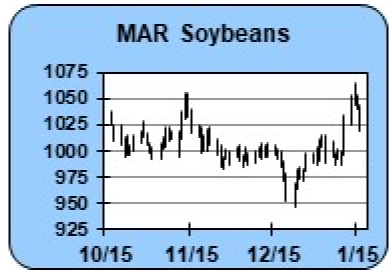
LAKEFRONT FUTURES

DAILY GRAINS COMMENTARY
Friday January 17, 2025

DAILY SOY COMPLEX COMMENTARY
1/17/2025

Argentina good/excellent conditions fall 17% week over week



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

OVERNIGHT DEVELOPMENTS: Soybeans (MAR 25) prices overnight are up 3 3/4; Soymeal (MAR 25) up 0.60; and Soyoil (MAR 25) up 0.33. Soybean open interest as of January 16 was down 2,805 contracts, soymeal up 3,793 contracts, and soybean oil up 1,650. Chinese Dalian (MAY 25) Soybeans up 0.18%, Soymeal down 0.04%, Soyoil down 1.92%, Palm oil down 1.21%. Malaysian Palm was up 0.10%. Reminder - the grain markets will be closed Sunday night and Monday day next week for the Martin Luther King holiday and will reopen Monday night at regular time.

NEAR-TERM MARKET FUNDAMENTALS: The soy complex steadied overnight after the sharp weakness yesterday as traders brace for weekend rains in South America. Perhaps some light support this morning may be coming from comments from Trump's treasury secretary yesterday promising to work with the Senate to end China's backdoor 45z tax credits, particularly for used cooking oil. In addition, he said if nominated he would work to push China to adhere to Phase I purchase agreements that were signed during Trump's 1st term in office. This may at least give traders hope that Trump's policies toward China won't be as bearish as some feared. Moisture chances ramp up significantly this weekend in Argentina and southern Brazil which will reduce crop stress, but not all areas will see rain and follow-up moisture will be needed. The forecast does hold some rain chances for late next week. The Buenos Aries Grain Exchange reported a significant decline in conditions for the Argentine bean crop, with good excellent now down to 32% from 49% last week and 40% last year. The poor category jumped to 21% compared to 8% last week. China has bought a few cargoes from the US this week but have shifted most of their purchases to cheaper Brazil beans. The International Grains Council raised global bean stocks to 84 million tonnes, up from 82 million in their previous forecast. March beans pullback to initial 100-day moving average and retracement support at 1019 yesterday. If prices can extend lower, 50% retracement support stands at 1006. Sunday night's extended forecast for South America will be key to next week's price direction. Weather buyers may step back in if Argentina's rain coverage disappoints.

The Export Sales Report showed that for the week ending January 9, net soybean sales came in at 569,142 tonnes for the current marketing year and none for the next marketing year. Cumulative soybean sales have reached 82.3% of the USDA forecast for the 2024/2025 marketing year versus a 5-year average of 78.4%. Sales need to average 263,000 tonnes per week to reach the USDA forecast.

Net meal sales came in at 144,448 tonnes for the current marketing year and 1,100 for the next marketing year for a total of 145,548. Cumulative meal sales have reached 54.4% of the USDA forecast for the 2024/2025 marketing year versus a 5 year average of 50.7%. Sales need to average 191,000 tonnes per week to reach the USDA forecast.

Net oil sales came in at 57,206 tonnes for the current marketing year and 93 for the next marketing year for a total of 57,299. Cumulative oil sales have reached 89.9% of the USDA forecast for the 2024/2025 marketing year versus a 5 year average of 38.4%. Sales need to average 1,900 tonnes per week to reach the USDA forecast.

TODAY'S MARKET IDEAS:
The market is anticipating significant relief for Argentina crops with upcoming rains this weekend and prices weakened sharply yesterday. However, March beans fell to 0.382% retracement support and the 100-day moving average and the 1019 level has held so far today. Sunday nights weather forecast for Argentina could create a gap up or gap down scenario. If prices extend lower, look for a drop to next retracement support at 1006 and speculators may consider the long side in that area.

