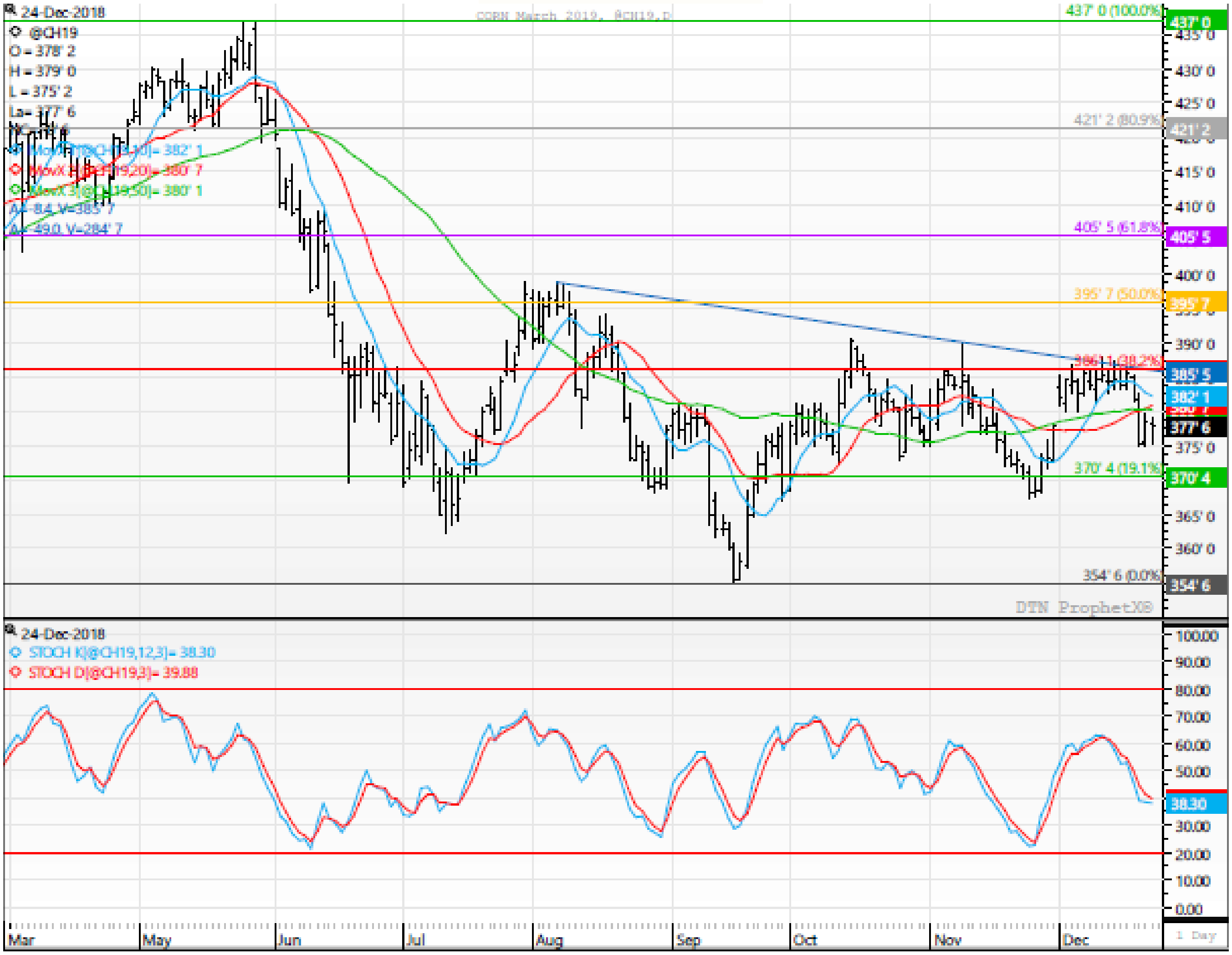
Technical Overview

First the good news, December futures gapped higher at the start of the month and managed to leave the gap open into expiration. December futures expired at 3.76 ¾ which March futures have already dropped to (the bad news) filling the gaps on that daily charts. We now have the weekly chart with a gap above between 3.90 ¾ and 3.89 ¾ from back in June and a gap below between 3.66 ¾ to 3.69 ¼ from Dec 3rd.

