



Monthly Commodity Futures Overview November 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 **November 14, 2024**. This report is intended to be informative and does not guarantee price direction.*

Corn

The November 2024 USDA production and WASDE data was neutral to mildly supportive. U.S. production slipped 60 mil. bu. to 15.143 bil. roughly 45 mil. below expectations. The average U.S. yield slipped back to 183.1 bpa down from 183.8 bpa in October, however, was still a record high. Harvested acres remained unchanged at 82.71 mil. Notable yield changes were Texas down 9 bpa, Colorado down 8, Kentucky down 6, and Illinois down 4., Indiana up 7 bpa, North Dakota up 5, South Dakota up 3 and Ohio up 2 bpa. Surprisingly, the USDA made no changes to the usage side of the equation, leaving total demand at 14.990 bil. bu. Ending stocks fell 61 mil. bu. to 1.938 bil. bu., while the highest in six years, they were slightly below expectations.

As of the end of October 2024, corn export commitments were up 48% over the previous year vs. the USDA forecast of up only 1.4%. I expect higher exports in subsequent USDA reports, along with slightly higher usage for ethanol production. Global stocks were lowered 2.4 mmt to 304 mmt, nearly 2 mmt below expectations. Outside of the U.S. there were no significant changes to global production. Chinese imports were cut 3 mmt which were partially offset by a 1.5 mmt increase in Mexico's imports. The rebound in December 2024 corn stalled very near the October high at \$4.34. I anticipate prices to hold well above the \$4.00 level on strong demand and limited farmer selling interest. The upside would appear limited with South American forecasts remaining favorable for crop development.

Corn Futures - Weekly



Chart from QST

Soybeans

While the November 2024 USDA production and WASDE data was supportive to the soybean complex, the price rally quickly stalled on favorable weather conditions in South America along with concern over another trade war with China resulting from the re-election of Donald Trump to the Oval Office. U.S. production plunged 121 mil. bu. to 4.461 bil. roughly 95 mil. below expectations. The average yield was cut 1.4 bpa to 51.7 bpa. Neither production nor yield remain at record highs. Yields were lowered across several Midwest states with Wisconsin and Missouri down 4 bpa, Iowa and Kentucky down 3, while Illinois, Minnesota Missouri, South Dakota and Tennessee were all lowered 2 bpa.

The USDA partially offset the lower production by cutting demand 40 mil. bu. to 4.348 bil. As we expected, exports were cut 25 mil. bu. Surprisingly the crush was lowered 15 mil. bu. when we were expecting a modest increase. It was also surprising to see the USDA made no changes to soybean oil exports or usage for biofuel production despite demand running well above USDA projections. U.S. 2024/25 ending stocks fell 80 mil. bu. to 470 mil., well below expectations and below the range of pre-report estimates. Global stocks dropped to 131.7 mmt, largely due to tighter U.S. inventories. While January 2025 will likely dip back below \$10 per bu., I anticipate good support developing above the contract lows on strong crush driven by soybean oil demand.

Wheat

U.S. ending stocks were left virtually unchanged at 815 mil. bu., in line with expectations. World ending stocks were also unchanged at 257.6 mmt, slightly above expectations. Prices have broken out to the downside as key U.S. winter wheat growing areas have seen good rains in early November cutting into the moisture deficits, while also leading to improvement in crop ratings

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just ahead of winter dormancy. Despite lower production and lower supplies, Russia continues to offer wheat at prices below the floor suggested by their Ag. Ministry and at levels well below U.S. offers. As a result, the U.S. remains largely uncompetitive in the global marketplace. While tight supplies among global exporters has not been able to generate upside price momentum, I do not expect to see prices falling below their August lows of \$5.20 for spot Chicago, \$5.27 for spot Kansas City.

