LAKEFRONT FUTURES

THIS ISSUE

Near Term:	
Bullish:	Soybeans
Bearish:	Natural Gas
Long Term:	
Bullish:	Emini S&P
Other:	
Does A Small US Trade Deficit Help or Hurt?	

MAJOR ECONOMIC EVENTS

November 24
- Chicago Fed National Index
- Dallas Fed Manufacturing

November 25
- Producer Price Index
- Retail Sales
- Case-Shiller Home Price Index
- Consumer Confidence
- Pending Home Sales
- Richmond Fed Manufacturing

November 26
- Gross Domestic Product
- Personal Income
- Durable Goods

November 27
- Thanksgiving Day Holiday

November 28
- German/French CPIs
- Canadian GDP

November 21, 2025

Economic Focus

The reopening of the US government and a much stronger-than-expected September US nonfarm payroll gain of 119,000 failed to diminish macroeconomic and geopolitical uncertainty that has dominated markets since the beginning of the shutdown, as well as the trend of softening US data. Despite the reopening of the US government, the geopolitical environment is rife with concern as exploding healthcare costs (starting in 2026) might have reached a breaking point for many households. Unfortunately, Washington, D.C., remains dysfunctional with respect to health insurance, with little desire to "fix" the fundamentally flawed system. While the GOP is fixated on removing fraud, the Democrats stand by their demands to cover everyone, neither of which prioritizes resolving a decade-old quadrupling of insurance rates. As with Middle East tensions, solving the healthcare cost crisis feels impossible, suggesting clouds will continue to hang over the US economy. Given the downside extension in global equities, the market remains concerned about a slowdown, especially as market expectations for a December rate cut begin to dissipate. Equity markets may be overvalued due to AI profitability slowing during the upcoming quarters. Still, slightly disappointing earnings from major US national brand retailers have completely offset the strong "rearview mirror" nonfarm payroll gain. Without a clear-cut pattern of softening data and/or clear-cut signs of declining inflation, the Fed is likely to "dither" until next year. As a result, physical commodity demand is expected to remain weak, many markets are oversupplied, and a strengthening dollar may encourage commodity prices to fall back from recent gains.

OVERVALUED/UNDERVALUED

Fundamental	Technical	COT
OVERVALUED		
Natural Gas	Stocks	Silver
RBOB	Silver	Gold
Gold	Coffee	Coffee
UNDERVALUED		
Bonds	Japanese Yen	Cotton
Soybean Oil	Hogs	KC Wheat
Cocoa	Cotton	Sugar

OUR OPINION... MARKET BY MARKET

Market		*
Stocks	No lift from Nvidia earnings, low rate cut prospects	S
Bonds	Mixed data lending minimal lift; slight bullish bias.	L
Dollar	Winning by default after Sept NFP upside surprise.	L
Euro	Slowing & rate cut prospects favor the bear camp.	S
Gold	Less economic uncertainty hints at temp dip ahead.	S
Silver	Chart damage pushing out weaker longs.	S
Copper	Lack of fresh bullish factors; prices waffle at $5.00.	N
Crude	Surplus forecasts approaching historic highs.	S
Gasoline	Rising refinery rates & cheap crude = more supply.	S
Nat Gas	Overbought & overvalued; US excess supply rising.	S
Soybeans	Near-term weakness, strong support 15c-20c lower.	L
Corn	Mar support below 4.33, seasonal weakness next wk.	S
Wheat	Mar Chicago retraces 50%, but global supplies high.	N
Hogs	No bottom yet, oversold & short-term bounce due.	S
L Cattle	Mkt shrugs off bearish tariff removal, rally potential.	L
Sugar	Brazil CS mills shifting crushing towards ethanol.	L
Coffee	Brazil tariff exemption fuels move to 7-week low.	S
Cocoa	Ivory Coast main crop falls for third year in a row.	L
Cotton	New contract low Friday = downside follow-through.	S

* For traders/commercials who need to be in a market, L = Long, S = Short, N = Neutral
These reflect our opinions for the next 7 days. They may contradict longer term viewpoints expressed elsewhere in this publication.

