



Growing Financial Success

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Executive Summary

Overall Summary

We believe that 2024 will represent a much more bullish year for commodities and Ag markets than we have seen for the last 2 years. A confluence of what we expect will be a major US Dollar devaluation cycle, ongoing increased weather volatility cycle and improved demand side factors from a friendlier global monetary profile and global politicians looking to buy votes and the seeds of bullish reversals in many markets have been set. If we add the fact that many markets are seeing some of the most one sided speculative short positioning extremes as a % of open interest in history and the bazooka is fully loaded should a catalyst provide the trigger to be pulled. Volatile geopolitics is here to stay and at any point such unpredictable changes can add further fuel to a hard commodity asset inflation storm ahead. There are some exceptions to this bullish outlook with markets like Orange Juice and Cocoa that have developed bubble type tops that can crash despite an overall more bullish backdrop for commodities. Certainly, gold and bitcoin monetary asset prices have been shooting up in 2023 that typically do so well in advance of bullish turn to a more commodity centric inflation asset cycle. We hope you enjoy our year-long report.



The Hackett Money Flow Commodity Report

December 31, 2023

Commodity Market Analysis
For Hedgers and Investors

Overall Commodities Are Nearing the End of the Cone of the Wedge Pattern that Began Forming in 2022-Critical Support Has Been Reached with the RSI Entering Oversold Readings Typically Associated with Bottoms-500 Must Hold and any Close Above 550 is the Technical Signal the Bottom is In-



Chinese Ag Commodities Appear to be Completing an Inverse Head and Shoulders Bottom Formation and a Wedge Pattern that Completes in January 2024-An Upside Breakout Would be Expected Here



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Major US Dollar Devaluation Expected Heading into Late 2024 into 2025

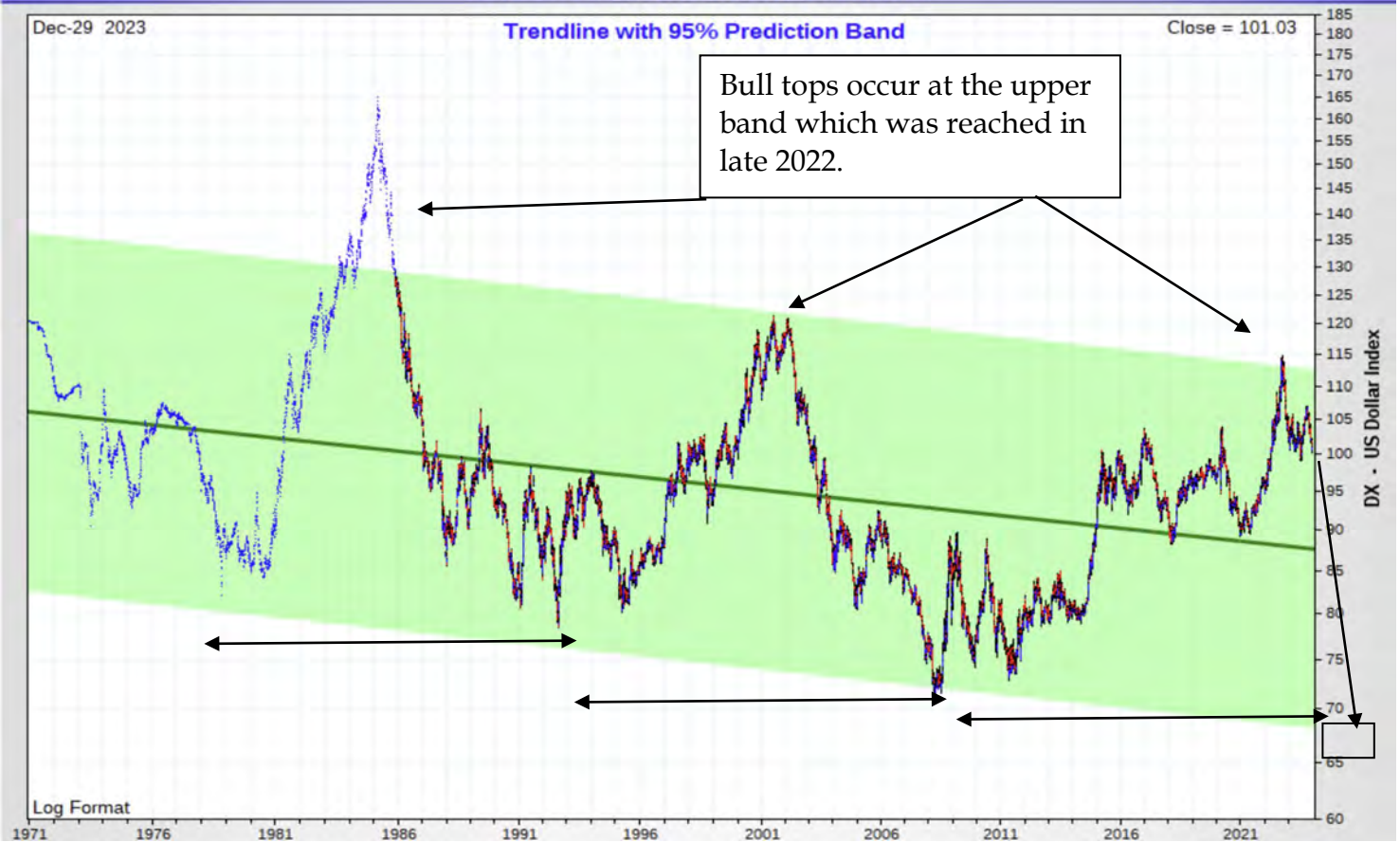
Speculator Shorts as a % of Open Interest in the US Dollar Usually Reach ~ -40% to -50% before a Major Low Can Be Expected-Currently Readings at +14% Mean there is Plenty of Speculative Selling Firepower to Drive the US Dollar Much Lower



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Approximately Every 16 Years the US Dollar Places a Major Low-If this Long-Term Bear Cycle for the US Dollar Repeats It Would Call for the Next Major Low by 2026 Below 70

DX - US Dollar Index Trendline



Brazilian real 4-Year Basing Pattern is Completing with the First RSI Buy Signal Since 2005



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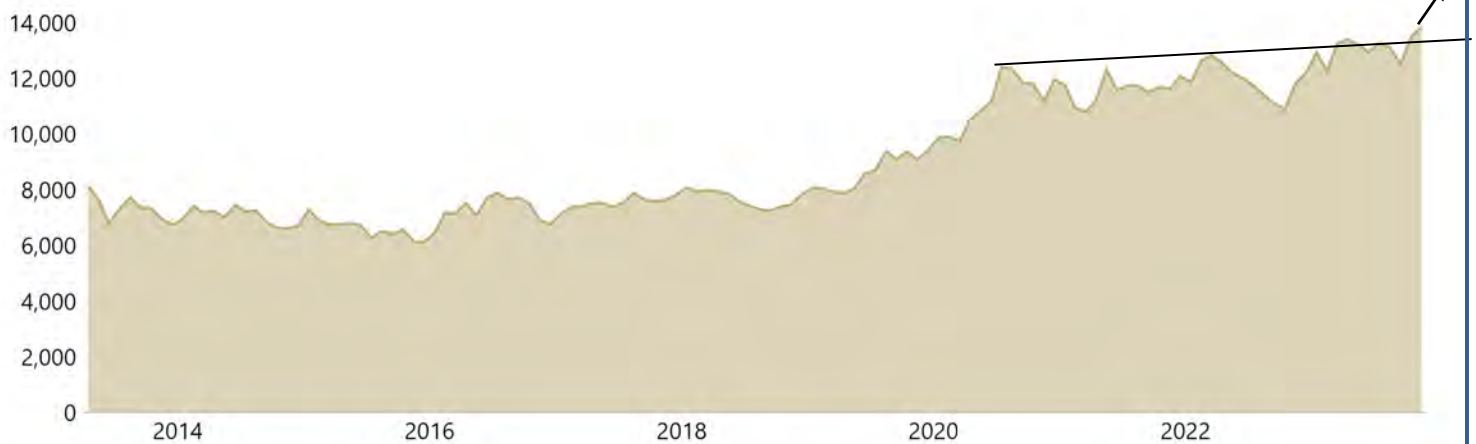
Alternative US Dollar Forecast-Since the 2008 Great Financial Crisis the Exponential Adoption of Technology and the US Federal Reserves Desire to Manipulate the Business Cycle to Avoid Recessions at all Costs Has Caused Economic Deglobalization that Has Helped Buttress the US Dollar at the Expense of Most Other Currencies-If this Bull Cycle in the US Dollar is the New Normal then a US Dollar Devaluation heading into 2026 Would Still Be Expected but it Would Bottom at a Much Higher Level than the Bear Cycle Would Project at Around 88.

DX - US Dollar Index Trendline

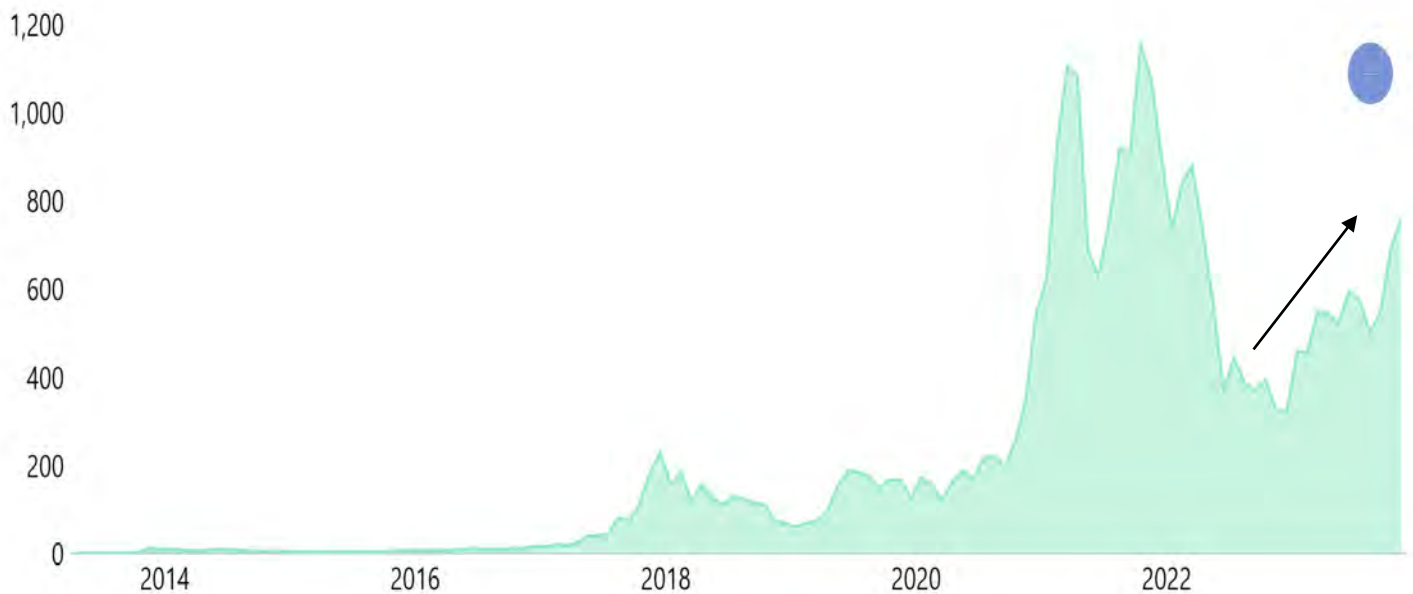


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The Total Market Capitalization of Gold Has Just Broken Out to All Time New Highs Warning About a New Inflation Cycle for Commodities Ahead