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

*The following report is an overview as of **November 18, 2024** and is intended to be informative and does not guarantee price direction.*

Live Cattle

After a slow September for beef demand when consumers have school expenses and credit card payments from summer travel, wholesale beef demand began to increase in October, particularly for the high priced beef cuts, rib and loin primal sections, prime rib roasts, loin roasts and steaks. Including frozen stocks, wholesalers began to build inventory in October for the late year holidays and take advantage of lower prices starting in October. For example, beef prices for choice rib primals, prime rib roasts, as of October 1, 2024, were \$484.17. By October 15, 2024, the price moved to \$515.23, and by October 31 rib primals were up to \$557.88. Loin primals for the month moved up from \$357.21 to \$387.73.

The middle primals such as chuck primals for the month began October at \$273.86 and ended the month at \$275.93. Wholesale demand pushed the total choice value from \$300.18 to \$317.60. Retail demand had the consumer buying the cheaper cuts and kept beef and cattle prices from exploding to the upside. Cash cattle prices averaged for October 2024 from \$186.25 to \$189.93.

Live Cattle Futures - Weekly



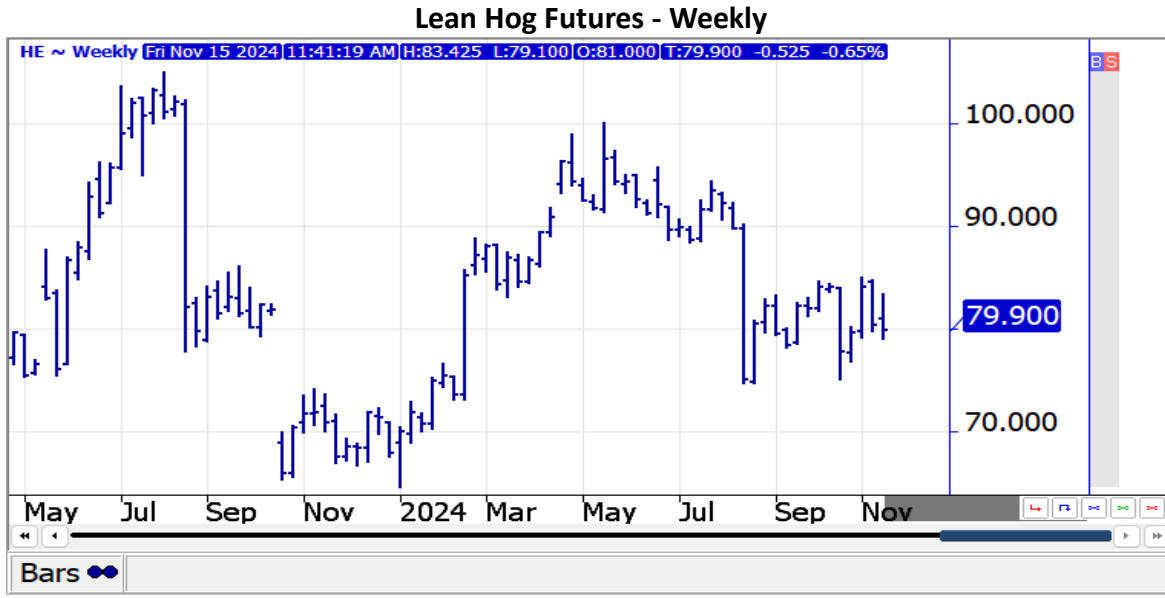
Lean Hogs

U.S. pork exports have been a boon for hogs even with increasing hog supplies in 2024. By October 31, 2024, the year-to-date U.S. hog slaughter was 1,104,215 head higher than the same period in 2023, a 1% increase. In 2023 for the same period as 2022, hog slaughter was up 1.4% year-to-date.