OPTIONS SCAN

Undervalued

Buy Mar Soybean Oil 51.00/57.00 bull call @ 1.60
Buy Jan Coffee 380.00 call @ 4.70
Buy Jan T-Note 114.00/112.50 bear put @ 0-50

Overvalued

Sell Jan ULSD $2.20 put @ 0.0310 * (after more down)
Sell Dec S&P 6,080 put @ 51.00 * (after more down)
Sell Jan Silver $43.00 put @ 0.27 * (after more down)

Trend Reversals

Buy Feb ULSD $2.44/$2.58 bull call @ 0.0360
Buy Feb Hogs 81.00 call @ 2.25
Buy Mar S&P 7,000/7,300 bull call @ 60.00

Only use these strategies during periods of high liquidity.

*** When selling options, only risk to double the premium received.**

TRADERS TOOLBOX

UPDATES TO PRIOR LONGER-TERM TRADE STRATEGIES

Original Trade Date	Trade	Action
Emini S&P 10/17/25	Long a December S&P 6,800/7,025 bull call spread at 70.00.	Use an objective of 150.00, and risk the option spread to 32.00.
Natural Gas 10/24/25	Long a February Natural Gas $4.20/$5.00 bull call spread at 0.170.	**EXITED STRATEGY at 0.238 for a profit of 0.068.**
Gold 10/31/25	Long a February Gold $3,800/$3,625 bear put spread at 19.20.	Use an objective of 109.00, and risk the trade to 10.00.
Bonds 11/7/25	Long a January Bond 119-00 call at 0-46.	Use an objective of 2-09, and risk the trade to 0-22.
ULSD 11/14/25	**BOUGHT a February ULSD $2.50 call and SOLD a January ULSD $2.50 call for a net price of 0.0102 on the combination.**	If there is a sizable correction, use an objective on the Short January $2.50 call of 0.0420 and hold the long February call. Risk the option strategy **to -0.0138**, and look for guidance in upcoming issues.
Emini S&P 11/21/25	**BUY a March S&P 6,900/7,100 bull call spread at 40.00**	**Use an objective of 136.00, and risk the option spread to 18.00.**

Trade recommendations are only suggestions. This is not to be construed as a trading system or tracking account. No representation is being made that any account will or is likely to achieve profits or losses to those shown. By reading or following this report, you acknowledge and accept that all trading decisions are your own sole responsibility, and The Hightower Report or anybody associated with The Hightower Report cannot be held responsible for any losses that are incurred as a result. Trade fills are hypothetical. Traders may not be able to enter or exit the trades exactly at the prices indicated due to liquidity or market slippage.

S&P: CLOSE TO A MOVE HIGHER?

