

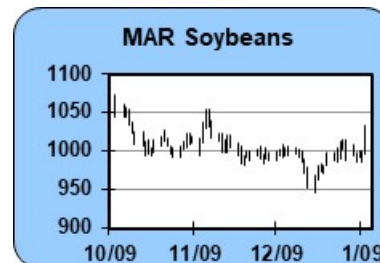
DAILY SOY COMPLEX COMMENTARY

1/13/2025

USDA surprises the trade with large yield cut

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 10; Soymeal (MAR 25) up 4.90; and Soyoil (MAR 25) up 0.11. Soybean open interest as of January 10 was up 4,114 contracts, soymeal up 2,975 contracts, and soybean oil up 4,101. Chinese Dalian (MAY 25) Soybeans up 0.72%, Soymeal up 2.54%, Soyoil up 2.20%, Palm oil up 2.45%. Malaysian Palm was up 2.48%.



NEAR-TERM MARKET FUNDAMENTALS: Friday's USDA report tightened the US soybean balance sheet considerably more than expected on a surprisingly sharp yield cut and slightly lower harvested acres. Bean yields fell 4.8% in Indiana, 3.8% in Ohio, 7.9% in Kansas and 4.4% in South Dakota. It seems the very low moisture conditions at harvest did take a toll on yield. Quarterly stocks were also under expectations, implied usage for the quarter was up 13% year-over-year and US ending stocks are now just 38 million bushels above last year. The bullish report should lighten farmer selling as producers see the potential for better prices ahead. CONAB numbers will be updated tomorrow morning and Brazil bean production is estimated up 2.6 million tonnes to 168.8 million tonnes, compared to USDA at 169. Safras thinks the crop is even better and their estimate is 173.71 million tonnes, up 1.93 million from their previous estimate and farmer sales for the season so far stand at 35%, compared to 29.1% last year. AgRural says center - south harvest in Brazil is just beginning at 0.03% complete. The Buenos Aires Grain Exchange says the Argentine bean crop is 97% planted and good/excellent conditions fell to 49% from 53% a week ago. Argentina weather remains hot/dry for the 1st half of this week, but scattered showers are expected this coming weekend. China's meal and bean oil prices had their biggest jump overnight in over a year and that is helping to support a further rally this morning in US markets. Friday's trading volume was the highest since October 24 for beans and the tighter USDA numbers may push the market up to initial resistance at 1043 and possibly larger. 382% retracement resistance to the May highs at 1057. Support should surface on any pullback below 1020 on March futures.

The Export Sales Report showed that for the week ending January 2, net soybean sales came in at 288,671 tonnes for the current marketing year and 400 for the next marketing year for a total of 289,071. Cumulative soybean sales have reached 81.3% of the USDA forecast for the 2024/2025 marketing year versus a 5 year average of 76.9%. Sales need to average 270,000 tonnes per week to reach the USDA forecast.

Net meal sales came in at 144,918 tonnes for the current marketing year and 1,088 for the next marketing year for a total of 146,006. Cumulative meal sales have reached 53.5% of the USDA forecast for the 2024/2025 marketing year versus a 5 year average of 48.0%. Sales need to average 190,000 tonnes per week to reach the USDA forecast.

Net oil sales came in at 34,634 tonnes for the current marketing year and 69 for the next marketing year for a total of 34,703. Cumulative oil sales have reached 119.9% of the USDA forecast for the 2024/2025 marketing year versus a 5 year average of 36.7%.

TODAY'S MARKET IDEAS:

USDA changed the fundamental picture Friday with bullish numbers and much tighter ending stocks, supporting a more friendly market outlook headed into spring. The tighter ending stocks will make the market more sensitive to any weather issues. March beans look headed to retracement resistance at 1057 and speculators can now view a pullback to 1020 or below as a buying opportunity.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None

SOYBEAN COMPLEX TECHNICAL OUTLOOK:

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SOYBEANS (MAR) 01/13/2025: The cross over and close above the 60-day moving average indicates the longer-term trend has turned up. Daily stochastics have risen into overbought territory which will tend to support reversal action if it occurs. The close above the 9-day moving average is a positive short-term indicator for trend. The market has a bullish tilt coming into today's trade with the close above the 2nd swing resistance. The near-term upside target is at 1057. The next area of resistance is around 1043 3/4 and 1057, while 1st support hits today at 1006 3/4 and below there at 983 1/4.

