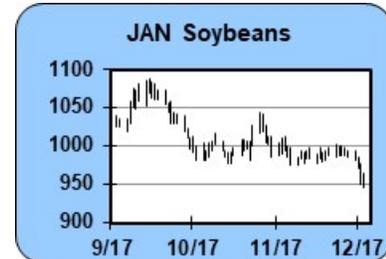


**DAILY SOY COMPLEX COMMENTARY**  
12/20/2024

**Sinograin buys US beans**

**OVERNIGHT CHANGES THROUGH 6:06 AM (CT):**  
**SOY BEANS +0.1, BEAN OIL +0.0, SOYMEAL +0.5**

**OVERNIGHT DEVELOPMENTS:** Soybeans (MAR 25) prices overnight are up 6; Soymeal (MAR 25) up 4.80; and Soyoil (MAR 25) down -0.23. Soybean open interest as of December 19 was down 20,489 contracts, soymeal down 9,266 contracts, and soybean oil down 11,045. Chinese Dalian (MAY 25) Soybeans up 0.43%, Soymeal up 1.36%, Soyoil unchanged, Palm oil down 1.11%. Malaysian Palm was down 1.66%.



**NEAR-TERM MARKET FUNDAMENTALS:** The bean market finally fell low enough to entice global buyers to take action and March futures closed with a reversal higher yesterday on the largest daily trading volume since early November. Sinograin announced this morning they purchased up to 500,000 tonnes of US beans this week for March - April shipment. This comes on the heels of 750,000 tonnes purchased last week. These purchases are likely for China's reserve stocks as drier US beans are favored for storage over higher moisture South American beans. China's total US bean imports for the January - November timeframe were 17.88 million tonnes, down 9% year-over-year, while Chinese imports from Brazil were up 10% from a year ago. The Buenos Aires Grain Exchange says the Argentine bean crop is 76.6% planted. The South American weather trend is expected to continue over the next 2 weeks with overall good conditions in Brazil and moisture in Argentina more scattered. But crop stress is expected to remain low due to the lack of extreme heat. The Brazilian government intervened to support their currency yesterday which lessened the selling pressure on US bean futures and the market was able to bounce. Open interest dropped significantly in beans, meal and bean oil yesterday indicating the rally was due to short covering. A higher close today in March beans would point to further strength early next week. However, the 980 - 10.00 zone on March should offer strong resistance.

The Export Sales Report showed that for the week ending December 12, net soybean sales came in at 1,424,158 tonnes for the current marketing year and none for the next marketing year. Cumulative soybean sales have reached 77.9% of the USDA forecast for the 2024/2025 marketing year versus a 5 year average of 74.2%. Sales need to average 293,000 tonnes per week to reach the USDA forecast.

Net meal sales came in at 261,586 tonnes for the current marketing year and none for the next marketing year. Cumulative meal sales have reached 48.8% of the USDA forecast for the 2024/2025 marketing year versus a 5 year average of 45.4%. Sales need to average 194,000 tonnes per week to reach the USDA forecast.

Net oil sales came in at 6,028 tonnes for the current marketing year and 279 for the next marketing year for a total of 6,307. Cumulative oil sales have reached 97.2% of the USDA forecast for the 2024/2025 marketing year versus a 5 year average of 33.0%. Sales need to average 300 tonnes per week to reach the USDA forecast.

**TODAY'S MARKET IDEAS:**

The bean break finally found a buyer as China stepped up with purchases for their reserve this week, giving the March contract a reversal higher yesterday. With the short holiday week next week, traders with profits in short positions may be looking to get out and that may push the March contract up into the 9.80 - 10.00 resistance zone. We doubt short covering alone can push prices much over \$10 at this time without some new bullish input.

**NEW RECOMMENDATIONS:**

None.

## PREVIOUS RECOMMENDATIONS:

None

## SOYBEAN COMPLEX TECHNICAL OUTLOOK:

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SOYBEANS (JAN) 12/20/2024: 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 upside closing price reversal on the daily chart is somewhat bullish. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The next downside target is now at 939 1/2. The next area of resistance is around 972 3/4 and 978 1/2, while 1st support hits today at 953 1/4 and below there at 939 1/2.

SOYBEAN OIL (JAN) 12/20/2024: A negative indicator was given with the downside crossover of the 9 and 18 bar moving average. 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 upside closing price reversal on the daily chart is somewhat bullish. The market has a slightly positive tilt with the close over the swing pivot. The next downside objective is 38.70. The next area of resistance is around 40.62 and 41.15, while 1st support hits today at 39.40 and below there at 38.70.

SOYMEAL (JAN) 12/20/2024: A bullish signal was given with an upside crossover of the daily stochastics. 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 daily closing price reversal up on the daily chart is somewhat positive. Market positioning is positive with the close over the 1st swing resistance. The near-term upside target is at 289.4. The next area of resistance is around 287.3 and 289.4, while 1st support hits today at 280.9 and below there at 276.5.

