

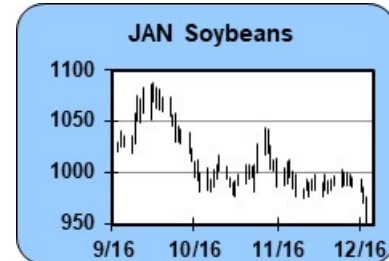
DAILY SOY COMPLEX COMMENTARY

12/19/2024

US Dollar spikes up on Fed comments

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

OVERNIGHT DEVELOPMENTS: Soybeans (MAR 25) prices overnight are down -3/4; Soymeal (MAR 25) down -0.60; and Soyoil (MAR 25) up 0.42. Soybean open interest as of December 18 was down 446 contracts, soymeal up 4,086 contracts, and soybean oil up 940. Chinese Dalian (MAY 25) Soybeans down 1.01%, Soymeal down 0.77%, Soyoil down 2.73%, Palm oil down 2.47%. Malaysian Palm was down 0.46%.



NEAR-TERM MARKET FUNDAMENTALS: The soy complex this week has finally succumbed to the bearish fundamentals after a couple weeks of sideways trade and that has left significant overhead resistance above the market. Yesterday's Fed rate cut was initially seen as a positive, however, the Fed's comments after the cut indicated fewer rate decreases next year and that disappointed the trade and sent the US dollar sharply higher to a new contract high. The dollar has had 2 years of broad range-bound trade and is now threatening to break out to the upside, which would not be bullish for exportable commodities. The Brazilian currency made another new all-time low against the dollar yesterday and the Chinese currency has lost significant ground to the dollar lately as well. Patria Brazil's bean crop estimate was 170.41 million tonnes, compared to USDA at 169. No change to the South American weather outlook with Brazil conditions expected remain favorable into the end of the year while Argentina sees some dry down, but concerns are low at this time. Indonesia is hiking the export tax on crude palm oil to 10% from the current 7.5%. Their implementation of B40 blend biodiesel from the current B35 is expected to be gradual over the course of the 1st few months of 2025. Bean futures trading volume yesterday on the sharp break was the highest since November 8th, suggesting further downside action. March beans have moved down to initial support but the August low of 936 is likely to be tested.

TODAY'S MARKET IDEAS:

After four consecutive lower closes, March beans tested 1st support overnight at 950 but the August low at 936 may be the next target. Bean oil is seeing a rebound today, which may offer some minor short covering, but the trend is clearly lower. This week's chart breakdown leaves significant overhead resistance between \$9.80 - \$10.00 on March.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None

SOYBEAN COMPLEX TECHNICAL OUTLOOK:

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SOYBEANS (JAN) 12/19/2024: The moving average crossover down (9 below 18) indicates a possible developing short-term downtrend. Daily stochastics are trending lower but have declined into oversold territory. A negative signal for trend short-term was given on a close under the 9-bar moving average. The close below the

2nd swing support number puts the market on the defensive. The next downside objective is 930 3/4. The 9-day RSI under 30 indicates the market is approaching oversold levels. The next area of resistance is around 965 1/4 and 985, while 1st support hits today at 938 1/4 and below there at 930 3/4.

SOYBEAN OIL (JAN) 12/19/2024: Daily stochastics declining into oversold territory suggest the selling may be drying up soon. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The close below the 1st swing support could weigh on the market. The next downside objective is 38.50. Some caution in pressing the downside is warranted with the RSI under 30. The next area of resistance is around 40.19 and 41.05, while 1st support hits today at 38.91 and below there at 38.50.

SOYMEAL (JAN) 12/19/2024: Momentum studies are still bearish but are now at oversold levels and will tend to support reversal action if it occurs. A negative signal for trend short-term was given on a close under the 9-bar moving average. The close below the 2nd swing support number puts the market on the defensive. The next downside target is now at 273.3. The market is approaching oversold levels on an RSI reading under 30. The next area of resistance is around 283.5 and 289.6, while 1st support hits today at 275.4 and below there at 273.3.

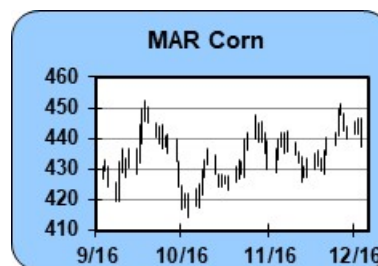
DAILY CORN COMMENTARY

12/19/2024

Mexico/US GMO corn ruling expected tomorrow

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

OVERNIGHT DEVELOPMENTS: Corn (MAR 25) prices overnight are down -1. Corn open interest as of December 18 was up 9,838 contracts. Chinese Dalian (MAY 25) Corn was up 0.23%.



