



Monthly Commodity Futures Overview March 2024 Edition

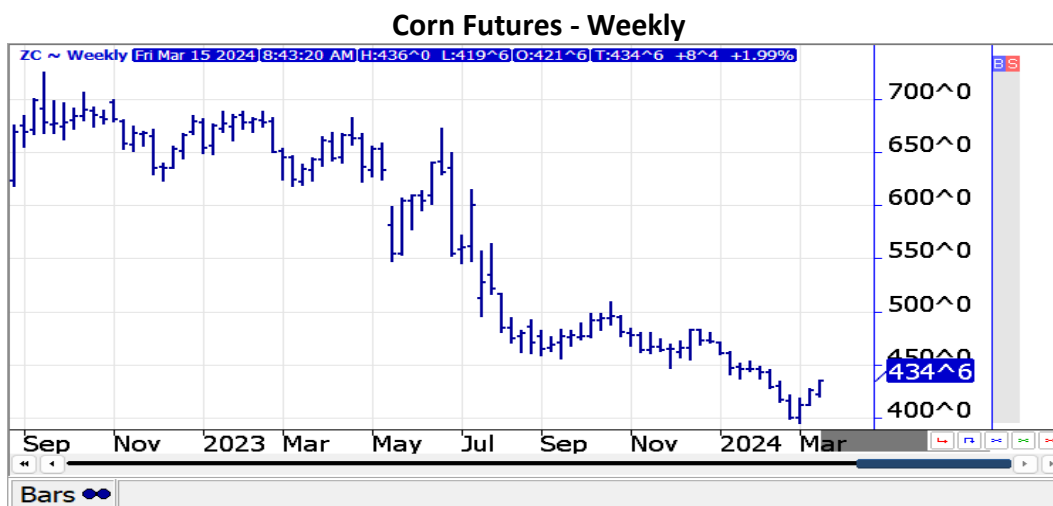
Grain Market Outlook for the United States and South America by Mark Soderberg, Senior Grain Market Specialist, ADM Investor Services

*The following report is an overview of the US and South American economic, political and crop situations as of **March 14, 2024**. This report is intended to be informative and does not guarantee price direction.*

Corn

U.S. corn ending stocks were left unchanged at 2.172 bil. in the USDA's March WASDE report. We were looking for a 25 mil. bu. reduction on increased usage for ethanol production. The average U.S. farm price slipped \$.05 to \$4.75 bu. Global ending stocks for 2023/24 are forecast to increase to 319.6 mmt from 301.6 mmt in 22/23, slightly below expectations and down 2.4 mmt from the February 2024 WASDE report. The USDA made no change to its Brazil's production estimate, holding steady at 124 mmt. Argentine production rose 1 mmt to 56 mmt, which was more than offset by a 1 mmt reduction in Ukraine and a 1.3 mmt cut in South Africa. Exports rose 1 mmt in Argentina and 1.5 mmt in Ukraine.

While Brazilian weather and second crop production prospects will be crucial to price discovery, the markets attention will gradually shift to the U.S. planting season and the stocks/acreage report at month-end. I look for prices to grind sideways to higher for the balance of the month as speculators pare back on short positions ahead of the U.S. planting season. After reaching a 3-year low recently, with prices dipping under \$4.00, while speculative traders hold a near record short position, markets certainly are vulnerable to a short covering surge. So far we have just been lacking a needed spark to ignite.



Soybeans

U.S. soybean ending stocks were left unchanged at 315 mil. We were looking for a 20 mil. bu. increase on lower exports. The average U.S. farm price held steady at \$12.65 bu. Soybean meal production rose 100k tons without raising the crush. Offsetting the higher supplies was a 400k short ton reduction in domestic usage, while raising exports 500k tons to a record 15.8 mil. short tons (14.3 mmt). Global ending stocks for 2023/24 are forecast to increase to 114.3 mmt from 102.2 mmt in 22/23, slightly below expectations and down 1.7 mmt from the February 2024 WASDE. The USDA made no change to Argentina's production, holding steady at 50 mmt. Brazil's production slipped 1 mmt to 155 mmt, vs. expectations for nearly a 4 mmt cut. Brazil's export forecast rose 3 mmt to 103 mmt matching the increased import forecast from China, now up to 105 mmt for the 23/24 MY. The USDA also increased Chinese old crop 22/23 MY imports 3.65 mmt to 104.5 mmt. The CFTC recently showed money managers were holding a record short position at 172k contracts. A short covering bounce into month and quarter-end appears likely.