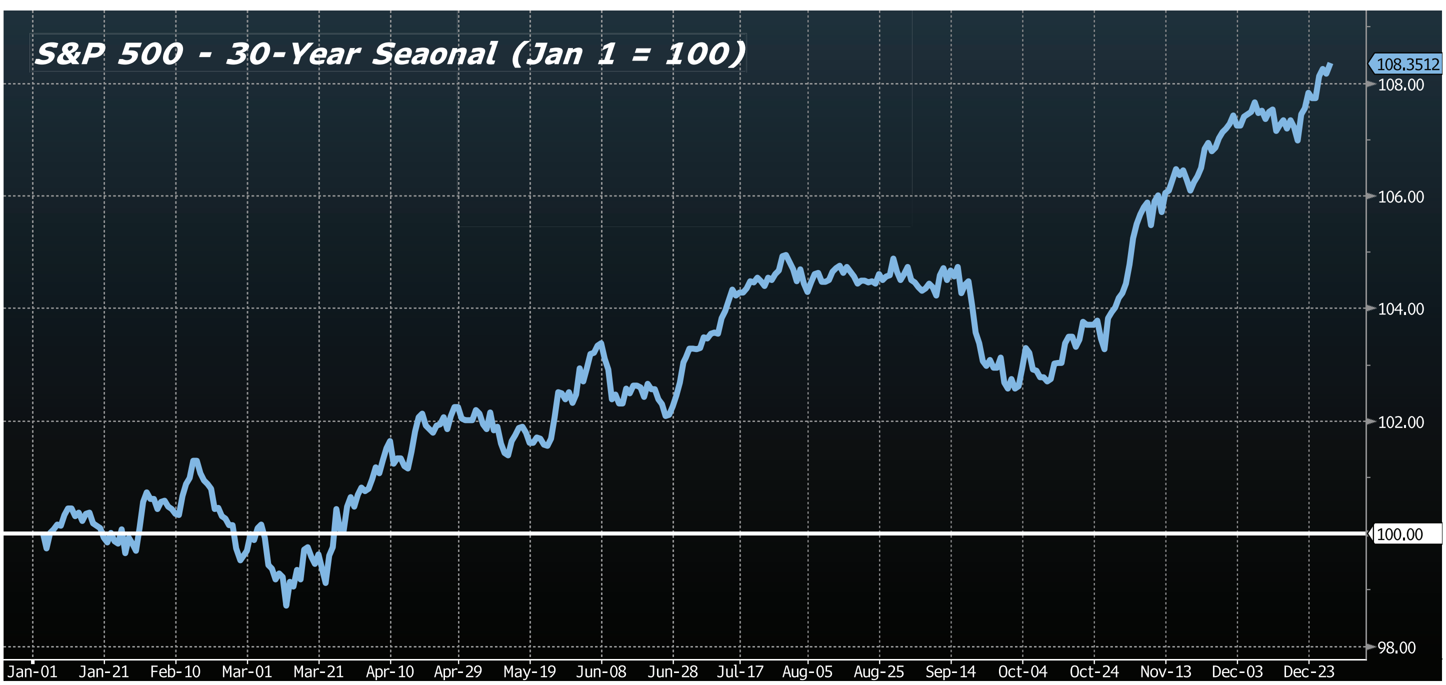
US equity markets are clearly in retreat amid a softening pace of the US economy, but not yet weak enough to ensure a December FOMC rate cut. Furthermore, "AI profitability hopes" (after fueling a historic 41% rally from April through October) are starting to evaporate, and investors have realized that AI stock prices have probably risen well beyond fair valuations. We should also note that major US retailers disappointed investors with mixed/soft earnings, resulting in yet another market sector falling out of favor. Furthermore, Covid-era health insurance subsidies expire at the end of December, and the cost of health insurance to US citizens will increase by $350 billion! With consumers already facing extremely high vehicle prices (both used and new), sky-high home prices, and continually high prices on many retail items, we expect US consumer sentiment to drop over the coming weeks, and ultimately, we think the final totals for holiday sales will be very disappointing.

With the S&P already more than 5% below the all-time high and the primary bullish focus of 2025 (AI profitability) being extracted daily, the current correction looks to extend. On the other hand, equity markets are facing a long list of bearish forces, and the bear camp may overplay its hand before the "Black Friday" shopping event. In other words, we expect a spike-down move before the Thanksgiving holiday market closure (or shortly thereafter), and that will present a key pivot point for investors. While historical seasonal patterns are not a certainty and there is no guarantee they will manifest this year, the Christmas holiday season can improve consumer and investor psychology. Our bullish forecast for the end of the year is not predicated on seasonal bullish action (as seen in the enclosed chart), but rather on the prospect of significantly oversold technicals, a December shift in Fed policy sentiment, and some mitigation of the looming health insurance disaster.

While we do not expect the current correction to be as significant as the February/April washout, the fundamental outlook suggests a potential decline may still be substantial. During this past week, the S&P fell below its 100-day moving average, stochastics were in a "sell" mode, and we suspect that small spec long positioning needs further liquidation. Our downside target for the December S&P is 6,427.00.

Long-term Trading Strategy

BUY a March S&P 6,900/7,100 bull call spread at 40.00 with an objective of 136.00. Risk the option spread to 18.00.