From January 2024 through September 2024, U.S. hog exports were up 5% compared to the same period in 2023, and for all of 2023 pork exports were up 8%. On October 31, 2024, the average 5-day carcass price was \$101.30, and the CME lean hog index was \$86.78. With fewer hogs in 2023 the average pork carcass \$86.81 and the CME lean hog index was \$77.51. Pork exports to Mexico have by far been the leader. In 2023 yearly exports to Mexico were 1,100,985 MT, which is up 14% from 2022. From January 2024 - September 2024 exports were 850,204 MT up 7%. China, which is the second largest export buyer in 2024, has imported 338,437 MT during the same period.

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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 **November 15, 2024** and is intended to be informative and does not guarantee price direction.*

Stock Index Futures

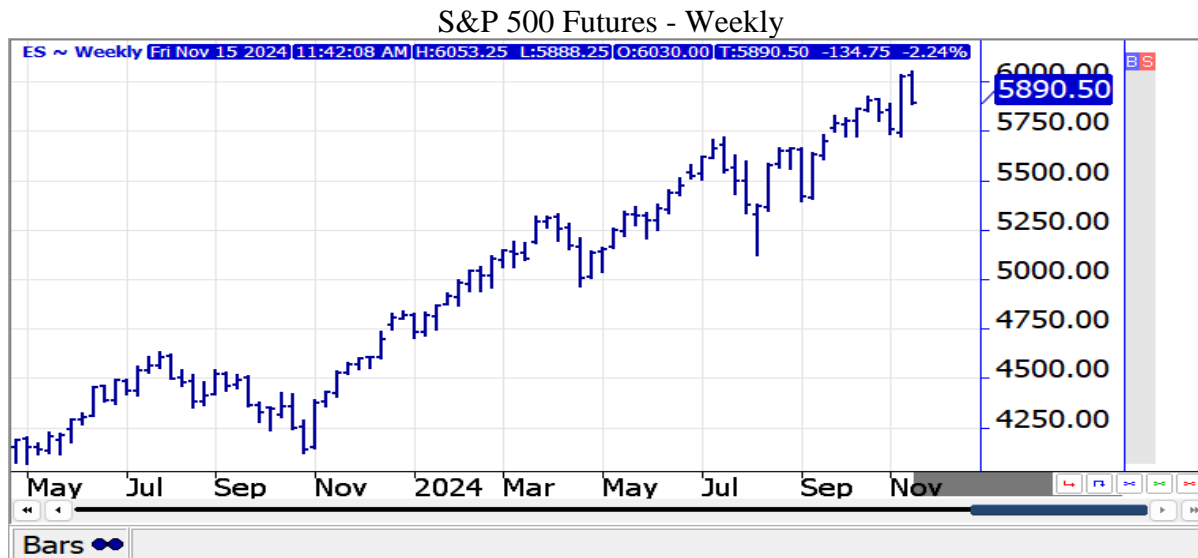
S&P 500, NASDAQ, Dow Jones and Russell 2000 futures advanced to record highs as traders assess the economic impact of President-elect Donald Trump's transition to the White House. Prices advanced until the middle of November despite the growing belief that the Federal Open Market Committee will be slower to lower its fed funds rate in 2025 than what was previously forecast a few weeks ago. The fact that stock index futures were so strong despite the bearish influence of a likely less accommodative Federal Reserve suggests traders are looking ahead to other more dominant bullish fundamentals.

More recently, in a delayed reaction, there was pressure on futures as it became more obvious that the Federal Open Market Committee will be slower to reduce its fed funds rate than what had been anticipated just a few weeks ago.

In the longer term, though, the fundamentals on balance, and technicals remain supportive to stock index futures.

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U.S. Dollar Index

The U.S. dollar index saw broad gains, with the euro and yuan dropping to multi-month lows against the greenback. The U.S. dollar index surged to its highest level since the first week of December 2022. In addition, most economic reports in the U.S. have come in stronger than expected. For example, retail sales in October increased 0.4% when a gain of 0.3% was expected, and the November Empire State manufacturing index was 31.2 when 0.0 was forecast.

