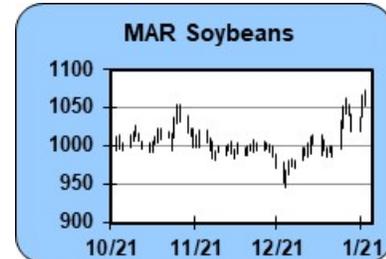


DAILY SOY COMPLEX COMMENTARY
1/23/2025

ADM declares force majeure at US Gulf terminals due to snow

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 down -1 1/4; Soymeal (MAR 25) down -0.50; and Soyoil (MAR 25) up 0.06. Soybean open interest as of January 22 was down 4,827 contracts, soymeal up 4,559 contracts, and soybean oil up 819. Chinese Dalian (MAY 25) Soybeans down 0.10%, Soymeal unchanged, Soyoil down 0.93%, Palm oil down 1.40%. Malaysian Palm was down 0.43%.



NEAR-TERM MARKET FUNDAMENTALS: The current rally in beans stalled just a few cents short of important 200-day moving average resistance yesterday after a \$1.26 a bushel rally since the December 19th low and a pullback looks to have begun. Trump is proposing a 10% tariff on Chinese goods beginning February 1 and 25% tariff on Mexican and Canadian goods. The South American forecast is unchanged with only partial relief for Argentina over the next 10 days as rains will be scattered. Brazil harvest is expected to see better progress next week. Brazil says they were notified by China of a suspension of some bean imports due to pest/pesticide contamination in soy cargoes from 5 shipping firms. Brazil said they would step up inspections and request the import restrictions be lifted. This is likely China's way of managing port congestion after huge purchases from Brazil in the 4th quarter of last year, which are now arriving. China's Golden week holiday starts next week and that may limit their buying interest. ADM has declared force majeure at their US Gulf terminals due to the historic snowstorm. Bean oil has been very weak this week as the Biden administration's 45z biofuel tax credit guidance from last week was halted for a 60-day review by the new administration. Significant uncertainty in the biofuel sector is causing some long liquidation. CONAB estimates Brazil's total grain harvest for 2025 at 322 million tonnes, up 8.2% year-over-year after 2024 production was 7.2% below 2023. March beans turned down yesterday with a reversal lower and another lower close today would confirm at least an interim top.

TODAY'S MARKET IDEAS:

Yesterday's reversal lower in March beans may be the start of a larger pullback. Speculators that were able to sell March beans yesterday at 1073 or above can tighten stops to breakeven. 200-day moving average resistance is 1076. Significant pullback support starts at 1025. Look for further downside extension in the near-term.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None

SOYBEAN COMPLEX TECHNICAL OUTLOOK:

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SOYBEANS (MAR) 01/23/2025: 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 downside closing price reversal on the daily chart is somewhat negative. The market tilt is slightly negative with the close under the pivot.

The near-term upside objective is at 1081. The next area of resistance is around 1066 3/4 and 1081, while 1st support hits today at 1045 1/4 and below there at 1037 3/4.

SOYBEAN OIL (MAR) 01/23/2025: A crossover down in the daily stochastics is a bearish signal. 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 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 43.10. The next area of resistance is around 45.23 and 46.35, while 1st support hits today at 43.61 and below there at 43.10.

SOYMEAL (MAR) 01/23/2025: Momentum studies are trending higher from mid-range, which should support a move higher if resistance levels are penetrated. The market's close above the 9-day moving average suggests the short-term trend remains positive. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The next upside objective is 325.4. The next area of resistance is around 321.2 and 325.4, while 1st support hits today at 310.3 and below there at 303.4.

DAILY CORN COMMENTARY

1/23/2025

Reversal lower Wednesday raises odds of further pullback

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

OVERNIGHT DEVELOPMENTS: Corn (MAR 25) prices overnight are down -3/4. Corn open interest as of January 22 was up 15,115 contracts. Chinese Dalian (MAY 25) Corn was up 0.48%.