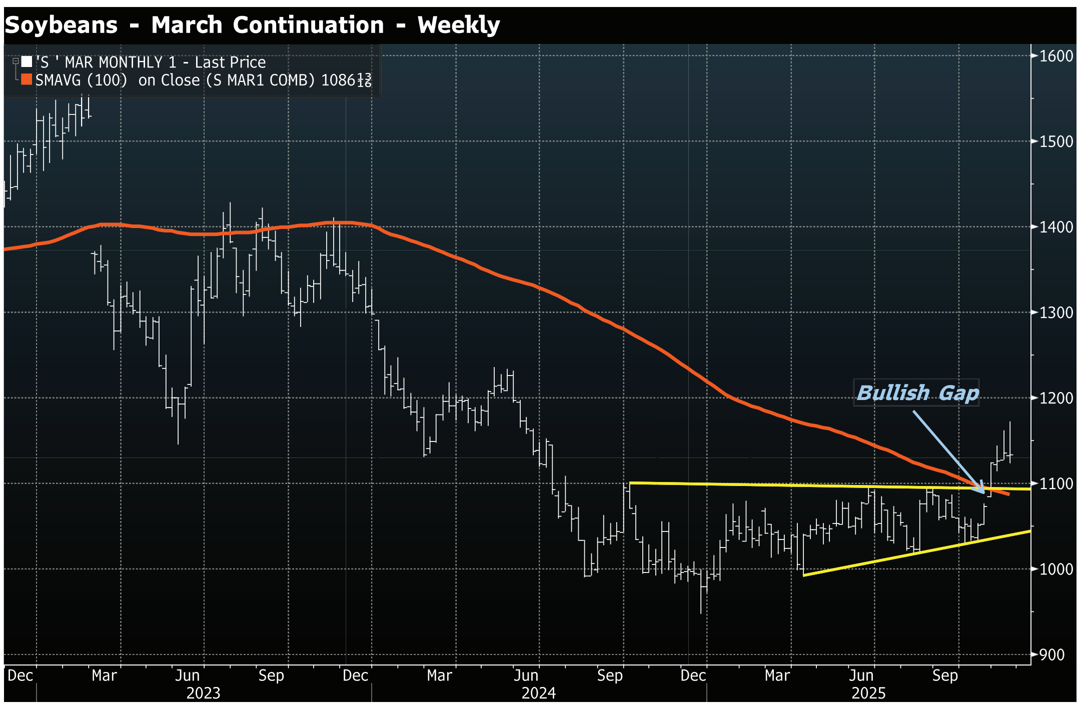


SOYBEAN BREAK PROMPTS MORE CHINA BUYING?

Soybean futures have turned lower as the market searches for a level capable of reigniting Chinese buying after the initial post-summit optimism fades. However, the current break is nearing a level where traders can consider long-side positioning.

Since the Trump-Xi meeting in South Korea at the end of October, China has purchased roughly 2.7 million tonnes of US soybeans, a welcome boost for exporters, but still well short of the 12 million initially pledged under the trade understanding announced after the summit. That gap between commitments and reality has weighed on sentiment, with traders now debating what triggers the next round of Chinese buying. Based on technical and fundamental factors, the market appears to be targeting the $11.00–$11.10 area on March futures as the next major zone of support. This area aligns with the late October upside breakout of the 2025 trading range. The weekly chart gap higher that formed in late October is another reason prices have a strong pullback base.

From a weather standpoint, although not a current major market factor, private forecasters are calling for a drier pattern for December/January across



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SOYBEAN BREAK PROMPTS MORE CHINA BUYING?

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southern Brazil and Argentina, consistent with emerging La Niña conditions. While dryness could reduce yield potential in early-planted soybeans and give the market a price boost in early 2026, it's too early to quantify any impact, and markets typically wait for January weather confirmation before pricing in major South American production risk.

USDA SUPPLY/DEMAND US SOYBEANS	20-21	21-22	22-23	23-24	NOV USDA 24-25	SEP USDA 25-26	NOV USDA 25-26
Planted Area (M Acres)	83.4	87.2	87.5	83.6	87.3	81.1	81.1
Harvested Area (Acres)	82.6	86.3	86.2	82.3	86.2	80.3	80.3
Yield (Bu/Acre)	51.0	51.7	49.6	50.6	50.7	53.5	53.0
Beginning Stocks (M Bu)	525	257	274	264	342	330	316
Production	4,216	4,464	4,270	4,162	4,374	4,301	4,253
Imports	20	16	25	21	27	20	20
Supply,Total	4,761	4,737	4,569	4,447	4,744	4,651	4,590
Crushings	2,141	2,204	2,212	2,285	2,445	2,555	2,555
Exports	2,266	2,152	1,980	1,700	1,875	1,685	1,635
Seed	101	102	72	75	70	73	73
Residual	-4	5	41	44	37	37	37
Use, Total	4,504	4,463	4,305	4,105	4,427	4,351	4,300
Ending Stocks	257	274	264	342	316	300	290
Stocks/Use Ratio	5.7%	6.1%	6.1%	8.3%	7.1%	6.9%	6.7%

For now, we view the current setback as a healthy correction within a broader uptrend that began in October. US export competitiveness remains a key factor, as American prices are still above Brazilian offers, though the spread is narrowing quickly. If March futures retreat into the $11.00–$11.10 band, value buyers and Chinese importers may return, setting the stage for a buying opportunity and renewed upside momentum into the Christmas holiday season and into early 2026.