In addition, the greenback has been supported by the "Trump trades." in light of increasing optimism surrounding the potential for a stronger U.S. economy that is being fueled by expectations of deregulation and tax cuts, which could boost growth and elevate inflation. This, in turn, may limit the Federal Reserve's ability to lower interest rates. Federal Reserve Chair Jerome Powell emphasized that the central bank is in no hurry to cut rates, while Boston Federal Reserve Bank President Susan Collins indicated that while a December rate cut is under consideration, it is not yet guaranteed.

The fundamental outlook remains supportive to the U.S. dollar, suggesting that higher prices are likely in the near term.

Euro Currency

The euro currency has weakened following a report revealing a decline in German investor sentiment. Expectations are growing that the European Central Bank will adopt a more aggressive stance on interest rate cuts compared to the Federal Reserve, adding pressure to the shared currency. The ECB is anticipated to reduce its key interest rate by 25 basis points during its policy meeting on December 12.

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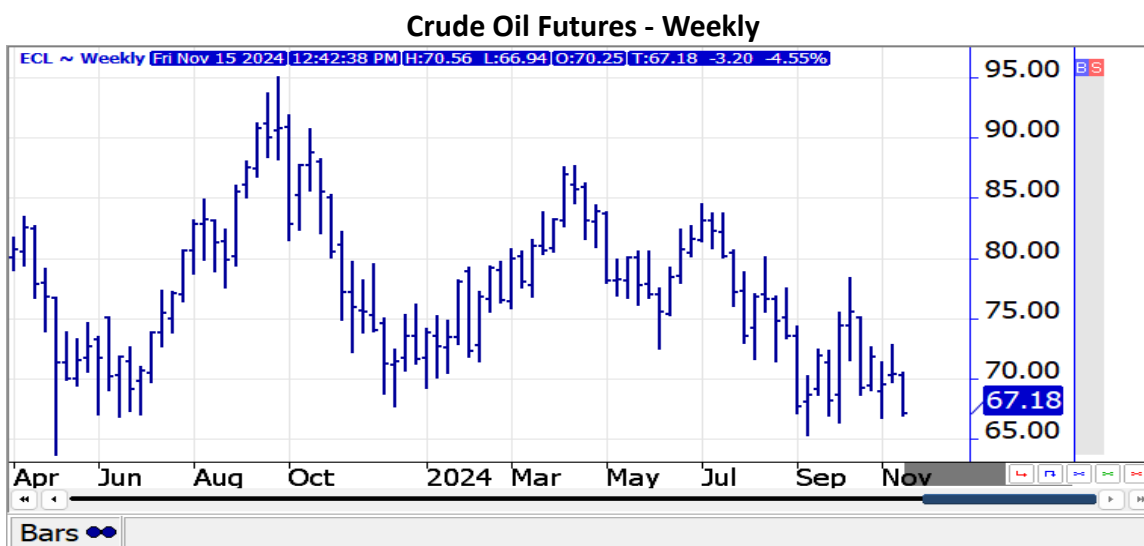
Investors are concerned about the potential for trade tariffs proposed by Donald Trump, which could negatively impact European exports. In addition, reports regarding possible appointments to Trump's administration have stoked fears of policies that might harm Europe's economy.

The euro also faces pressure from political uncertainty in Germany, where Chancellor Olaf Scholz's coalition partner, the Greens, has called for an early parliamentary vote, raising the prospect of snap elections.

Crude Oil

December crude oil futures fell under \$68 per barrel and are on track for a weekly loss after three weeks of gains. There are growing concerns that the global oil market could move into oversupply. On Thursday, the International Energy Agency forecasted an oil surplus for 2025, citing slowing demand growth in China and rising global production. The IEA also reported that the surplus could be exacerbated if OPEC+ follows through with plans to restore previously cut production.