NEAR-TERM MARKET FUNDAMENTALS: The market is holding steady this morning but did get a reversal down with a lower close yesterday, which may open the door to a further pullback. South American weather forecasts show some beneficial rains in the northern parts of Argentina and southern Brazil over the next week and better harvest conditions in northern Brazil. Weekly ethanol production will be out today and is expected at 1.087 million barrels, compared to 1.095 last week. Stocks are expected at 25.354 million barrels, up from 25.008 last week. The recent corn rally has hurt ethanol profit margins. ADM has declared force majeure at the US Gulf due to the historic snowstorm but temperatures will be well above freezing today and conditions will quickly return to normal. Ethanol lobbies are concerned about Trump's pick for Secretary of Agriculture, Brooke Rollins, who led the Texas Public Policy Foundation, an organization opposed to ethanol mandates and farm subsidies. Farm state senators will no doubt be asking her questions about this during the nomination process. Corn open interest rose another 15,000 contracts yesterday, but prices were lower, and managed money was assumed to have sold nearly 12,000 contracts during the session, meaning new shorts were entering the market. The US corn sale to Unknown yesterday was a good demand sign but China's Lunar new year/Golden week holiday begins next week and buying interest may be low. March corn has rallied approximately \$0.90 a bushel from the August lows and almost \$0.40 from the low on USDA report day on January 10. Funds have been extremely large buyers lately and with prices running into a significant resistance zone between 487-500, the odds are rising for a downside correction.

TODAY'S MARKET IDEAS:

The market turned lower yesterday with a technical reversal down which needs a lower close today for confirmation. Even so, the odds of a pullback are rising as prices have moved up into a major resistance area. We can't rule out a test of 500 on March but a move above that level would require new bullish input. Speculative longs may consider tightening stop further if you have not already taken profits. We will be looking for the next reasonable pullback to buy.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

CORN TECHNICAL OUTLOOK:

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CORN (MAR) 01/23/2025: 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 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 below the 1st swing support could weigh on the market. The next downside objective is 476 1/4. The next area of resistance is around 489 and 495 1/2, while 1st support hits today at 479 1/2 and below there at 476 1/4.

CORN (MAY) 01/23/2025: A bearish signal was triggered on a crossover down in the daily stochastics. Stochastics turning bearish at overbought levels will tend to support lower prices if support levels are broken. 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 1st swing support number suggests a moderately negative setup for today. The next downside target is now at 485 3/4. The next area of resistance is around 498 3/4 and 505, while 1st support hits today at 489 1/4 and below there at 485 3/4.

DAILY WHEAT COMMENTARY

1/23/2025

China washing out of previously purchased Aussie wheat cargoes

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):

WHEAT -0.28

OVERNIGHT DEVELOPMENTS: Chicago wheat (MAR 25) prices overnight are down -2; Kansas City (MAR 25) down -2 1/2; and Minneapolis (MAR 25) down -2. MATIF Milling Wheat (MAR 25) was down -0.5%. Chicago wheat open interest as of January 22 was down 211 contracts and KC wheat was down 2,042 contracts.



NEAR-TERM MARKET FUNDAMENTALS: The wheat market lost its early momentum yesterday and closed lower after the technically positive breakout of the recent range the day before. Some of the weakness can be contributed to reports China is washing out of several more Australian wheat cargoes purchased last year and is looking to resell them to other world buyers. Clearly China does not need the wheat, although demand has been reasonably solid from other global buyers. The US Attache left the Australian wheat production estimate unchanged at 32 million tonnes but raised ending stocks to 3.112 million tonnes up from USDA last week at 2.577. French dockworkers unions are going on strike today which will disrupt port operations. The US Plains look dry for the next 5 days and the 6 to 10 day forecast has warmer temperatures coming into the northern Plains and above normal precipitation in the north, while normal to below normal temperatures dominate the southern Plains. In the 8 to 14 day period the warmer temperatures encompass all the Plains and precipitation is forecast to be normal. LSEG says February temperatures are likely to trend warmer than average across the Plains. The bull camp has to be disappointed that the breakout on Tuesday did not spark additional follow-through yesterday. However, if March Chicago wheat can avoid a lower close today, fund short covering could still be a bullish factor in the near-term.