Wheat

U.S. wheat ending stocks rose 15 mil. bu. to 673 mil. due to a drop in exports. Expectations were for stocks holding steady. SRW winter exports dropped 10 mil., while HRW fell 5 mil. The U.S. average farm price slipped \$.05 to \$7.15 bu. Global stocks are forecast to drop to 258.8 mmt, down from 271 mmt YA, and very little changed from February 2024. Production was increased by .5 mmt or less in Argentina, Australia and Russia with a modest drop in the EU. Exports rose 1 mmt in Ukraine and .5 mmt in Australia. The U.N. World Food Price Index fell to 117.3 in February 2024, the seventh consecutive monthly decline, and the lowest reading since February 2021. Stats Canada forecasts all wheat acres at 27.05 mil., slightly above YA vs. expectations for a slight drop. Chinese cancellations from a number of global suppliers continue to weigh on global wheat valuations.

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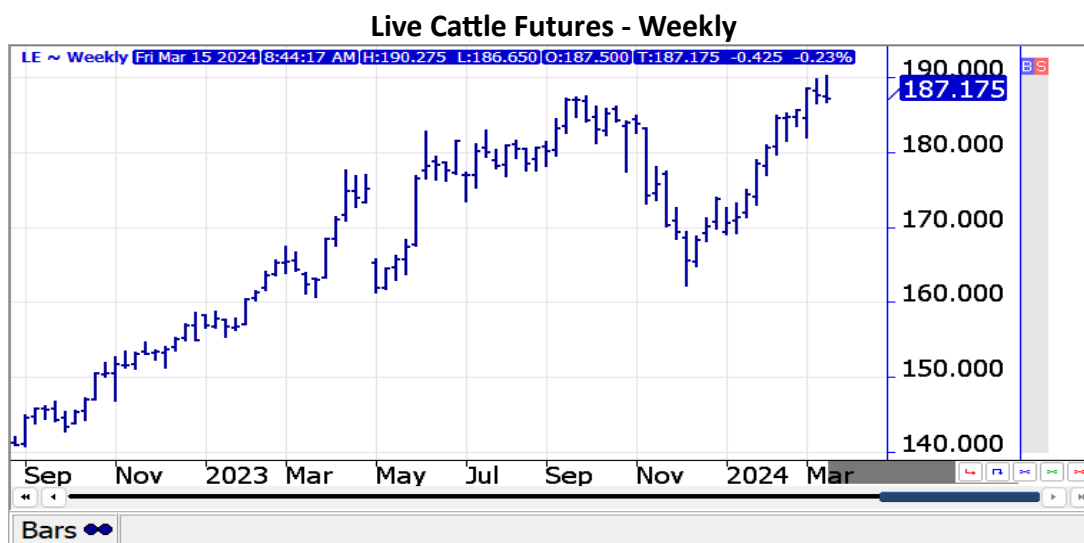
Livestock Outlook by Chris Lehner, Senior Livestock Analyst, contracted by ADM Investor Services

The following report is an overview as of **March 14, 2024** and is intended to be informative and does not guarantee price direction.

Live Cattle

Cattle numbers continued to fall in February 2024. USDA reports estimated the U.S. inventory was 87.2 million head, the smallest inventory since 1951. Feeder cattle numbers were estimated to be down 4.2%, which is the lowest level since 1972.

At the beginning of February there was an uptick in U.S. cattle slaughter due to cattle recovering from the subzero temperatures of January 2024. On the week ending February 3, cattle slaughter was 637,000 head. The following week it dropped to 622,000 head. By mid-February several union cattle packing companies dropped slaughter schedules to the minimum pay hours at 32 hour a week. By February 2024 cattle slaughter was down to 593,000 head for the week. With fewer available cattle, prices increased. Prices during February began with an average price of \$177.50 for cash negotiated cattle and by the end the month cash cattle prices were \$183.50. The CME Boxed Beef Index on February 1 was \$294.52 and by February 29 it was up to \$300.22.