Suggested Trading Strategy

Option Trade: BUY the March Bean 1120/1200 bull call spread for a net cost of 25 cents or better on a pullback. Risk 15 cents of the premium on the spread. Take profit on the spread if March futures touch 1189.

Top 12 Rapeseed Producers

The USDA has forecast 2025/26 world rapeseed production at 92.273 million tonnes, a 7.3% increase from 2024/25 and the largest global production total on record.

Courtesy of the USDA, here are the 12 largest producers of rapeseed during the 2025/26 season (in tonnes):

European Union	20,200,000
Canada	20,000,000
China	15,900,000
India	12,000,000
Australia	6,700,000
Russia	5,500,000
Ukraine	3,600,000
USA	1,972,000
Bangladesh	1,450,000
Belarus	1,100,000
UK	900,000
Pakistan	565,000

NATURAL GAS LIKELY TO RETEST OCTOBER LOWS

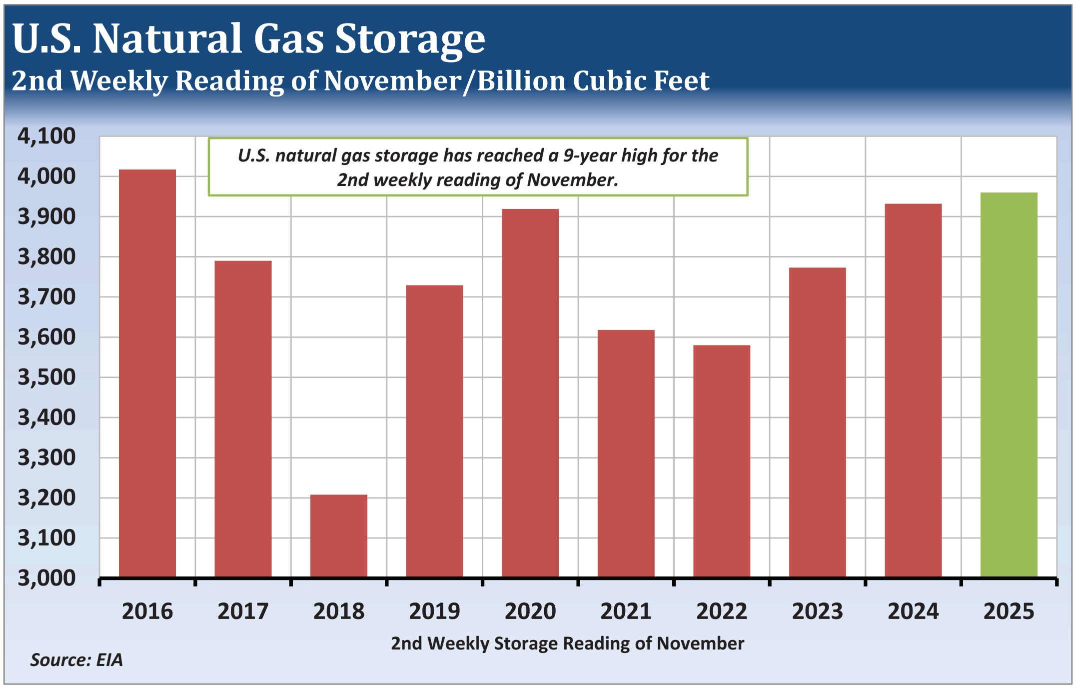
The natural gas market has rebounded from its 2025 low in mid-October and, after shaking off a late-October pullback, reached a 4-month high last week. Following another sizable pullback early this week, natural gas prices recovered, but could not climb above last week's high. Open interest has declined by over 200,000 contracts over the past month (October 20th to November 20th), indicating this rebound was fueled in part by speculative short covering.

US natural gas storage follows a seasonal cycle, with lows in early April (at the end of the winter heating season) and highs in early November (at the start of the winter heating season). The latest EIA weekly gas storage report reflected US supply as of November 14th, which is the second week of the month. A reading of 3,946 billion cubic feet (bcf) was slightly above last year's 3,932 bcf, and it is the highest second-week November reading for 9 years.

A key factor in this year's ample storage has been record-high US dry gas production, which Reuters/LSEG has estimated at a November monthly average above 109 billion bcf per day. Feed gas demand for US LNG production is also at a record high, above 18 bcf per day. Still, it will not have a significant increase from current levels until the Golden Pass, Texas, facility reaches full capacity next year. US gas storage is likely to remain above the 5-year average going into 2026, which will keep pressure on natural gas prices throughout the rest of this year.