Adding to the pressure on prices was the strengthening U.S. dollar, which surged to almost a two-year high, making dollar-denominated commodities less attractive. In addition, data from the U.S. Energy Information Administration revealed a 2.1-million-barrel increase in U.S. crude inventories, surpassing expectations for a 1.9 million-barrel gain.

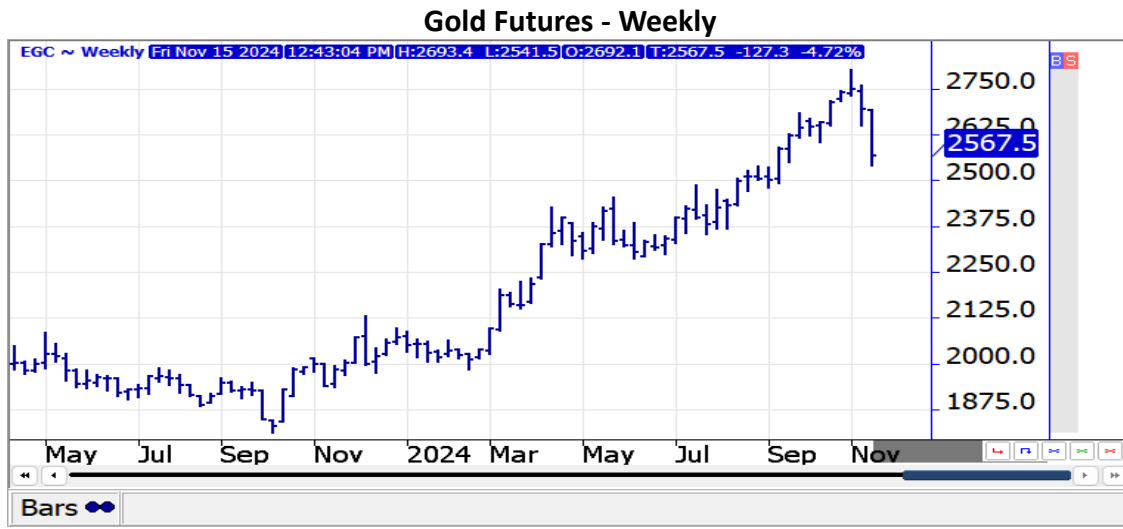


Gold

December gold futures have been under pressure for this month due to the growing belief that the U.S. Federal Reserve will be slower to move to accommodation, which dampened the appeal of gold as a non-interest-bearing asset.

There is a 55% probability that the Federal Open Market Committee will lower its fed funds rate by 25 basis points at its December 18 policy meeting, and there is a 45% chance of the FOMC keeping rates unchanged at 4.50% - 4.75%.

Also, investors are concerned that a Donald Trump administration could push for higher trade tariffs, tax cuts, and increased deficit spending, all of which could further stoke inflation and limit the Fed's ability to reduce borrowing costs.



All Charts from QST

Support and Resistance

Grains

December 24 Corn

Support 4.10 Resistance 4.50

January 25 Soybeans

Support 9.75 Resistance 10.55

December 24 Chicago Wheat

Support 5.25 Resistance 5.95

Livestock

December 24 Live Cattle

Support 180.00 Resistance 190.00

December 24 Lean Hogs

Support 75.00 Resistance 90.00

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Stock Index

December 24 S&P 500

Support	5780.00	Resistance	6150.00
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December 24 NASDAQ

Support	20300.00	Resistance	21000.00
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Energy

December 24 Crude Oil

Support	66.20	Resistance	72.25
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December 24 Natural Gas

Support	2.540	Resistance	2.900
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Metals

December 24 Gold

Support	2540.0	Resistance	2740.0
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December 24 Silver

Support	29.30	Resistance	32.50
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December 24 Copper

Support	4.0000	Resistance	4.3000
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Currencies

December 24 U.S. Dollar Index

Support	105.050	Resistance	107.500
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December 24 Euro Currency

Support	1.04500	Resistance	1.06500
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