

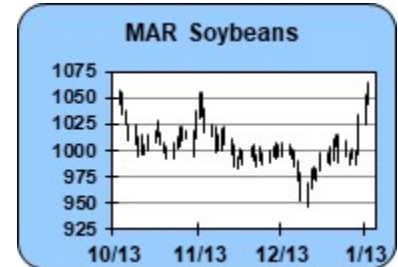
DAILY SOY COMPLEX COMMENTARY

1/15/2025

Brazil premiums falling on early harvest progress

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):
SOY BEANS +0.0, **BEAN OIL** +0.0, **SOYMEAL** +0.2

OVERNIGHT DEVELOPMENTS: Soybeans (MAR 25) prices overnight are down -1/4; Soymeal (MAR 25) down -1.90; and Soyoil (MAR 25) down -0.17. Soybean open interest as of January 13 was up 1,730 contracts, soymeal up 6,282 contracts, and soybean oil up 1,877. Chinese Dalian (MAY 25) Soybeans up 0.13%, Soymeal down 0.15%, Soyoil up 0.13%, Palm oil down 0.94%. Malaysian Palm was down 1.40%.



NEAR-TERM MARKET FUNDAMENTALS: Potential moisture relief for Argentina over the next week has stalled the USDA report rally. Yesterday's high on March beans hit the initial retracement resistance to the May 2024 highs. Some crop stress relief is expected in Argentina starting tomorrow and lasting through the weekend, but follow-up showers next week look scattered, and all areas will not receive enough rain to avoid deteriorating conditions. Brazil has endured crop stress in the South but the center and north areas, where frequent rains have been falling, will see improved early harvest weather next week. Dr Cordonnier lowered his Brazil and Argentina estimates 1 million tonnes this week with Brazil now at 170 compared to 169 from USDA last Friday and Argentina at 52 million tonnes, right on USDA's number. He stated dryness in southern Brazil is the reason for the cut along with early central Brazil yields not as high as expected due to consistent cloudy weather. Despite the slight cut, Brazil's Institute of Statistics says cereal and legume production this season will total 322.6 million tonnes up from 292.7 last year. They estimated the Brazil bean crop at 167.3 million tonnes, down from USDA at 169. January soy contracts expired yesterday and there were 17 bean deliveries overnight, 35 meal and 82 bean oil. December NOPA crush will be out later today with a Bloomberg estimate of 203 million bushels, which would be up 3.9% from a year ago and up 5.1% from November. Bean oil stocks are expected at 1.253 billion pounds, down from 1.36 a year ago. Our friends at CrushTraders.com estimate crush at 208.85 and bean oil stocks at 1.178. New plants in Cherryvale, Kansas and Casselton, North Dakota will be counted in the NOPA numbers for the 1st time. Brazil premiums have been sinking this week and are now \$30 cheaper than US for spring delivery. China's purchases this week may be due to the lower moisture content in US beans being a better option for storage in China's reserves. All eyes will be on the weather in Argentina the rest of the week to see how much precipitation and what kind of coverage occurs but without new bullish news, prices may have rallied far enough to see a pullback. If the market can extend above yesterday's highs on March beans, next resistance is the long term 200-day moving average resistance at 1079. A pullback below 1025 is likely to find good support.

TODAY'S MARKET IDEAS:

Chances for precipitation in Argentina over the next 5 days and falling Brazil premiums may cap any further rally until new bullish news is uncovered. March beans yesterday hit retracement resistance and short-term technical indicators have reached overbought levels. Speculators can view a pullback to 1025 or below as a buying opportunity. Next major resistance on the upside is 1079.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None

SOYBEAN COMPLEX TECHNICAL OUTLOOK:

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SOYBEANS (MAR) 01/15/2025: Daily stochastics have risen into overbought territory which will tend to support reversal action if it occurs. The market's close above the 9-day moving average suggests the short-term trend remains positive. The daily closing price reversal down puts the market on the defensive. The market has a slightly positive tilt with the close over the swing pivot. The near-term upside objective is at 1071 1/4. The market is approaching overbought levels with an RSI over 70. The next area of resistance is around 1057 3/4 and 1071 1/4, while 1st support hits today at 1037 1/4 and below there at 1030.

SOYBEAN OIL (MAR) 01/15/2025: 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. The market has a slightly positive tilt with the close over the swing pivot. The near-term upside objective is at 47.17. The market is becoming somewhat overbought now that the RSI is over 70. The next area of resistance is around 46.74 and 47.17, while 1st support hits today at 45.70 and below there at 45.08.

SOYMEAL (MAR) 01/15/2025: Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. The market's close above the 9-day moving average suggests the short-term trend remains positive. The daily closing price reversal down is a negative indicator for prices. The close over the pivot swing is a somewhat positive setup. The next downside target is 301.3. The next area of resistance is around 308.3 and 311.4, while 1st support hits today at 303.3 and below there at 301.3.

