



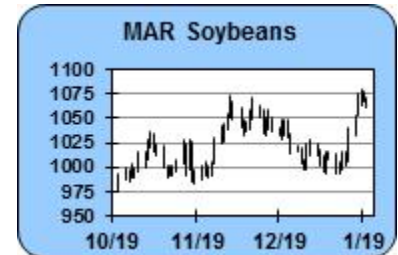
DAILY GRAINS COMMENTARY Monday January 23, 2017

DAILY SOY COMPLEX COMMENTARY 01/23/17

Enough weather uncertainty to avoid aggressive sales from specs

**OVERNIGHT CHANGES THROUGH 6:05 AM (CT):
SOY BEANS -7.6, BEAN OIL -0.0, SOYMEAL -3.6**

OVERNIGHT DEVELOPMENTS: March soybeans are trading 6 cents lower this morning. China soybean futures were down 1.3% overnight and Palm oil futures in Malaysia were down slightly. Global equity markets were weaker with Shanghai markets and the Hang Seng bucking the trend. The Asian economic calendar started with the latest reading on the Japanese all-industry activity index which came in at a +0.3% reading which was better than the prior month but less than expectations. Japan also saw leading economic indicators which improved minimally relative to the prior month. The North American session will be relatively quiet and will be highlighted by November Canadian wholesale sales that are expected to downtick from October's +1.1% monthly gain but remain in positive territory. Earnings announcement will include McDonalds and Halliburton before the Wall Street opening while Yahoo! reports after the close.



NEAR-TERM MARKET FUNDAMENTALS: With more rain in the forecast for Brazil which might boost conditions, and less heat than expected in the Argentina forecast and some rain returning next week, the market sees the weather as a short-term bearish force. Too much dry weather for the next few weeks on top of recent flooding issues in other areas, however, could leave the bears with not enough confidence to sell just yet. With a positive tilt to outside markets and enough uncertainty for the weather, speculative buyers may stay active on breaks. Soybean imports from China for all of 2016 reached 83.9 million tonnes, up 2.7% from 2015. Soybean oil imports were 560,225 tonnes, down 31.5%. Rapeseed oil imports were 699,736 tonnes, down 14.1%. Palm oil imports reached 4.478 million tonnes, down 24.2%. March soybeans had some back and fill action on Friday waiting for more direction on potential Argentine production losses. The Argentine weather looks dry for the next week which will be welcome, but the market is nervous with the potential for too much heat and too much dryness. The forecast today eases some of those fears.

Agripac consultancy has estimated Argentine production at 50.0 million tonnes versus their previous estimate of 55 million. Open interest in soybeans went up 10,750 contracts on Thursday, and has gone up 98,000 contracts since the USDA report. Net weekly export sales came in at 979,600 tonnes for the current marketing year and 66,700 for the next marketing year for a total of 1,046,300 tonnes. Traders were looking for 400,000-700,000 tonnes. As of January 12th, cumulative soybean sales stand at 88.4% of the USDA forecast versus a 5 year average of 83.4%. The pace is very impressive but the Brazilian harvest is ahead of normal and there are 13 million tonnes of unshipped sales. Meal sales came in at 269,800 tonnes for the current marketing year and 48,800 for the next marketing year for a total of 318,600 tonnes. Oil sales came in at 41,500 tonnes. As of January 12th, cumulative soybean oil sales stand at 61.3% of the USDA forecast versus a 5 year average of 52.2%.

The Commitments of Traders reports as of January 17th showed Non-Commercial traders were net long 167,438 contracts, an increase of 40,672 contracts for the week. Non-Commercial and Nonreportable combined traders held a net long position of 92,686 contracts, up 33,879 contracts for the week. Commodity Index traders held a net long position of 138,007 contracts, up 4,878 contracts for the week. Trend-following fund traders hold a net long position of 119,908 contracts, up 37,916 contracts for the week. In June of last year, this group was net long 214,612 contracts. For Soybean Oil, Non-Commercial traders were net long 112,215 contracts, an increase of 9,633 contracts. Non-Commercial and Nonreportable combined traders held a net long position of 128,631 contracts, up 12,269 contracts for the week. For Soybean Meal, Non-Commercial traders were net long 72,169

contracts, an increase of 33,457 contracts for the week. Non-Commercial and Nonreportable combined traders held a net long position of 96,066 contracts, up a whopping 43,265 contracts in just one week.