SOYBEAN OIL (MAR) 01/13/2025: The major trend could be turning up with the close back above the 60-day moving average. A positive indicator was given with the upside crossover of the 9 and 18 bar moving average. Daily stochastics have risen into overbought territory which will tend to support reversal action if it occurs. The market's short-term trend is positive on the close above the 9-day moving average. Since the close was above the 2nd swing resistance number, the market's posture is bullish and could see more upside follow-through early in the session. The next upside objective is 47.92. With a reading over 70, the 9-day RSI is approaching overbought levels. The next area of resistance is around 47.08 and 47.92, while 1st support hits today at 44.08 and below there at 41.92.

SOYMEAL (MAR) 01/13/2025: The close below the 40-day moving average is an indication the longer-term trend has turned down. Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. The close below the 9-day moving average is a negative short-term indicator for trend. The daily closing price reversal down puts the market on the defensive. It is a slightly negative indicator that the close was under the swing pivot. The next downside target is 289.3. The next area of resistance is around 303.2 and 309.0, while 1st support hits today at 293.4 and below there at 289.3.

DAILY CORN COMMENTARY

1/13/2025

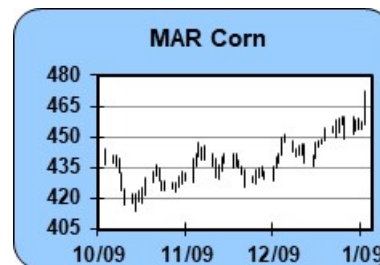
USDA gives traders a reason for bullish optimism

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):

CORN +0.4

OVERNIGHT DEVELOPMENTS: Corn (MAR 25) prices overnight are up 4. Corn open interest as of January 10 was up 72,270 contracts. Chinese Dalian (MAY 25) Corn was up 0.36%.

NEAR-TERM MARKET FUNDAMENTALS: Friday's bullish USDA surprise was mainly due to a much larger yield cut than expected of nearly 4 BPA as dry conditions at harvest pulled yields down 11 BPA in Indiana, down 9 in Kansas, down 6 in Nebraska and down 8 in Ohio from the November report. US ending stocks are now significantly tighter than last season and Q1 stocks indicated usage for the quarter was record high. In addition, world corn stocks-to-use ratio was the lowest since 2014. Midwest basis weakened Friday as cash prices did not keep up with the futures rally. The Buenos Aires Grain Exchange said good/excellent conditions for Argentina corn fell to 42%, down from 48%



last week. Conditions this week in Argentina are expected to be stressful but showers are still in the forecast for this coming weekend to provide some relief. Pre-report estimate for tomorrow's 2019 March corn has moved above initial resistance looks to be headed to major retracement resistance at 487 SKUs meet no doubt CONAB Brazil production is 120.3 million tonnes, up from 119.6 last month but well below USDA at 127. Open interest Friday rose a stunning 72,270 contracts in corn with an estimated fund buying total of 40,000 for the day. Friday's trading volume was the highest since August 2019. March corn has moved above initial resistance and looks to be headed to major retracement resistance at 487. No doubt funds dramatically increased their long position with Friday's surge in buying but the path of least resistance still looks higher.

The Export Sales Report showed that for the week ending January 2, net corn sales came in at 444,950 tonnes for the current marketing year and none for the next marketing year. Cumulative sales have reached 62.4% of the USDA forecast for the 2024/2025 marketing year versus a 5 year average of 54.6%. Sales need to average 686,000 tonnes per week to reach the USDA forecast.

