | 17.90           | 18.10           |
| KWAN24               | 629 1/2  | 74.92        | 68.20         | 77.19                     | 87.35                     | 607.44         | 591.64         | 583.49          | 575.92          | 580.70          |
| MWAN24               | 685 1/2  | 74.34        | 65.91         | 56.54                     | 76.19                     | 668.25         | 654.92         | 653.10          | 657.48          | 665.19          |
| OTAN24               | 353 3/4  | 63.99        | 57.18         | 70.85                     | 82.99                     | 352.44         | 346.33         | 341.29          | 350.56          | 354.78          |

Calculations based on previous session. Data collected 04/24/2024

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> |             |           |           |          |          |          |
| CNAN24               | Corn        | 443 1/2   | 445 1/2   | 449 3/4  | 451 1/2  | 456      |
| CNAZ24               | Corn        | 468 1/4   | 470       | 473 1/2  | 475 1/2  | 478 3/4  |
| SSAN24               | Soybeans    | 1171      | 1175 1/4  | 1183 1/2 | 1187 3/4 | 1196     |
| SSAX24               | Soybeans    | 1164 1/2  | 1169 1/4  | 1175     | 1179 3/4 | 1185 1/2 |
| SMAN24               | Soymeal     | 342.8     | 346.1     | 349.0    | 352.3    | 355.2    |
| BOAN24               | Soybean Oil | 44.52     | 44.83     | 45.40    | 45.71    | 46.28    |
| WHAN24               | Wheat       | 589       | 602 1/2   | 609 3/4  | 623 1/2  | 630 1/2  |
| WHAZ24               | Wheat       | 628       | 643       | 650      | 665      | 672      |
| RCAN24               | Rice        | 19.045    | 19.260    | 19.355   | 19.570   | 19.665   |
| KWAN24               | KC Wheat    | 601 1/2   | 617 1/2   | 625 1/2  | 641 1/2  | 649 1/2  |
| MWAN24               | MINN Wheat  | 659       | 674 1/2   | 681      | 696 1/2  | 703      |
| OTAN24               | Oats        | 348       | 351 1/4   | 353      | 356 1/4  | 358      |

Calculations based on previous session. Data collected 04/24/2024

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