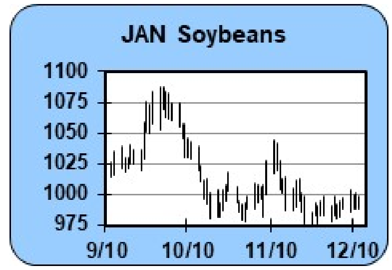
LAKEFRONT FUTURES

DAILY GRAINS COMMENTARY
Friday December 13, 2024

DAILY SOY COMPLEX COMMENTARY
12/13/2024

Market moving news absent, sideways chop continues



OVERNIGHT CHANGES THROUGH 6:06 AM (CT):
SOY BEANS -0.0, **BEAN OIL** +0.0, **SOYMEAL** -0.2

OVERNIGHT DEVELOPMENTS: Soybeans (MAR 25) prices overnight are down -4 1/2; Soymeal (MAR 25) down -2.40; and Soyoil (MAR 25) up 0.1. Soybean open interest as of December 12 was down 1,199 contracts, soymeal up 12,064 contracts, and soybean oil up 2,527. Chinese Dalian (JAN 25) Soybeans up 0.10%, Soymeal down 0.42%, Soyoil down 0.90%, Palm oil up 0.56%. Malaysian Palm was down 0.30%.

NEAR-TERM MARKET FUNDAMENTALS: The soy complex looks to continue the sideways trend into the weekend as holiday choppiness appears to have started early this year. March beans have spent the entire week within Monday's trading range of 991 3/4 to 1008 1/4. CONAB's update yesterday did not spark much reaction. Brazil oilseed group, ABIOVE, came in with bean production estimated at 168.7 million tonnes, compared to 167.7 in their previous forecast and 169 USDA. Brazil exports were raised 300,000 tonnes to 104.4 million tonnes compared to USDA at 105.5. Crush was estimated at 57 million tonnes compared to USDA at 54. The heavy deliveries continue with another 126 meal deliveries overnight and 122 bean oil. The Buenos Aries Grain Exchange says Argentina bean planting is 64.7% done, but rains have been a bit scattered and overall coverage is lacking, which may begin to add some moderate stress to the crops. China's bean output for 2024 is expected at 20.65 million tonnes, down 0.9% year-over-year. Malaysian's Palm oil areas are slated for heavy rains which could reduce December output of Palm oil by 5 - 15%. Brazil weather remains favorable but dry pockets in Argentina are beginning to get more media play but so far the futures market has paid little attention. It is unlikely prices will see a breakout today with a lack of significant market moving news and the sideways trend may continue into early next week.

The Export Sales Report showed that for the week ending December 5, net soybean sales came in at 1,173,811 tonnes for the current marketing year and 20 for the next marketing year for a total of 1,173,831. Cumulative soybean sales have reached 75.1% of the USDA forecast for the 2024/2025 marketing year versus a 5-year average of 70.9%. Sales need to average 322,000 tonnes per week to reach the USDA forecast.

Net meal sales came in at 176,324 tonnes for the current marketing year and none for the next marketing year. Cumulative meal sales have reached 47.2% of the USDA forecast for the 2024/2025 marketing year versus a 5-year average of 43.7%. Sales need to average 195,000 tonnes per week to reach the USDA forecast.

Net oil sales came in at 63,846 tonnes for the current marketing year and none for the next marketing year. Cumulative oil sales have reached 96.0% of the USDA forecast for the 2024/2025 marketing year versus a 5-year average of 29.3%. Sales need to average 500 tonnes per week to reach the USDA forecast.

TODAY'S MARKET IDEAS:
Several South American crop production updates over the last 48 hours have not differed significantly from USDA and the news has been largely ignored by the market. This week's $0.17 range high to low on March beans is about as dead as it gets outside of the holiday week. A breakout of the recent range would suggest a $0.15-$0.26 move in the direction of the breakout.

NEW RECOMMENDATIONS:
None.