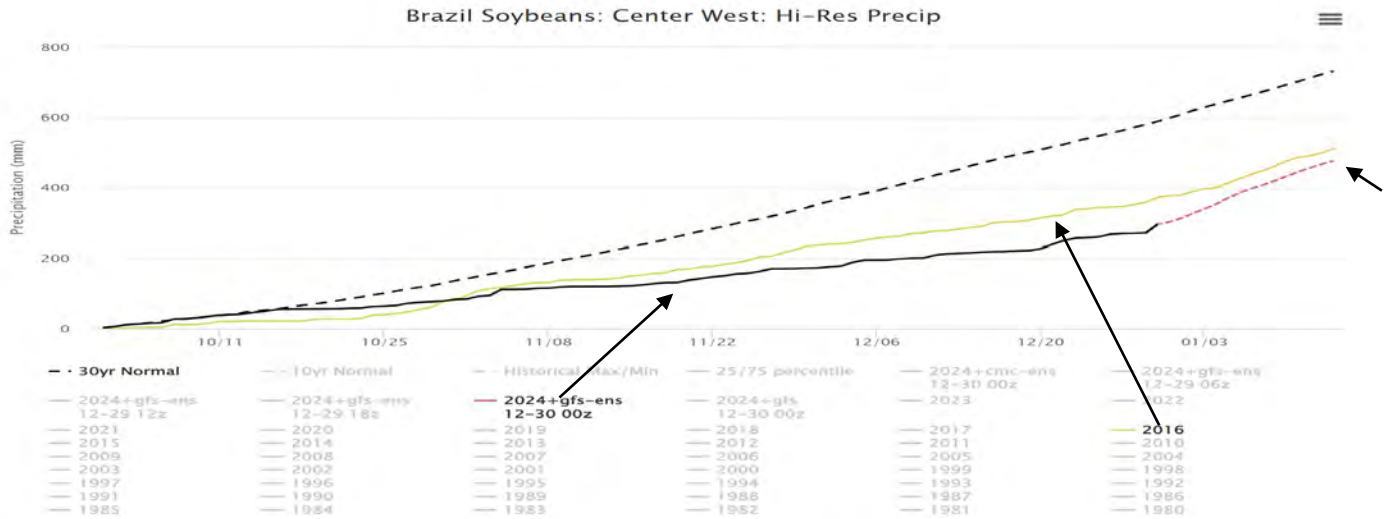


Total Market Capitalization of Bitcoin Surging Warning of Another Round of Commodity Inflation Ahead

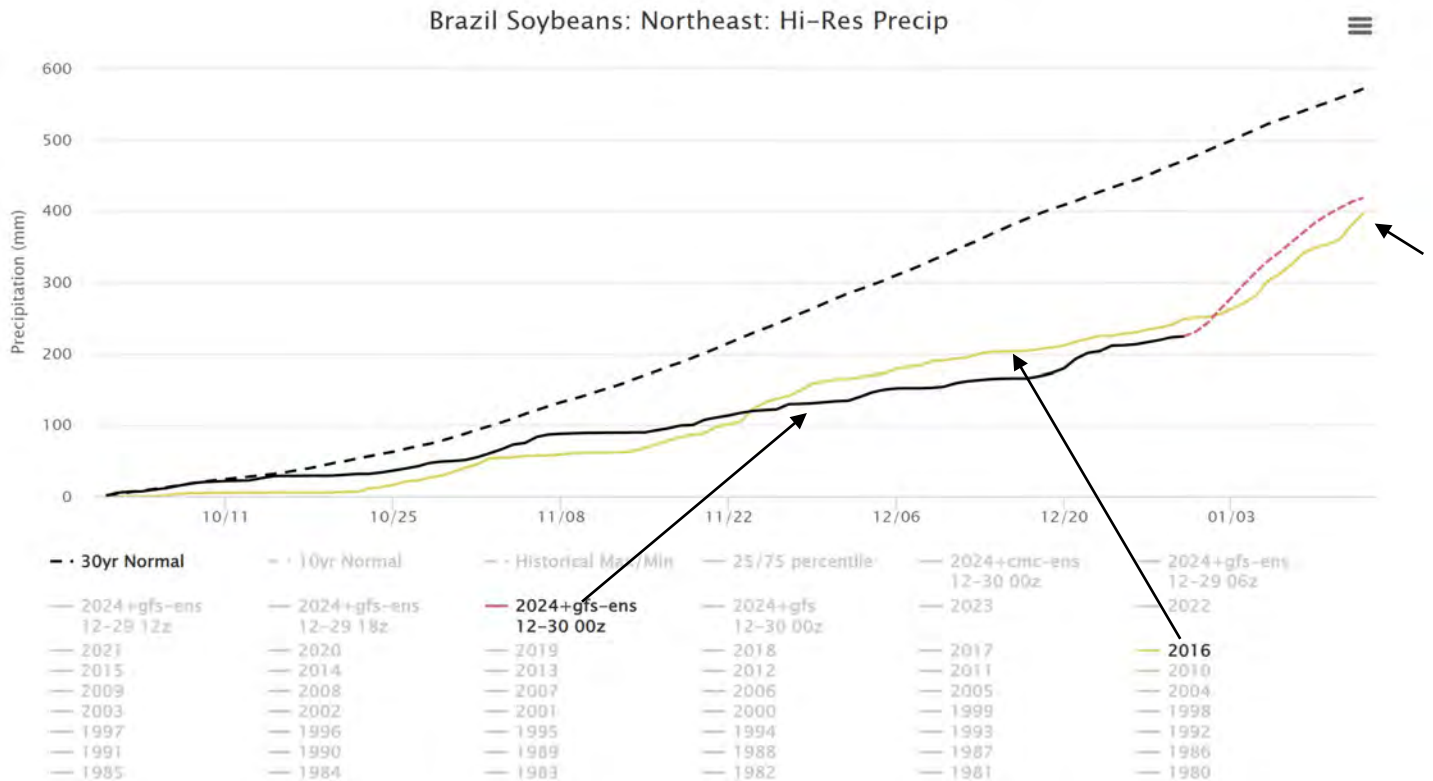


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Total Rainfall Since October First for Center West Brazil is Moderately Less than it was in the Only Other Drought Year Ever Seen in 2015/2016 in Mato Grosso Through the Mid-January 2024 Model Forecast Period-With Heat Having Been Much More Extreme this cycle, Soybean Yields Will Likely fall further than they did back then.



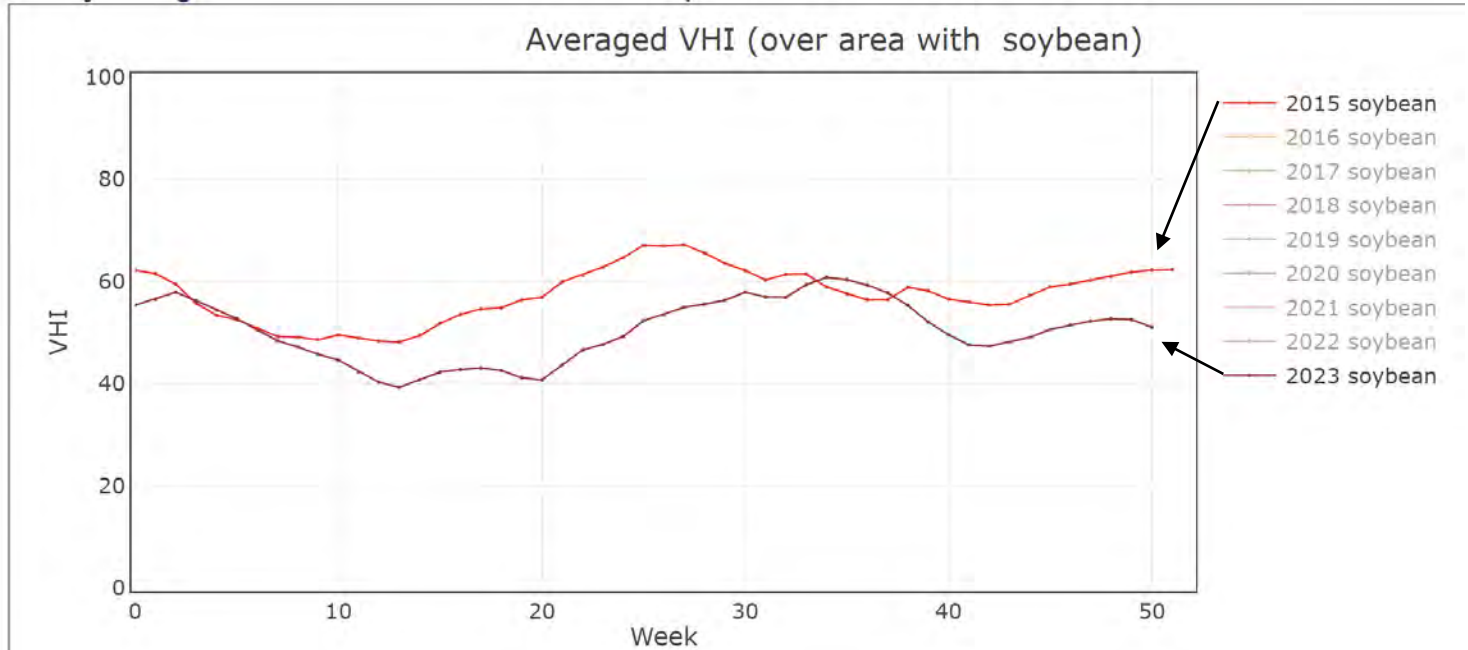
Total Rainfall Since October First in the Central/East Regions through the mid-January forecast period Will be Moderately Better Than that Which was Seen in 2015/2016 but the heat this time Around was much more Extreme...Suggesting Soybean Yield Reductions will be very Similar.