The Commitment of Traders' report showed managed funds continue to be net buyers of 29,560 contracts for the week ending Dec 21st, raising thier net long position (bets for higher prices) to 128,177 corn contracts. Commercial hedgers (Producers/Merchants and End-users) were net sellers of 29,045 corn contracts for the week, increasing their net short hedge position to 361,814 contracts (slightly above 1.8 billion corn bushels). Index funds were net buyers of 1,090 contracts increasing their net long position to 322,268 corn contracts, while their net share of the total open interest held steady at 16.90% as of Dec 21st.

NEW VISION CO-OP



March futures fell back from recent highs when it became the lead contract, filling the gap and testing where December futures left off. Resistance is at the October high of 390 ½ and mid summer high near 3.98. Support levels are near 3.66 ¾ (Nov low) and 3.54 ¾ (Sept low). Momentum indicators are pointed lower with Stochastics near 38.3.

Futures spreads continue to show heavy carries, with the Mar- May spread around .07 ¾ cents (over $.0375/bu/mo.) while Mar-July is at .15 cents. Futures spreads are encouraging those with storage space to take advantage of the carry and place sales further back or hedge in the later months and wait for better basis to develop.

Basis levels remain firm local processors trying to cover immediate needs. Corn export demand has been good and early shipments are well above last year. Ethanol margins have been poor to negative as crude oil and RBOB gas prices have dropped while natural gas has rallied.

July 2019 corn futures remain range bound since the end of September with prices gapping over the long- term down trend, but now falling back to test that zone as support. Currently the July futures are in the middle of the range from Mid June though November. Resistance is near 4.10 and 4.03 with major resistance at a gap near 4.29. Support is near 3.86, by the November low at 3.82 and the contract low at 3.70.

The intermediate term trendline might be a neckline on an inverted head and shoulders formation. A close above 4.03 would help confirm and open the door for a test of the summer gap.

Stochastic Ocsilators are trending lower and slightly under neutral with the latest reading near 44.3. Those that need to purchase corn for feed needs should be using breaks to extend coverage and front loading (purchasing nearby needs first) to avoid paying for so much carry.