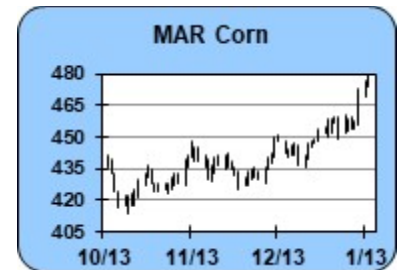
DAILY CORN COMMENTARY

1/15/2025

Open interest soaring since late last week

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

OVERNIGHT DEVELOPMENTS: Corn (MAR 25) prices overnight are down -1. Corn open interest as of January 13 was up 53,499 contracts. Chinese Dalian (MAY 25) Corn was up 0.09%.



NEAR-TERM MARKET FUNDAMENTALS: Corn prices are holding up well in the face of the upcoming Argentine rains. Open interest was sharply higher again yesterday, gaining another 27,500 contracts and is now up well over 150,000 contracts in the last 4 sessions. Clearly, fund inflows have been very heavy the 1st 2 weeks of the new year and managed money is likely holding a net long well above 300,000 contracts. Dr Cordonnier left his Brazil production estimate unchanged but lowered Argentina 1 million tonnes to 49 million tonnes, down from USDA's 51 million. Rains are set to begin tomorrow in Argentina and last through the weekend but model disagreement on follow-up showers next week is keeping the bear camp from grabbing the edge. Weekly ethanol production will be out this morning and is expected at 1.095 million barrels, down from 1.102 last week and ethanol stocks are expected at 24.656 million barrels, up from 24.148 last week. Ukraine's corn exports for the marketing year so far have reached 10.87 million tonnes, down from 11.01 last year. France's Agrimer says EU ending stocks for corn this season are expected at 2.80 million tonnes, slightly above last month's forecast of 2.68. Traders will be closely watching the Argentine weather maps starting tomorrow to see how widespread the rains are and if fund buying continues, a move up to next major resistance at 487 is possible. Support should surface on breaks of \$0.10-\$0.15.

TODAY'S MARKET IDEAS:

Another sharp jump in open interest yesterday indicates funds are not yet ready to and their buying spree since last Friday. March prices may rally to next retracement resistance at 487 but the amounts and coverage of Argentine rains over the next 5 days will be an important factor for price direction. Speculators that are long can tighten stops if the market moves above 480. A drop below 463 looks like a buying opportunity on March.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

CORN TECHNICAL OUTLOOK:

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CORN (MAR) 01/15/2025: Rising stochastics at overbought levels warrant some caution for bulls. The close above the 9-day moving average is a positive short-term indicator for trend. The daily closing price reversal down is a negative indicator for prices. The market's close below the pivot swing number is a mildly negative setup. The next upside target is 481 3/4. With a reading over 70, the 9-day RSI is approaching overbought levels. The next area of resistance is around 477 1/2 and 481 3/4, while 1st support hits today at 471 1/2 and below there at 469 1/2.

CORN (MAY) 01/15/2025: Rising stochastics at overbought levels warrant some caution for bulls. The close above the 9-day moving average is a positive short-term indicator for trend. The daily closing price reversal down puts the market on the defensive. The close over the pivot swing is a somewhat positive setup. The near-term upside target is at 492 1/4. The market is becoming somewhat overbought now that the RSI is over 70. The next area of resistance is around 488 and 492 1/4, while 1st support hits today at 481 1/2 and below there at 479 1/4.

DAILY WHEAT COMMENTARY

1/15/2025

Range-bound action ongoing

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

OVERNIGHT DEVELOPMENTS: Chicago wheat (MAR 25) prices overnight are up 3/4; Kansas City (MAR 25) unchanged; and Minneapolis (MAR 25) down -1. MATIF Milling Wheat(MAR 25) was down -0.6%. Chicago wheat open interest as of January 13 was down 2,405 contracts and KC wheat was up 1,692 contracts.



NEAR-TERM MARKET FUNDAMENTALS: The wheat market remains the laggard of the grain complex although March Chicago prices tested key resistance yesterday but were unable to push through the recent high on December 30 of 554 3/4. CONAB yesterday reduced Brazil's crop to 7.889 million tonnes, down from 8.06 last month and compared to USDA at 8.10. The US Plains will be seeing much below temperatures moving in next week and little rain is in the forecast for the next 5 days. The cold temperatures will raise winterkill fears in areas that do not get insulating snow. Jordan has tendered this morning for 200,000 tonnes of milling wheat after buying 60,000 tonnes yesterday in their previous tender. Ukraine's exports so far in the 2024/25 season have reached 10.336 million tonnes, compared to 8.19 last year but the pace has been slowing over the last few weeks. France's Agrimer says EU exports to non-EU countries for December was 3.5 million tonnes, the lowest month in 24 years. Black Sea competition continues to undercut EU exports and France and Germany's recent poor harvests reduced exportable supplies. Mexico's wheat production has suffered due to the drought in the northern half of the country and a major farm group in the country says additional wheat imports will be needed this year. March Chicago wheat has been range-bound between 526 - 554 3/4 and until prices breakout above the top of the range, funds will sit on their large net short position. The market looks to have digested the known news and needs a new catalyst to spark some trading enthusiasm.