NEAR-TERM MARKET FUNDAMENTALS: The market's weakness yesterday can be attributed to preliminary talk of more corn acres next spring, and a very strong up move in the US dollar. In addition, Patria estimated Brazil's total corn crop at 129.27 million tonnes and LSEG's estimate was 127.3, both above USDA at 127. Strategie Grains estimated EU corn production at 59.6 million tonnes, up from 57.9 last year. California has issued a bird flu emergency as the pathogen has spread throughout the state, but France says they are now bird flu-free after embarking on an aggressive vaccination campaign. Weekly export sales this morning are expected in a range of 700,000 - 1,600,000 tonnes. Morning flash sales were limited last week and today's sales number may underperform recent weeks. Reports indicate the WTO ruling on the Mexico/US GMO corn situation is expected tomorrow. US export demand is likely to increase as the market pulls back and initial retracement and moving average support are in the 434 - 436 range with the 100-day moving average coming in at 429 1/4. Weakness in the soy complex may pull corn down to the lower end of the support range but March should find solid value buying starting in the low 430's.

Ethanol average daily production for the week ending December 13 averaged 1.103 million barrels. This is a new high daily production for this week of the year. The previous high was 1.087 million barrels per day in 2021. This was up 2.3% from last week and up 3.0% from last year. The 5-year average for this week is 1.042 million barrels per day. Ethanol production for the week was 7.721 million barrels. Ethanol stocks were 22.636 million barrels. This was down 0.1% from last week and down 1.2% from last year. The 5-year average stocks for this week is 22.521 million barrels. The amount of corn used for the week is estimated at 111.28 million bushels. Cumulative corn use for the crop year has reached 1.607 billion bushels. Corn use needs to average 104.41 million bushels per week to meet the USDA's marketing year forecast of 5.500 billion bushels.

TODAY'S MARKET IDEAS:

Yesterday's sharp weakness in beans pulled corn lower along with the skyrocketing US dollar following the Fed rate announcement. Next week's trading action is likely to be thin, which can lead to increased volatility. March corn is moving down into layers of support between 429 - 436. We think speculators can buy the market in that

zone risking a close below 425. Key trendline support from the August lows comes in at 431. Due to holiday trade uncertainty over the next 2 weeks, traders may be wise to keep trading sizes small to mitigate the risk of unexpected swings.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

CORN TECHNICAL OUTLOOK:

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CORN (MAR) 12/19/2024: Declining momentum studies in the neutral zone will tend to reinforce lower price action. The close below the 18-day moving average is an indication the intermediate-term trend has turned down. There could be some early pressure today given the market's negative setup with the close below the 2nd swing support. The next downside target is 430. The next area of resistance is around 442 and 449, while 1st support hits today at 432 1/2 and below there at 430.

CORN (MAY) 12/19/2024: A bearish signal was triggered on a crossover down in the daily stochastics. Momentum studies trending lower at mid-range should accelerate a move lower if support levels are taken out. The market back below the 18-day moving average suggests the intermediate-term trend could be turning down. The close below the 2nd swing support number puts the market on the defensive. The next downside target is now at 436 3/4. The next area of resistance is around 448 1/4 and 455, while 1st support hits today at 439 1/4 and below there at 436 3/4.

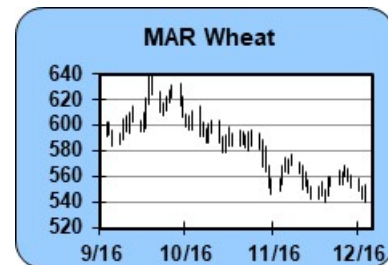
DAILY WHEAT COMMENTARY

12/19/2024

Weak technical action, new contract lows in March Chicago

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):
WHEAT -0.88

OVERNIGHT DEVELOPMENTS: Chicago wheat (MAR 25) prices overnight are down -9 1/4; Kansas City (MAR 25) down -5 3/4; and Minneapolis (MAR 25) down -4 1/4. MATIF Milling Wheat(MAR 25) was down -1.1%. Chicago wheat open interest as of December 18 was up 955 contracts and Minneapolis wheat was down 234 contracts.



NEAR-TERM MARKET FUNDAMENTALS: March Chicago wheat has fallen to a new contract low this morning on the heels of a sharp rally in the US dollar yesterday after the Fed comments indicated reduced chances for further cuts next year. Other bearish news came from Strategie Grains raising their EU SRW production estimate for 2025/26 to 126.6 million tonnes compared to 114.2 last year. India's Food Secretary said, despite high domestic wheat prices, there is no need for imports at this time. Demand has picked up on the break this week as Thailand, Tunisia, South Korea and Algeria are all either tendering or purchased wheat this week. The US attache to Brazil estimated wheat production in the country at 8.2 million tonnes, down from 8.5 in last week's supply/demand report. Weekly export sales today are expected in a range of 240,000 - 550,000 tonnes. Ukraine's wheat export prices are up \$3-\$6 this week, following similar strength in Russian prices. Better chances for rain in the Plains are forecast for late next week as above normal precipitation chances move in. Dormant winter wheat crops do not have high moisture needs, but winter precipitation will keep crop conditions elevated. Temperatures across the entire Midwest will trend above normal for the next 2 weeks. Today's new contract lows are not a good

sign for the bull camp and recent spot lows at 528 are likely to be tested. Bearish momentum is expected to continue today.