NEW RECOMMENDATIONS:
None.

PREVIOUS RECOMMENDATIONS:
None

SOYBEAN COMPLEX TECHNICAL OUTLOOK:

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SOYBEANS (MAR) 01/17/2025: A crossover down in the daily stochastics is a bearish signal. Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. 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 1000 3/4. The next area of resistance is around 1031 and 1049, while 1st support hits today at 1007 and below there at 1000 3/4.

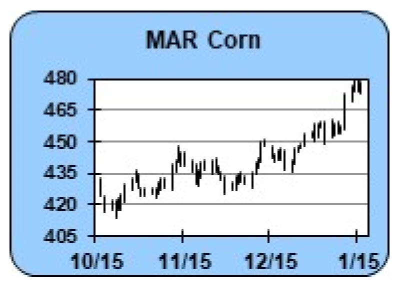
SOYBEAN OIL (MAR) 01/17/2025: Momentum studies are trending higher but have entered overbought levels. The market's short-term trend is positive on the close above the 9-day moving average. The market setup is somewhat negative with the close under the 1st swing support. The next upside target is 46.71. The next area of resistance is around 45.74 and 46.71, while 1st support hits today at 44.32 and below there at 43.88.

SOYMEAL (MAR) 01/17/2025: The close below the 60-day moving average is an indication the longer-term trend has turned down. Momentum studies are declining, but have fallen to oversold levels. The close below the 9-day moving average is a negative short-term indicator for trend. The market is in a bearish position with the close below the 2nd swing support number. The next downside target is 287.6. The next area of resistance is around 298.6 and 304.5, while 1st support hits today at 290.2 and below there at 287.6.

DAILY CORN COMMENTARY

1/17/2025

Partial crop stress relief for Argentina this weekend



OVERNIGHT CHANGES THROUGH 6:06 AM (CT):
CORN +0.1

OVERNIGHT DEVELOPMENTS: Corn (MAR 25) prices overnight are up 1 1/4. Corn open interest as of January 16 was up 9,430 contracts. Chinese Dalian (MAY 25) Corn was up 0.26%. Reminder - the grain markets will be closed Sunday night and Monday day next week for the Martin Luther King holiday and will reopen Monday night at regular time.

NEAR-TERM MARKET FUNDAMENTALS: The market is showing resilience in the face of the potential weekend rains in Argentina and southern Brazil. However, not all areas of Argentina will see rain over the next 10 days. The middle two-thirds of the country will have the best moisture potential. Since Tuesday of this week, March corn has had a less than $0.07 trading range. The consolidation looks similar to the market action the 1st week in January, which was a pause before another leg higher. Several bullish items overnight are giving the market some support, including the International Grains Council lowering global corn stocks to 272 million tonnes, down from 275 in their previous forecast and the Buenos Aries Grain Exchange reporting good/excellent conditions in Argentina falling to 39% from 42% last week and 46% last year. In addition, Trump's Treasury Secretary nominee says he would push China to fulfill Phase I purchase agreements that were agreed to in Trump's 1st term in office. Corn open interest jumped another nearly 10,000 contracts yesterday. The open interest rise has been relentless since the USDA report a week ago. Commitment of Traders data this afternoon will no doubt show a huge jump in fund longs. The inability of the market to break this week ahead of improved weather in South America is an indication prices may be consolidating before another run higher. Next upside resistance is 487 on March.

The Export Sales Report showed that for the week ending January 9, net corn sales came in at 1,024,234 tonnes for the current marketing year and 200 for the next marketing year for a total of 1,024,434. Cumulative sales have reached 64.7% of the USDA forecast for the 2024/2025 marketing year versus a 5-year average of 56.0%. Sales need to average 657,000 tonnes per week to reach the USDA forecast.

TODAY'S MARKET IDEAS:
Prices have not seen a significant selloff despite rain potential in Argentina this weekend, likely because not all the dry areas will see relief. Fund buying continues on any minor break. Some long liquidation could be seen today before the weekend, but Sunday nights forecast for Argentina could create gap and go action. Look for good buying support on any break below 464 on March.