Suggested Trading Strategy

Option Spread: **BUY** a February Natural Gas $4.300/$3.850 bear put spread at 0.205 or better. Use an objective of 0.385, and risk the option spread premium to 0.155.



DOES A SMALL US TRADE DEFICIT HELP OR HURT?

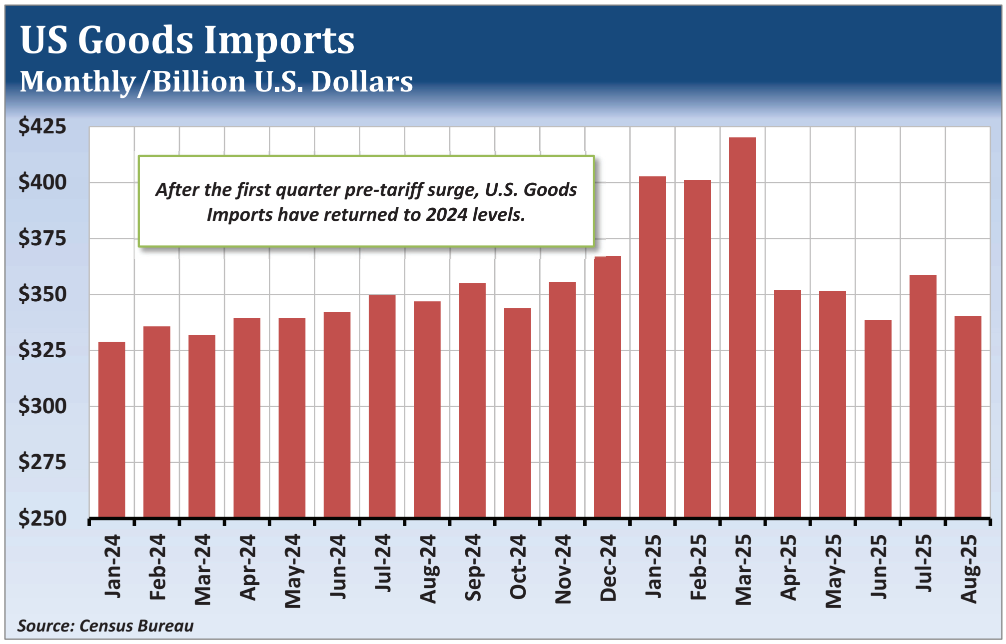
US government economic data releases have restarted. However, they will be "backward-looking" as agencies release delayed data first. As a result, the "latest" US trade balance data for August was released on Wednesday. The August monthly goods and services deficit generated market headlines, as $59.55 billion was the second-smallest deficit since March 2023 and the third-smallest over the past five years.

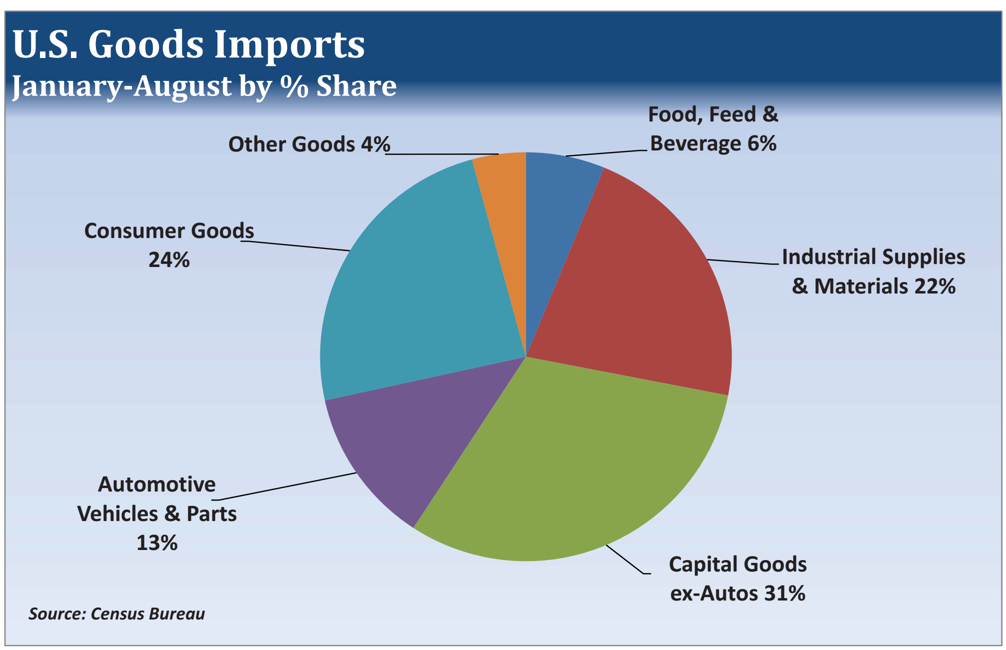
Given 2025's extreme volatility in monthly results, it is essential to remember that a large US trade deficit may not necessarily be a bad sign for the US economy. During the first two decades of this century, the most significant monthly deficits occurred between 2005 and 2008, when the US economy was considered to be in good shape. In contrast, the smallest monthly deficit ($25.84 billion) occurred in May 2009, when the economy was still recovering from the 2008 financial crisis.

