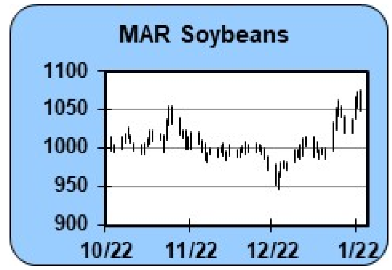
DAILY GRAINS COMMENTARY
Friday January 24, 2025

DAILY SOY COMPLEX COMMENTARY
1/24/2025

Argentina temporarily lowers export taxes



OVERNIGHT CHANGES THROUGH 6:06 AM (CT):
SOY BEANS -0.2, **BEAN OIL** +0.0, **SOYMEAL** -0.9

OVERNIGHT DEVELOPMENTS: Soybeans (MAR 25) prices overnight are down -14 3/4; Soymeal (MAR 25) down -8.70; and Soyoil (MAR 25) down -0.48. Soybean open interest as of January 23 was up 12,112 contracts, soymeal up 3,074 contracts, and soybean oil down 673. Chinese Dalian (MAY 25) Soybeans down 0.30%, Soymeal down 0.11%, Soyoil down 0.68%, Palm oil down 0.41%. Malaysian Palm was up 0.62%.

NEAR-TERM MARKET FUNDAMENTALS: The soy complex turned lower last night after Argentina announced they will temporarily reduce export taxes, incentivizing farmers to sell as harvest ramps up over the next several months. The Argentine government has been making strides in improving the economy but said the ongoing drought in the country and low crop prices necessitated a lifeline to farmers. The export tax on beans will be lowered to 26% from 33% and bean products will drop to 24.5% from 31%. The new tax rates will take effect on Monday and last through the end of June. Argentine harvest can stretch from late February all the way through May so this tax decline is important for beans as it will remain in effect through harvest. Argentina's forecast remains unchanged from yesterday with moisture deficits worsening in the east-central and southeast crop areas while the north and west-central areas see relief. Argentine's bean crop conditions fell last week to 22% good/excellent and 28% poor, down from 32% and 21% the previous week. The Buenos Aries Grain Exchange lowered their production estimate 1 million tonnes to 49.6 down from USDA's 52.0. Weekly export sales will be out this morning and are anticipated in a range of 1 million - 1,800,000 tonnes for beans, 100,000 - 450,000 for meal, and 10 - 60,000 for bean oil. CONAB reported Brazil's harvest at 1.7% done, compared to 4.7% last year and Mato Grosso was 1% done compared to 13% last year. Argentina's December crush was much higher-than-expected at 3.648 million tonnes and meal stocks were larger as well at 850,000 tonnes. No doubt Argentina is going to continue to be a major export competitor. Sec. of Agriculture nominee, Rollins, said yesterday direct payments to farmers are a possibility, similar to the payments in Trump's 1st term, if a trade war depresses crop prices. China's Lunar New Year/Golden week holiday next week could slow soy demand. In 2024 according to Chinese customs data, China's US bean imports were 22.1 million tonnes, or a 21% market share, down from 26% in 2023 and 34% in 2017. March beans hit resistance yesterday and the Argentine export tax news is bearish and has the potential to pull prices lower. At this stage, losses in Argentina are expected to be mostly offset with gains in Brazil. Pullback support comes in at 1024 on March.

TODAY'S MARKET IDEAS:
Argentine's export tax decrease assures the country will be a major export competitor through the 1st half of 2025. With March beans hitting long term 200-day moving average resistance right on yesterday's high, the odds favor a further pullback towards support just above 1020.

NEW RECOMMENDATIONS:
None.

PREVIOUS RECOMMENDATIONS:
None

SOYBEAN COMPLEX TECHNICAL OUTLOOK:

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SOYBEANS (MAR) 01/24/2025: 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. The upside daily closing price reversal gives the market a bullish tilt. The market has a slightly positive tilt with the close over the swing pivot. The next upside objective is 1092 1/4. The next area of resistance is around 1079 3/4 and 1092 1/4, while 1st support hits today at 1051 1/4 and below there at 1035 1/4.