NEW RECOMMENDATIONS:
None.

PREVIOUS RECOMMENDATIONS:
None.

CORN TECHNICAL OUTLOOK:
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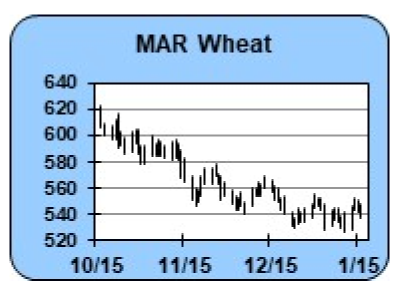
CORN (MAR) 01/17/2025: A bearish signal was triggered on a crossover down in the daily stochastics. Momentum studies are trending lower from high levels which should accelerate a move lower on a break below the 1st swing support. A positive signal for trend short-term was given on a close over the 9-bar moving average. The swing indicator gave a moderately negative reading with the close below the 1st support number. The next downside objective is 469 3/4. The next area of resistance is around 477 1/4 and 481, while 1st support hits today at 471 3/4 and below there at 469 3/4.

CORN (MAY) 01/17/2025: A bearish signal was triggered on a crossover down in the daily stochastics. Momentum studies trending lower from overbought levels is a bearish indicator and would tend to reinforce lower price action. The market's short-term trend is positive on the close above the 9-day moving average. The market setup is somewhat negative with the close under the 1st swing support. The next downside objective is now at 478. The next area of resistance is around 486 and 490 1/4, while 1st support hits today at 480 and below there at 478.

DAILY WHEAT COMMENTARY
1/17/2025

Technical picture remains weak



OVERNIGHT CHANGES THROUGH 6:06 AM (CT):
WHEAT -0.15

OVERNIGHT DEVELOPMENTS: Chicago wheat (MAR 25) prices overnight are down -2; Kansas City (MAR 25) unchanged; and Minneapolis (MAR 25) up 3 1/4. MATIF Milling Wheat(MAR 25) was unchanged. Chicago wheat open interest as of January 16 was up 77 contracts and KC wheat was up 2,052 contracts. Reminder - the grain markets will be closed Sunday night and Monday day next week for the Martin Luther King holiday and will reopen Monday night at regular time.

NEAR-TERM MARKET FUNDAMENTALS: Another weak start to the day in the wheat market and bullish news is lacking. SovEcon pegged Russia's December 1 wheat stocks at 18.7 million tonnes, down from 24.8 year ago. The International Grains Council lowered global grain stocks to 573 million tonnes, down from 576 last month but wheat stocks were raised slightly to 265 million tonnes from 263 last month. Egypt's new state purchasing entity says they have signed wheat supply agreements with several countries, but no amounts or prices were disclosed. Several foreign wheat cargoes imported into China have had to be resold by COFCO to other world buyers due to an expansion of Chinese curbs on foreign purchases. The US Climate Prediction Center says there's a 59% chance La Nina lasts through the February-April timeframe, but it is expected to be weak. La Nina conditions in the US tend to favor dryness in the southern Plains. The recent range of 526 - 554 3/4 on March Chicago remains in place and the bull camp lacks a bullish spark. Prices may continue to erode and test the contract low from a week ago on USDA report day at 526.

The Export Sales Report showed that for the week ending January 9, net wheat sales came in at 513,424 tonnes for the current marketing year and 8,500 for the next marketing year for a total of 521,924. Cumulative sales have reached 75.8% of the USDA forecast for the 2024/2025 marketing year versus a 5 year average of 75.8%. Sales need to average 168,000 tonnes per week to reach the USDA forecast.

TODAY'S MARKET IDEAS:
The bear camp remains in control in the wheat market and funds have no reason to cover their short position as prices drift lower. The technical outlook remains weak and next major support is the contract low from a week ago at 526. The December 30th high at 554 3/4 is the upper boundary of the sideways pattern seen over the last month.