TODAY'S MARKET IDEAS:

This morning's drop to new contract lows in Chicago wheat is a bearish indication for prices. Potential soil moisture improvement in the Plains late next week, along with the sharp rally in the US dollar yesterday, are expected to keep pressure on the market today. Close in support on March Chicago is 528 but we today's technical breakdown, we can't rule out a drop to longer term support at 500 - 510.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

WHEAT TECHNICAL OUTLOOK:

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WHEAT (MAR) 12/19/2024: Daily stochastics declining into oversold territory suggest the selling may be drying up soon. The market's short-term trend is negative as the close remains below the 9-day moving average. The outside day down and close below the previous day's low is a negative signal. It is a slightly negative indicator that the close was under the swing pivot. The next downside target is 530. Some caution in pressing the downside is warranted with the RSI under 30. The next area of resistance is around 548 1/4 and 558 1/4, while 1st support hits today at 534 1/4 and below there at 530.

KC WHEAT (MAR) 12/19/2024: The daily stochastics gave a bearish indicator with a crossover down. Declining momentum studies in the neutral zone will tend to reinforce lower price action. The market's short-term trend is negative as the close remains below the 9-day moving average. The outside day down and close below the previous day's low is a negative signal. The market's close below the pivot swing number is a mildly negative setup. The next downside target is now at 537 1/4. The next area of resistance is around 555 1/2 and 565 1/2, while 1st support hits today at 541 1/2 and below there at 537 1/4.

MINN WHEAT (MAR) 12/19/2024: Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. The market's short-term trend is negative as the close remains below the 9-day moving average. The outside day down and close below the previous day's low is a negative signal. The market tilt is slightly negative with the close under the pivot. The next downside objective is 583 1/2. The next area of resistance is around 597 1/2 and 605 1/4, while 1st support hits today at 586 1/2 and below there at 583 1/2.

RICE (JAN) 12/19/2024: The close under the 40-day moving average indicates the longer-term trend could be turning down. Daily stochastics are trending lower but have declined into oversold territory. The close below the 9-day moving average is a negative short-term indicator for trend. The market is in a bearish position with the close below the 2nd swing support number. The next downside target is 14.637. The next area of resistance is around 14.922 and 15.066, while 1st support hits today at 14.708 and below there at 14.637.

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	437 1/4	45.37	49.00	68.92	61.97	441.94	443.36	437.63	434.34	435.01
CNAK25	443 3/4	45.04	48.58	68.45	61.62	448.69	449.94	444.17	441.43	442.61
SSAF25	951 3/4	21.29	29.30	35.34	19.74	974.69	985.39	986.33	994.07	1008.07

SSAH25	953 1/4	19.98	27.37	32.76	17.37	978.25	990.44	992.47	1003.71	1018.83
SMAF25	279.5	27.05	31.24	20.25	13.15	284.95	287.71	289.82	296.76	304.41
BOAF25	39.55	26.76	33.92	36.21	25.22	41.13	42.01	41.89	43.50	43.46
WHAH25	541 1/4	28.00	32.79	36.78	25.70	547.13	554.22	553.57	571.49	582.39
WHAK25	551 3/4	29.60	33.74	38.52	28.76	557.38	563.75	563.01	581.48	592.84
RCAF25	14.815	31.56	39.54	34.39	20.95	14.93	15.01	15.08	14.98	15.05
KWAH25	548 1/2	38.71	40.53	56.23	51.97	554.38	558.42	553.86	570.28	580.85
MWAH25	592	38.10	40.18	49.48	41.54	596.38	600.14	597.19	611.58	622.37
OTAH25	359 1/2	43.91	45.19	38.37	38.23	365.06	360.78	364.61	371.84	374.18

Calculations based on previous session. Data collected 12/18/2024

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						
CNAH25	Corn	430	432 1/2	439 1/2	442	449
CNAK25	Corn	436 1/2	439	445 3/4	448 1/2	455
SSAF25	Soybeans	930 1/2	938	957 3/4	965 1/2	985
SSAH25	Soybeans	932	939 1/2	959 1/2	967	987
SMAF25	Soymeal	273.2	275.4	281.4	283.5	289.6
BOAF25	Soybean Oil	38.49	38.91	39.77	40.19	41.05
WHAH25	Wheat	530	534	544 1/4	548 1/2	558 1/2
WHAK25	Wheat	541 1/4	545	554 1/2	558 1/2	567 3/4
RCAF25	Rice	14.636	14.707	14.851	14.922	15.066
KWAH25	KC Wheat	537 1/4	541 1/2	551 1/2	555 1/2	565 3/4
MWAH25	MINN Wheat	583 1/2	586 1/2	594 1/2	597 1/2	605 1/2
OTAH25	Oats	350	354 1/2	360 1/4	364 1/2	370 1/2

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