

DAILY SOY COMPLEX COMMENTARY

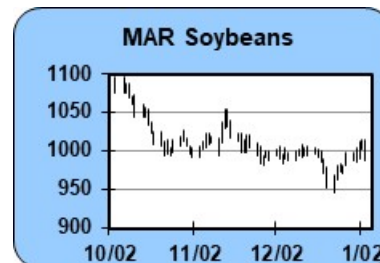
1/6/2025

Reports Trump exploring placing tariffs only on 'critical' imports

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):

SOY BEANS +0.1, BEAN OIL +0.0, SOYMEAL +0.4

OVERNIGHT DEVELOPMENTS: Soybeans (MAR 25) prices overnight are up 12 3/4; Soymeal (MAR 25) up 4.20; and Soyoil (MAR 25) up 0.57. Soybean open interest as of January 3 was down 2,110 contracts, soymeal down 11,753 contracts, and soybean oil up 4,271. Chinese Dalian (MAY 25) Soybeans down 0.84%, Soymeal down 0.74%, Soyoil down 1.04%, Palm oil up 0.87%. Malaysian Palm was down 0.60%.



NEAR-TERM MARKET FUNDAMENTALS: The soy complex is reversing course from Friday's break and starting the week stronger. Part of the strength is coming from a Washington Post report that Trump is exploring placing widespread tariffs on numerous countries, but the tariffs would only apply to "critical" imports. The news pushed the US dollar down sharply overnight and gave a boost to commodities. In addition, the Buenos Aires Grain Exchange says the dry down in Argentina, especially in the southern crop areas, is a concern after crops had a good start and 93% of the crop is planted. In Brazil, Mato Grosso do Sul and Parana will see the lightest precipitation over the next 2 weeks and beans are filling in those areas. However, the rest of the country will have very favorable crop conditions. Brazil farmers have sold 35% of expected production compared to 20% sold at this time last year and 30% 10-year average. The recent drop in the Brazilian currency to an all-time low versus US dollar has encouraged the strong sales pace. There were 66 bean deliveries overnight, 279 meal and 16 bean oil. The January supply/demand and quarterly stocks from USDA will be released Friday and are expected to return the focus back to the adequate ending stocks. The US export window to China is closing and Argentine weather will have to continue to worsen to offset the better conditions in Brazil. Significant resistance stands at last week's highs of 1015 3/4 and the 200-day moving average at 1019. Look for more aggressive selling if prices move back above 1010.

The Export Sales Report showed that for the week ending December 26, net soybean sales came in at 484,679 tonnes for the current marketing year and 20 for the next marketing year for a total of 484,699. Cumulative soybean sales have reached 80.9% of the USDA forecast for the 2024/2025 marketing year versus a 5 year average of 76.3%. Sales need to average 268,000 tonnes per week to reach the USDA forecast.

Net meal sales came in at 203,814 tonnes for the current marketing year and none for the next marketing year. Cumulative meal sales have reached 52.6% of the USDA forecast for the 2024/2025 marketing year versus a 5 year average of 47.4%. Sales need to average 188,000 tonnes per week to reach the USDA forecast.

Net oil sales came in at 38,147 tonnes for the current marketing year and none for the next marketing year. Cumulative oil sales have reached 113.0% of the USDA forecast for the 2024/2025 marketing year versus a 5 year average of 36.7%.

TODAY'S MARKET IDEAS:

The South American forecast remains unchanged from late last week with continuing spotty precipitation in Argentina and southern Brazil but the sharp drop in the US dollar today is giving prices a boost as well. With the US export window to China closing and the USDA supply/demand and quarterly stocks report coming up late this week, bean prices are likely to find selling on a rally and speculators can consider a bounce above 1014 today a selling opportunity on March futures.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None

SOYBEAN COMPLEX TECHNICAL OUTLOOK:

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SOYBEANS (MAR) 01/06/2025: The major trend has turned down with the cross over back below the 60-day moving average. The moving average crossover up (9 above 18) indicates a possible developing short-term uptrend. Studies are showing positive momentum but are now in overbought territory, so some caution is warranted. The market's short-term trend is negative as the close remains below the 9-day moving average. The market is in a bearish position with the close below the 2nd swing support number. The next upside target is 1024 1/4. The next area of resistance is around 1005 1/2 and 1024 1/4, while 1st support hits today at 978 and below there at 969 1/4.

SOYBEAN OIL (MAR) 01/06/2025: The daily stochastics have crossed over down which is a bearish indication. 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. It is a slightly negative indicator that the close was lower than the pivot swing number. The next downside objective is now at 38.90. The next area of resistance is around 40.49 and 41.15, while 1st support hits today at 39.37 and below there at 38.90.

SOYMEAL (MAR) 01/06/2025: The daily stochastics gave a bearish indicator with a crossover down. Momentum studies are trending lower from high levels which should accelerate a move lower on a break below the 1st swing support. The close below the 9-day moving average is a negative short-term indicator for trend. The defensive setup, with the close under the 2nd swing support, could cause some early weakness. The next downside target is 296.8. The next area of resistance is around 315.7 and 325.1, while 1st support hits today at 301.5 and below there at 296.8.

