



HBO PROFIT LOCK & RISK MANAGEMENT 2024

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

FOOD FOR THOUGHT

“Does today’s oil price 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)

wwwlax01 published on TradingView.com, Apr 30, 2024 14:35 UTC-4

Soybean Oil Futures, 1D, CBOT O44.21 H44.33 L42.68 C43.04 -1.33 (-3.00%)
SMA (150, close, 0, SMA, 5) 49.17



Technical View: Soybean Oil Daily (July 2024)



Technical View: Palm Oil (Continuous Front Month)

wnulax01 published on TradingView.com, Apr 30, 2024 14:40 UTC-4

Crude Palm Oil Futures, 1D, MYX: O3907 H7930 L3814 C3816 -97 (-2.48%)
SMA (150, close, 0, SMA, 5) 3883



VEGETABLE OIL FUNDAMENTALS

- ✓ The NOPA Crush report for March showed soybean oil stocks at 1.851 billion pounds, above the trade expectations of 1.792 an identical stock number to March 2023.
- ✓ North American cash markets are showing some signs of a bottom forming. Q2 will bring supplier down time and seasonal increases in demand which should help tighten supply.
- ✓ North American soybean and canola oils remain a value to international supplies limiting any further pressure from imported oils.
- ✓ Demand remains soft from the renewable energy sector. Margins are low and it seems most are running enough to keep plants running and that's it. A headwind for demand.
- ✓ The palm oil market had been on fire but is down 12% from it's highs in early April.



AGRICULTURE FUNDAMENTALS

- ✓ Fund traders have been lightening their historically short positions in ag markets. Seasonal risks are highest from now till harvest.
- ✓ This week's planting progress shows corn at 27%, soybeans at 18%, cotton at 15%, and spring wheat at 34%. All above the five-year average.
- ✓ Recent and forecasted rains are improving soil moisture compositions for dry regions of the Midwest. Rain makes grain.
- ✓ There are seasonal tailwinds for beans, meal, oil, and corn prices but seasonal headwinds for Chicago wheat.
- ✓ Soybean meal supply should be strong from Argentina, but the U.S. market is matching highs going back to February 2024.



MACRO HEADLINES

- ✓ The U.S. economy grew at a 1.6% annualized rate in Q1 2024 showing some signs of cooling.
- ✓ Fed Reserve Chairman Powell will update the market this week on any interest rate changes. The market is pricing a 97.3% probability that there will be no change.
- ✓ Energy markets remains supported with crude oil up 15% on the year. Geopolitical risks remain elevated.
- ✓ Commodity price action broadly looks like it's holding support lines and turning higher. Questions loom about the fundamentals though, especially for ag products.
- ✓ The Japanese Yen is matching 30-year lows against the dollar. The Dollar/Yen cross currency relationship is an important one to outside markets.

AROUND THE HORN

-From Pro Farmer, @profarmer: A leafhopper insect plague in Argentina that spread corn stunt disease has knocked an estimated \$1.3 billion off the expected 2023-24 corn crop, the director of economic studies at the Rosario Grains Exchange said.

-From Peak Trading Research, @Peak Trading: BIG SHORTS

📢. Funds are now the shortest they've been across the #agriculture complex in 4.5 years (-617k contracts, -\$14.4B) 📉, betting that soft demand, ample global supplies, and the strong dollar 🇺🇸 will keep prices down as we get deeper into risky planting weeks.



-From Graddy – Commodities TA + Cycles, @graddhybpc: I am not a permabull cause I post bullish big picture commodities charts. Or a goldbug cause I am bullish gold in a resumed secular bull. No, commodities are simply in a new super-cycle bull since 4 years ago. Just trying to help people get on the right bandwagon.

-From DTN Progressive Farmer, @dtnpf: Despite some decent or even above-normal precipitation during the winter, widespread drought casts a shadow over the 2024 growing season for the Canadian Prairies

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

nvulax01 published on TradingView.com, Apr 30, 2024 14:45 UTC-4

Corn Futures, 1D, CBOT O4490 H4500 L4444 C4472 +74 (+1.71%)
SMA (150, close, 0, SMA, 5) 4560



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



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

wvulax01 published on TradingView.com, Apr 30, 2024 14:47 UTC-4

Wheat Futures, 1D, CBOT O:059 H:6072 L:5954 C:6042 -40 (-0.66%)
SMA (150, close, 0, SMA, 5) 5820



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

www.lax01 published on TradingView.com, Apr 29, 2024 21:38 UTC-4

Light Crude Oil Futures, 1D, NYMEX O82.70 H82.81 L82.43 C82.52 -0.21 (-0.25%)
SMA (150, close, 0, SMA, 5) 79.10





This Photo by Unknown Author is licensed under CC BY-NC

Summary:

If today's prices lock in tomorrow's profits these are logical levels to manage price and supply risks.

- ✓ Ag commodities are trading sideways at or near the cost of production with the funds still fairly short.
- ✓ Seasonal price and supply risks for corn, beans, meal, and soybean oil are highest from now till around early July.
- ✓ Global supplies for corn, beans, and wheat are slightly bearish but Mother Nature can change balance sheets and prices quickly.
- ✓ The agricultural markets can be unpredictable and volatile, but there are strategies to manage risk and provide your business certainty.