



HBO PROFIT LOCK & RISK MANAGEMENT 2024

February 2024 Report
Prepared By Jason Thomas, President
Healthy Brand Oil Corp.

FOOD FOR THOUGHT

“Does today’s oil prices allow me to guarantee tomorrow’s profits?”

-Unknown

“In trading, the impossible happens about twice a year.”

-Henri M Simoes



Technical View: Soybean Oil (Continuous Front Month)

www.lax01 published on TradingView.com, Feb 16, 2024 15:08 UTC-5

SOYBEAN OIL FUTURES, 1D, CBOT O46.06 H46.35 L45.43 C45.65 -0.36 (-0.78%)



Technical View: Soybean Oil Daily (May 2024)

www.lax01 published on TradingView.com, Feb 16, 2024 15:10 UTC-5



Technical View: Soybean Oil Weekly (May 2024)

wvulax01 published on TradingView.com, Feb 16, 2024 15:14 UTC-5

SOYBEAN OIL FUTURES (MAY 2024), 1W, CBOT 46.12 -1.61 (-3.37%)



Technical View: Palm Oil (Continuous Front Month)

www.lax01 published on TradingView.com, Feb 16, 2024 15:18 UTC-5

CRUDE PALM OIL FUTURES, 1D, MYX O3826 H3848 L3802 C3809 -66 (-1.70%)
SMA (150, close, 0, SMA, 5) 3814



VEGETABLE OIL FUNDAMENTALS

- ✓ The NOPA Crush report for January showed soybean oil stocks at 1.507 billion pounds, above the trade expectations of 1.409 and down 17.6% YOY. Crush was a record for the month of January.
- ✓ North American cash markets have been soft but suppliers are only offering discounts for what needs to move in the short term.
- ✓ International suppliers have shown an unwillingness to sell oil at recent lows. In addition, offers are firming, minimizing the impact of imports.
- ✓ Demand from the energy sector has been soft but suppliers remain bullish on demand in 2024.
- ✓ Palm Oil production has been viewed as a bullish feature for veg oil markets in 2024 but a transition from El Nino to La Nina puts this idea in question.



AGRICULTURE FUNDAMENTALS

- ✓ Fund traders are historically short ag markets. Is there anyone left to sell?
- ✓ Brazilian soybean harvest pegged at 22% and second crop corn plantings ahead of pace.
- ✓ Global wheat stocks remain tight but Russia continues to undercut the market with supply.
- ✓ Thursday's USDA Ag Outlook Forum projected 2024 U.S. crop acres to decrease but stocks to increase YOY for beans, corn, and wheat.
- ✓ Seasonals favor the bulls for beans, meal, oil and corn but the bears for wheat.



MACRO HEADLINES

- ✓ Inflation data remains sticky with February's CPI report coming in slightly hotter than trade expectations. This continues to raise questions of when the Fed will cut interest rates.
- ✓ The trade off with higher inflation is that the U.S. economy continue to show strong growth with Q4 2023 coming in at 3.3% versus trade expectations at 2%.
- ✓ China's economy continues to struggle with the Heng Sang Index down 31% YOY. The last two weeks have shown signs of stabilization including markets holding the 2023 lows. Without China finding some support grains will struggle.
- ✓ Global conflicts in Israel/Palestine, The Red Sea, and Ukraine continue to add geopolitical risk for commodity markets.

AROUND THE HORN

From Ed Yardeni, Yardeni Research: *The economy is nearly as good as it gets. Unemployment, inflation, and gas prices are down: consumer sentiment and retail sales are up*

From Tuomas Malinen, @mtmallinen: *There have been two main drivers for financial markets during the past few years. The first one is #China (more precisely the People's Bank of China). Liquidity injections of the PBoC follow a really strange cyclical pattern.*

From Risk Management, @FarmsMarketing: *Concerns rise in #Brazil as forecast remains bleak thru March as #Safrinha #corn crop lacks subsoil moisture by 4 inches according to #NOAA. Reliant on soil moisture, it faces vulnerability due to slow planting pace.*

From Grains Gorilla, @GrainsGorilla: *July 24, 2023 March soybeans made their high around 1428 (funds long 121k). Today 31 weeks later we are trading 1165 (funds short 170k). 24/31 weeks we have closed lower and funds have sold close to 300k contracts. Contract lows are 1145 in March. Whats left to trade for Bear?*

Bonus Round---Technical View: Corn (Continuous Front Month)

wvslax01 published on TradingView.com, Feb 16, 2024 15:29 UTC-5

Corn Futures, 1D, CBOT O417'4 H421'4 L415'0 C416'4 -12 (-0.30%)
SMA (150, close, 0, SMA, 5) 496'1



Bonus Round---Technical View: Soybeans (Continuous Front Month)

wvulax01 published on TradingView.com, Feb 16, 2024 15:30 UTC-5

Soybean Futures, 1D, CBOT O11674 H11774 L11654 C11774 +110 (+0.94%)
SMA (150, close, 0, SMA, 5) 13354



Bonus Round---Technical View: Chicago Wheat (Continuous Front Month)

wvulax01 published on TradingView.com, Feb 16, 2024 15:32 UTC-5

Wheat Futures, 1D, CBOT O5670 H5686 L5550 C5592 -70 (-1.24%)

SMA (150, close, 0, SMA, 5) 6227



Bonus Round---Technical View: Crude Oil (Continuous Front Month)

wvulax01 published on TradingView.com, Feb 16, 2024 15:34 UTC-5

Light Crude Oil Futures, 1D, NYMEX: 077.63 H78.52 L76.69 C78.35 +0.77 (+0.99%)
SMA (150, close, 0, SMA, 5) 78.55



Bonus Round----Heating Oil versus Soybean Oil aka HOB0 Spread

wvulax01 published on TradingView.com, Feb 16, 2024 15:43 UTC-5

HO11/ZL11, 1D, NYMEX O0.0612 H0.0616 L0.0606 C0.0616 -0.0004 (+0.58%)