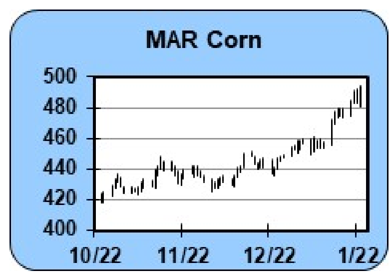
SOYBEAN OIL (MAR) 01/24/2025: Momentum studies trending lower from overbought levels is a bearish indicator and would tend to reinforce lower price action. A negative signal for trend short-term was given on a close under the 9-bar moving average. The daily closing price reversal up is a positive indicator that could support higher prices. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The next downside objective is now at 43.50. The next area of resistance is around 45.75 and 46.33, while 1st support hits today at 44.33 and below there at 43.50.

SOYMEAL (MAR) 01/24/2025: Stochastics are at mid-range but trending higher, which should reinforce a move higher if resistance levels are taken out. A positive signal for trend short-term was given on a close over the 9-bar moving average. 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 upside objective is 321.6. The next area of resistance is around 318.2 and 321.6, while 1st support hits today at 312.3 and below there at 309.7.

DAILY CORN COMMENTARY

1/24/2025

Argentina export tax decrease pressures market



OVERNIGHT CHANGES THROUGH 6:06 AM (CT):
CORN -0.6

OVERNIGHT DEVELOPMENTS: Corn (MAR 25) prices overnight are down -5 1/4. Corn open interest as of January 23 was up 31,537 contracts. Chinese Dalian (MAY 25) Corn was down 0.48%.

NEAR-TERM MARKET FUNDAMENTALS: After reversing lower on Wednesday and shooting right back up to new highs yesterday, March corn is starting the day weaker on the Argentine export tax news. Argentina announced a temporary export tax cut to 9.5% from 12% starting next week and lasting through the end of June. The government said they wanted to throw a lifeline to farmers struggling with low prices and the drought but are not yet in a fiscal position to permanently eliminate export taxes. The Buenos Aries Grain Exchange reported another significant condition decline last week with good/excellent dropping 9% to 30% and poor conditions rising 14% to 28% week over week. Production was lowered 1 million tonnes to 49 million, down from USDA's 51.0. Sec. of Agriculture nominee said yesterday she would honor all fuel sources, including ethanol, and said direct payments to farmers could happen if a trade war depresses prices, similar to what happened in Trump's 1st term. Weekly export sales this morning are anticipated in a range of 700,000-1,400,000 tonnes. Corn open interest has been a broken record lately, rising nearly every day and jumped another 31,500 contracts yesterday. CFTC data after today's close will certainly show a significant rise in fund net longs. Brazil's bean harvest remains slower than normal and if that continues, talk of delays in safrinha corn planting will grow louder. The Argentine tax news is a new bearish force and if March falls below yesterday's low of 480 1/2, it could trigger profit-taking before the weekend. Look for fund buying to slow next week, raising the odds of a break.

Ethanol average daily production for the week ending January 17 averaged 1.099 million barrels. This is a new high daily production for this week of the year. The previous high was 1.062 million barrels per day in 2018. This was up 0.4% from last week and up 34.4% from last year. The 5-year average for this week is 0.972 million barrels per day. Ethanol production for the week was 7.693 million barrels. Ethanol stocks were 25.874 million barrels. This was a new high stocks level for this week of the year. The previous high was 25.815 million barrels in 2024. This was the highest since April 12, 2024.This was up 3.5% from last week and up 0.2% from last year. The 5-year average stocks for this week is 24.605 million barrels. The amount of corn used for the week is estimated at 110.88 million bushels. Cumulative corn use for the crop year has reached 2.163 billion bushels. Corn use needs to average 103.35 million bushels per week to meet the USDA's marketing year forecast of 5.500 billion bushels.