## DAILY CORN COMMENTARY

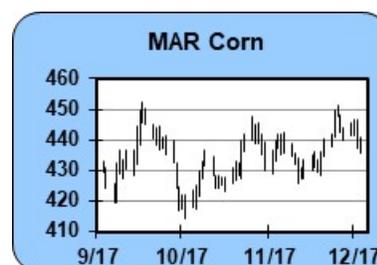
12/20/2024

Positive price action in face of US Dollar rally this week

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):

CORN +0.3

**OVERNIGHT DEVELOPMENTS:** Corn (MAR 25) prices overnight are up 3. Corn open interest as of December 19 was up 5,002 contracts. Chinese Dalian (MAY 25) Corn was down 0.14%.



**NEAR-TERM MARKET FUNDAMENTALS:** March corn prices bounced off the top of the support zone yesterday and this morning's follow through to the upside, in the face of this week's strong rally in the US dollar and weakness in crude oil, is a positive sign for the corn market. The Buenos Aires Grain Exchange says the Argentine corn crop is 65.8% planted. Argentina's Cordoba area got good rains overnight and planting can resume in that area. Cocal updated their EU+UK production to 61.9 million tonnes, up from 60.2 last year. Deral raised their 1st crop corn production for Brazil's Parana state to 2.65 million tonnes, up from their forecast of 2.59 last month. Second crop corn for Parana was pegged at 15.54 million tonnes, up 24% from last year's drought reduced crop. Inflation remains a central topic as the year-end approaches and egg prices this week have hit an all-time high, up 150% from a year ago due to bird flu. Breaking news for corn is absent today but price action feels positive. The bull camp may try and push the market up above 200-day moving average resistance early next week to see if the market will carry higher in a thin holiday week.

The Export Sales Report showed that for the week ending December 12, net corn sales came in at 1,174,565 tonnes for the current marketing year and 2,540 for the next marketing year for a total of 1,177,105. Cumulative sales have reached 57.8% of the USDA forecast for the 2024/2025 marketing year versus a 5-year average of 51.0%. Sales need to average 710,000 tonnes per week to reach the USDA forecast.

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

March corn bounced off the very top of the buy zone yesterday and for those that got long at 436 or below, consider moving your sell stop to breakeven. Anything can happen with the shortened trading week ahead, but the technical outlook remains positive after yesterday's bounce off support. Major resistance sits at 451 and retracement resistance to the May high is 456.

#### **NEW RECOMMENDATIONS:**

None.

#### **PREVIOUS RECOMMENDATIONS:**

None.

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

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CORN (MAR) 12/20/2024: Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. The intermediate trend could be turning up with the close back above the 18-day moving average. The daily closing price reversal up on the daily chart is somewhat positive. The close over the pivot swing is a somewhat positive setup. The next downside target is now at 434 1/2. The next area of resistance is around 443 1/4 and 444 3/4, while 1st support hits today at 438 1/4 and below there at 434 1/2.

CORN (MAY) 12/20/2024: Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. The market now above the 18-day moving average suggests the intermediate-term trend has turned up. The upside daily closing price reversal gives the market a bullish tilt. The close over the pivot swing is a somewhat positive setup. The next downside target is now at 441. The next area of resistance is around 448 1/2 and 449 3/4, while 1st support hits today at 444 and below there at 441.

#### **DAILY WHEAT COMMENTARY**

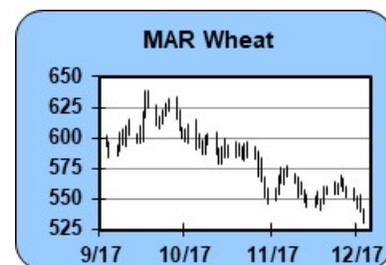
12/20/2024

#### **Short covering possible before holiday week**

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

**WHEAT** +0.13

**OVERNIGHT DEVELOPMENTS:** Chicago wheat (MAR 25) prices overnight are up 1/2; Kansas City (MAR 25) up 2 1/2; and Minneapolis (MAR 25) up 5. MATIF Milling Wheat(MAR 25) was down -0.5%. Chicago wheat open interest as of December 19 was up 12,596 contracts and Minneapolis wheat was up 4,133 contracts.



**NEAR-TERM MARKET FUNDAMENTALS:** Unlike corn and beans, the wheat market yesterday was unable to turn higher after the lower start and prices closed at a new contract low. Russia lowered their wheat export quota for February 15 - June 30 to 10.6 million tonnes, down from 11 million last month but the market has failed to react to any bullish news this week. The Buenos Aries Grain Exchange says Argentina's wheat harvest is 76.1% done and they left their production estimate unchanged at 18.6 million tonnes, up from 15.1 last season. The EU

commission lowered the EU+UK SRW crop to 111.9, down from 112.3 last month. Germany says their winter wheat sown area will be up 12% year-over-year this season to 2.8 million ha. The latest Drought Monitor shows drought conditions have improved significantly over the last 45 days in western Kansas and the Oklahoma and Texas panhandles. Over the next 5 days precipitation will be limited in the Plains and the 6 to 10 day forecast has shifted the above normal precipitation area a little further east to eastern Kansas, Missouri and Arkansas. Temperatures will remain seasonally very warm for the next 2 weeks. The inability of the market to bounce from new contract lows and the significant increase in open interest yesterday are bearish signs. However, with the shortened holiday week ahead, shorts may be looking to take profits before the weekend.

