



HBO PROFIT LOCK & RISK MANAGEMENT 2024

June 2024 Report
Prepared By Jason Thomas, President
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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)

wwwulax01 published on TradingView.com, Jun 18, 2024 11:42 UTC-4

Soybean Oil Futures, 1D, CBOT O43.90 H44.42 L43.61 C44.35 +0.62 (+1.42%)
Vol (20) 37.086K 73.802K
SMA (150, close) 47.11



Technical View: Soybean Oil Daily (August 2024)

wvulax01 published on TradingView.com, Jun 18, 2024 11:48 UTC-4



Technical View: Palm Oil (Continuous Front Month)

wvulax01 published on TradingView.com, Jun 18, 2024 11:53 UTC-4

Crude Palm Oil Futures, 1D, MYX O3,880 H3,930 L3,880 C3,924 +41 (+1.06%)
SMA (150, close) 3,926



Palm oil continues to trade sideways and right at its 150-day moving average. Equilibrium.

VEGETABLE OIL FUNDAMENTALS

- ✓ The NOPA Crush report for May showed soybean oil stocks at 1.724 billion pounds, below the trade guess of 1.775 and below April's print of 1.832. Crush typically slows from April till harvest.
- ✓ European supplies appear to be tight limiting their ability to compete on NON-GMO varieties. Sunflower oil has found a floor here.
- ✓ North American soybean and canola oils remain a value versus international supplies, limiting price pressure from imported oils, and are competitive in the export market.
- ✓ Demand continues to be soft from the renewable energy sector although there is some talk that they will need to do some buying.
- ✓ Seasonal maintenance from producers along with a strike at the Viterra Becancour, QB facility is limiting supply.



AGRICULTURE FUNDAMENTALS

- ✓ Russian wheat production is falling fast because of frost/drought issues and U.S. wheat markets have been volatile the last two months.
- ✓ This week's crop condition report shows corn at 72%, soybeans at 70%, cotton at 54%, and spring wheat at 76% Good/Excellent. All well above last year's conditions rating for this week.
- ✓ A heat wave running northeast from Texas to Maine can provide stress to the Eastern Corn Belt the next two weeks. Torrential flooding is hitting the upper Midwest.
- ✓ New crop soybean exports sales are terrible and at 23-year lows for this time of year.



MACRO HEADLINES

- ✓ Fed Reserve Chairman Powell did not change interest rates at the June 12th meeting. Central banks around the world are loosening their policy and on a relative basis this has firmed the Dollar.
- ✓ The Japanese Yen is matching 30-year lows against the dollar. The Dollar/Yen cross currency relationship is an important one to outside markets.
- ✓ Energy markets remain supported with crude oil up 13% 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.
- ✓ U.S. markets remain firm with the S&P making a new all-time high 29 times this year.

AROUND THE HORN

-From Pro Farmer, @profarmer: The 90-day forecast from the National Weather Service calls for elevated chances for above-normal temps over virtually the entire U.S. thru Sept. The forecast suggests below-normal precip is likely across the west-central & southwestern Corn Belt...

-From Senator Chuck Grassley: See this surge in used cooking oil imports: 2020 = US imported 200 MILLION lbs 2023 = US imported 3 BILLION (yes w a "B") lbs

Half of 2023 imports came frm China My bipartisan colleagues & I are working 2 get answers abt this spike The Biden admin must prioritize US producers

-From Open Markets, @Open Markets: Biomass-based diesel production capacity continues to grow to satisfy blending mandates under the Renewable Fuel Standard (RFS). With soybean oil as a primary input, Soybean Oil futures are seeing record interest.

-From Philip Klotzbach, @philklotzbach: Per NOAA, #ElNino is over and we are in ENSO neutral conditions. There is a 75% chance of #LaNina for peak of Atlantic #hurricane season (August-October). La Nina typically favors increased Atlantic hurricane activity via decreases in vertical wind shear.

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

wwulax01 published on TradingView.com, Jun 18, 2024 12:04 UTC-4

Corn Futures, 1D, CBOT O444'2 H451'0 L443'6 C450'0 +62 (+1.41%)
SMA (150, close) 4494



A market at equilibrium awaiting Mother Nature's next card.

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

wvulax01 published on TradingView.com, Jun 18, 2024 12:07 UTC-4

Soybean Futures, 1D, CBOT O1130'2 H1138'4 L1128'4 C1135'2 +5'0 (+0.44%)
SMA (150, close) 1225'0