TODAY'S MARKET IDEAS:
Yesterday's strong close was met with bearish export tax news out of Argentina and that may spark some profit-taking after the recent rally. The odds of a pullback have risen as prices move up into the major resistance area near 500 on March. Longs are encouraged to tighten stops and aggressive speculators may even consider the short side on a bounce back up to 489 or higher, with stops above 500 on March.

NEW RECOMMENDATIONS:
None.

PREVIOUS RECOMMENDATIONS:
None.

CORN TECHNICAL OUTLOOK:

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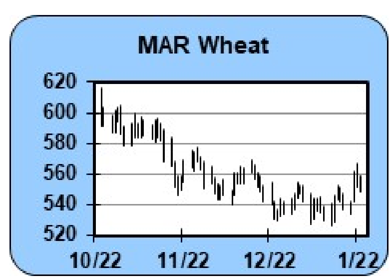
CORN (MAR) 01/24/2025: Momentum studies trending lower from overbought levels is a bearish indicator and would tend to reinforce lower price action. The market's close above the 9-day moving average suggests the short-term trend remains positive. The daily closing price reversal up is a positive indicator that could support higher prices. A positive setup occurred with the close over the 1st swing resistance. The next downside target is now at 474 3/4. The market is approaching overbought levels with an RSI over 70. The next area of resistance is around 496 3/4 and 502 1/2, while 1st support hits today at 482 3/4 and below there at 474 3/4.

CORN (MAY) 01/24/2025: 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 upside daily closing price reversal gives the market a bullish tilt. A positive setup occurred with the close over the 1st swing resistance. The next downside objective is now at 484 1/4. With a reading over 70, the 9-day RSI is approaching overbought levels. The next area of resistance is around 506 1/4 and 512 1/4, while 1st support hits today at 492 1/4 and below there at 484 1/4.

DAILY WHEAT COMMENTARY
1/24/2025

Argentina lowers export tax from 12% to 9.5%



OVERNIGHT CHANGES THROUGH 6:06 AM (CT):
WHEAT -0.63

OVERNIGHT DEVELOPMENTS: Chicago wheat (MAR 25) prices overnight are down -6 3/4; Kansas City (MAR 25) down -7 1/2; and Minneapolis (MAR 25) down -6 1/2. MATIF Milling Wheat(MAR 25) was down -1.0%. Chicago wheat open interest as of January 23 was up 635 contracts and KC wheat was down 2,640 contracts.

NEAR-TERM MARKET FUNDAMENTALS: Weak market action to start the day after prices yesterday were unable to follow corn and beans higher. Argentina's temporary lowering of their export tax for wheat to 9.5% from 12% through the end of June is bearish. The upside range breakout this week has so far failed to trigger any aggressive fund short covering and the market has fallen back into the previous range. Weekly export sales are anticipated in a range of 200,000 - 600,000 tonnes this morning. The US dollar did hit a 1-month low this morning. Yesterday's drought Monitor showed most of western Kansas is drought-free along with Oklahoma. The Plains will be mostly dry over the next 5 days and the 6 to 10 day outlook ushers in much warmer temperatures especially in the central and northern Plains. The US attache to China raised their wheat production to 140.1 million tonnes, up 3.5 million from last season due to better yields. The strong crop is the reason China is now reselling previously purchased Australian wheat cargoes to other global buyers. Look for close-in support on March Chicago wheat at 542. A move back above 559 could turn the short-term technical outlook positive.

TODAY'S MARKET IDEAS:

Unfortunately for the bull camp, March Chicago prices have now fallen back into the sideways range after failing to carry to the upside earlier this week. The Argentina export tax decrease is a bearish factor and fund shorts are likely to stay with their positions until prices can move back above this week's high. Aggressive speculators may try a short-term trend-reversal bullish play and buy March Chicago at 542 today with a tight $0.07 stop.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

WHEAT TECHNICAL OUTLOOK:

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WHEAT (MAR) 01/24/2025: Momentum studies are rising from mid-range, which could accelerate a move higher if resistance levels are penetrated. A positive signal for trend short-term was given on a close over the 9-bar moving average. It is a slightly negative indicator that the close was under the swing pivot. The near-term upside target is at 564 3/4. The next area of resistance is around 559 1/2 and 564 3/4, while 1st support hits today at 548 1/2 and below there at 542 3/4.