Lean Hogs

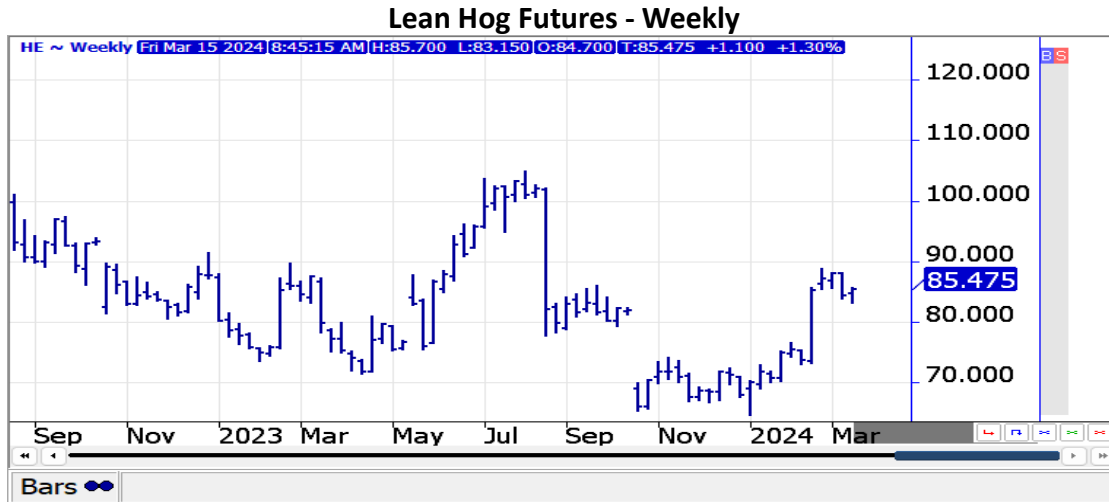
Because of drifting snow-blown roads and subzero temperatures in January, the U.S. hog slaughter dropped and was down 1.4% year-to-date at the beginning of February 2024. However, with no delays in February, slaughter schedules picked up the delayed hogs of the previous

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month, and by month-end February slaughter was up 1.3%, and over a quarter of a million more hogs year- to-date.

Pork and hog prices increased in February. From February 1 through February 29 the CME Pork Index gained \$2.31 to \$90.94 and the CME Lean Hog Index increased \$7.44 to \$80.15.



Charts from QST

Stock Index, Currency, Crude Oil and Precious Metal Futures Market Outlook by Alan Bush, Senior Financial Economist, ADM Investor Services

The following report is an overview as of **March 14, 2024** and is intended to be informative and does not guarantee price direction.

Stock Index Futures

Stock index futures have been strong this year, including recent record highs for S&P 500 and NASDAQ futures. However, there was selling when the February consumer price index, excluding food and energy, came in at up 0.4% when a gain of 0.3% was anticipated, and also when the February producer price index report showed an increase of 0.6% when up 0.3% was forecast, and the producer price index, excluding food and energy, advanced 0.3% when a gain of 0.2% was estimated.

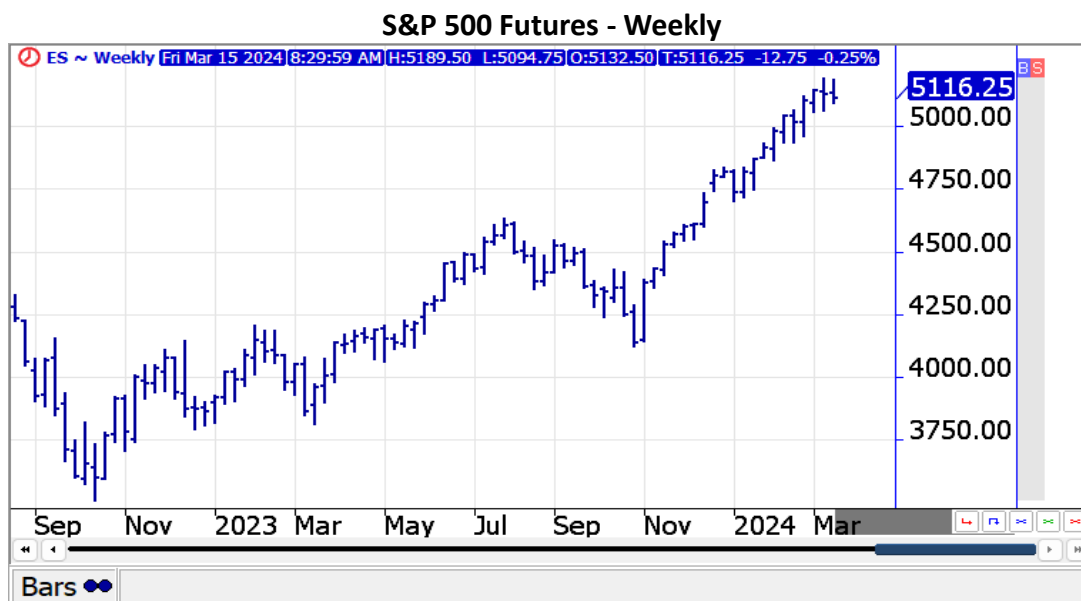
Futures have steadily marched higher in 2024 despite the ongoing belief that the Federal Open Market Committee will be slow to pivot to accommodation this year. So, it appears that some other fundamentals are dominating that are not yet obvious. Keep in mind that it is a rule of thumb that any time a market can advance on bearish news, which is the case now in light of a

