



# **HBO PROFIT LOCK & RISK MANAGEMENT 2024**

July 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)

wwulax01 published on TradingView.com, Jul 17, 2024 14:45 UTC-4

Soybean Oil Futures, 1D, CBOT O44.88 H45.36 L43.94 C44.01 -0.86 (-1.92%)  
SMA (150, close, 0, SMA, 5) 46.30



# Technical View: Soybean Oil Daily (December 2024)

wvulax01 published on TradingView.com, Jul 17, 2024 14:53 UTC-4



# Technical View: Palm Oil (Continuous Front Month)

wvulax01 published on TradingView.com, Jul 17, 2024 14:55 UTC-4

Crude Palm Oil Futures, 1D, MYX O3,948 H3,955 L3,917 C3,921 -11 (-0.28%)  
SMA (150, close, 0, SMA, 5) 3,935



# VEGETABLE OIL FUNDAMENTALS

- ✓ The June NOPA Crush report showed soybean oil stocks at 1.622 billion pounds, below the trade guess of 1.724 and below May's print of 1.832. Crush typically slows from April until harvest.
- ✓ European supplies are tight, limiting their ability to compete with NON-GMO varieties. Sunflower oil has found a floor here.
- ✓ North American soybean and canola oils continue to hold a competitive edge versus international vegetable oil supplies. This effectively limits price pressure from imported oils, providing a floor for the market.
- ✓ Currently, soybean oil's price is range-bound. The export market heats up when prices get too cheap, but the renewable biodiesel trade cools when the market gets too expensive.
- ✓ Seasonal maintenance from producers, along with a strike at the Viterra Becancour, QB facility, is limiting supply. Spot offers have been higher in the last 15-30 days.



# AGRICULTURE FUNDAMENTALS

- ✓ The 30-day price performance for U.S. crops has been putrid, with corn down 12.43%, beans down 9.63%, and wheat (SRW) down 14.54%.
- ✓ This week's crop condition report shows corn at 68%, soybeans at 68%, cotton at 45%, and spring wheat at 76% Good/Excellent. Broadly speaking, North American crop production looks to be in excellent shape, which has pressured markets over the last 30 days.
- ✓ Managed money is record short the ag markets. If the fundamentals change, this type of positioning can create volatile and fast moves.
- ✓ The seasonals currently are bearish for corn, the whole bean complex, and spring wheat but bullish for winter wheat.



# MACRO HEADLINES

- ✓ Softer economic growth and inflation data have allowed the Fed to consider cutting interest rates for the first time since early 2020. Traders are projecting 100% odds of a Fed rate cut by September.
- ✓ U.S. equity markets remain well supported. The S&P 500 traded all-time highs on 7/15/24, the DOW on 7/17/24, and the Nasdaq on 7/11/24.
- ✓ Gold is also trading at all-time highs, and the higher prices forecast a softer interest rate policy and the continued devaluation of currencies globally.
- ✓ Former President Trump's odds of becoming the winning U.S. Presidential Candidate in the 2024 election continue to rise, with betting markets projecting a 69.42% chance of a win. A second Trump presidency will have big implications for trade and ag products.



# AROUND THE HORN

**From Peak Trading Research:** *Ags are Cheap! The ration between the Bloomberg Agriculture Index and the S&P 500 stock index has collapsed. The last time #agriculture futures were this relatively inexpensive was during the Covid-19 global pandemic in the summer of 2020.*

**From Biodiesel Magazine, @BiodieselMag:** *Renewable diesel margins could experience a modest increase this fall, according to CoBank's latest Quarterly Research Report. If realized, that boost to margins could mitigate softening demand for soybean oil in the #biofuel market.*

**From Barchart, @Barchart:** *Hedge Funds are now short more than 500,000 contracts on Corn, the largest short position in history 🚨*

**From Joe Weisenthal, Bloomberg:** *One could argue that the inflationary episode is over, that the stock market is at all-time highs, and that the unemployment rate is near its lowest levels ever.*

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

wwulax01 published on TradingView.com, Jul 17, 2024 14:59 UTC-4

Corn Futures, 1D, CBOT O395'6 H400'0 L395'0 C399'0 +3'0 (+0.76%)  
SMA (150, close, 0, SMA, 5) 441'4



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

wwwlax01 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, Jul 17, 2024 15:04 UTC-4

Wheat Futures, 1D, CBOT O530'4 H546'4 L528'0 C541'6 +11'6 (+2.22%)  
SMA (150, close, 0, SMA, 5) 596'4