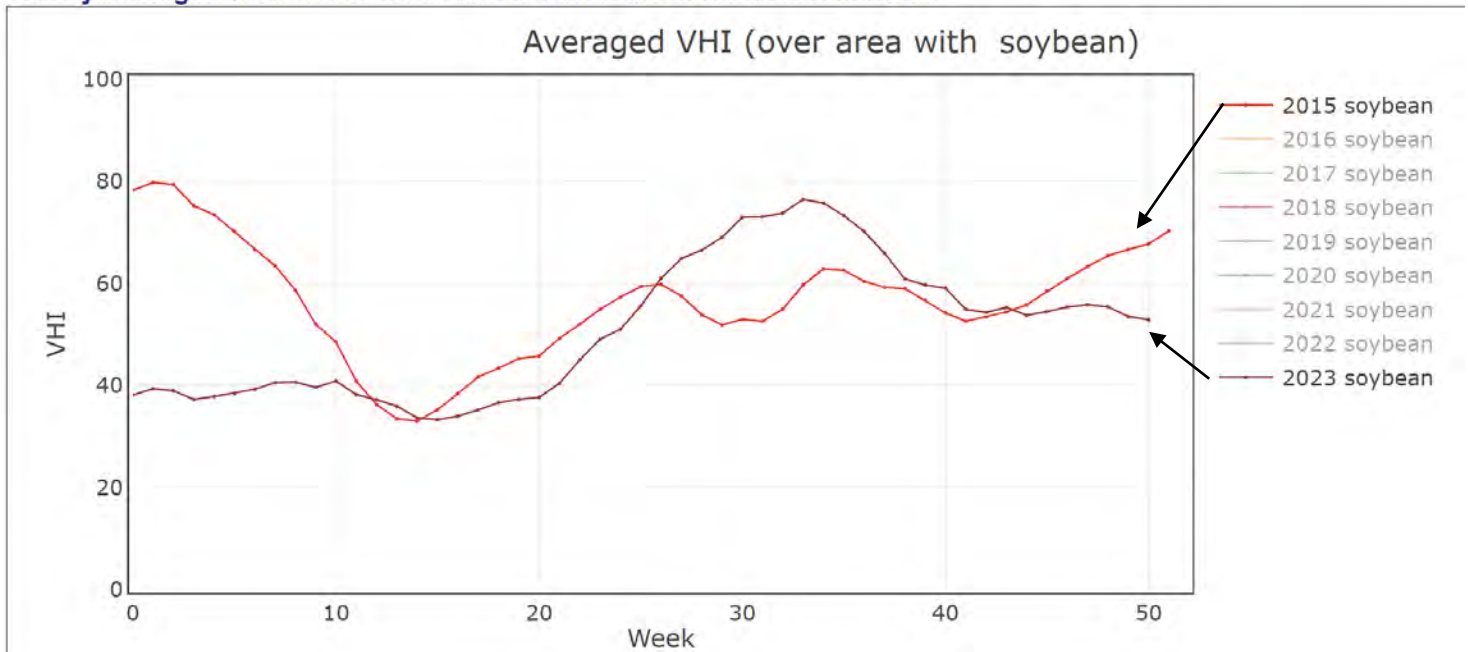
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Back in 2015/2016 Despite Near Record Rainfall in South Brazil, Yields Set Records for Soybeans- Precipitation this time Around was Moderately less from October First through the Mid January forecast period Which Should Still Offer Record Yield Potential-Surprisingly However, both Parana and Rio Grande Du Sol are Showing Much Worse Vegetative Health Readings-It is Possible Yields will still be very good but May fall Short From that Which was seen in 2015/2016-

Weekly Averaged Time Series for Province #16: Parana of Brazil



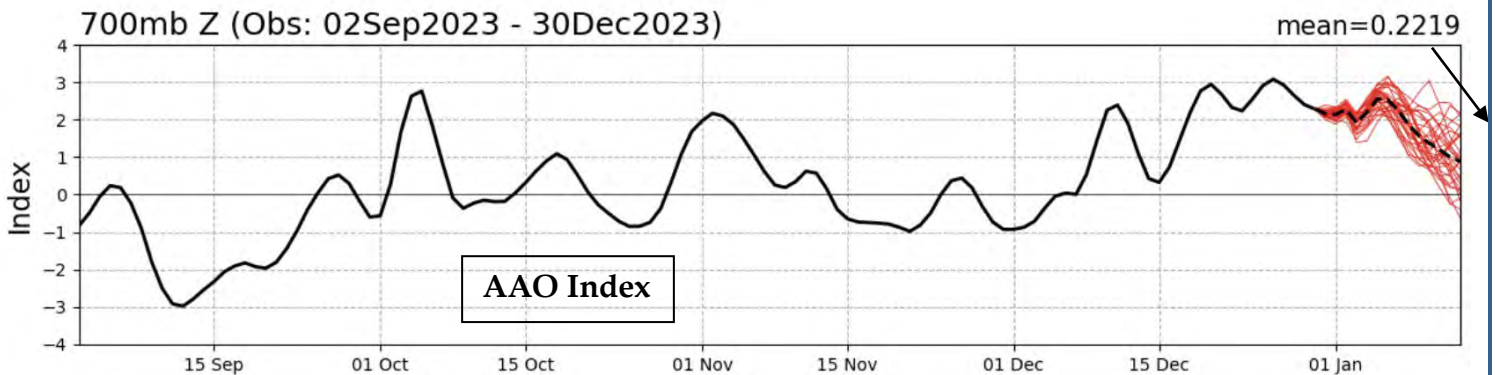
Weekly Averaged Time Series for Province #21: Rio Grande do Sul of Brazil



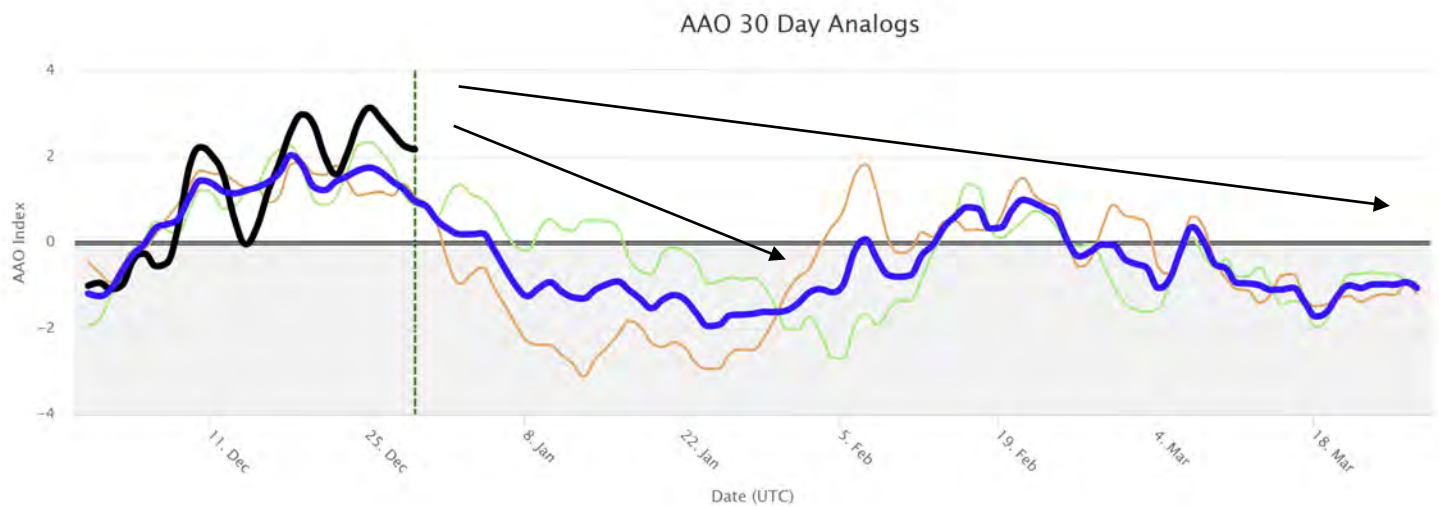
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The Good Rains that Hae Fallen in the Back Half of December that Will Continue into the First Half of January 2024 that was Driven by a Strong +Antarctic Oscillation Should Begin to Dry Out in the Back Half of January and Beyond as the AAO Collapses to Neutral/Negative Levels

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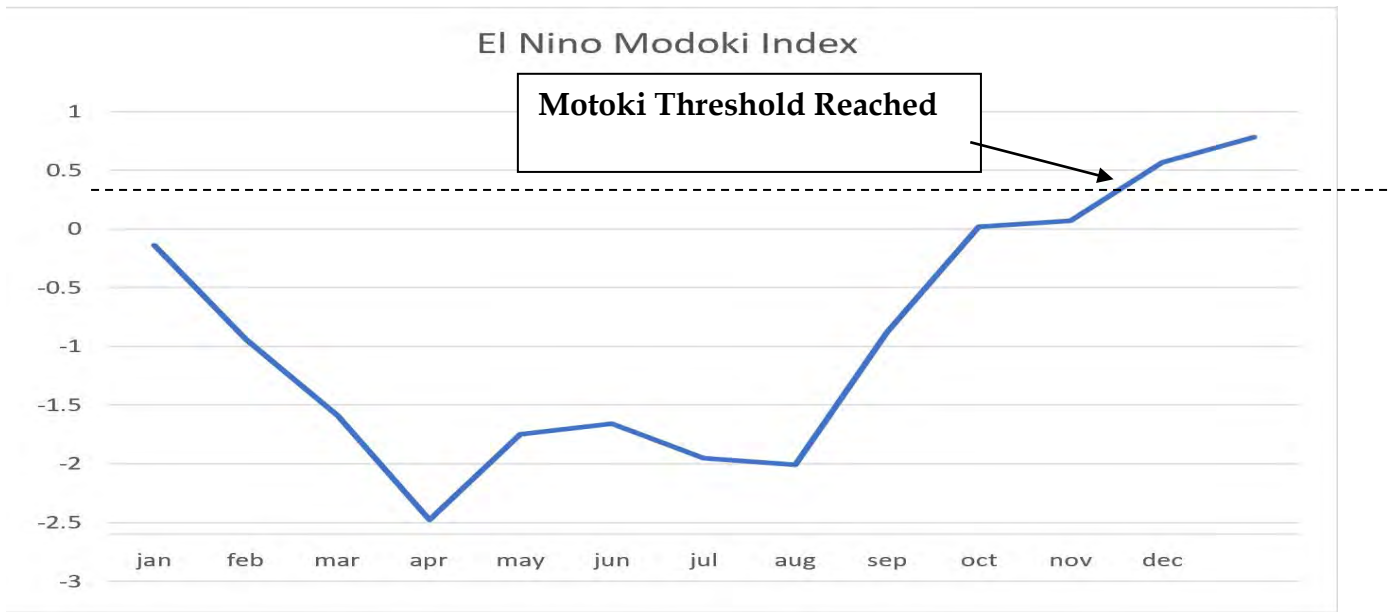


2002 and 1987 El Nino Year Analogs of the AAO are the Best Correlations to this Years Performance and Offer a Strong Move Back to a Largely Negative AAO through March-This Along with an El Nino Modoki Should Offer Unfavorable Hot Dry Risks to 2nd Crop Saffrina Corn in Brazil