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Federal Reserve that is slow to pivot to accommodation, it is an indication of likely follow-through gains.

The fundamentals and technicals remain supportive to stock index futures.



U.S. Dollar Index

The U.S. dollar index was strong in January and early February due to the consensus view that the Federal Reserve may be slow to reduce its fed funds rate this year. However, the greenback topped on February 13. Economic reports have been mixed. Nonfarm payrolls in February increased 275,000 when up 190,000 was expected, and private payrolls were up 223,000 when a gain of 150,000 was anticipated. Manufacturing payrolls were down 4,000 when an increase of 10,000 was predicted, and the unemployment rate jumped to 3.9% when 3.7% was forecast. Average hourly earnings were disappointing, increasing only 0.1% when up 0.3% was predicted.

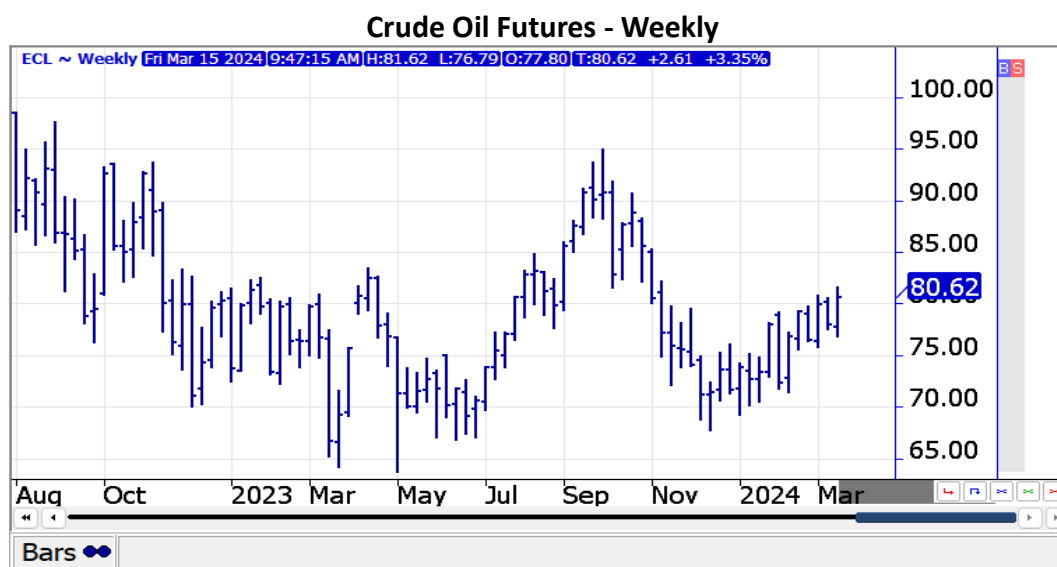
Euro Currency

The euro currency bottomed in the second week in February. Economic reports have been mixed. German industrial output increased 1.0% month-over-month in January 2024, marking the first expansion in nine months and surpassing market predictions of 0.6% growth. Factory orders in Germany shrank 11.3% month-to-month in January 2024, which was worse than market forecasts of a 6.0% decline, after an upwardly revised 12% gain in the prior month. This was the steepest drop in six months. Industrial producer prices in the euro area decreased by 8.6% year-on-year in January 2024, from a revised 10.7% drop in the previous month. An 8.1% decline was estimated. The euro zone fourth quarter gross domestic product was unrevised at 0.0% growth on a quarter-to-quarter basis, which was forecast.