TODAY'S MARKET IDEAS:

Disappointing action yesterday as prices were unable to build on Tuesdays breakout. Look for pullback support at

544 on March Chicago. If prices can turn back positive today, a run to next resistance at 575 could still be in the cards. Trading volume over the last 2 sessions has been above average. Aggressive speculators can look to buy a pullback to 545 or below.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

WHEAT TECHNICAL OUTLOOK:

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WHEAT (MAR) 01/23/2025: The close under the 60-day moving average indicates the longer-term trend could be turning down. A positive indicator was given with the upside crossover of the 9 and 18 bar moving average. Momentum studies are trending higher from mid-range, which should support a move higher if resistance levels are penetrated. The close above the 9-day moving average is a positive short-term indicator for trend. The market could take on a defensive posture with the daily closing price reversal down. It is a slightly negative indicator that the close was under the swing pivot. The near-term upside target is at 571 3/4. The next area of resistance is around 561 1/2 and 571 3/4, while 1st support hits today at 546 1/2 and below there at 541 1/2.

KC WHEAT (MAR) 01/23/2025: Momentum studies are trending higher but have entered overbought levels. The market's close above the 9-day moving average suggests the short-term trend remains positive. The market could take on a defensive posture with the daily closing price reversal down. The market has a slightly positive tilt with the close over the swing pivot. The next upside target is 590 1/2. The next area of resistance is around 580 1/2 and 590 1/2, while 1st support hits today at 566 and below there at 561 1/4.

MINN WHEAT (MAR) 01/23/2025: Momentum studies are trending higher from mid-range, which should support 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 near-term upside target is at 616 3/4. The next area of resistance is around 611 3/4 and 616 3/4, while 1st support hits today at 601 1/4 and below there at 596.

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	484 1/4	68.15	67.81	90.84	89.63	483.25	476.58	465.99	449.72	445.60
CNAK25	494	68.76	68.49	90.93	90.07	492.44	485.92	474.44	457.03	452.97
SSAH25	1056	63.74	62.10	76.00	78.45	1044.06	1038.19	1018.13	1002.53	1005.60
SSAK25	1068 1/4	64.14	62.33	76.60	79.06	1055.56	1050.44	1029.92	1013.92	1017.84
SMAH25	315.8	63.31	59.73	39.56	50.04	304.60	303.51	306.99	300.26	300.75
BOAH25	44.42	55.40	56.38	79.90	76.34	45.23	45.30	42.87	42.56	43.34
WHAH25	554	58.75	54.79	58.44	66.81	547.25	543.56	542.97	549.07	557.29
WHAK25	567 1/4	60.17	55.95	61.60	70.01	559.75	555.81	554.81	559.53	567.79
RCAH25	14.820	60.81	56.72	80.73	87.43	14.81	14.69	14.34	14.77	14.82
KWAH25	573 1/4	66.62	61.23	63.49	71.48	561.75	558.69	555.51	555.12	560.60
MWAH25	606 1/2	64.91	58.94	52.04	67.89	594.00	590.47	590.68	594.53	600.56
OTAH25	366 1/2	66.52	60.71	72.49	83.56	362.88	350.06	338.13	352.61	359.19

Calculations based on previous session. Data collected 01/22/2025
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	476	479 1/2	485 3/4	489	495 1/2
CNAK25	Corn	485 3/4	489	495 1/2	499	505 1/4
SSAH25	Soybeans	1037 1/2	1045	1059 1/4	1067	1081
SSAK25	Soybeans	1050 3/4	1058	1071 1/4	1078 1/2	1091 3/4
SMAH25	Soymeal	303.4	310.2	314.4	321.2	325.4
BOAH25	Soybean Oil	43.09	43.60	44.72	45.23	46.35
WHAH25	Wheat	541 1/4	546 1/2	556 1/2	561 1/2	571 3/4
WHA25	Wheat	555 1/4	560	569 1/2	574 1/2	583 3/4
RCAH25	Rice	14.661	14.722	14.856	14.917	15.051
KWAH25	KC Wheat	561 1/4	566	576	580 1/2	590 3/4
MWAH25	MINN Wheat	596	601 1/4	606 1/2	611 3/4	617
OTAH25	Oats	357 1/4	361	368	372	378 3/4

Calculations based on previous session. Data collected 01/22/2025

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