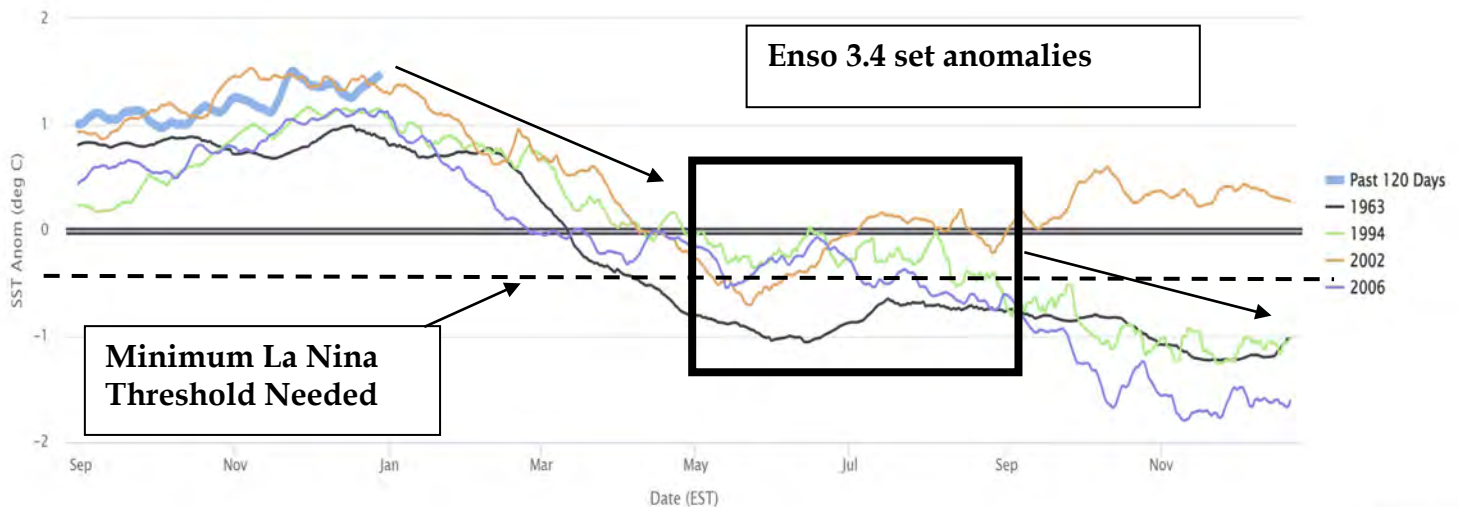


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El Nino Modoki Has Been Triggered Currently at a +.75 and Should Start to Impact Drying Out Central West Brazil by the Back Half of January 2024 and Begin Creating a Colder and Snowy Central/Eastern Half of the US as Well as Parts of Europe



Using the Multivariate Index Correlations as the Basis for Defining the Atmospheric Response to El Nino/La Nina Sea Surface Temperature Anomalies in the Central Pacific, Suggest La Nina to Return no Later Than Mid July and Strengthen into the End of 2024-Hot Dry US Growing Season Risks Highly Elevated Especially the Back half of the Summer-



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CORN PRICE ANALYSIS

December 2024 Corn Prices Will Complete a Bullish Looking Wedge Pattern in Early 2024 from Which a New Advance Should Emanate as the Oversold RSI Has Turned Up Triggering a Technical Buy Signal



Corn Synopsis

All our work suggests that the total corn crop in Brazil will be significantly lower due to the current drought causing soybeans to be planted late that then leads to late planted corn and peak pollination occurring into the heart of the Brazil dry season. An El Nino Modoki has been triggered which should make the 2nd crop corn growing season drier than normal further exacerbating the potential for draconian yield losses.

We presented in our last report to all of you our bases case for Brazil production and net South American corn crop production and what that means for substantially increased US corn exports for 2024 that will tighten the current US balance sheets significantly.

With La Nina returning for the US 2024 growing season, the likelihood for a trend line yield corn crop does not look very probable. Add in and elevated risk for the first half of May frost risk and there are plenty of reasons to think a credible rally should unfold heading into the spring that would offer good cash marketing opportunities for producers.

Speculative funds have reached near record short positions as a % of open interest suggesting that the bear story on corn is a very crowded trade that usually leads to a sudden reversal of short covering buying. Bottoms have been highly correlated with such one sides bear trades.

Current Net Speculative Shorts as a % of Open Interest Have Reached Near Record Levels that Have been Associated with Important Lows in Corn Over the Last decade.



SOYBEAN PRICE ANALYSIS

November 2024 Soybean Prices Are Completing a Wedge Pattern in Early 2024 and May Have More Downside to the Lower End of the Wedge Before a Bottom can Takle Hold and a Breakout to the Upside can be Expected.



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Soybean Synopsis

Rain makes grain and with rain falling right now in North Brazil, despite it being too late to make a material difference, means that short term weather traders sell and ask questions later.

The good news is that harvest is already underway in parts of Mato Grosso and as January progresses these results will reach a level that will convince the market about the realities of total crop potential falling well short of what was originally expected.

We presented our base case to all of you in our last report showing the minimum expected losses of Brazil production and reduced exports for 2024 and how that should cause US exports to shine much brighter creating a very tight balance sheet as a result.

US soybean acres will need to grow in 2024 at the expense of corn and will need prices to reflect enough of an economic advantage for US corn centric farmers to make the switch to more soybean acres.

The biggest risk to the US growing season is a very hot, dry back half from La Nina's return and that means soybeans could be at grave risk for a major crop problem.

As La Nina intensifies in the fall of 2024 South American will see huge soybean production risks return due to drought in Argentina and in Southern Brazil.

Short term weather traders are selling the rain as they always do and will wait for harvest results to prove otherwise. That would offer more downside to soybean prices heading into Mid-January before enough harvest results can prove the crop problems cannot be saved by late rainfall and turn the tide around.

Overall higher prices eventually should be seen heading into the spring where a good initial cash marketing opportunity will be offered with a second one offered sometime in late August into September on a US hot dry crop problem.

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Bean Meal

July 2024 Bean Meal Prices Are About to Complete a Wedge Pattern in Early 2024 From Which a Breakout to the Upside Would be Expected.



Bean Meal Synopsis

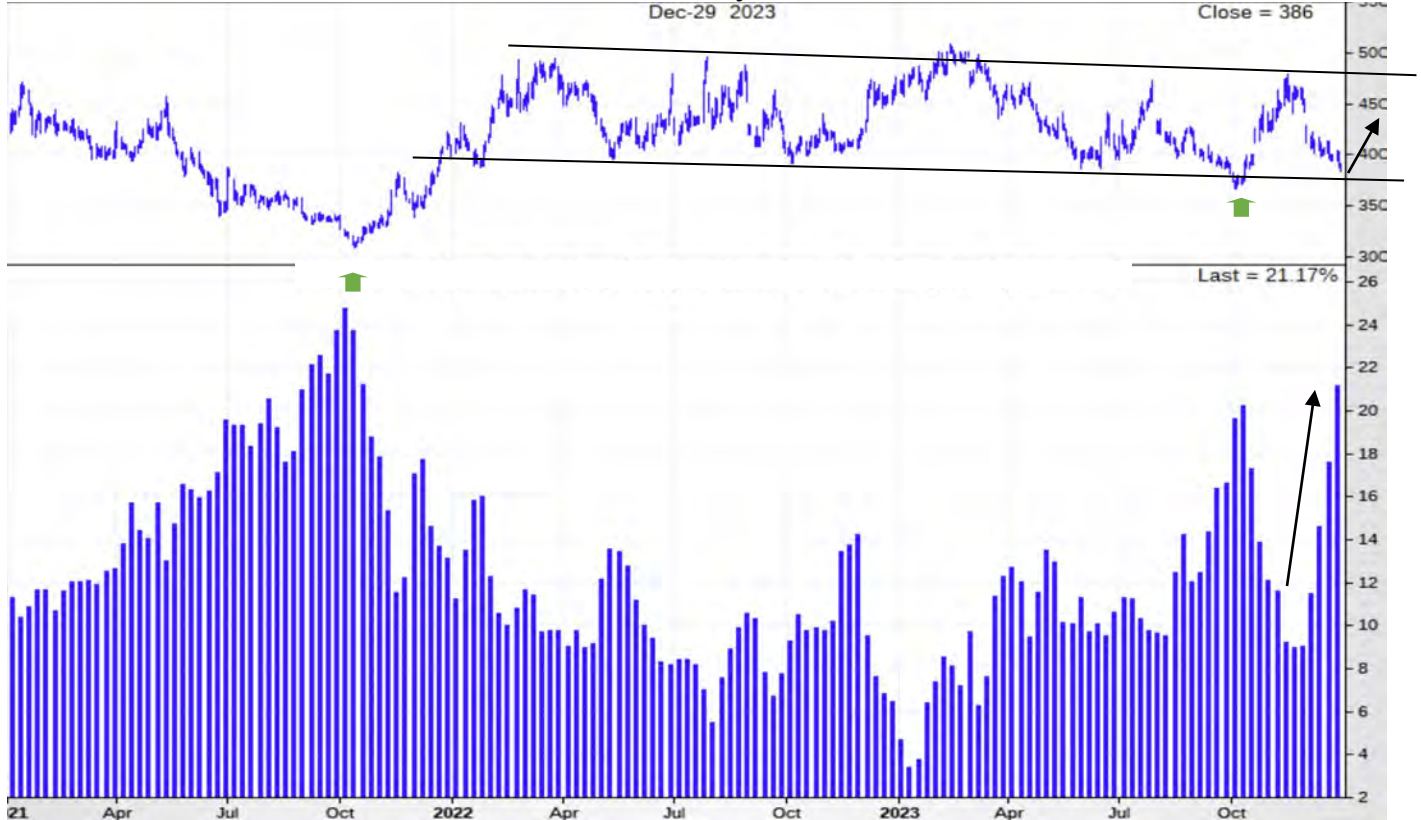
The supply shortage gap left by last year's 1 in 100-year drought in Argentina can not be resolved until fresh supplies become available in earnest by early summer. Until then the US should continue to see spirited export demand especially with the recent correction in prices and the breakdown in the US Dollar.

Smart Money once again is showing parabolic buying in demand similar to that which was seen before the last spike trade higher and warns about a similar pattern developing sometime in January.

Physical buyers of meal should be adding to their forward coverage.

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Parabolic Smart Money Buying in Bean Meal is Warning of Another Bottom Approaching Here in January



July 2024 Bean Oil Prices Have Reached the Support Area of the Wedge Pattern and Should Offer a Rally Opportunity to the Upper End of the Wedge Resistance