TODAY'S MARKET IDEAS:

March Chicago wheat tested the upper boundary of the recent range but was unable to break out yesterday. Along with the December 30th high at 554 3/4, the 50-day moving average sits at 554 1/4. If prices can move above those levels, a fund-inspired short-covering bounce could give the market a quick, aggressive move higher to the 575 area.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

WHEAT TECHNICAL OUTLOOK:

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WHEAT (MAR) 01/15/2025: Momentum studies are rising from mid-range, which could accelerate a move higher if resistance levels are penetrated. The close above the 9-day moving average is a positive short-term indicator for trend. It is a mildly bullish indicator that the market closed over the pivot swing number. The next upside objective is 556 1/4. The next area of resistance is around 551 and 556 1/4, while 1st support hits today at 541 1/2 and below there at 537 1/2.

KC WHEAT (MAR) 01/15/2025: Stochastics are at mid-range but trending higher, which should reinforce a move higher if resistance levels are taken out. The close above the 9-day moving average is a positive short-term indicator for trend. It is a mildly bullish indicator that the market closed over the pivot swing number. The near-term upside objective is at 573. The next area of resistance is around 566 1/2 and 573, while 1st support hits today at 555 1/2 and below there at 550 3/4.

MINN WHEAT (MAR) 01/15/2025: Stochastics are at mid-range but trending higher, which should reinforce a move higher if resistance levels are taken out. The market back below the 18-day moving average suggests the intermediate-term trend could be turning down. 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 near-term upside objective is at 601 3/4. The next area of resistance is around 594 3/4 and 601 3/4, while 1st support hits today at 584 1/4 and below there at 580 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	474 1/2	72.72	69.72	87.53	88.67	469.38	461.94	455.36	444.91	441.05
CNAK25	484 3/4	74.74	71.48	89.23	90.40	478.88	470.50	462.92	451.99	448.26
SSAH25	1047 1/2	72.39	66.68	81.00	84.78	1031.19	1013.11	997.94	1000.31	1002.65
SSAK25	1061 1/4	73.01	67.14	81.55	85.87	1044.13	1025.31	1008.86	1011.87	1015.10
SMAH25	305.8	52.54	52.46	49.64	43.55	302.80	305.70	304.68	299.62	301.53
BOAH25	46.22	83.02	72.33	73.47	90.57	45.14	42.66	41.43	42.72	43.14
WHAH25	546 1/4	54.47	50.33	40.52	50.39	539.00	538.92	540.00	551.38	561.35
WHAK25	558 1/4	55.20	51.01	43.24	53.69	551.13	550.94	551.28	561.56	571.69
RCAH25	14.725	67.65	57.84	49.21	69.44	14.52	14.23	14.21	14.78	14.86
KWAH25	561	58.82	54.37	57.93	68.00	555.94	552.64	551.46	555.30	563.78
MWAH25	589 1/2	48.61	47.09	41.60	46.81	587.69	587.78	590.15	595.54	604.32
OTAH25	354 1/4	65.35	57.10	31.80	51.43	337.31	331.33	334.72	352.61	360.65

Calculations based on previous session. Data collected 01/14/2025

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	469 1/4	471 1/2	475 1/2	477 1/2	481 3/4
CNAK25	Corn	479 1/4	481 1/2	485 3/4	488	492 1/4
SSAH25	Soybeans	1029 3/4	1037	1050 1/2	1058	1071 1/4
SSAK25	Soybeans	1044 1/4	1051 1/2	1064	1071	1083 3/4
SMAH25	Soymeal	301.2	303.2	306.3	308.3	311.4
BOAH25	Soybean Oil	45.07	45.69	46.12	46.74	47.17
WHAH25	Wheat	537 1/2	541 1/2	547	551	556 1/2
WHAK25	Wheat	550	554	558 3/4	562 1/2	567 1/2
RCAH25	Rice	14.331	14.562	14.656	14.887	14.981
KWAH25	KC Wheat	550 3/4	555 1/2	562	566 1/2	573 1/4
MWAH25	MINN Wheat	580 3/4	584 1/4	591 1/4	594 3/4	601 3/4
OTAH25	Oats	333	345	351 1/2	363 1/2	370

Calculations based on previous session. Data collected 01/14/2025

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