TODAY'S MARKET IDEAS:

USDA put a strong bid under the corn market Friday with the surprisingly bullish report and the market looks to be headed higher in the short-term. 50% retracement resistance to the May highs stands at 487 and is the next upside target. Pullbacks below 463 would be a buying opportunity.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

CORN TECHNICAL OUTLOOK:

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CORN (MAR) 01/13/2025: The daily stochastics have crossed over up which is a bullish indication. Daily stochastics have risen into overbought territory which will tend to support reversal action if it occurs. The market's short-term trend is positive on the close above the 9-day moving average. The market's close above the 2nd swing resistance number is a bullish indication. The next upside objective is 484. With a reading over 70, the 9-day RSI is approaching overbought levels. The next area of resistance is around 478 3/4 and 484, while 1st support hits today at 462 1/4 and below there at 450 3/4.

CORN (MAY) 01/13/2025: Momentum studies are trending higher but have entered overbought levels. A positive signal for trend short-term was given on a close over the 9-bar moving average. There could be more upside follow through since the market closed above the 2nd swing resistance. The near-term upside objective is at 493 3/4. With a reading over 70, the 9-day RSI is approaching overbought levels. The next area of resistance is around 488 1/4 and 493 3/4, while 1st support hits today at 470 3/4 and below there at 458 1/2.

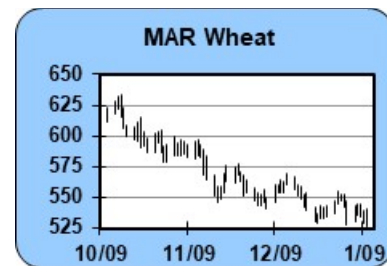
DAILY WHEAT COMMENTARY

1/13/2025

USDA offers no bullish surprises

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):
WHEAT +0.83

OVERNIGHT DEVELOPMENTS: Chicago wheat (MAR 25) prices overnight are up 7 1/2; Kansas City (MAR 25) up 6 1/2; and Minneapolis (MAR 25) up 4 3/4. MATIF Milling Wheat(MAR 25) was up 0.5%. Chicago wheat open interest as of January 10 was up 3,050 contracts and KC wheat was down 153 contracts.



NEAR-TERM MARKET FUNDAMENTALS: Wheat was left out of the bullish party Friday as USDA did not offer any surprises for the market. Winter wheat seeding was raised 725,000 acres but that was generally expected, and stocks were up 10% above last year while usage was up 22%. On farm wheat stocks were 467 million bushels, up from 401 last year and off farm were 1.103 billion bushels, up from 1.020 last year. The US balance sheet was essentially left unchanged. The Buenos Aries Grain Exchange said good/excellent conditions for Argentine wheat fell to 49%, down from 53% last week. SovEcon estimates Russian January wheat exports at 2.0 million tonnes, well below December's total of 3.4 million and November at 4.1. Shrinking Russian exports would typically be bullish for US exports but the strong surge in the US dollar is keeping US prices less competitive. Egypt says their imports in 2024 hit a 10-year high. The US Plains are expected to be dry this week with below normal temperatures moving in in the 6 to 10 day outlook. March Chicago wheat hit a new contract low just after the report was released on Friday but were unable to bounce back higher on the day. The market remains in the sideways/lower trend and needs a move above 554 3/4 turn the chart positive. However, the rally in corn should be expected to provide underlying support for wheat.

The Export Sales Report showed that for the week ending January 2, net wheat sales came in at 111,309 tonnes for the current marketing year and none for the next marketing year. Cumulative sales have reached 73.6% of the USDA forecast for the 2024/2025 marketing year versus a 5 year average of 74.7%. Sales need to average 178,000 tonnes per week to reach the USDA forecast.