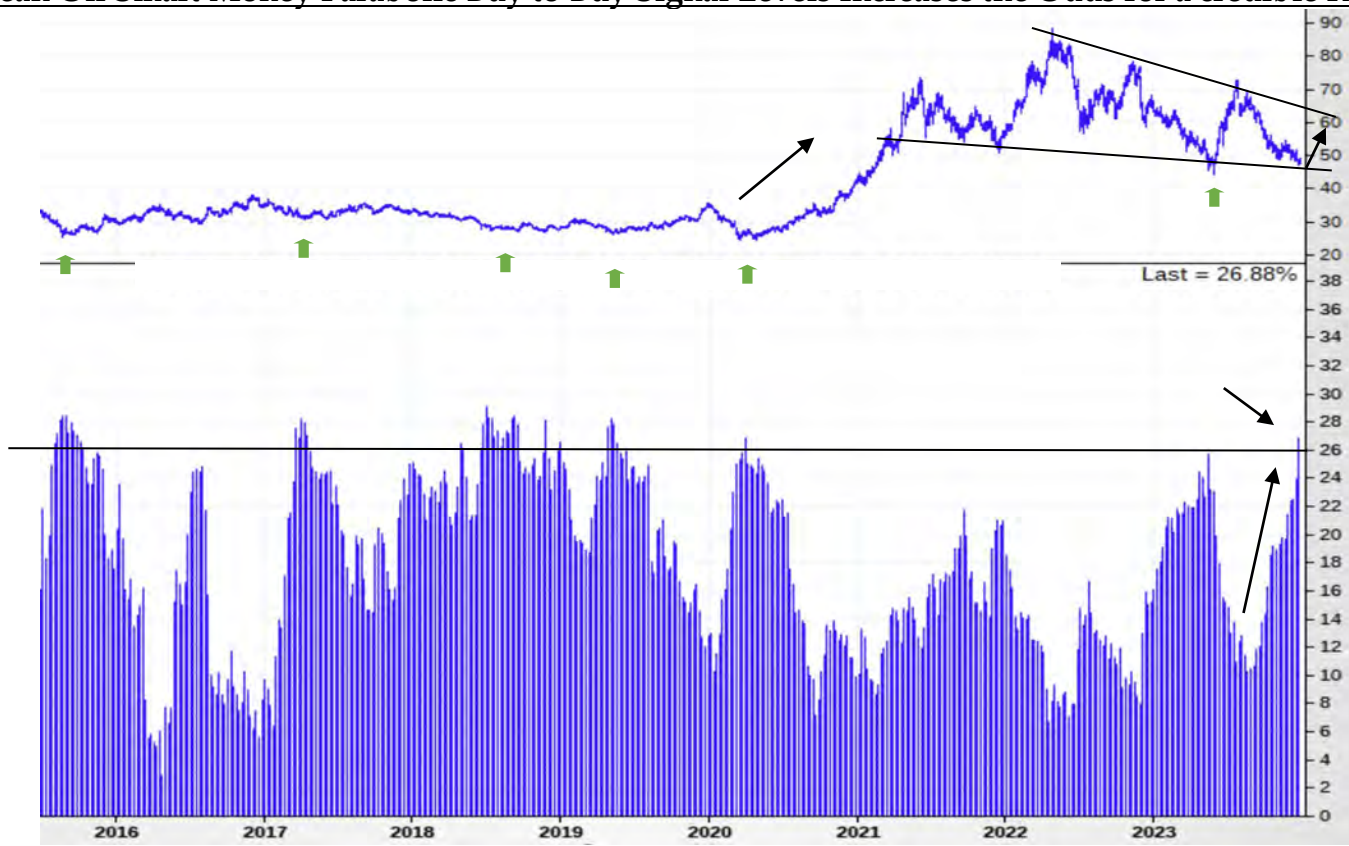


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While we have been correctly bearish the bean oil market for quite some time, it does appear that prices have gotten cheap enough to offer a rally in the first quarter of 2024. Parabolic buying by Smart Money to Levels that are typically associated with important lows has been seen in recent weeks. Despite disappointment over the EPA renewable diesel mandates demand will still improve in 2024 and the shortage of bean oil exports out of Argentina until the summer should offer better export prospects for US supplies.

All this to say that a credible rally in bean oil prices is looking promising at this moment in time.

Bean Oil Smart Money Parabolic Buy to Buy Signal Levels Increases the Odds for a credible Rally.



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November 2024 Canola Prices Have Reached Initial Support and look Set Up for a Technical Bounce as the Wedge Pattern Completes in Early 2024-With Speculators at the Highest Short Position Since 2018 the Prospects for a Short Covering Bottom to Unfold are Very Bright Here-



Beyond Canola trading off of Soybean price sentiment, the longer-term issue is the ongoing drought in Canada that according to our work should persist and worsen by Spring 2024 planting season offering huge risk for yet another disappointing Canadian growing season.

Our Preliminary work suggests that a La Nina returning by mid-July along with other variables we follow suggests that drought will be most concentrated in the US Central/Northern Plains/NW Plains and the Canadian Prairies.

With the likelihood of very poor subsoil moisture to begin the season the risks to the Canadian canola crop being well below trend are elevated in 2024.

Price should rally into the spring to attempt to buy additional acres as a safeguard.

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WHEAT PRICE ANALYSIS

CBOT SRW July 2024 Wheat Has reached Key Support and has Triggered 2 Monthly Bullish Doji Candlestick Bars and Has reached Oversold Conditions on the RSI Indicator all Suggesting that a Major Rally Should Soon Follow to Upper-Level Resistance



Wheat Synopsis

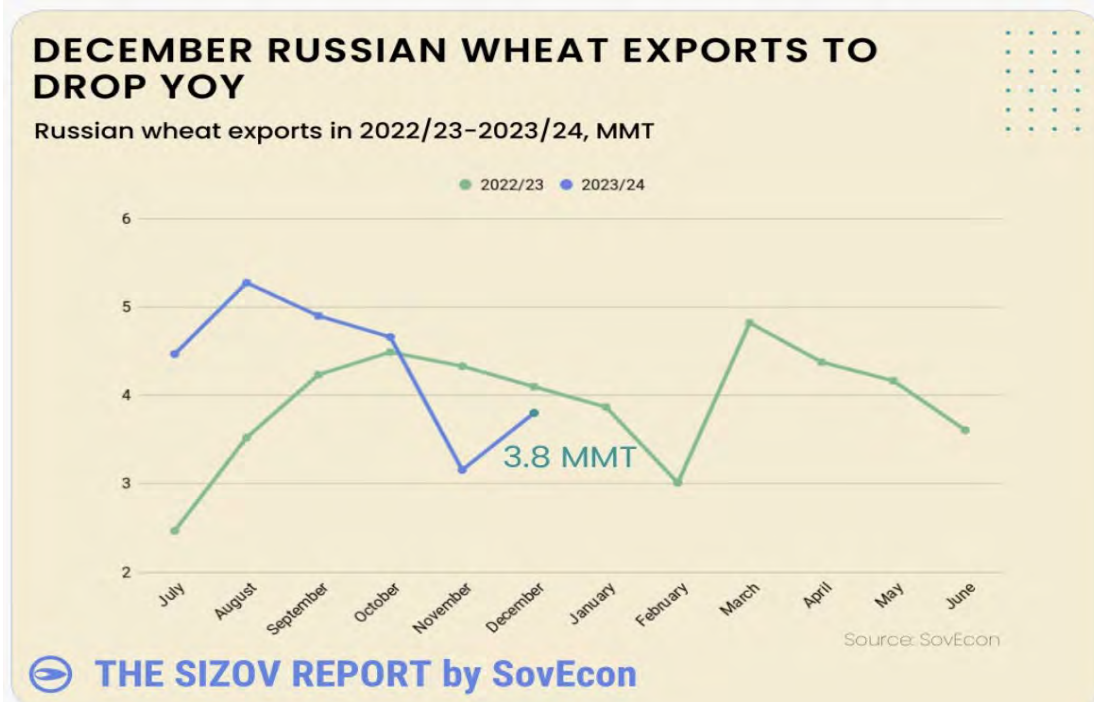
With Russia finally backing away from aggressive exports on lower production and reduced domestic supplies, export demand from other countries like the US can start becoming more robust. This key fundamental shift has added a bullish factor that can now start moving global and US prices higher over time and provide the backdrop for more vulnerability should weather evoke adverse post dormancy risks.

In the US, one of those risk factors beyond drought risks is an elevated probability for a first half of May hard freeze event that if verified could play havoc with portions of the winter wheat belt.

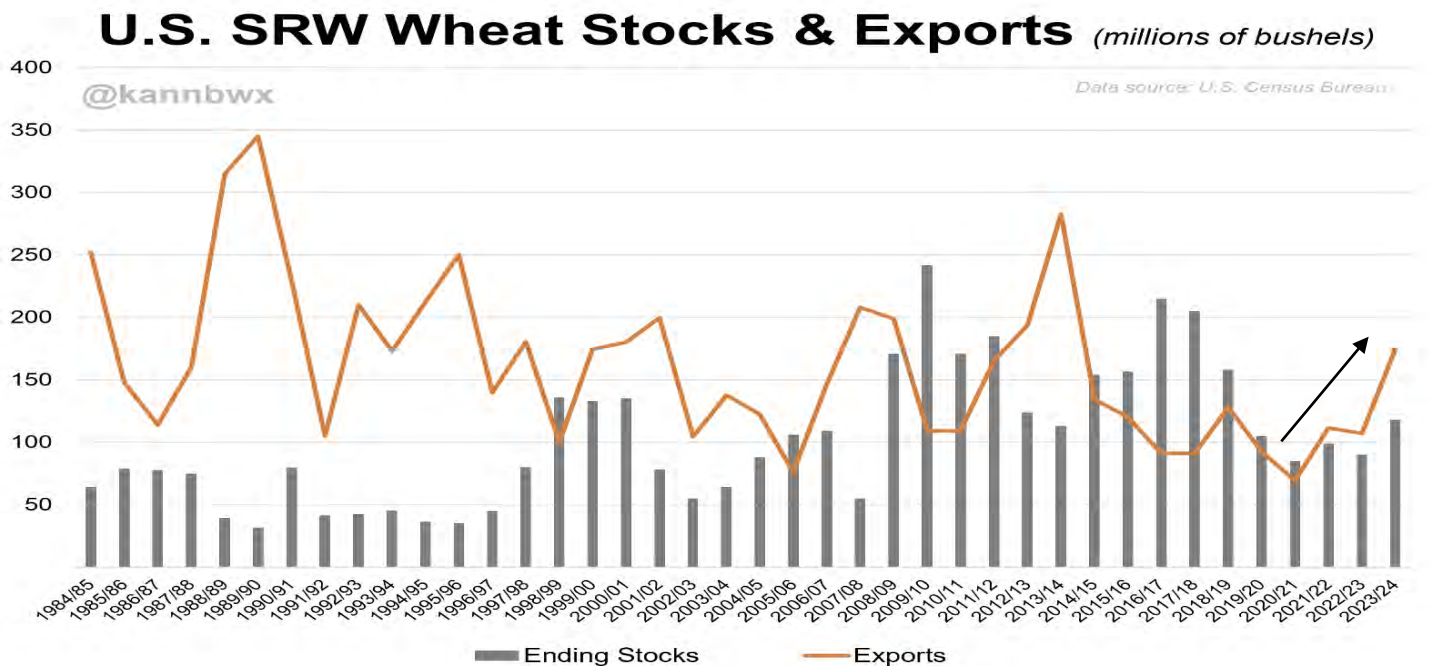
With speculator net positions near or at record short positions as a % of open interest it would not take much of a change in sentiment to cause a runaway short covering rally in the least and offer a credible spring marketing opportunity

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Russian Wheat Exports Continue to Underperform Last Year Opening the Door to Better Demand Elsewhere-This Trend is Expected to Continue



US SRW Wheat Exports Have Surged to the Highest Levels in a Decade as a Prime Beneficiary to Reduced Russian Exports

