

DAILY SOY COMPLEX COMMENTARY

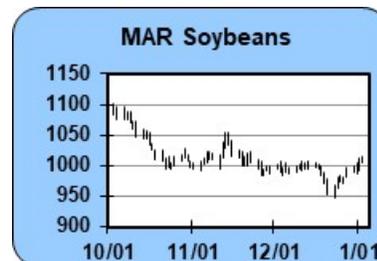
1/3/2025

NASS Nov crush new monthly record

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 down -5 3/4; Soymeal (MAR 25) down -4.90; and Soyoil (MAR 25) up 0.03. Soybean open interest as of January 2 was down 5,849 contracts, soymeal up 257 contracts, and soybean oil up 439. Chinese Dalian (MAY 25) Soybeans down 0.25%, Soymeal down 0.63%, Soyoil down 1.82%, Palm oil down 1.92%. Malaysian Palm was up 0.81%.



NEAR-TERM MARKET FUNDAMENTALS: The soy complex is seeing a modest pullback to finish the week ahead of this morning's weekly export sales report. The South American forecast remains unchanged with good conditions in Brazil except for the southern areas where dryness is a problem. Argentina is where the weather concerns are focused and the next 2 weeks the overall drying trend will continue. NASS USDA November crush yesterday afternoon came in at a new record for the month at 210.04 million bushels compared to the average guess of 207.6. Bean oil stocks rose to 1.612 billion pounds compared to the average guess of 1.478. Soymeal stocks hit an 8-month high at 463,000 tonnes, up from 303,000 the prior month. Indonesia says their B40 policy should be fully in place by the middle of February. Malaysian Palm oil was down 5% this week. There were 331 beans delivered overnight, 333 meal and 237 bean oil. Production estimates in Brazil are beginning to increase and StoneX yesterday raised their bean production number to 171.4 million tonnes, up from 166.2 in their previous forecast and also raised their Brazil export number a like amount to 107 million tonnes, up from 103 million previously. Weekly export sales this morning are projected in a range of 500,000 - 1,200,000 tonnes for beans, 150,000-350,000 for meal and 5,000-30,000 for bean oil. At the current time, any potential crop losses from dryness in Argentina are likely to be offset by good conditions in Brazil. For this reason, we advise against jumping on the weather bull train at this stage, especially since prices have already rallied nearly \$0.70 over the past 10 days. Significant resistance remains at the 100-day moving average at 1019 on March.

US soybean crush hit a new record high for the month of November at 210.04 million bushels versus the previous record of 200.09 million in 2023. This was at the upper end of pre-report estimates. The November average is 187.34 million bushels. US soybean crush pace for November hit a new all-time record at 7.00 million bushels. The November average crush pace is 6.24 million bushels per day. The cumulative crush for the marketing year has reached 612.33 million bushels 25.4% of the USDA's current estimate for the marketing year. As of November last year, the cumulative crush had reached 25.2% of the USDA forecast of 576.24 million bushels.

US soybean oil stocks in November came in at 1.613 billion pounds versus 1.574 last month and 1.599 last year. The average stock level for this time of year is 2.003 billion pounds. The largest stock level for this month was 2.117 (2020) and lowest was 1.613 (2024). Current stock levels are running at 0.10% of USDA ending stocks estimates for the year.

TODAY'S MARKET IDEAS:

The South American forecast calling for dryness over the next 2 weeks for Argentina and southern Brazil does not appear to have changed much overnight, but prices are pulling back this morning after stalling just below 100-day moving average resistance. March beans have room to pull back after the sharp rally over the past 10 days. Speculators can consider trading the short side if March hits 1018 or higher today.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None

SOYBEAN COMPLEX TECHNICAL OUTLOOK:

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SOYBEANS (MAR) 01/03/2025: 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. It is a mildly bullish indicator that the market closed over the pivot swing number. The next upside target is 1023. The next area of resistance is around 1018 and 1023, while 1st support hits today at 1006 and below there at 998 3/4.

SOYBEAN OIL (MAR) 01/03/2025: The stochastics indicators are rising from oversold levels, which is bullish and should support higher prices. 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 pivot swing number is a mildly negative setup. The next upside objective is 41.51. The next area of resistance is around 40.86 and 41.51, while 1st support hits today at 39.67 and below there at 39.12.

SOYMEAL (MAR) 01/03/2025: 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 close over the pivot swing is a somewhat positive setup. The near-term upside objective is at 325.7. The market is approaching overbought levels with an RSI over 70. The next area of resistance is around 323.2 and 325.7, while 1st support hits today at 316.6 and below there at 312.4.

DAILY CORN COMMENTARY

1/3/2025

Corn used for ethanol in November drops, DDG production rises

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):
CORN -0.2

OVERNIGHT DEVELOPMENTS: Corn (MAR 25) prices overnight are down -2 1/2. Corn open interest as of January 2 was up 17,567 contracts. Chinese Dalian (MAY 25) Corn was down 0.31%.