The Export Sales Report showed that for the week ending December 12, net wheat sales came in at 457,933 tonnes for the current marketing year and none for the next marketing year. Cumulative sales have reached 69.8% of the USDA forecast for the 2024/2025 marketing year versus a 5-year average of 70.8%. Sales need to average 186,000 tonnes per week to reach the USDA forecast.

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

March Chicago wheat is holding steady this morning, but open interest rose more than 12,500 contracts yesterday as prices dropped into new contract lows, indicating funds are adding to their short positions. Close-in support on March Chicago at 528 is holding, so far but this week's technical action points to further losses. However, short covering is possible today before the holidays.

#### **NEW RECOMMENDATIONS:**

None.

#### **PREVIOUS RECOMMENDATIONS:**

None.

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

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**WHEAT (MAR) 12/20/2024:** A negative indicator was given with the downside crossover of the 9 and 18 bar moving average. Momentum studies are still bearish but are now at oversold levels and will tend to support reversal action if it occurs. The market's short-term trend is negative as the close remains below the 9-day moving average. The market setup is somewhat negative with the close under the 1st swing support. The next downside target is 523 1/2. The 9-day RSI under 30 indicates the market is approaching oversold levels. The next area of resistance is around 538 1/2 and 545 3/4, while 1st support hits today at 527 1/2 and below there at 523 1/2.

**KC WHEAT (MAR) 12/20/2024:** Momentum studies trending lower at mid-range should accelerate a move lower 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. The market's close below the pivot swing number is a mildly negative setup. The next downside objective is now at 535 3/4. The next area of resistance is around 547 1/2 and 552 3/4, while 1st support hits today at 539 and below there at 535 3/4.

**MINN WHEAT (MAR) 12/20/2024:** Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. The market's short-term trend is negative as the close remains below the 9-day moving average. The market tilt is slightly negative with the close under the pivot. The next downside objective is 578 1/4. The next area of resistance is around 591 1/4 and 596, while 1st support hits today at 582 1/4 and below there at 578 1/4.

**RICE (JAN) 12/20/2024:** 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 defensive setup, with the close under the 2nd swing support, could cause some early weakness. The next downside target is now at 14.090. More downside action may be limited by the RSI under 20 putting the market in extremely oversold territory. The next area of resistance is around 14.620 and 14.930, while

1st support hits today at 14.200 and below there at 14.090.

## 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>										
CNAH25	440 3/4	51.85	52.96	65.78	59.52	441.63	443.44	437.93	434.79	435.14
CNAK25	446 1/4	49.88	51.53	65.01	58.12	447.94	450.06	444.38	441.82	442.65
SSAF25	963	33.90	36.95	31.69	24.39	968.38	981.97	985.19	993.38	1006.26
SSAH25	966 1/2	33.77	36.08	29.76	23.75	971.13	986.81	991.04	1002.79	1016.86
SMAF25	284.1	40.17	39.65	20.57	21.21	284.43	287.34	289.41	296.14	303.66
BOAF25	40.01	32.42	37.04	31.70	22.66	40.48	41.68	41.78	43.47	43.40
WHAH25	533	22.14	28.50	30.58	18.20	542.31	551.53	551.81	569.89	581.14
WHAK25	543 1/2	23.46	29.38	32.41	20.19	552.69	561.31	561.26	579.87	591.59
RCAF25	14.410	18.25	28.22	26.68	11.27	14.79	14.93	15.04	14.96	15.04
KWAH25	543 1/4	33.69	37.32	51.60	42.32	550.94	557.25	552.63	568.94	579.98
MWAH25	586 3/4	32.58	36.71	43.48	31.48	593.44	599.06	596.38	610.34	621.50
OTAH25	355 3/4	40.18	42.87	36.01	31.28	361.81	360.39	363.79	371.42	373.95

Calculations based on previous session. Data collected 12/19/2024

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>						
CNAH25	Corn	434 1/4	438	439 1/2	443 1/2	444 3/4
CNAK25	Corn	441	444	445 1/2	448 1/2	450
SSAF25	Soybeans	939 1/2	953 1/4	959	972 3/4	978 1/2
SSAH25	Soybeans	940 1/2	955 3/4	962	977 1/4	983 1/2
SMAF25	Soymeal	276.4	280.8	282.9	287.3	289.4
BOAF25	Soybean Oil	38.69	39.39	39.92	40.62	41.15
WHAH25	Wheat	523 1/4	527 1/2	534 1/2	538 1/2	545 3/4
WHAK25	Wheat	533 3/4	537 3/4	545 1/4	549 1/4	556 3/4
RCAF25	Rice	14.090	14.200	14.510	14.620	14.930
KWAH25	KC Wheat	535 3/4	539	544 1/4	547 1/2	552 3/4
MWAH25	MINN Wheat	578	582 1/4	587	591 1/4	596
OTAH25	Oats	349 1/2	351 3/4	357 1/2	359 3/4	365 1/2

Calculations based on previous session. Data collected 12/19/2024

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