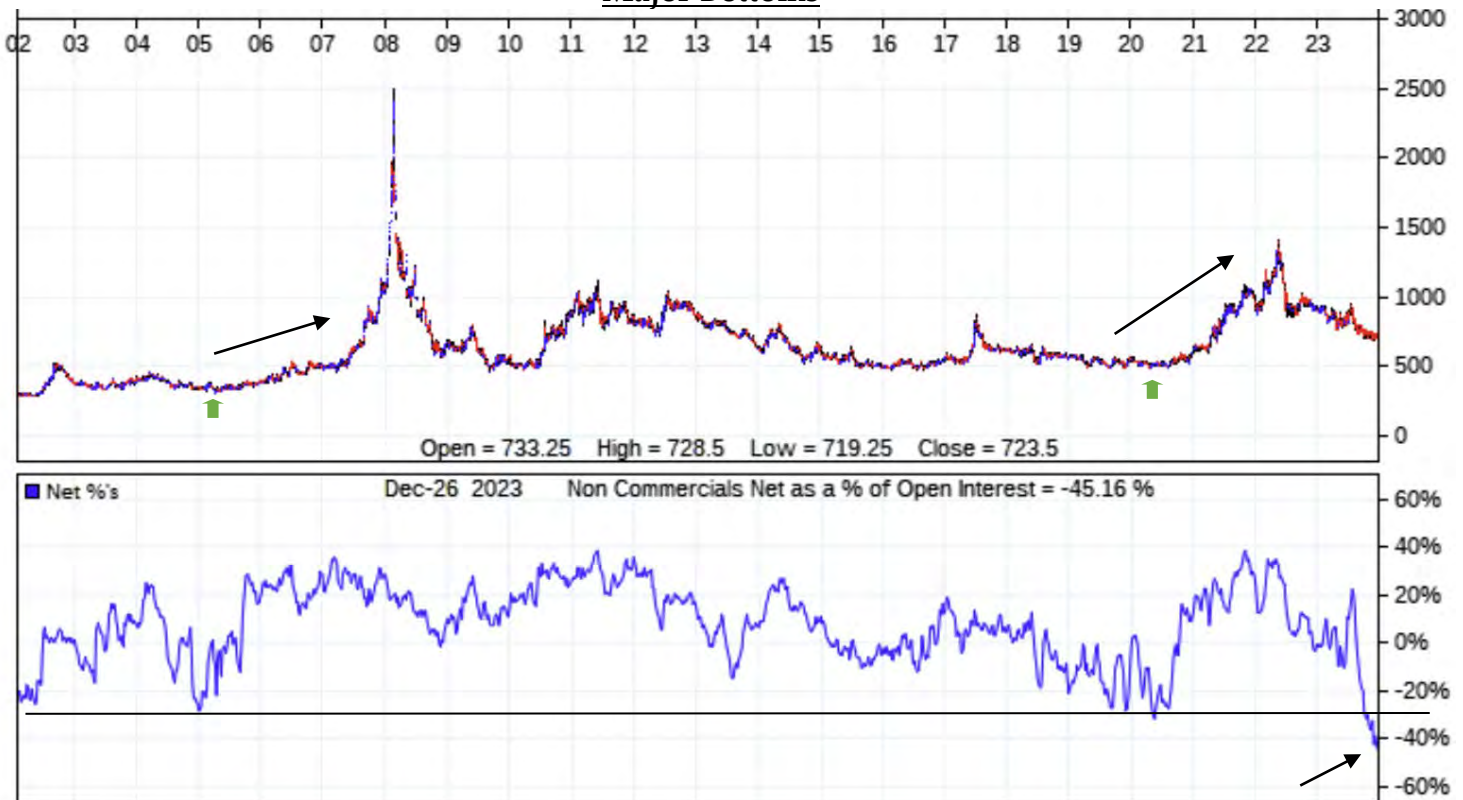


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KC Wheat Speculative Net Short Positions as a % of Open Interest Have Reached Levels that Have Preceded Important Flows Since 2019



MN Wheat Speculator Net Short Positions Have Reached 20 Year Lows That Typically Precede Major Bottoms



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COTTON Price Analysis-Smart Money

July 2024 Cotton Prices Have Corrected into Key Chart Support from a bullish looking rising Wedge Pattern Which Should Offer in the Least a Rally to Upper-Level Resistance



Cotton Synopsis

With the dramatic reduction in long term treasury interest rates and the likelihood the Federal Reserve will follow suit here in 2024 and lower rates, the prospects for improving demand in interest rate sensitive industries of which cotton represents is good.

This improved demand outlook comes on the back of reduced available supplies from last year's synchronous lower crops and the makings for a demand lead rally in cotton prices heading into the spring look promising.

Current pricing is not conducive to increasing cotton acres and a La Nina weather pattern returning offers the potential for a back half drought to surface and the strong possibility for a hyperactive hurricane season that could play havoc with open boles later on in the season.

For now, prices look likely to head higher.

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COCOA PRICE ANALYSIS-Smart Money

July 2024 Cocoa Prices Have Reached the Parabolic Stage as the All-time High Prices Set Back in 1977 Remain the Last Line of Resistance-The RSI hitting 80 Capped the 1977 Historic Bull Market and Set the Initial High for the 2008 Bull-Currently Readings at 72 offers More Upside Still-



Cocoa Synopsis

The year 2024 is highly likely going to be the year that the current cocoa bubble pops sometime in the back half of 2024. Until then as El Nino holds on into the early Spring of 2024 the risks for a round of extreme Harmattan winds to inflict damage on new buds for the upcoming West African crop remain elevated. To be clear, our work thus far does not show any Harmattan risks on the horizon at least through mid-January.

Also, we do expect that at the tail end of this unusual El Nino cycle, dry weather will cause concern at a critical time for bean development during the late spring period.

Once these weather risks can be fully priced into the current market psychology, then the bubble can pop as increased investment in new trees and better husbandry start providing the increased production efficiency, they always do with tree type crops.

Also, other countries who have had better production and are seeing record profitability will also, on the margin, look to increase their market share foot hold. Tree crops have a long tail to them in both directions so once the overproduction starts there will be no way to stop it any time soon absent adverse weather.

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The Hackett Money Flow Commodity Report

December 31, 2023

Commodity Market Analysis
For Hedgers and Investors

La Nina is coming back and with that better weather should arrive later on in 2024 to cause the potential for a monstrous rebound in global cocoa production in 2025.

At this point we are going to be looking for bubble top signals to prepare for an historic shorting opportunity the likes that have just started to be witnessed in the orange Juice market.

For now, we will wait and watch.

SUGAR PRICE ANALYSIS-Smart Money

July 2024 Sugar Price Have Seen a Sizeable Correction and Is Now Testing Key Support and \$20. Thus Far the Uptrend Line Remains Intact Arguing for a Bounce in Prices Heading into the First Quarter of 2024



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Sugar Synopsis

The large sugar supplies coming out of Brazil from good weather and a significant shift away from ethanol production and towards sugar production has already been priced in on the current correction. With India supplies remaining offline from the export Ban and with Thailand supplies greatly reduced from last year poor crop, the global supply situation remains a walking on eggshells fundamental situation.

While La Nina's arrival most likely by Mid July 2024 would offer a good weather finish to the India and Thailand monsoons for their corresponding sugar corps, the prospects for a dry first half, the most critical half for determining sugar yields remain elevated.

This should keep the sugar market very nervous, and should the Monsoon come up short in June into July with already greatly reduced irrigation well supplies in India you can bet prices will respond strongly to the upside.

For now, prices have over short in our view to the downside and are destined for a credible rally heading into the first quarter of 2024.

Coffee Price Analysis

July 2024 Coffee Prices are Attacking Overhead Resistance and Have Reversed Lower Which Should Continue Heading into the First Quarter of 2024 Before a Secondary Low can Take Hold



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Coffee Synopsis

Moisture deficits are matching very closely with that which was seen during the 2015/2016 El Nino season for Minas Gerais and Espino Santos. What is strikingly different was the much more extreme heat that has unfolded this year versus back then and this has caused very poor conversion efficiency from bud to cherry leaving top end crop potential now impossible to achieve.

Based upon vegetive growth and internode formations, the current crop had a total potential to be 80 million bags. Back in 2015/2016 Arabica yields fell 8% while Robusta yields fell closer to 20%. It would be expected that greater losses would be seen this year from the higher heat component, at least for Arabica. Keep in mind that Robusta irrigation wells ran out and thus the brunt of the drought was inflicted without beneficial irrigation for the latter half of that growing cycle year in 2015/2016. That did not and is not likely to happen this year. Thus yields, being down 20% to 25%, still look good to us.

Good rains are now falling for the entire core coffee region in Brazil and should these rains continue into the majority of the first quarter, a critical time for bean formation and for additional vegetative growth, then some of this yield loss can be reversed but not all of it.

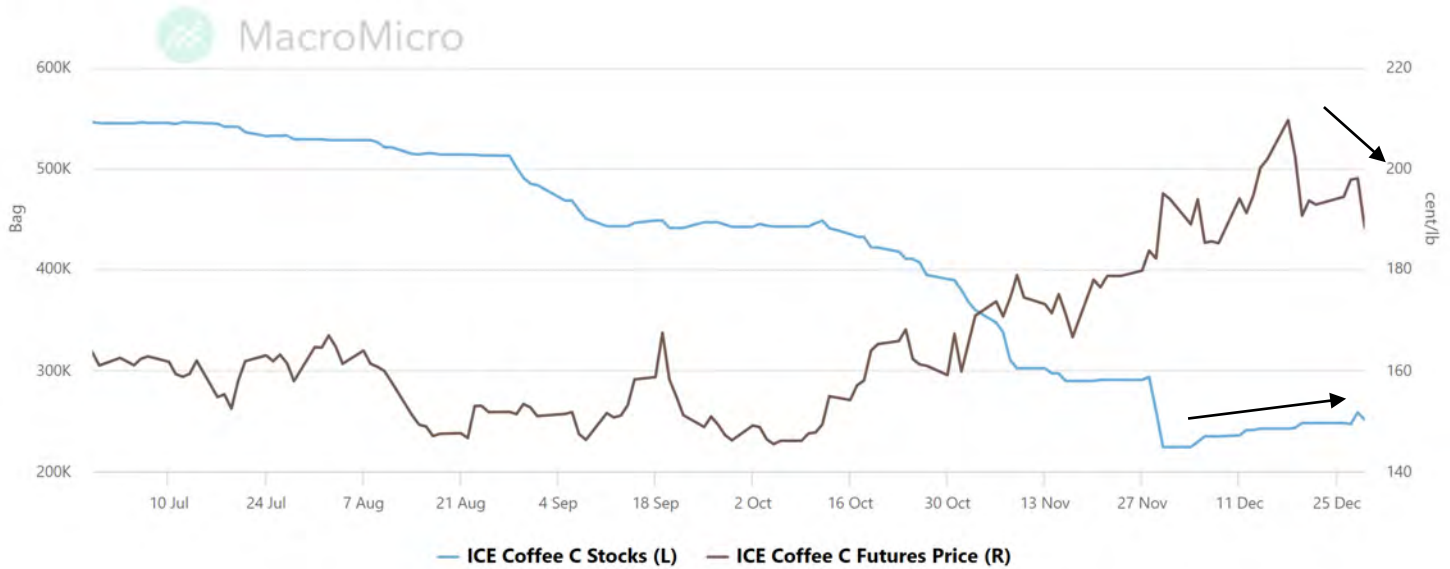
Our best guess is that Arabica yields can falter 12% from the 52 million bags that would be expected offering a reduction of 6 million bags. For Robusta, a 25% loss from the 28 million bags that would have been expected offers a reduction of 7 million bags. Absent a resurgence of hot dry weather for the first quarter of 2024, which we do not expect to happen, the above scenario would be your worst-case scenario of around a 67-68 million bag crop up slightly from last year's 66.4 million bags. That is enough coffee to cover demand with a little surplus.