DAILY CORN COMMENTARY

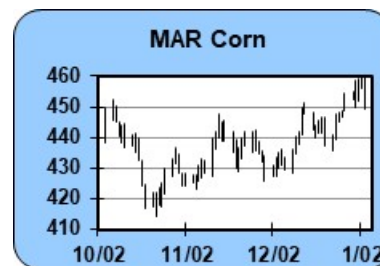
1/6/2025

Argentina dry down ongoing, US Dollar falls overnight

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):

CORN +0.5

OVERNIGHT DEVELOPMENTS: Corn (MAR 25) prices overnight are up 4 3/4. Corn open interest as of January 3 was down 10,143 contracts. Chinese Dalian (MAY 25) Corn was down 0.18%.



NEAR-TERM MARKET FUNDAMENTALS: Friday's pullback held 200-day moving average support and prices are now bouncing back to start the week. A significant downswing in the US dollar overnight is providing added support after a Washington Post report that Trump is considering placing tariffs only on 'critical' imports. In other friendly news the Buenos Aires Grain Exchange says after the good crop start in Argentina, net drying is becoming concern as 87% of the crop is now planted. In addition, the Rosario Grain Exchange says the Buenos Aires and Santa Fe regions had only 35 mm of rain in December compared to the average of 110 mm. In Brazil, most of the country will see favorable conditions for the next 2 weeks except for Rio Grande do Sul and Parana, where precipitation will be much lighter. ANEC lowered Brazil's December bean exports to 3.62 million tonnes, down 480,000 from last week's forecast. CFTC commitment of trader's data will be released after the close today. The US corn supply and demand balance sheet is not burdensome and that is likely to keep the market supported on breaks. Look for pullbacks

under 445 on March to find good support.

The Export Sales Report showed that for the week ending December 26, net corn sales came in at 776,992 tonnes for the current marketing year and none for the next marketing year. Cumulative sales have reached 61.7% of the USDA forecast for the 2024/2025 marketing year versus a 5-year average of 53.9%. Sales need to average 679,000 tonnes per week to reach the USDA forecast.

TODAY'S MARKET IDEAS:

March corn held initial support Friday at 449 and is rebounding today from Friday's selloff as the US dollar drops and Argentina's drying trend remains in place. 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 and then 442.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

CORN TECHNICAL OUTLOOK:

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CORN (MAR) 01/06/2025: A bearish signal was triggered on a crossover down in the daily stochastics. Daily stochastics turning lower from overbought levels is bearish and will tend to reinforce a downside break especially if near term support is penetrated. The market's short-term trend is negative as the close remains below the 9-day moving average. There could be some early pressure today given the market's negative setup with the close below the 2nd swing support. The next downside objective is 442 1/4. The next area of resistance is around 456 and 463, while 1st support hits today at 445 1/2 and below there at 442 1/4.

CORN (MAY) 01/06/2025: A bearish signal was triggered on a crossover down in the daily stochastics. Momentum studies are trending lower from high levels which should accelerate a move lower on a break below the 1st swing support. A negative signal for trend short-term was given on a close under the 9-bar moving average. There could be some early pressure today given the market's negative setup with the close below the 2nd swing support. The next downside objective is 449 1/2. The next area of resistance is around 463 1/2 and 470 3/4, while 1st support hits today at 453 and below there at 449 1/2.

DAILY WHEAT COMMENTARY

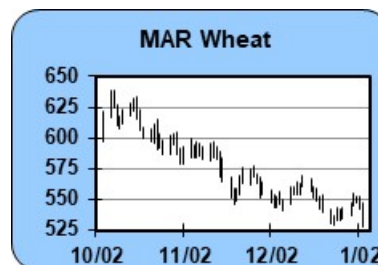
1/6/2025

Beneficial snow falls across central and eastern Kansas

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):

WHEAT +0.55

OVERNIGHT DEVELOPMENTS: Chicago wheat (MAR 25) prices overnight are up 5 3/4; Kansas City (MAR 25) up 4 3/4; and Minneapolis (MAR 25) up 5 3/4. MATIF Milling Wheat (MAR 25) was down -1.0%. Chicago wheat open interest as of January 3 was up 11,579 contracts and KC wheat was up 4,136 contracts.



NEAR-TERM MARKET FUNDAMENTALS: March Chicago wheat made a new contract low on Friday in

anticipation of beneficial snow across parts of the southern Plains. Snow did fall across central and eastern Kansas over the weekend and the 8 - 14 day outlook shows precipitation chances in Oklahoma and Texas. Open interest rose nearly 12,000 contracts on the break, which is typically a bearish sign. CFTC commitment of trader's data will be released this afternoon after the close. India wheat prices hit a record high last week on low supplies and strong demand from flour Mills. India's wheat stocks in December were pegged at 20.6 million tonnes, down from 29.5mt 5-year average. The country also issued a warning to farmers about yellow rust showing up in some fields. Egypt says they imported 40% more wheat in 2024 than the year prior. The Buenos Aires Grain Exchange says the Argentine wheat harvest is 95% complete. South Korea was the top buyer of US wheat in last week's weekly sales report. Friday's new contract low keeps the technical outlook negative and selling is likely on rallies until the market forms a technical bottom.