TODAY'S MARKET IDEAS:

There is still weather uncertainty and the technical action is still somewhat positive with the surging open interest. March soybean support is at 1054 and 1046 1/2 with 1087 1/2 and 1104 1/2 as the next upside targets. November soybean support is at 1019 1/4 and 1013 1/2 with 1038 1/2 and 1043 as the next resistance levels.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 1/10/2017 - 1/17/2017						
	Non-Commercial			Commercial	Non-Reportable	
	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change
Grains						
Soybeans	167,438	+40,672	-92,687	-33,878	-74,752	-6,793
Soymeal	72,169	+33,457	-96,067	-43,267	23,897	+9,808
Soyoil	112,215	+9,633	-128,632	-12,270	16,416	+2,636

SOYBEAN COMPLEX TECHNICAL OUTLOOK:

Note: Technical commentary is based solely on statistical indicators and does not necessarily correspond to any fundamental analysis that may appear elsewhere in this report.

SOYBEANS (MAR) 01/23/2017: Rising stochastics at overbought levels warrant some caution for bulls. A positive signal for trend short-term was given on a close over the 9-bar moving average. The market tilt is slightly negative with the close under the pivot. The next upside target is 1077 3/4. The next area of resistance is around 1073 and 1077 3/4, while 1st support hits today at 1062 and below there at 1055 1/2.

SOYBEAN OIL (MAR) 01/23/2017: A bearish signal was triggered on a crossover down in the daily stochastics. Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. The close under the 18-day moving average indicates the intermediate-term trend could be turning down. The market setup is somewhat negative with the close under the 1st swing support. The next downside objective is now at 34.80. The next area of resistance is around 35.36 and 35.68, while 1st support hits today at 34.93 and below there at 34.80.

SOYMEAL (MAR) 01/23/2017: 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 daily closing price reversal up is a positive indicator that could support higher prices. The close over the pivot swing is a somewhat positive setup. The near-term upside objective is at 354.6. The market is approaching overbought levels with an RSI over 70. The next area of resistance is around 351.9 and 354.6, while 1st support hits today at 345.5 and below there at 341.9.

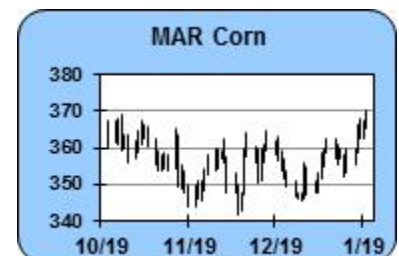
DAILY CORN COMMENTARY

01/23/17

No sign of top yet but producer sellers could get more active

OVERNIGHT CHANGES THROUGH 6:05 AM (CT):

CORN -0.6



OVERNIGHT DEVELOPMENTS: March corn is trading unchanged this morning. Outside market forces look positive with a weaker US dollar and higher gold. Israel is tendering to buy 85,000 tonnes of corn and 40,000 tonnes of feedwheat.

NEAR-TERM MARKET FUNDAMENTALS: The technical action is impressive but with concerns for a sharp rise in producer selling, the outlook for less ethanol imports from China in 2017 and concerns for an enormous crop from Brazil, the market may need increased weather concerns for South America in order to expect much more up. Some see the market as getting too overbought. Corn imports from China for all of 2016 reached 3.168 million tonnes, down 33% from 2015. Ethanol imports for all of 2016 reached 890,140 cubic meters, up 29.6% from 2015. Traders believe that China wants to use up its own stockpile of corn and will use 30% import tariff on ethanol this year from 5% for last year. With the volatile weather situation in Argentina and Brazil due to a shift towards 10 days to 2-weeks of hot and dry weather after all of their recent rains, buying could slow but there is no "all clear" signal for the bears. The highest close since July 18th on Friday plus strong demand signals plus surging open interest are all seen as positive forces.

The market has been higher for five of the last six trading sessions with open interest up 10,325 contracts Thursday and up 106,000 contracts since the USDA report. The Argentine weather looks dry for the next 10 days or more with some heat that will need to be monitored. Brazil's weather has widespread precipitation across the entire growing area. Net weekly export sales came in at 1.367 million tonnes for the current marketing year and 12,300 for the next marketing year for a total of 1.379 million tonnes. Traders were looking for 800,000-1.3 million tonnes. As of January 12th, cumulative corn sales stand at 66.7% of the USDA forecast for the 2016/2017 (current) marketing year versus a 5 year average of 61.4%.

The Commitments of Traders reports as of January 17th showed Non-Commercial traders were net long 79,265 contracts, an increase of 28,801 contracts for the week. Non-Commercial and Nonreportable combined traders held a net long position of 46,718 contracts, up 36,081 contracts for the week. Commodity Index traders held a net long position of 353,385 contracts, up 17,260 contracts for the week. Trend-following fund traders are still net short 47,403 contracts. Last June, this group was net long 272,131 contracts.