The problem lies with the idea that if we have reduced vegetative health than would have been otherwise optimal then the 2025 crop is already compromised. In addition, the 2025 crop would be your cyclical down year as producers would carry out heavy pruning to maintain good long term coffee production. The inability to build meaningful large Brazilian ending stocks during this up cycle now means we run the risk of moving back into deficit in 2025 and supplies getting razor thin again with no tolerance for anything but perfect weather.

This is a long-term bullish story but for now good rains mean weather speculators will sell offering a corrective period. Certified stocks remain very low but have been rising and this needs to be watched for the potential to add some additional bearish sentiment to the coffee market.

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Will the Recent Rise in Ice Certified Coffee Stocks Continue and Inflict a Bearish Change in Sentiment?



Lumber Price Analysis-Smart Money

March 2024 Lumber Prices Have Surged into Overhead Resistance and Are Due for a Much Deserved rest and Correction into Underlying Support



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Lumber Synopsis

With the recent collapse in long term interest rates to the tune of over 1% in less than a month and with the Federal Reserve always following the US treasury market lead, interest rate sensitive commodities and stocks have seen a spirited rise lumber included over the past month.

For now, that has been priced in and the market will now look and wait to see if demand actually improves and if the Federal Reserve actually delivers rate cuts by March 2024.

Prices have reached key resistance and are overbought which should lead to a corrective period heading into the first quarter of 2024.

Oats Price Analysis

May 2024 Oats Prices Have Reached Initial Support Box and Look Primed for a Renewed Rally Back to Overhead Resistance



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Oats Synopsis

Global Oats production for the top exporters cratered in 2023 to the lowest levels in 25 years. Worries over consumers pulling back from relatively more expensive alternative milk products like Oats milk is keeping buyers more hand to mouth thereby keeping prices under pressure from farmers having to sell. While oats milk sales have shown some weakness in 2023, they still are modestly up as a category and that means oats supplies need to keep pace.

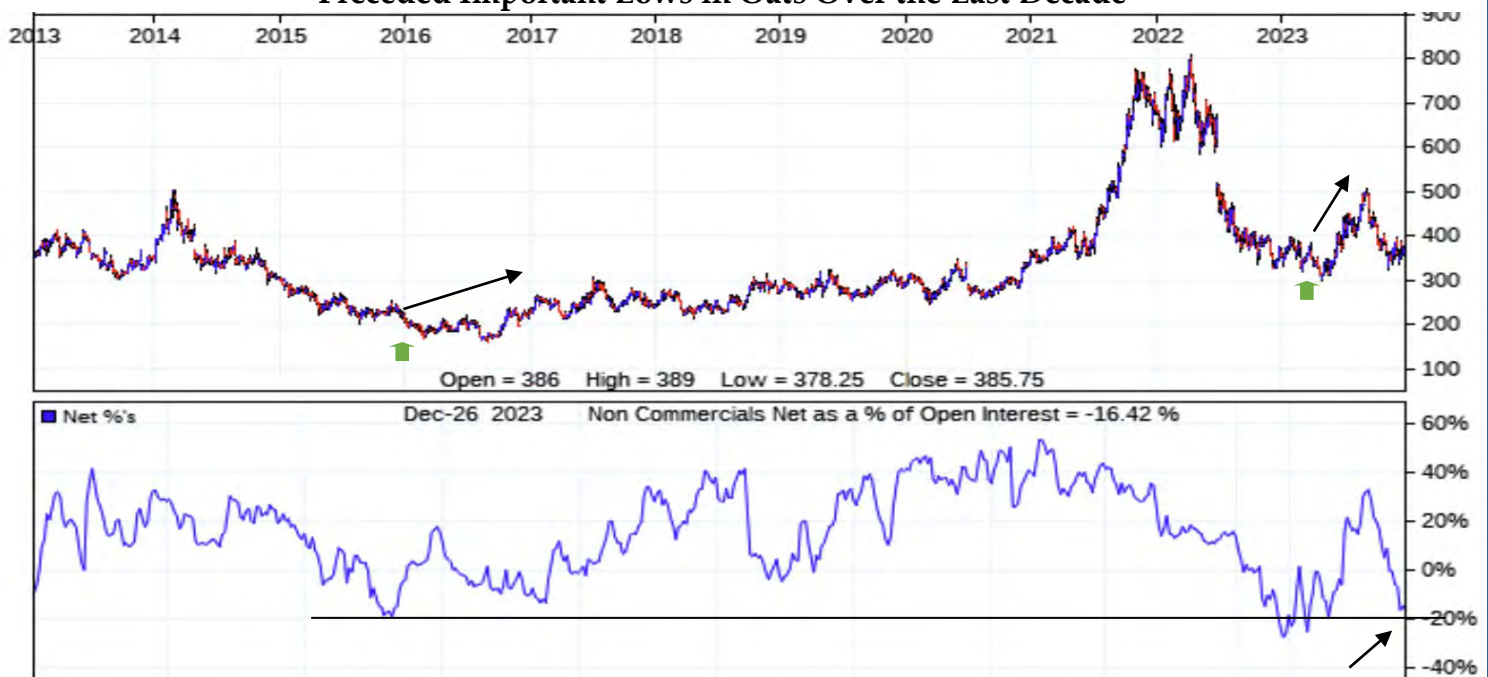
The current level for oats prices is not sufficient to secure the increased acres needed to keep supply and demand stable on a global basis.

At some point soon, oats prices will have to buy these acres and even if they do, the prospects for ongoing drought to continue in the Canadian prairies for the 2024 season make producing a good crop even more challenging.

With speculator net short positions at some of the highest levels seen as a % of open interest, the gun is fully loaded for a spirited short covering rally heading into the spring planting season.

Physical buyers of oats would be wise to increase forward coverage.

-Speculative Net Short Positions as a % of Open Interest Have Reached Extreme Levels that have Preceded Important Lows in Oats Over the Last Decade-



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Orange Juice Price Analysis

May 2024 OJ Prices Haver Likely Popped the Bubble from the Most Overbought OJ Market in History and a Huge Shooting Star Candlestick Bar Has Formed from Which a Crash Market Can be Seen to the Original Breakout Point of \$2.50



Orange Juice Synopsis

Fresh US supplies are finally coming in with large increases from last year close to zero crop. These fresh supplies are easing the need for the US to import Brazilian OJ supplies and that is starting to crash the price of US orange juice at a time of unprecedented demand destruction domestically.

The citrus greening scare in Brazil has been priced in and production is set to improve on good Brazilian weather this season and better husbandry. Once OJ demand is lost the history is that it never again returns here in the US.

Bubble tops once set typically at minimum collapse to the original breakout point which in this instance would be the \$2.50 area and ultimately do tend to fall to even more formidable underlying support which in this case would be \$1.50. Word for warning...

With La Nina coming back and accelerating into the fall of 2024 the risk for a hyperactive Hurricane season to largely impact Florida and the Gulf states is very elevated. When it comes to freezes it is rare to have a major frost during an El Nino year at the peak of the 11-year solar cycle.

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Prices are unlikely to fall beyond the June timeframe given this elevated hurricane risk and so this would be a huge risk point back to the upside that buyers and sellers need to factor into their hedging and trading strategies.

For right now the sweet spot to the downside is now heading into the spring.

Rice Price Analysis

July 2024 Rice Prices Remain in a Well-Defined Bullish Up trending Wedge Pattern from Which a Rally Can be Expected from Current Levels.



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Rice Synopsis

So long as Indian domestic rice prices remain elevated and until the Indian authorities can secure a good year of production in 2024, the ban on India rice exports is likely to continue.

Similar to sugar, it is expected that better weather and a strong monsoonal finish is likely with La Nian returning by the back half the growing season but the period heading into mid-July could be very dicey and nerve racking as dryer and hotter weather risks remain with much reduced irrigation well supplies.

US prices are stuck between the soaring price of Asian rice prices and the tranquil fundamentals for US rice. Looking down at South America the price of Brazil rice has soared and should feed into larger exports for US rice supplies.

Brazilian Rice Prices Surging into Year End

CEPEA/IRGA-RS RICE PRICE INDEX (RIO GRANDE DO SUL STATE)



US Rice Export Sales Outstanding Surging to Near Multi Decade Highs



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Milk Price Analysis-Smart Money

June 2024 Class III Milk Prices Are Trapped in a Long-Term Wedge Pattern-With Prices at Support a Rally into the First Quarter of 2024 Would be Expected to the Upper End of the Wedge Channel



Milk Synopsis

With the US Dollar breaking down and with greatly reduced US interest rates the outlook for the consumer heading into the first quarter of 2024 looks brighter as does the probability of improved export business.

While this is not a call for a major bull market it is a call for a rebound in prices to better reflect short term supply and demand.

Longer term we will need to get on the other side of the Chinese ASF situation and see a meat protein shortage develop to bring China back into the mix as a big buyer and driver for global milk powder post second quarter of 2024.

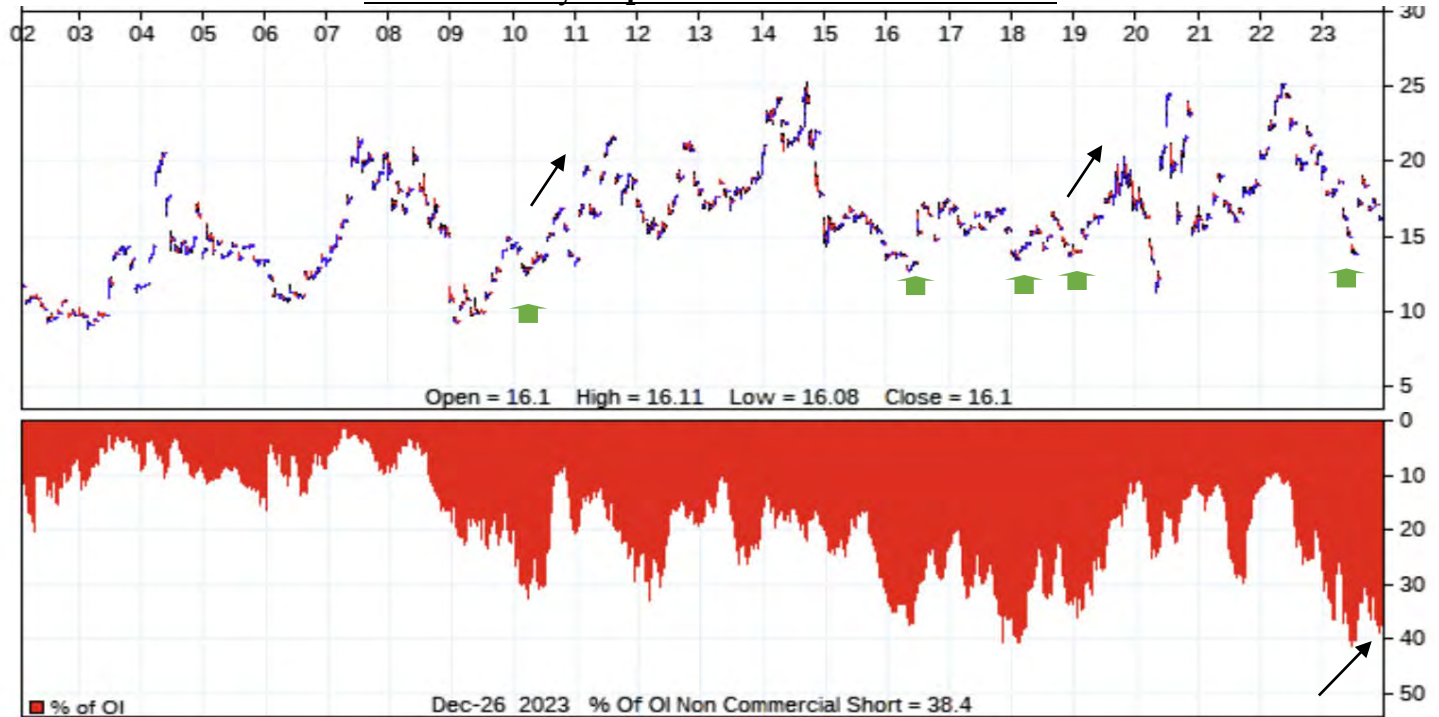
Right now, we have one of the largest speculative short positions as a % of open interest in milk market history providing the backdrop for a sudden and violent short covering rally to ensue at any point in the first quarter of 2024.