KC WHEAT (MAR) 01/24/2025: Studies are showing positive momentum but are now in overbought territory, so some caution is warranted. The market's close above the 9-day moving average suggests the short-term trend remains positive. The market tilt is slightly negative with the close under the pivot. The near-term upside target is at 580 3/4. The next area of resistance is around 575 1/2 and 580 3/4, while 1st support hits today at 566 and below there at 561 3/4.

MINN WHEAT (MAR) 01/24/2025: The upside crossover of the 9 and 18 bar moving average is a positive signal. 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 market's close below the pivot swing number is a mildly negative setup. The near-term upside objective is at 611. The next area of resistance is around 607 3/4 and 611, while 1st support hits today at 601 1/4 and below there at 597 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	489 3/4	71.88	70.46	90.42	89.58	487.06	480.33	467.99	450.93	446.61
CNAK25	499 1/4	72.16	70.91	90.57	89.85	496.50	489.78	476.60	458.29	454.00
SSAH25	1065 1/2	66.56	64.21	77.96	81.88	1055.69	1045.58	1021.92	1003.79	1006.54

SSAK25	1077 3/4	66.96	64.44	78.57	82.50	1067.13	1057.89	1033.82	1015.16	1018.73
SMAH25	315.3	62.57	59.25	46.39	60.04	309.83	305.29	307.01	300.72	300.86
BOAH25	45.04	59.85	59.26	78.30	75.10	45.23	45.56	43.16	42.54	43.36
WHAH25	554	58.75	54.79	61.47	67.52	551.38	545.78	543.69	549.07	556.70
WHAK25	567 3/4	60.55	56.23	64.75	71.04	564.31	558.22	555.68	559.64	567.25
RCAH25	14.850	61.80	57.45	82.90	87.24	14.87	14.74	14.38	14.76	14.81
KWAH25	570 3/4	61.81	58.26	65.76	70.28	567.38	560.97	556.58	555.53	560.35
MWAH25	604 1/2	62.31	57.37	58.79	72.28	599.75	592.81	591.26	594.83	600.18
OTAH25	367 1/4	66.97	61.05	76.35	84.07	367.25	355.03	340.17	352.57	359.00

Calculations based on previous session. Data collected 01/23/2025
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DAILY SWING STATISTICS

Contract		Support 2	Support 1	Pivot	Resist 1	Resist 2
GRAIN COMPLEX						
CNAH25	Corn	474 1/2	482 3/4	488 1/2	496 3/4	502 1/2
CNAK25	Corn	484 1/4	492 1/4	498 1/4	506 1/4	512 1/4
SSAH25	Soybeans	1035 1/4	1051 1/4	1063 3/4	1079 3/4	1092 1/4
SSAK25	Soybeans	1048 1/4	1064	1076	1091 1/2	1103 3/4
SMAH25	Soymeal	309.6	312.2	315.6	318.2	321.6
BOAH25	Soybean Oil	43.49	44.33	44.91	45.75	46.33
WHAH25	Wheat	542 3/4	548 1/2	553 3/4	559 1/2	564 3/4
WHAK25	Wheat	556 1/2	562 1/4	567 1/2	573 1/4	578 1/2
RCAH25	Rice	14.690	14.774	14.840	14.924	14.990
KWAH25	KC Wheat	561 3/4	566	571 1/4	575 1/2	580 3/4
MWAH25	MINN Wheat	597 3/4	601	604 1/2	608	611 1/4
OTAH25	Oats	357 1/2	363	365 3/4	371 1/2	374

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