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

wvulax01 published on TradingView.com, Jul 17, 2024 15:07 UTC-4

Light Crude Oil Futures, 1D, NYMEX O80.85 H82.94 L80.45 C82.80 +1.98 (+2.45%)  
SMA (150, close, 0, SMA, 5) 78.48



# Bonus Round----Technical View: Soybean Oil Futures August-December

wwulax01 published on TradingView.com, Jul 18, 2024 09:59 UTC-4

ZLQ2024-ZLZ2024, 1D, CBOT 2.03 -0.11 (-5.14%)



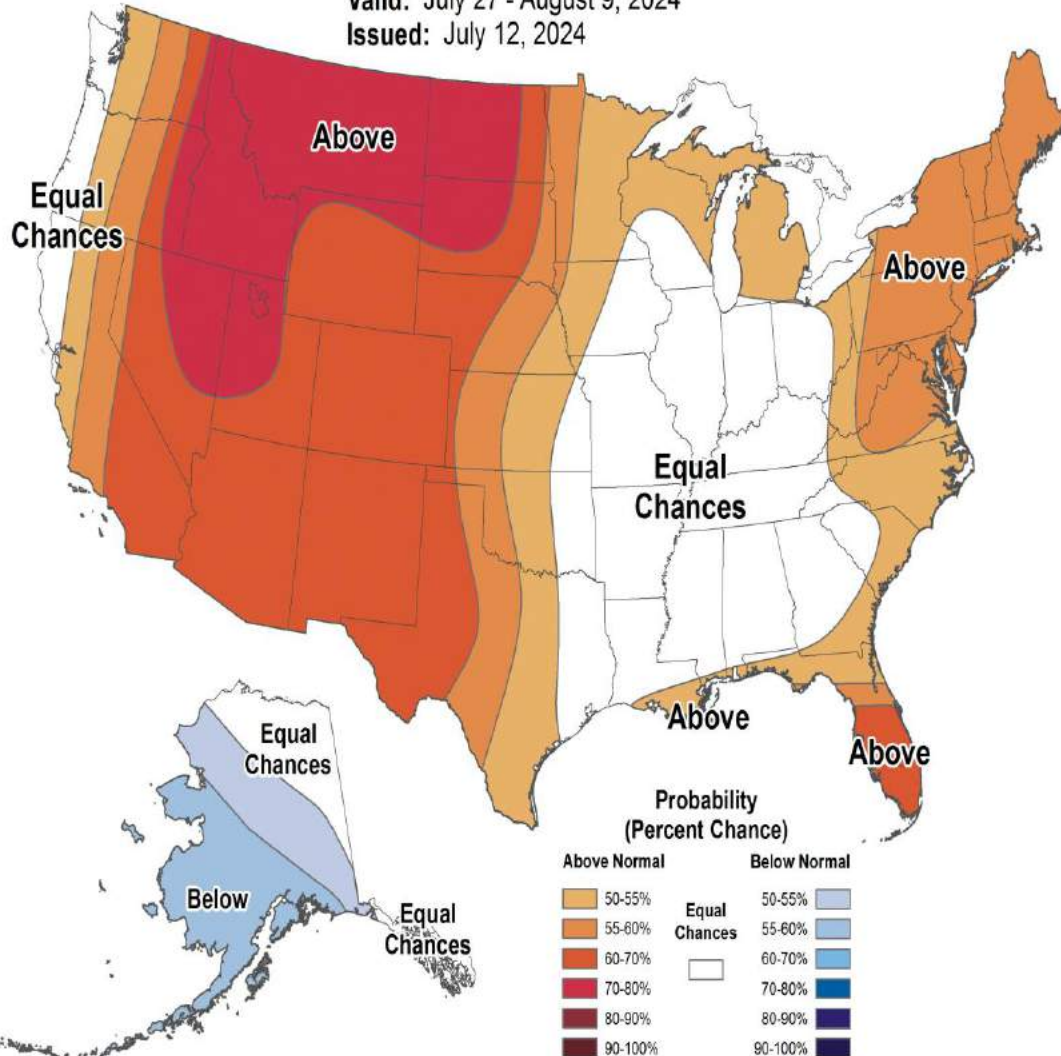
# Bonus Round----Weather Outlook 3-4 Weeks