For a more detailed analysis and specific recommendations please subscribe to our flagship Hackett Dairy Report by going to the link below to our website:

<https://www.hackettadvisors.com/subscribe.Asp>

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Speculative Shorts as a % of Open Interest Have Reached Levels Rarely Ever Seen Before That Have Preceded Very Import Milk Bottoms in the Past



Surging Global Cheese Prices Are a warning Sign that Global Demand is on the Mend-

Cheddar Average Prices

12 months | 5 years



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Cattle Price Analysis

August 2024 Cattle Prices Have Reversed Lower and Look to Have Further to Fall in the First Quarter of 2024 from an Extremely Overbought Condition to the 2014 Support Area



August 2024 Feeder Cattle Prices Have Reversed Lower and Look to Have Further to Fall in the First Quarter of 2024 from an Extremely Overbought Condition to the 2014 Support Area



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Cattle Analysis

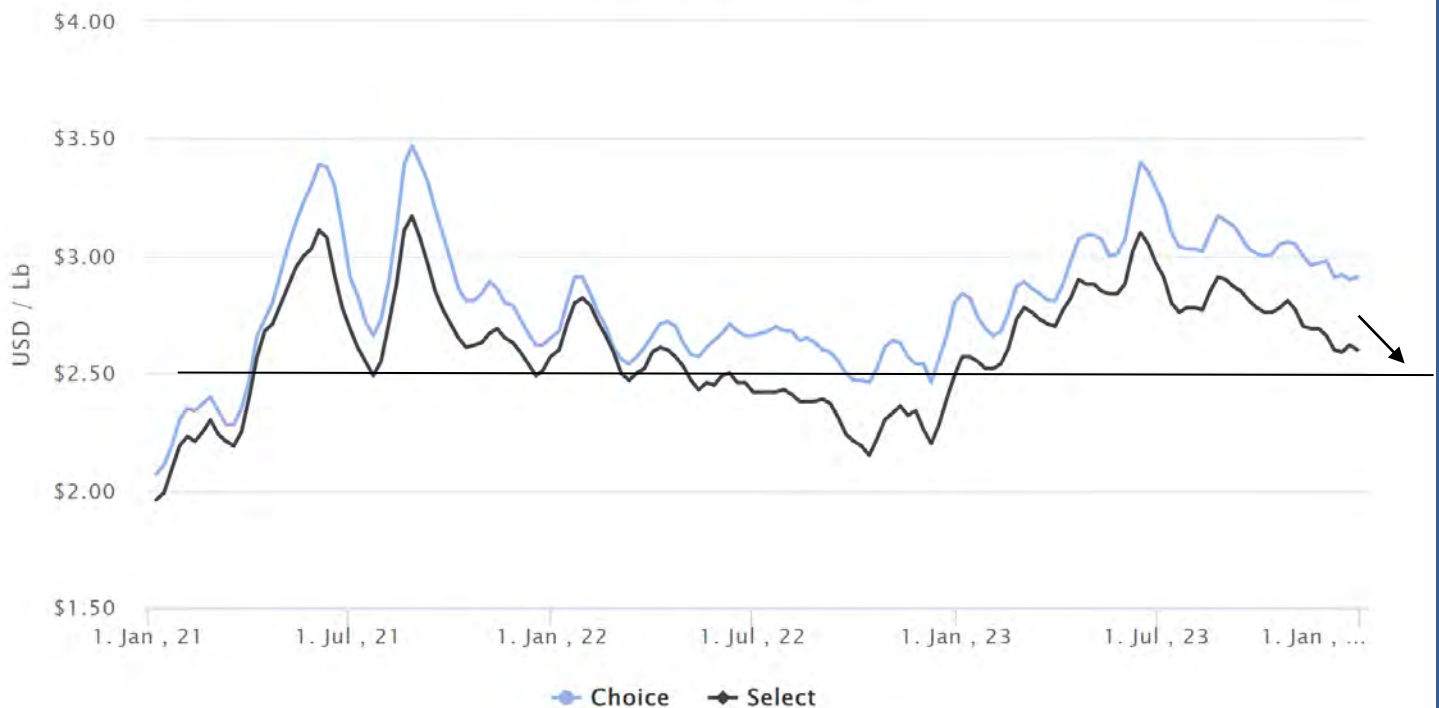
It looks to us that we still have an oversupply situation in the first quarter of 2024 with a plethora of cattle on Feed that need to come to the market at a time of weakening cash prices and demand.

It will likely take until the second quarter to rebalance the situation and offer a more formidable rally. For now, bounces can and will occur, but we doubt any such attempts can be anything other than temporary at best.

We also are not yet seeing the kind of dynamic Smart Money buying or extreme speculative short positioning that would typically precede a major low.

US Beef Prices Remain on a Steady Decline as Consumers Finally Reach the Sticker Shock Moment- \$2.50 Cash Price Might be Required to Bring Some Consumer Demand Back

Weekly Historical Prices: From 8-Jan-21 To 29-Dec-23



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Lean Hogs-Smart Money

August 2024 Lean Hog Prices Remain in the Middle of 2 Wedge Patterns that Argue for a Turn Up from Current Support



Lean Hogs Synopsis

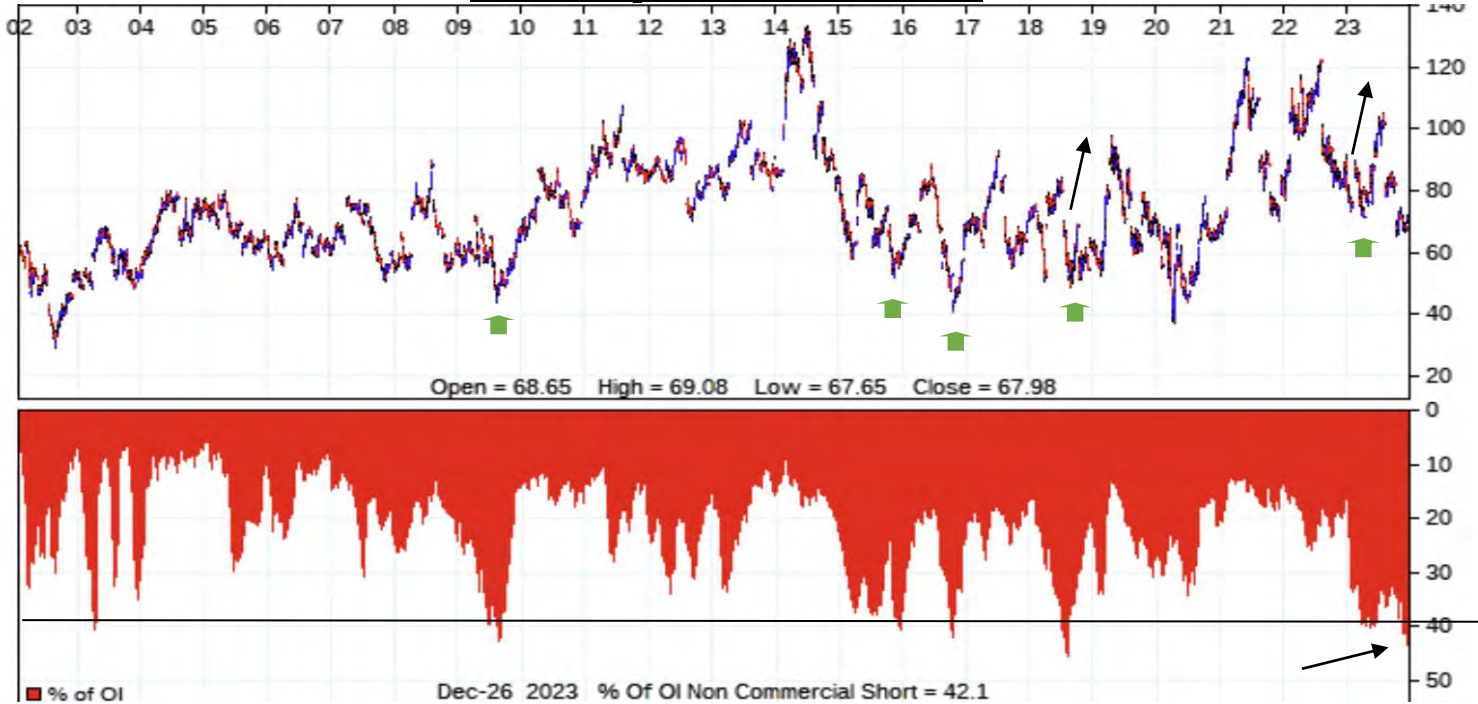
US pork cutout prices still remain very depressed and that will need to improve to provide some excitement for US lean hog prices. We also need to be selling our pork to someone else other than Mexico if we hope to clear out the oversupply and realign a healthy hog supply/demand market.

From 2nd quarter onward is when the current ASF phase in China should end and start an even more draconian meat protein supply tightness in the back half of 2024 for China. If and when that happens a near record speculative short positions as a % of open interest ever seen provides huge ammunition for a wild spike trade short covering rally.

Producers should be looking to sell any short covering bounces that typically occur from time to time heading through the first quarter of 2024 while buyers need to keep their powder dry for an historic buy-in.

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Speculator Shorts as a % of open Interest are Near All Time Record Levels that Have Tended to Precede Import Bottoms in the Past



March 24 Natural Gas Has Crashed and Has Developed a Bullish Hammer and 2 Doji Candle stick bars Suggesting a Potential Change in Trend is Near along with a Very Oversold Condition



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The Hackett Money Flow Commodity Report

December 31, 2023

Commodity Market Analysis
For Hedgers and Investors

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Commodity Market Analysis
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If you have any questions about any of the content in this report, please call me at (888) 535-5525 or e-mail me at Shawn@HackettAdvisors.com. Thank you for reading and I hope your future investment decisions turn out to be prosperous ones.

Best Regards,

Shawn Hackett, President

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December 31, 2023

Commodity Market Analysis
For Hedgers and Investors

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