TODAY'S MARKET IDEAS:

March corn remains in a solid uptrend and the break-out on Friday leaves 379 1/4 as an upside swing target. The next key resistance is at 374 with support back at 364. Stochastics are still positive but overbought at 80 and 88. The December corn break-out counts to 403 1/4.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

Short May Corn from 367 with an objective of 354 1/2. Also long 4 May Corn 400 calls for a net cost of 20 cents. Sell 2 calls at 7 cents each.

Commitment of Traders - Futures and Options - 1/10/2017 - 1/17/2017							
	Non-Commercial		Net Position	Commercial		Non-Reportable	
	Net Position	Weekly Net Change		Weekly Net Change	Net Position	Weekly Net Change	
Grains							
Corn	79,265	+28,801	-46,717	-36,081	-32,547	+7,280	

CORN TECHNICAL OUTLOOK:

Note: Technical commentary is based solely on statistical indicators and does not necessarily correspond to any fundamental analysis that may appear elsewhere in this report.

CORN (MAR) 01/23/2017: 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. With the close over the 1st swing resistance number, the market is in a moderately positive position. The near-term upside target is at 373 1/2. The

market is approaching overbought levels with an RSI over 70. The next area of resistance is around 372 1/4 and 373 1/2, while 1st support hits today at 367 1/4 and below there at 363 3/4.

DAILY WHEAT COMMENTARY

01/23/17

Well up from December lows with trend followers net short 98K

OVERNIGHT CHANGES THROUGH 6:05 AM (CT):

WHEAT -0.2

OVERNIGHT DEVELOPMENTS: March wheat is up 1 cent this morning. Outside market forces look supportive. Matif futures are slightly lower.



NEAR-TERM MARKET FUNDAMENTALS: The turn back up on Friday is impressive but it may take some strength in the other grains for much more on the upside. Russia remains the most active world exporter and Russia prices are up for the second week in a row last week. Wheat imports from China for all of 2016 reached 3.412 million tonnes, up 13.5% from 2015. The market remains in a short-term uptrend, but the recent rally should help slow US export demand. The market may temporarily follow the other grains higher, but the upside seems limited. Trend-following funds are net short 98,418 contracts and the market is already up 36 cents off of the December 23rd low. This leaves the market vulnerable to short-covering.

March wheat traded to a weekly low of 421 1/2 on Friday but recovered to trade higher on the day. Egypt bought 60,000 tonnes of wheat from Ukraine at a price of \$201.04/tonne C&F. Egypt received eight offers from Ukraine, Russia and Romania with the one offer from Ukraine being several dollars per tonne cheaper than the Russian offers. Indian farmers planted 62.83 million hectares to winter crops compared to 59.24 million last year. Wheat plantings were seen at 31.3 million hectares versus 29.2 million last year. The Indian Farm Minister also stated that reservoirs now hold 26% more water than a year earlier. Weekly export sales came in at 242,500 tonnes for the current marketing year and 60,500 for the next marketing year for a total of 303,000 tonnes. Traders were looking for 275,000-425,000 tonnes. As of January 12th, cumulative wheat sales stand at 81.3% of the USDA forecast versus a 5 year average of 77.1%.

The Commitments of Traders reports as of January 17th showed Non-Commercial traders were net short 50,532 contracts, an increase of 787 contracts for the week. Non-Commercial and Nonreportable combined traders held a net short position of 44,686 contracts, down 140. Commodity Index traders held a net long position of 124,862 contracts, up 11,614 contracts for the week. For Kansas City Wheat, Non-Commercial traders were net long 32,181 contracts, an increase of 7,940 contracts for the week. Non-Commercial and Nonreportable combined traders held a net long position of 31,898 contracts, up 8,284 contracts for the week.

TODAY'S MARKET IDEAS:

March wheat remains in a short-term uptrend but a move under Friday's lows would sour the short-term technical picture. The market will need a move above close-in resistance at 431 1/2 to excite the bulls. On a resumption of the short-term uptrend, 443 1/2 is the next target.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

Short March wheat 430 call from 10 3/4 cents with an objective of zero. Risk a total of 4 cents from entry.