President Trump's re-election in November 2024 sent the trade deficit surging higher as he campaigned on imposing import tariffs. The three largest monthly US trade deficits occurred between January and March 2025 (all over $120 billion) as producers hurried to ship their goods to the US before the government imposed import tariffs. Following April 2nd "Liberation Day", the US trade deficit contracted sharply, with three of the last five monthly readings coming in under $61 billion.

There is little surprise that most of the volatility in the trade balance reading came from the goods imports category. From $343.751 billion in October 2024, goods imports rose to $420.013 billion in March before falling back to $340.382 billion in August. Keep in mind that the average monthly total for US goods imports during 2024 was $344.755 billion. Even with a steep decline after tariffs were imposed, US goods imports are roughly at the same level as last year.

Over the first 8 months of this year, US goods imports totaled $2.373 trillion, up from $2.165 trillion over the same period last year. The three most significant year-over-year increases have been in finished metal shapes ($75.919 billion), computers ($53.990 billion), and pharmaceuticals ($50.810 billion). The most significant year-over-year declines were passenger cars ($18.296 billion), crude oil ($16.602 billion), and fuel oil & other petroleum products ($11.138 billion).





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COMMITMENTS OF TRADERS

Data As of October 7, 2025
Non-Commercial & Non-Reportable
Combined Futures & Options

Market	Net Position	Net Change	4-Wk Net Change	52-Wk Ranking
Grains				
CBOT Grains	-243,662	31,791	-65,542	11
Corn	-167,496	-10,805	-64,697	12
KC Wheat	-44,186	-7,524	-12,548	11
Minn Wheat	-26,160	-2,368	-4,892	6
Rice	-5,249	-356	-677	3
Soybeans	-1,174	39,851	-1,056	33
Soyoil	26,001	10,517	-17,178	12
Soymeal	-65,728	3,226	-25,188	11
Wheat	-74,992	2,745	211	35
Livestock				
Cattle	108,458	1,549	-6,093	14
Feeder Cattle	10,840	1,559	579	28
Hogs	141,260	-9,727	-3,535	49
Metals				
Copper	51,918	8,091	12,478	52
Gold	257,810	-25,574	-34,462	20
Platinum	22,814	-2,401	-2,292	20
Silver	67,287	-2,750	-2,343	24
Softs				
Cocoa	6,291	-946	-4,470	1
Coffee	47,922	2,129	-1,486	24
Cotton	-59,827	-8,094	-17,120	2
Milk	-9,211	1,800	1,143	11
OJ	1,193	-1,008	-1,425	1
Sugar	-98,872	-975	5,239	4
Currencies				
Canadian	-150,715	-17,002	-37,428	19
Dollar	-13,165	506	194	3
Euro	157,471	5,202	1,561	47
Energies				
Crude Oil	144,059	-30,010	-18,120	1
Gas (RBOB)	46,892	-12,265	-8,819	23
Heating Oil	37,955	-11,696	-7,785	39
Natural Gas	-134,933	-16,712	-30,304	9
Financials				
Bonds	97,830	31,956	34,431	49
E-Mini S&P	-50,937	-551	90,768	20
Dow Jones $5	-11,191	2,453	-2,774	2
T-Notes	-621,103	-64,903	-54,455	35
	Extreme	Ranking 1 = Shortest Short		
	5% of Extreme	52 = Longest Long		