NEAR-TERM MARKET FUNDAMENTALS: The corn market is pulling back slightly this morning after setting a new 6-month high yesterday. Open interest jumped nearly 18,000 contracts yesterday and continued fund buying is driving the rally, part of which may be 1st of the year commodity inflows. Corn used for ethanol in the month of November was 513.8 million bushels, down from 516.2 in October but up 1.7% year-over-year. November DDG production was 1.836 million tonnes, up from 1.797 a year ago. The South American forecast looks to be unchanged from yesterday and dryness in southern Brazil prompted LSEG to lower their Brazil production estimate a little less than 1% to 127.2 million tonnes but still slightly above USDA at 127. Argentina's economic reforms continue to pay dividends as the Ag export revenue for the country in December was 58% higher than December a year ago and up 27% in 2024 from the previous year. Argentina is likely to become a more aggressive export competitor as their economy improves. Weekly export sales this morning are expected in a range of 800,000-1,400,000 tonnes. We have noted the strong resistance zone that March corn has reached between 456 - 468. Current South American weather does not justify a sustained move above the top end of that zone but Argentina weather mid-January and beyond definitely needs to be monitored.

Ethanol average daily production for the week ending December 27 averaged 1.111 million barrels. This is a new

high daily production for this week of the year. The previous high was 1.066 million barrels per day in 2019. This was up 0.4% from last week and up 5.9% from last year. The 5-year average for this week is 0.990 million barrels per day. Ethanol production for the week was 7.777 million barrels. Ethanol stocks were 23.639 million barrels. This was the highest since September 13. This was up 2.4% from last week and up 0.3% from last year. The 5-year average stocks for this week is 22.647 million barrels. The amount of corn used for the week is estimated at 112.09 million bushels. Cumulative corn use for the crop year has reached 1.831 billion bushels. Corn use needs to average 103.99 million bushels per week to meet the USDA's marketing year forecast of 5.500 billion bushels.

TODAY'S MARKET IDEAS:

Yesterday's new 6-month high points to further gains, despite this morning's minor pullback. But March corn resistance is likely to be very strong above 465 and Argentine weather will need to worsen significantly for prices to sustain a rally above that level. March corn 618% retracement resistance to the May highs stands at 468 and is the next upside target. Initial pullback support is 449.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

CORN TECHNICAL OUTLOOK:

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CORN (MAR) 01/03/2025: Studies are showing positive momentum but are now in overbought territory, so some caution is warranted. The close above the 9-day moving average is a positive short-term indicator for trend. The market has a slightly positive tilt with the close over the swing pivot. The next upside target is 462 1/4. The market is becoming somewhat overbought now that the RSI is over 70. The next area of resistance is around 461 1/4 and 462 1/4, while 1st support hits today at 457 3/4 and below there at 455 1/4.

CORN (MAY) 01/03/2025: Momentum studies are trending higher but have entered overbought levels. 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 objective is at 470 1/4. The market is becoming somewhat overbought now that the RSI is over 70. The next area of resistance is around 469 and 470 1/4, while 1st support hits today at 465 1/2 and below there at 463.

DAILY WHEAT COMMENTARY

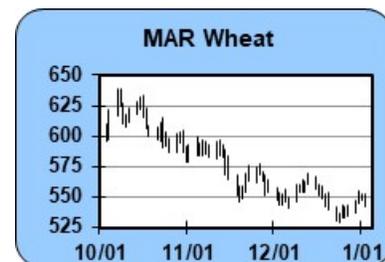
1/3/2025

Taiwan tenders for 114,650 tonnes of US wheat

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):

WHEAT -0.35

OVERNIGHT DEVELOPMENTS: Chicago wheat (MAR 25) prices overnight are down -5; Kansas City (MAR 25) down -4 1/4; and Minneapolis (MAR 25) down -2 1/4. MATIF Milling Wheat(MAR 25) was down -1.5%. Chicago wheat open interest as of January 2 was up 3,349 contracts and KC wheat was down 251 contracts.



NEAR-TERM MARKET FUNDAMENTALS: The wheat market looks to be struggling with the significant increase in the US dollar this week and the lack of fresh news out of the Black Sea region. In addition, some moisture is expected over the next 5 days in central and eastern Kansas with light showers in surrounding areas of the

Plains. The cold temperatures are expected to be accompanied by snow and winterkill risks are limited. The 6 - 10 and 8 to 14 day maps show the continuation of above normal precipitation trends in the northern Plains and below normal in the southern. Weekly export sales this morning are expected in a range of 200,000 - 500,000 tonnes. Taiwan tendered overnight for 115,000 tonnes of US wheat. The World Food Price index in December dropped to 127.0 compared to 127.6 in November but is up 6.7% from December 2023. EU prices are strong and hit a six-month high yesterday but that is mainly due to the strength in the US dollar pushing the euro currency down and resulting in greater export competitiveness for EU products. March Chicago wheat remains in the 3-month downtrend and the bull camp must be disappointed that there has been limited support despite the typical trend for the 1st week of a new year of commodity fund buying. This week's high at 554 3/4 will need to be taken out to change the bearish technical picture.