PREVIOUS RECOMMENDATIONS:
None

SOYBEAN COMPLEX TECHNICAL OUTLOOK:

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SOYBEANS (JAN) 12/13/2024: 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. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The next upside objective is 1004 1/4. The next area of resistance is around 1000 1/2 and 1004 1/4, while 1st support hits today at 991 and below there at 985.

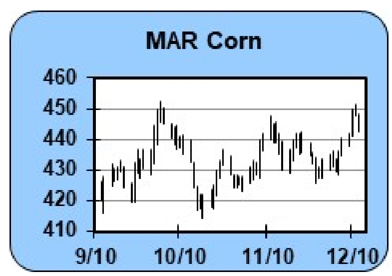
SOYBEAN OIL (JAN) 12/13/2024: Momentum studies are trending higher from mid-range, which should support a move higher if resistance levels are penetrated. The intermediate trend could be turning up with the close back above the 18-day moving average. The daily closing price reversal up is a positive indicator that could support higher prices. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The near-term upside target is at 43.57. The next area of resistance is around 43.19 and 43.57, while 1st support hits today at 42.15 and below there at 41.50.

SOYMEAL (JAN) 12/13/2024: Stochastics are at mid-range but trending higher, which should reinforce a move higher if resistance levels are taken out. The close below the 9-day moving average is a negative short-term indicator for trend. The market's close below the 1st swing support number suggests a moderately negative setup for today. The next upside objective is 294.0. The next area of resistance is around 291.6 and 294.0, while 1st support hits today at 287.3 and below there at 285.3.

DAILY CORN COMMENTARY

12/13/2024

Pullback ongoing, Canada threatens US with possible export tax



OVERNIGHT CHANGES THROUGH 6:06 AM (CT):
CORN -0.0

OVERNIGHT DEVELOPMENTS: Corn (MAR 25) prices overnight are down -1/2. Corn open interest as of December 12 was up 3,555 contracts. Chinese Dalian (JAN 25) Corn was down 0.42%.

NEAR-TERM MARKET FUNDAMENTALS: The market pulled back yesterday as expected after hitting strong resistance on Wednesday's high. Farmer selling increased as March prices moved to 450 this week and Canada suggested overnight they may add export taxes on goods shipped to the US like crude oil, fertilizer, uranium and others if Trump goes ahead with his tariffs. The tariff situation will be very fluid through inauguration as countries use the media to trumpet their position and let Trump know retaliation is likely. The Buenos Aries Grain Exchange says Argentine corn planting is 55.6% done but there are some noted dry pockets in top producing area of Cordoba as rainfall coverage has been scattered and more is needed to increase soil moisture to finish planting. China's Stats Bureau says their total grain output in 2024 should reach 706.5 million tonnes, up 1.6% year-over-year and corn output is expected at 294.9 billion kg, up 6.1 billion year-over-year. There were 107 deliveries overnight. March prices had rallied nearly $0.50 from the contract lows back in August to this week's high. Pullbacks to 435 or below should find good buying support.

The Export Sales Report showed that for the week ending December 5, net corn sales came in at 946,863 tonnes for the current marketing year and none for the next marketing year. Cumulative sales have reached 55.9% of the USDA forecast for the 2024/2025 marketing year versus a 5-year average of 48.2%. Sales need to average 722,000 tonnes per week to reach the USDA forecast.

TODAY'S MARKET IDEAS:
Heavy resistance and farmer selling stalled this week's rally and a pullback is ongoing. Yesterday's weekly export sales were slightly disappointing and that seemed to trigger additional profit taking, although Corn open interest was up 3500 contracts yesterday. Layers of support should be seen between 435-439 and speculators can begin to replace long positions in that area that were exited in the 450 area earlier this week in March corn.

NEW RECOMMENDATIONS:
None.

PREVIOUS RECOMMENDATIONS:
None.