## Weeks 3-4 Temperature Outlook



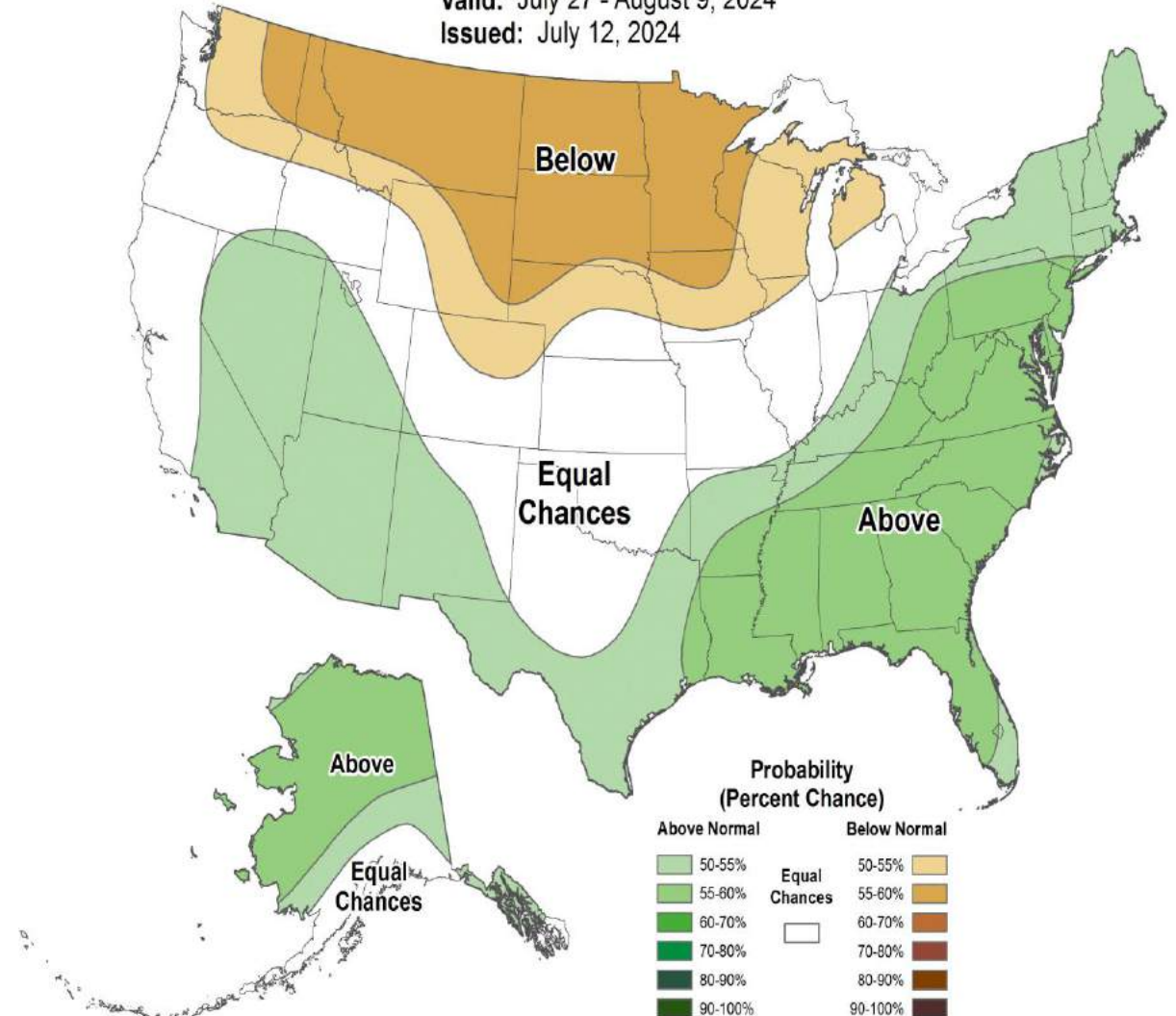
Valid: July 27 - August 9, 2024  
 Issued: July 12, 2024



## Weeks 3-4 Precipitation Outlook



Valid: July 27 - August 9, 2024  
 Issued: July 12, 2024





## Summary:

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

- ✓ North American crops look very good, which has pressured prices to multi-year lows.
- ✓ Global supplies for corn, beans, and wheat are slightly bearish, and the weather remains the critical factor for prices for the next 45-60 days.
- ✓ Macro and political factors loom large and have the potential to create volatility for grain prices going forward.
- ✓ The agricultural markets can be unpredictable and volatile, but there are strategies to manage risk and provide your business certainty.