TODAY'S MARKET IDEAS:

Wheat is seeing very limited enthusiasm and prices are drifting lower on a lack of bullish news and some moisture potential in the Plains. The extreme cold temperatures in the Plains are not expected to ignite any kind of weather scare as winterkill risks are low. Contract low support at 529 1/4 on March Chicago and this week's high at 554 3/4 are the upper and lower boundaries of the 2-week range. There is no sign of a technical bottom yet.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

WHEAT TECHNICAL OUTLOOK:

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WHEAT (MAR) 01/03/2025: Momentum studies are trending higher from mid-range, which should support a move higher if resistance levels are penetrated. The intermediate trend has turned down with the cross over back below the 18-day moving average. The swing indicator gave a moderately negative reading with the close below the 1st support number. The near-term upside objective is at 556 3/4. The next area of resistance is around 550 3/4 and 556 3/4, while 1st support hits today at 540 3/4 and below there at 536 1/2.

KC WHEAT (MAR) 01/03/2025: The major trend has turned down with the cross over back below the 40-day moving average. Momentum studies are trending higher from mid-range, which should support a move higher if resistance levels are penetrated. The close under the 18-day moving average indicates the intermediate-term trend could be turning down. The defensive setup, with the close under the 2nd swing support, could cause some early weakness. The near-term upside target is at 562 1/4. The next area of resistance is around 555 3/4 and 562 1/4, while 1st support hits today at 546 3/4 and below there at 544.

MINN WHEAT (MAR) 01/03/2025: The daily stochastics have crossed over down which is a bearish indication. 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 defensive setup, with the close under the 2nd swing support, could cause some early weakness. The next downside target is now at 583 3/4. The next area of resistance is around 593 and 598, while 1st support hits today at 586 and below there at 583 3/4.

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	459 1/2	73.83	68.57	85.41	91.45	456.06	451.25	447.31	439.38	436.58
CNAK25	467 1/4	75.15	69.53	85.27	91.30	463.63	457.94	453.94	446.28	443.78

SSAH25	1012	64.33	58.22	69.96	83.67	1001.00	989.31	989.88	1000.08	1004.92
SSAK25	1025	65.34	58.89	71.05	85.08	1012.69	999.47	999.72	1012.27	1017.64
SMAH25	319.9	72.21	67.08	81.27	90.08	314.78	307.42	300.84	299.50	303.23
BOAH25	40.27	39.58	40.37	18.37	18.95	40.23	40.23	41.27	43.17	43.13
WHAH25	545 3/4	47.79	44.98	36.00	42.90	548.00	541.58	547.90	560.62	571.47
WHAK25	557 1/2	49.71	46.35	38.09	45.93	558.94	552.25	558.00	570.61	581.75
RCAH25	14.115	31.98	31.69	19.37	21.54	14.00	14.11	14.61	14.90	15.02
KWAH25	551 1/4	47.52	46.46	41.54	43.70	555.31	550.61	554.51	561.07	571.95
MWAH25	589 1/2	41.16	42.12	36.54	35.16	593.56	592.25	596.19	602.76	613.46
OTAH25	329 1/2	34.52	36.00	13.05	16.76	325.50	334.78	347.78	363.12	366.95

Calculations based on previous session. Data collected 01/02/2025

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	455 1/4	457 3/4	458 3/4	461 1/4	462 1/4
CNAK25	Corn	462 3/4	465 1/2	466 1/2	469	470 1/4
SSAH25	Soybeans	998 1/2	1006	1010 3/4	1018	1023
SSAK25	Soybeans	1011 1/2	1019	1023 3/4	1031	1036
SMAH25	Soymeal	312.3	316.5	319.0	323.2	325.7
BOAH25	Soybean Oil	39.11	39.66	40.31	40.86	41.51
WHAH25	Wheat	536 1/2	540 1/2	546 3/4	551	557
WHAK25	Wheat	549 1/4	553	558 1/4	562	567 1/4
RCAH25	Rice	14.005	14.060	14.115	14.170	14.225
KWAH25	KC Wheat	544	546 1/2	553 1/4	556	562 1/2
MWAH25	MINN Wheat	583 1/2	586	590 3/4	593	598
OTAH25	Oats	322	325 1/2	330	333 1/2	338

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