CORN TECHNICAL OUTLOOK:

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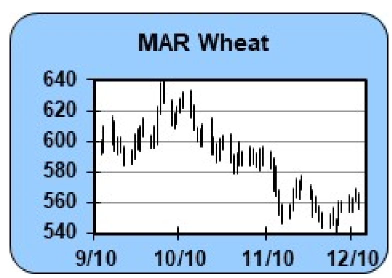
CORN (MAR) 12/13/2024: Studies are showing positive momentum but are now in overbought territory, so some caution is warranted. A positive signal for trend short-term was given on a close over the 9-bar moving average. The close below the 2nd swing support number puts the market on the defensive. The near-term upside target is at 449 3/4. The next area of resistance is around 446 1/4 and 449 3/4, while 1st support hits today at 440 3/4 and below there at 439.

CORN (MAY) 12/13/2024: Momentum studies are trending higher but have entered overbought levels. The market's short-term trend is positive on the close above the 9-day moving average. The market is in a bearish position with the close below the 2nd swing support number. The near-term upside target is at 457 1/4. The next area of resistance is around 453 3/4 and 457 1/4, while 1st support hits today at 448 1/4 and below there at 446 1/2.

DAILY WHEAT COMMENTARY
12/13/2024

Upcoming rains favor US SRW areas but Plains remain dry



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

OVERNIGHT DEVELOPMENTS: Chicago wheat (MAR 25) prices overnight are up 1 1/2; Kansas City (MAR 25) up 2; and Minneapolis (MAR 25) up 2 1/4. MATIF Milling Wheat(MAR 25) was up 0.7%. Chicago wheat open interest as of December 12 was up 4,447 contracts and Minneapolis wheat was up 2,750 contracts.

NEAR-TERM MARKET FUNDAMENTALS: Prices are seeing some light support this morning and after pulling back yesterday. There is plenty of news around the market but none of it significant enough to expect a major move today to end the week. Russia dropped their export tax on wheat for next week by 700 rubles per tonne and export prices this week are up $3-$5. CONAB's Brazil wheat ending stocks were 878,900 tonnes, up from 721,100 tonnes previously but down from USDA at 1.39 million tonnes. The Rosario Grain Exchange says Argentine wheat exports could reach 12 million tonnes, up from USDA's 11.5. Ukraine's Ag Ministry says total Ukraine grain exports are expected at 40.3 million tonnes, down from 51 last year with wheat 16.2 million tonnes of the total. The Western Australia Grain Association says they expect the 3rd largest crop on record at 10.83 million tonnes, up from their forecast in November of 10.33. There were 8 deliveries of Chicago wheat overnight and 14 KC. US winter wheat area under drought was unchanged at 29%, compared to 32% last year. Rains over the next week will favor the southeast SRW wheat areas but the Plains will remain mostly dry. The USDA report earlier this week confirm a significant decline in major exporters wheat stocks and stocks-to-use in 2025, which will keep support underneath the market on breaks.

The Export Sales Report showed that for the week ending December 5, net wheat sales came in at 290,236 tonnes for the current marketing year and none for the next marketing year. Cumulative sales have reached 68.5% of the USDA forecast for the 2024/2025 marketing year versus a 5-year average of 67.1%. Sales need to average 190,000 tonnes per week to reach the USDA forecast.

TODAY'S MARKET IDEAS:
Trading volume this week in wheat has been below average and after the rebound from new contract lows last week, the current pullback should find support in the 551-554 retracement zone on March futures. Speculators can consider placing buy orders in that range but with the upcoming holiday likely to thin trading volume even further, a tight stop of $0.10 or less is recommended.

NEW RECOMMENDATIONS:
None.

PREVIOUS RECOMMENDATIONS:
None.

WHEAT TECHNICAL OUTLOOK:

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WHEAT (MAR) 12/13/2024: 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. The market setup is somewhat negative with the close under the 1st swing support. The next upside target is 569 3/4. The next area of resistance is around 563 1/2 and 569 3/4, while 1st support hits today at 553 1/2 and below there at 550.