Commitment of Traders - Futures and Options - 1/10/2017 - 1/17/2017						
	Non-Commercial		Commercial	Non-Reportable		
	Net Position	Weekly Net Change		Net Position	Weekly Net Change	
Grains						
KC Wheat	32,181	+7,940	-31,898	-8,284	-283	+344

Wheat	-50,532	-787	44,685	-141	5,846	+927
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WHEAT TECHNICAL OUTLOOK:

Note: Technical commentary is based solely on statistical indicators and does not necessarily correspond to any fundamental analysis that may appear elsewhere in this report.

WHEAT (MAR) 01/23/2017: Stochastics turning bearish at overbought levels will tend to support lower prices if support levels are broken. The market's close above the 9-day moving average suggests the short-term trend remains positive. The upside closing price reversal on the daily chart is somewhat bullish. A positive setup occurred with the close over the 1st swing resistance. The next downside objective is 419 1/2. The next area of resistance is around 431 3/4 and 433 3/4, while 1st support hits today at 424 3/4 and below there at 419 1/2.

KC WHEAT (MAR) 01/23/2017: 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 below the 9-day moving average is a negative short-term indicator for trend. The daily closing price reversal up on the daily chart is somewhat positive. It is a slightly negative indicator that the close was under the swing pivot. The next downside objective is now at 435 1/2. The next area of resistance is around 446 1/4 and 448 3/4, while 1st support hits today at 439 3/4 and below there at 435 1/2.

MINN WHEAT (MAR) 01/23/2017: 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 below the 9-day moving average is a negative short-term indicator for trend. The close below the 1st swing support could weigh on the market. The next downside target is 560 3/4. Short-term indicators on the defensive. Consider selling an intraday bounce. The next area of resistance is around 573 1/4 and 579 1/2, while 1st support hits today at 563 3/4 and below there at 560 3/4.

RICE (MAR) 01/23/2017: 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 market tilt is slightly negative with the close under the pivot. The next downside objective is 9.743. The next area of resistance is around 9.860 and 9.902, while 1st support hits today at 9.780 and below there at 9.743.

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										
CNAH7	369 3/4	73.38	65.88	83.63	90.95	366.63	362.08	358.01	355.73	356.07
CNAZ7	395 3/4	72.28	64.96	83.66	91.08	393.38	389.50	385.99	384.73	385.01
SSAH7	1067 1/2	67.95	63.20	77.97	86.40	1070.50	1044.33	1026.19	1030.90	1024.99
SSAX7	1028 3/4	68.13	62.23	78.20	87.56	1026.69	1014.83	1003.15	1008.90	1004.06
SMAH7	348.7	74.39	69.38	80.34	87.84	349.20	333.88	325.26	322.01	320.46
BOAH7	35.15	38.67	41.95	39.95	36.38	35.43	35.61	35.31	36.11	35.93
WHAH7	428 1/4	58.19	57.06	80.90	76.46	429.06	426.81	418.50	414.51	417.93
WHAN7	458 1/2	62.19	60.18	86.42	83.17	459.63	455.81	445.72	441.28	445.29
RCAH7	9.820	52.56	51.00	66.93	65.47	9.88	9.82	9.71	9.82	9.91
KWAH7	443	59.48	59.55	84.62	77.99	447.38	443.53	431.58	422.77	424.60
MWAH7	568 1/2	58.62	60.58	78.53	72.17	571.25	569.36	554.63	541.72	537.26
OTAH7	262 3/4	82.90	76.75	83.81	90.41	256.75	243.22	236.47	228.90	226.88

Calculations based on previous session. Data collected 01/20/2017

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					

CNAH7	Corn	363 1/2	367 1/4	368 1/2	372 1/4	373 1/2
CNAZ7	Corn	390 3/4	393 1/2	395	398	399 1/4
SSAH7	Soybeans	1055 1/4	1062	1066 1/2	1073	1077 3/4
SSAX7	Soybeans	1017 3/4	1024	1027 1/2	1033 1/2	1037 1/4
SMAH7	Soymeal	341.8	345.5	348.2	351.9	354.6
BOAH7	Soybean Oil	34.79	34.92	35.23	35.36	35.68
WHAH7	Wheat	419 1/2	424 1/2	426 3/4	432	434
WHAN7	Wheat	451	455 1/2	457 1/4	461 1/2	463 1/2
RCAH7	Rice	9.742	9.780	9.822	9.860	9.902
KWAH7	KC Wheat	435 1/4	439 1/2	442	446 1/2	448 3/4
MWAH7	MINN Wheat	560 1/2	563 3/4	570	573 1/4	579 1/2
OTAH7	Oats	251 3/4	258	261 1/4	267 1/2	270 3/4

Calculations based on previous session. Data collected 01/20/2017

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