The European Central Bank kept its refi rate unchanged at 4.50% at its policy meeting as expected. The ECB lowered it's 2024 growth forecast to 0.6% from 0.8% and lowered its 2024 inflation estimate to 2.3% from 2.7%.

Crude Oil

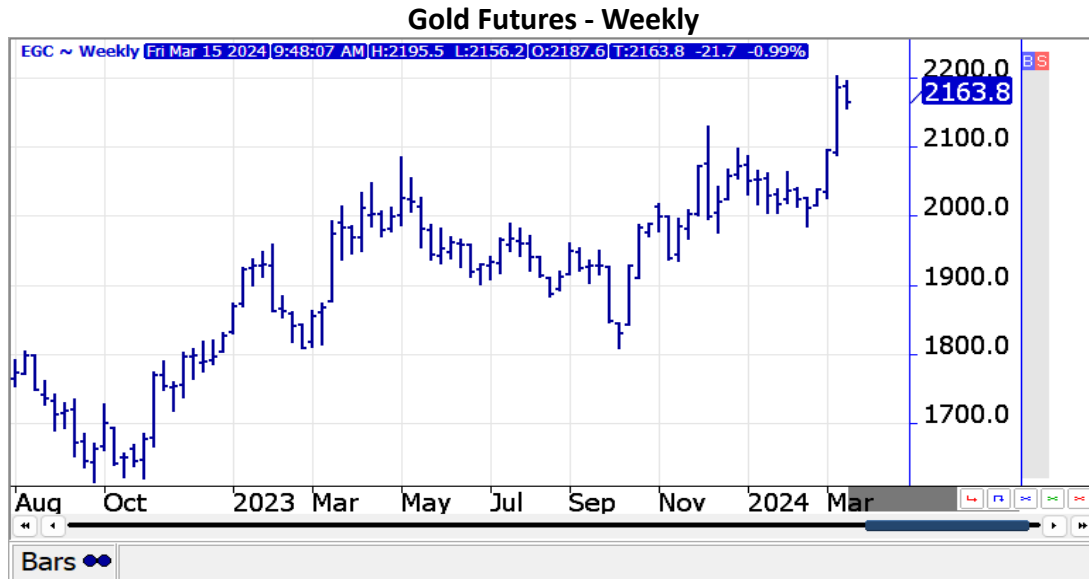
Crude futures advanced to above \$80 per barrel on March 14, propelled by a report from the American Petroleum Institute indicating a significant reduction in U.S. crude oil stockpiles. The API data showed a 5.5 million barrel decline in inventories for the week, marking the first drop in seven weeks. In addition, the report highlighted a decline of almost 1 million barrels at the Cushing hub in Oklahoma, alongside lower gasoline and diesel stocks. Gains were limited on news that Iraq exceeded its quota for oil production for the second consecutive month, according to OPEC and when the EIA predicted a faster-than-expected increase in U.S. oil production for 2024.



Gold

Gold advanced to new historical highs on March 8. However, some of the gains were given back recently due to stronger than anticipated U.S. inflation data, which further clouded the outlook for when the Federal Open Market Committee will begin pivoting to accommodation. The February consumer price index and producer price index reports showed higher than expected inflation levels, which pressured prices.

Strong central bank buying remains a long term supportive influence on the gold market.



All charts provided by QST

SUPPORT AND RESISTANCE

Grains

May 24 Corn

Support 4.10 Resistance 4.71

May 24 Soybeans

Support 11.25 Resistance 12.52

May 24 Chicago Wheat

Support 5.24 Resistance 5.90

Livestock

April 24 Live Cattle

Support 180.50 Resistance 195.00

April 24 Lean Hogs

Support 79.50 Resistance 90.00

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Stock Index

June 24 S&P 500

Support	5105.00	Resistance	5330.00
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June 24 NASDAQ

Support	17700.00	Resistance	18800.00
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Energy

May 24 Crude Oil

Support	75.40	Resistance	84.80
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May 24 Natural Gas

Support	1.720	Resistance	1.920
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Metals

April 24 Gold

Support	2130.0	Resistance	2210.0
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May 24 Silver

Support	24.60	Resistance	25.75
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May 24 Copper

Support	3.9250	Resistance	4.2200
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Currencies

June 24 U.S. Dollar Index

Support	102.500	Resistance	103.850
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June 24 Euro Currency

Support	1.08500	Resistance	1.10300
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