The Export Sales Report showed that for the week ending December 26, net wheat sales came in at 140,591 tonnes for the current marketing year and none for the next marketing year. Cumulative sales have reached 73.1% of the USDA forecast for the 2024/2025 marketing year versus a 5-year average of 74.2%. Sales need to average 176,000 tonnes per week to reach the USDA forecast.

TODAY'S MARKET IDEAS:

Beneficial moisture across Kansas over the weekend will keep conditions good in much of the top producing state, except for the far western areas. Additional precipitation chances are on tap for later next week for Texas and Oklahoma, according to the GFS model. New contract lows on March Chicago wheat on Friday keeps the weak trend intact and there is no sign of a technical bottom at this time. Look for selling if prices rally to 1st resistance at 546 1/2 on March Chicago.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

WHEAT TECHNICAL OUTLOOK:

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WHEAT (MAR) 01/06/2025: 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's close below the 9-day moving average is an indication the short-term trend remains negative. The defensive setup, with the close under the 2nd swing support, could cause some early weakness. The next downside target is now at 513 3/4. The next area of resistance is around 539 and 552 3/4, while 1st support hits today at 519 1/2 and below there at 513 3/4.

KC WHEAT (MAR) 01/06/2025: The daily stochastics have crossed over down which is a bearish indication. Momentum studies trending lower at mid-range should accelerate a move lower 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 defensive setup, with the close under the 2nd swing support, could cause some early weakness. The next downside objective is 526 3/4. The next area of resistance is around 545 3/4 and 556 3/4, while 1st support hits today at 530 3/4 and below there at 526 3/4.

MINN WHEAT (MAR) 01/06/2025: Daily stochastics are trending lower but have declined into oversold territory. The market's short-term trend is negative as the close remains below the 9-day moving average. The close below the 2nd swing support number puts the market on the defensive. The next downside objective is now at 568 1/2. The market is approaching oversold levels on an RSI reading under 30. The next area of resistance is around 583 3/4 and 592 3/4, while 1st support hits today at 571 3/4 and below there at 568 1/2.

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	450 3/4	53.82	56.02	84.10	81.47	455.25	452.36	447.90	439.91	436.78
CNAK25	458 1/4	54.72	56.62	83.96	81.35	462.81	459.28	454.67	446.80	443.95
SSAH25	991 3/4	49.44	48.84	72.36	77.16	1001.50	992.11	989.46	1000.04	1003.96
SSAK25	1003 3/4	50.21	49.29	73.44	78.24	1013.50	1002.67	999.44	1012.14	1016.64
SMAH25	308.6	54.26	54.67	81.08	80.71	314.30	309.38	301.69	299.57	303.01
BOAH25	39.93	36.00	38.42	17.75	16.51	40.22	40.18	41.09	43.10	43.08
WHAH25	529 1/4	32.66	35.08	34.51	31.53	543.69	541.17	546.35	559.26	569.99
WHAK25	541	34.09	36.28	36.61	33.66	555.00	551.97	556.64	569.26	580.25
RCAH25	13.930	26.60	28.04	19.38	19.39	14.00	14.04	14.54	14.87	15.00
KWAH25	538 1/4	35.59	38.67	38.10	31.21	551.44	550.14	553.69	559.97	570.60
MWAH25	577 3/4	29.75	34.47	32.28	23.74	589.19	591.25	595.15	601.59	611.99
OTAH25	322 1/4	29.72	32.77	13.43	14.21	326.56	331.06	345.72	361.77	365.89

Calculations based on previous session. Data collected 01/03/2025

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	442	445 1/2	452 1/2	456	463
CNAK25	Corn	449 1/2	453	460 1/4	463 1/2	471
SSAH25	Soybeans	969 1/4	978	996 3/4	1005 1/2	1024 1/4
SSAK25	Soybeans	981	990	1008 3/4	1017 1/2	1036 1/2
SMAH25	Soymeal	296.7	301.5	310.9	315.7	325.1
BOAH25	Soybean Oil	38.89	39.36	40.02	40.49	41.15
WHAH25	Wheat	513 3/4	519 1/2	533 1/4	539	552 3/4
WHAK25	Wheat	526 1/4	531 1/2	545	550 1/2	563 3/4
RCAH25	Rice	13.735	13.804	13.985	14.054	14.235
KWAH25	KC Wheat	526 3/4	530 3/4	541 3/4	545 3/4	556 3/4
MWAH25	MINN Wheat	568 1/4	571 1/2	580 1/2	584	592 3/4
OTAH25	Oats	314 1/2	317 1/4	324 1/2	327 1/4	334 1/2

Calculations based on previous session. Data collected 01/03/2025

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