NEW RECOMMENDATIONS:
None.

PREVIOUS RECOMMENDATIONS:
None.

WHEAT TECHNICAL OUTLOOK:

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WHEAT (MAR) 01/17/2025: Momentum studies are rising from mid-range, which could accelerate 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 market's close below the 1st swing support number suggests a moderately negative setup for today. The near-term upside target is at 549 3/4. The next area of resistance is around 542 1/2 and 549 3/4, while 1st support hits today at 532 1/2 and below there at 529 1/2.

KC WHEAT (MAR) 01/17/2025: The close under the 40-day moving average indicates the longer-term trend could be turning down. A crossover down in the daily stochastics is a bearish signal. Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. The close under the 18-day moving average indicates the intermediate-term trend could be turning down. The close below the 2nd swing support number puts the market on the defensive. The next downside objective is now at 537 3/4. The next area of resistance is around 554 1/2 and 563 1/2, while 1st support hits today at 541 1/2 and below there at 537 3/4.

MINN WHEAT (MAR) 01/17/2025: A crossover down in the daily stochastics is a bearish signal. Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. A negative signal for trend short-term was given on a close under the 9-bar moving average. The market setup is somewhat negative with the close under the 1st swing support. The next downside objective is now at 576 3/4. The next area of resistance is around 584 1/2 and 589, while 1st support hits today at 578 1/2 and below there at 576 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	67.56	66.68	88.75	88.56	476.06	466.72	459.54	446.38	442.90
CNAK25	483	67.42	66.90	89.22	87.53	485.63	475.56	467.42	453.54	450.16
SSAH25	1019	53.09	53.96	76.92	68.60	1040.56	1019.56	1005.83	999.93	1003.71
SSAK25	1031 1/2	53.34	54.16	77.87	69.99	1053.63	1031.75	1017.21	1011.46	1016.09
SMAH25	294.4	38.10	42.45	39.46	26.73	302.50	302.13	305.76	299.51	301.00
BOAH25	45.03	66.52	62.83	80.48	83.48	45.88	43.89	42.03	42.58	43.26
WHAH25	537 1/2	44.89	44.54	48.19	51.95	543.94	539.97	540.57	549.52	559.68
WHAK25	549 1/2	45.32	45.06	51.18	55.07	555.81	552.03	552.00	559.78	570.05
RCAH25	14.640	59.35	53.87	65.47	78.43	14.67	14.39	14.21	14.78	14.84
KWAH25	548	43.54	45.22	58.99	55.30	556.88	554.31	552.22	554.31	562.33
MWAH25	581 1/2	40.20	41.74	40.69	36.29	588.00	587.97	589.61	594.20	602.57
OTAH25	349 3/4	60.35	54.17	49.94	66.98	349.44	336.64	333.85	352.03	359.71

Calculations based on previous session. Data collected 01/16/2025
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DAILY SWING STATISTICS

Contract		Support 2	Support 1	Pivot	Resist 1	Resist 2
GRAIN COMPLEX						
CNAH25	Corn	469 1/2	471 1/2	475 1/4	477 1/2	481
CNAK25	Corn	477 3/4	480	484	486	490 1/4
SSAH25	Soybeans	1000 1/2	1007	1024 3/4	1031	1049
SSAK25	Soybeans	1013	1019 1/2	1037 1/4	1043 1/2	1061 1/2
SMAH25	Soymeal	287.5	290.1	296.0	298.6	304.5
BOAH25	Soybean Oil	43.87	44.32	45.29	45.74	46.71
WHAH25	Wheat	529 1/2	532 1/2	539 3/4	542 1/2	550
WHAK25	Wheat	541	544	551 3/4	555	562 1/2
RCAH25	Rice	14.436	14.517	14.681	14.762	14.926
KWAH25	KC Wheat	537 1/2	541 1/2	550 1/2	554 1/2	563 1/2
MWAH25	MINN Wheat	576 1/2	578 1/2	582 3/4	584 1/2	589
OTAH25	Oats	342	346 1/2	348 1/4	353	354 1/2

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