KC WHEAT (MAR) 12/13/2024: Momentum studies are trending higher from mid-range, which should support a move higher if resistance levels are penetrated. The market's close above the 9-day moving average suggests the short-term trend remains positive. The close below the 1st swing support could weigh on the market. The near-term upside target is at 572 3/4. The next area of resistance is around 567 1/2 and 572 3/4, while 1st support hits today at 558 1/2 and below there at 555.

MINN WHEAT (MAR) 12/13/2024: Stochastics are at mid-range but trending higher, which should reinforce a move higher if resistance levels are taken out. The close above the 9-day moving average is a positive short-term indicator for trend. The swing indicator gave a moderately negative reading with the close below the 1st support number. The near-term upside target is at 611 3/4. The next area of resistance is around 606 1/2 and 611 3/4, while 1st support hits today at 598 1/2 and below there at 595 3/4.

RICE (JAN) 12/13/2024: Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. The market's close below the 9-day moving average is an indication the short-term trend remains negative. It is a slightly negative indicator that the close was lower than the pivot swing number. The next downside objective is now at 14.918. The next area of resistance is around 15.059 and 15.137, while 1st support hits today at 14.950 and below there at 14.918.

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										
CNAH25	443 1/2	59.72	58.04	71.28	78.19	445.63	439.14	436.85	433.09	434.00
CNAK25	451	61.47	58.96	68.51	78.29	452.38	445.31	443.47	440.34	441.86
SSAF25	995 3/4	53.40	49.95	47.20	58.50	994.00	991.58	990.65	997.82	1012.73
SSAH25	1003 1/4	53.47	49.31	44.01	57.75	1000.44	997.56	997.97	1008.39	1024.15
SMAF25	289.5	43.61	42.02	31.74	32.77	290.55	290.10	291.12	299.36	307.08
BOAF25	42.67	48.86	47.79	36.20	46.70	42.66	42.32	42.53	43.66	43.51
WHAH25	558 1/2	47.41	44.30	44.23	52.83	560.56	555.64	558.39	577.44	585.43
WHAK25	568 1/4	48.31	44.69	43.32	52.28	569.69	564.47	567.65	587.54	595.93
RCAF25	15.005	43.52	47.39	59.19	48.69	15.06	15.13	15.13	15.00	15.10
KWAH25	563	55.10	49.70	51.06	64.34	563.63	553.94	557.14	575.53	582.75
MWAH25	602 1/2	51.67	47.67	51.67	62.46	604.81	597.94	599.06	616.82	624.83
OTAH25	362	47.46	46.92	30.19	27.74	356.88	364.39	365.08	372.76	374.12

Calculations based on previous session. Data collected 12/12/2024
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DAILY SWING STATISTICS

Contract		Support 2	Support 1	Pivot	Resist 1	Resist 2
GRAIN COMPLEX						
CNAH25	Corn	439	440 3/4	444 1/2	446 1/4	450
CNAK25	Corn	446 1/2	448 1/4	452	453 3/4	457 1/2
SSAF25	Soybeans	984 3/4	991	994 1/2	1000 1/2	1004 1/4
SSAH25	Soybeans	993	998 3/4	1002	1007 3/4	1011
SMAF25	Soymeal	285.2	287.2	289.6	291.6	294.0
BOAF25	Soybean Oil	41.49	42.15	42.53	43.19	43.57
WHAH25	Wheat	550	553 1/2	560	563 1/2	570
WHAK25	Wheat	559 3/4	563 1/2	569 1/2	573	579 1/4
RCAF25	Rice	14.917	14.950	15.027	15.059	15.137
KWAH25	KC Wheat	555	558 1/2	564	567 1/2	573
MWAH25	MINN Wheat	595 3/4	598 1/2	603 3/4	606 1/2	611 3/4
OTAH25	Oats	354	358 1/2	360 3/4	365 1/2	367 1/2

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