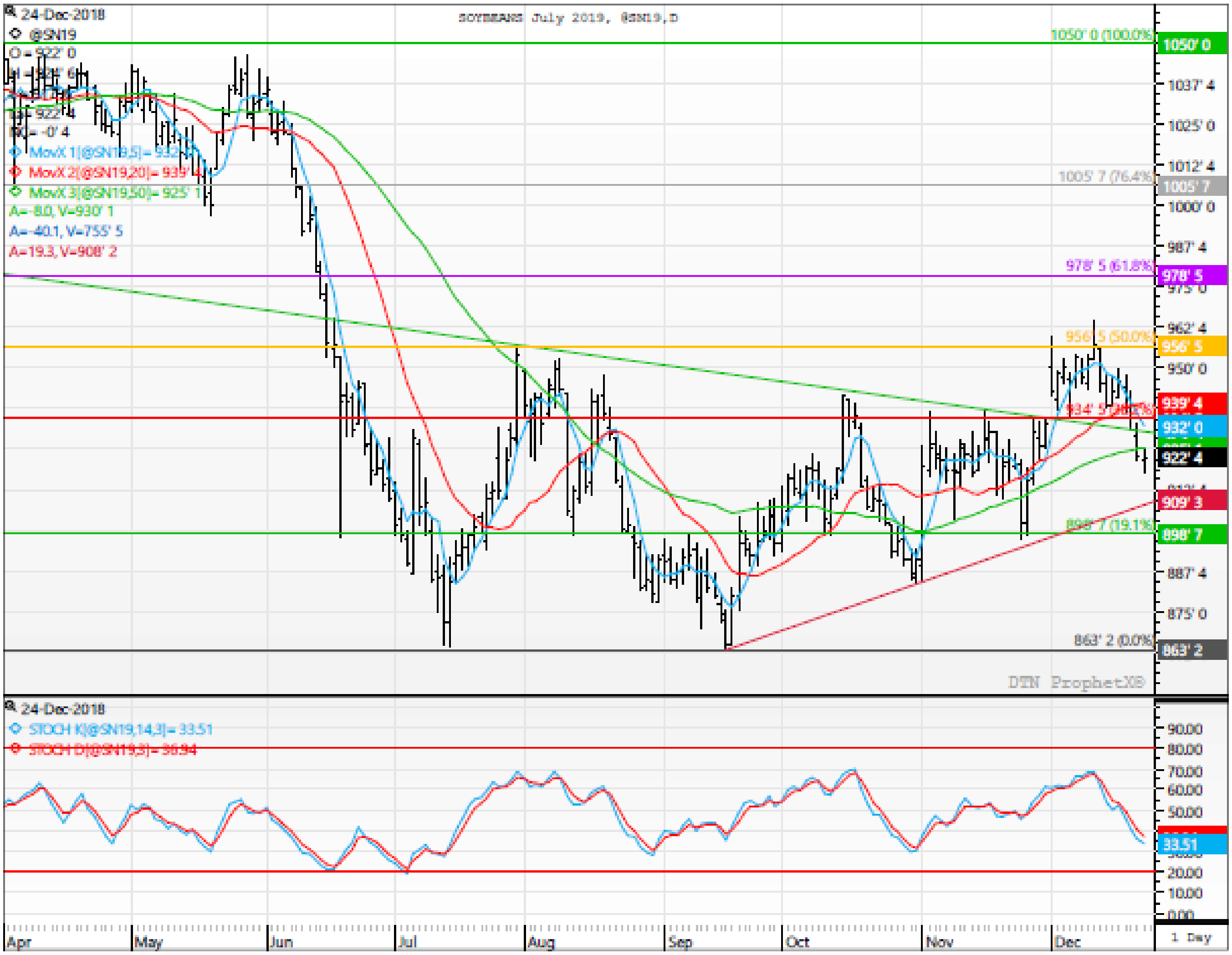
The Weekly Continuous Soybean chart shows the recovery from summer lows by $1.17 (about 45% of the break) but pulling up short of the Janaury low near 9.37. Resistance is at the recent high of 9.28 and the 50% retracement of this year's range at 9.41, while support is at the recent lows near 8.32, 8.10 ½ , and 8.00. Momentum indicators on the weekly soybeans have mostly been trending slowly higher since July, with the 7 week RSI near 58, or neutral, suggesting prices may move either direction.

The Commitment of Traders' report showed managed funds were buyers of 11,418 contracts for the week, to flip their net position to a small long of 350 contracts (bets for higher prices) as of Dec 21st. Commercial hedgers were net sellers of 6,781 contracts for the week, to increase their net short hedged position to 67,889 contracts (roughly 340 million bushels net hedged). Index funds were net sellers of 7,749 contracts of soybeans, reducing their long positions to a net of 132,661 contracts, or about 15.13% of the total open interest.

On the daily charts, January soybeans broke out of the wedge from the summer and fall ranges but failed against the summer highs and has drifted back into it. Resistance is at the recent high at 9.28 and the 50% retracement near 9.45. Minor support may come from the intermediate up trend near 8.67 and the late November low of 8.57. The Oct 31st low of 8.44 ½ is major support followed by the contract low at 8.26 ¼. Momentum indicators are approaching oversold near 29.

Basis levels remain wide with a record U.S. carryover if trade issues aren't resolved. Nearby basis has improved with processors taking some of the incentive out of storing bushels to keep immediate needs covered; producers using commercial storage may want to consider changing their ownership – Minimum price or Extended Price contracts possibly.

Futures spreads for soybeans still show large carries, giving incentive to store soybeans and price/ hedge for later delivery. The Jan-Mar spread is near 13 cents and Mar-May spread near 26 cents, and the Jan- July spread near 38 ½ cents (near or over .06 ½ cents/ bu./mo.).



July 2019 soybeans have followed a similar pattern to January soybeans probing above the late summer highs before falling back. Resistance is at the old pivot point at 9.34 ½ (gap & retracement), the recent high of 9.64 ¼, and near 9.79 (62% retracement) while support is at the intermediate up trend line near 9.09, the late November low 8.97 ½ and the double bottom lows near 8.63. Momentum indicators are trending lower near 33.5, approaching oversold.

Board crush values (Mar) have rebounded from their recent lows near .81/bu in early December to near .97/bu currently, but well off last summer's highs near 1.59/bu. The March crush coiled around 1.30/bu for most of September-October before falling through November.