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

wvulax01 published on TradingView.com, Jun 18, 2024 12:09 UTC-4



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

wvulax01 published on TradingView.com, Jun 18, 2024 12:20 UTC-4



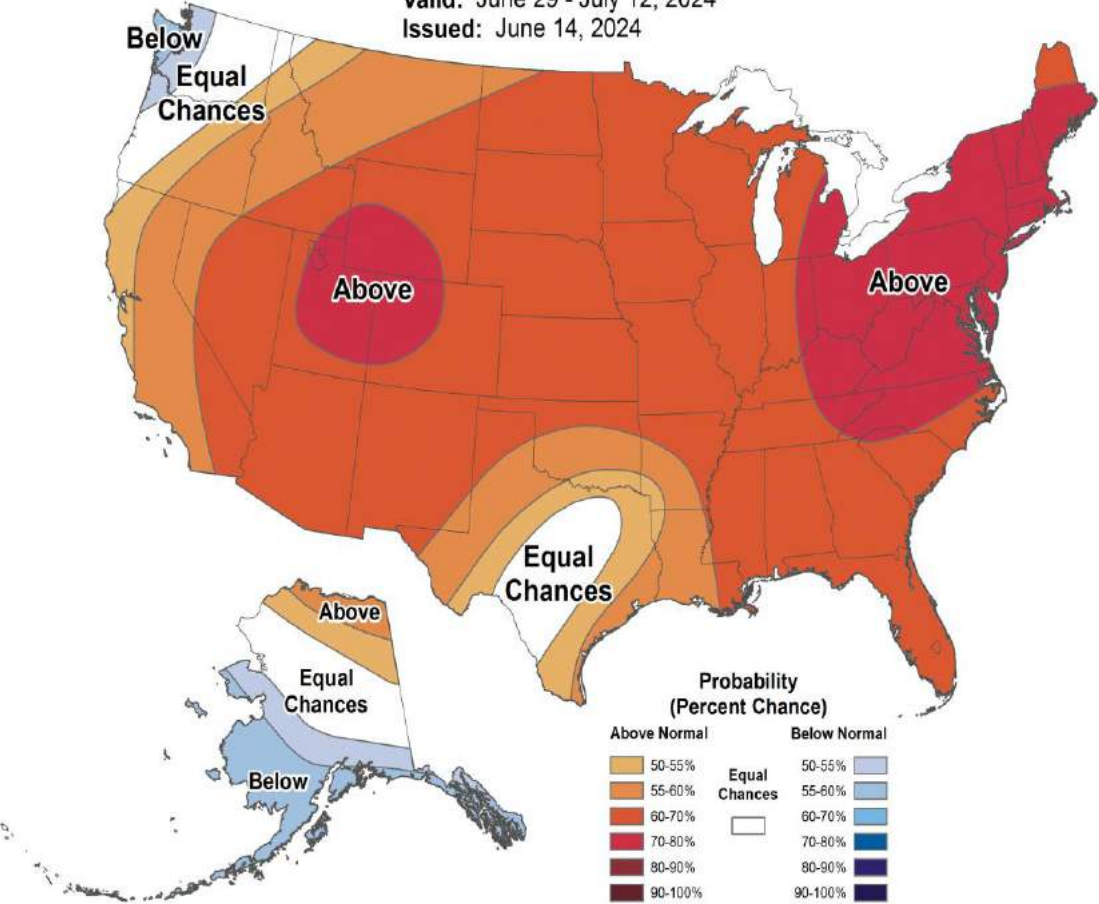
Bonus Round---Weather Outlook 3-4 Weeks



Weeks 3-4 Temperature Outlook



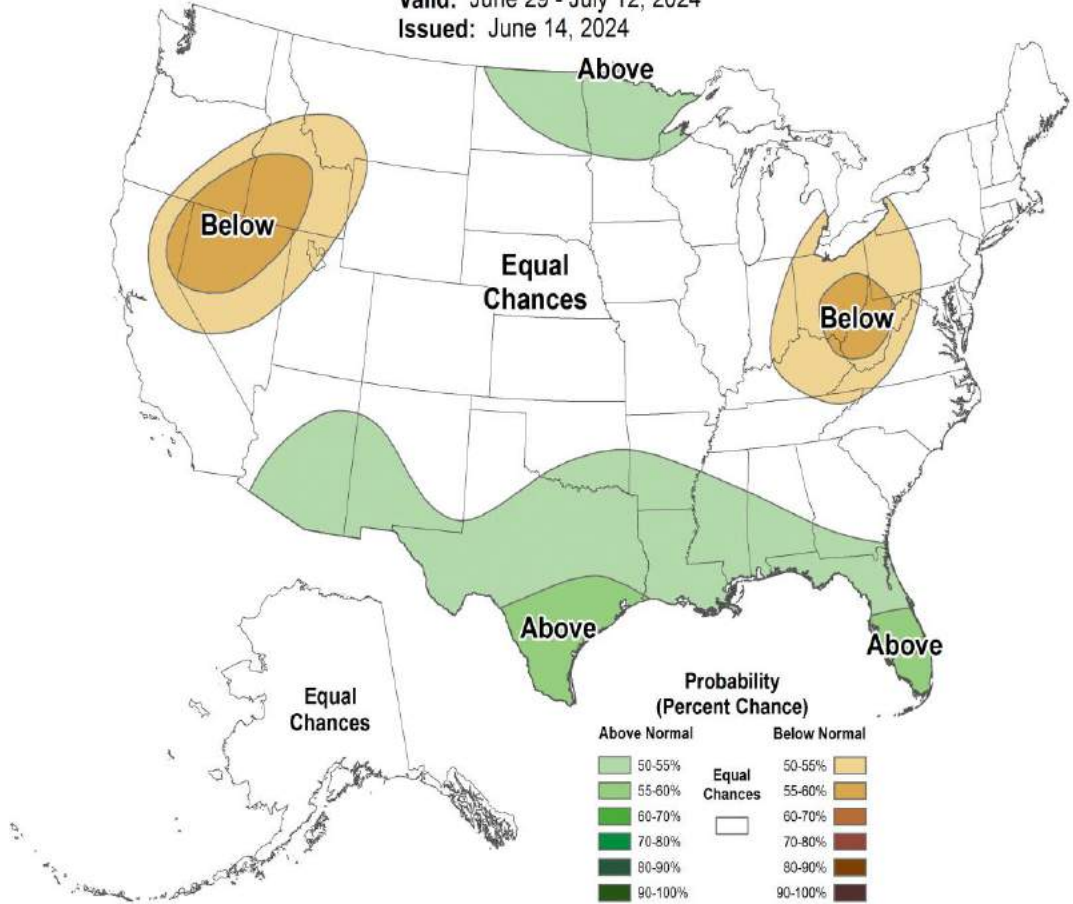
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Weeks 3-4 Precipitation Outlook



Valid: June 29 - July 12, 2024
 Issued: June 14, 2024





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Summary:

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

- ✓ The North American crops are planted, and the market will now focus on production and weather.
- ✓ 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.