TODAY'S MARKET IDEAS:

Friday's daily trading volume for Chicago wheat was the highest in 2 months but the market was unable to breakout of the sideways/lower recent trend. USDA offered nothing for the bulls but the bullish report in corn will provide some spillover support to wheat. The US dollar is surging to another new high for the move this morning, further dampening the US wheat export outlook. March Chicago wheat resistance is 555 and until that level is penetrated, short funds are unlikely to aggressively cover positions.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

WHEAT TECHNICAL OUTLOOK:

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WHEAT (MAR) 01/13/2025: The downside crossover of the 9 and 18 bar moving average is a negative signal. 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 daily closing price reversal down puts the market on the defensive. It is a slightly negative indicator that the close was under the swing pivot. The next downside objective is now at 517. The next area of resistance is around 538 1/4 and 547 1/4, while 1st support hits today at 523 1/4 and below there at 517.

KC WHEAT (MAR) 01/13/2025: Positive momentum studies in the neutral zone will tend to reinforce higher price action. The intermediate trend could be turning up with the close back above the 18-day moving average. The upside daily closing price reversal gives the market a bullish tilt. The close over the pivot swing is a somewhat positive setup. The near-term upside target is at 563 3/4. The next area of resistance is around 557 1/2 and 563 3/4, while 1st support hits today at 544 1/2 and below there at 537 1/2.

MINN WHEAT (MAR) 01/13/2025: 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 daily closing price reversal up on the daily chart is somewhat positive. It is a mildly bullish indicator that the market closed over the pivot swing number. The next downside target is now at 573 1/4. The next area of resistance is around 589 3/4 and 595 1/2, while 1st support hits today at 578 3/4 and below there at 573 1/4.

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	470 1/2	72.71	69.14	84.79	87.15	459.63	457.47	451.89	443.32	439.23
CNAK25	479 1/2	74.35	70.51	86.43	89.19	468.06	465.42	459.04	450.26	446.36
SSAH25	1025 1/4	68.18	62.10	75.44	78.78	1004.00	1002.19	990.40	999.24	1001.27
SSAK25	1038	68.68	62.45	75.62	79.31	1015.63	1013.92	1000.83	1010.81	1013.73
SMAH25	298.3	41.25	45.29	56.59	43.70	300.48	307.38	303.21	299.42	301.78
BOAH25	45.58	81.23	70.38	53.77	79.83	42.80	41.37	40.91	42.78	43.01
WHAH25	530 3/4	37.60	38.82	33.12	27.95	535.88	539.86	540.21	553.35	563.41
WHAK25	543 1/2	39.24	40.20	35.36	30.53	548.13	551.67	551.31	563.46	573.71
RCAH25	14.465	58.25	50.18	30.03	44.68	14.22	14.08	14.26	14.79	14.89
KWAH25	551	49.64	48.22	47.34	50.76	552.00	551.89	550.90	556.31	565.31
MWAH25	584 1/4	42.06	42.55	36.11	33.76	586.88	588.50	590.82	597.06	606.15
OTAH25	328 1/2	42.85	40.83	16.46	18.14	325.25	326.47	336.60	354.37	361.67

Calculations based on previous session. Data collected 01/10/2025

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	450 1/2	462	467 1/4	479	484
CNAK25	Corn	458 1/4	470 1/2	476	488 1/2	493 3/4
SSAH25	Soybeans	983	1006 3/4	1020	1043 3/4	1057
SSAK25	Soybeans	995 1/2	1019 1/2	1032 1/4	1056 1/2	1069
SMAH25	Soymeal	289.2	293.3	299.1	303.2	309.0
BOAH25	Soybean Oil	41.92	44.08	44.92	47.08	47.92
WHAH25	Wheat	517	523	532 1/4	538 1/2	547 1/2
WHAK25	Wheat	529 1/2	536	544 1/2	551	559 1/2
RCAH25	Rice	14.238	14.357	14.453	14.572	14.668
KWAH25	KC Wheat	537 1/2	544 1/2	550 3/4	557 1/2	564
MWAH25	MINN Wheat	573	578 1/2	584 1/4	590	595 1/2
OTAH25	Oats	318 1/2	324	327 3/4	333	337

Calculations based on previous session. Data collected 01/10/2025

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