

CME January 2020 Class III Milk Futures

The CME January Class III Milk chart has been reconfigured. Following heavy losses during Monday's and Tuesday's trading, the market shook off early pressure and finished Wednesday's trading session with a sizable gain. After falling below the 50-day and 100-day moving averages earlier in the week, a successful test of the market's 200-day moving average is a positive development. The relative strength index (RSI) is now pointing higher and at 35.7% is now back in neutral territory. The slow stochastics remain under the influence of the December 4th crossover sell signal, but are now pointing higher and are close to lifting clear of oversold territory. The market saw its three highest volume readings during the past three sessions. If the market can close above 17.40, it would suggest a test of the Fibonacci 38.2% retracement level of 17.63. A close above 17.63 might suggest a test of the Fibonacci 50% retracement level of 17.90. A close below 17.02 would be seen as negative and might suggest a test of the December 17th low of 16.77. The first level of resistance is at 17.40 followed by 17.63. The first level of support is at 17.02 followed by 16.77.

	Resistance	Support
January Class III Milk	17.55	17.20
February Class III Milk	17.37	16.96
January Cheese	1.8470	1.7920
February Cheese	1.8050	1.7700



CME January 2020 Nonfat Dry Milk

The CME January Nonfat Dry Milk chart has been reconfigured. The market followed through on Monday's gap-lower opening with a moderate loss and a third straight negative daily result during Wednesday's trading session. In addition, the market has reached its lowest price level since November 11th. Volume was above average on Wednesday, while open interest has been rising during this pullback. The market remains above all three major moving averages but is closing in on the 50-day moving average at 120.814. The relative strength index (RSI) is pointing lower, but at 46.1 in currently in neutral territory. The slow stochastics continue to be influenced by a crossover sell signal on December 3rd and are approaching oversold levels. A close below the 38.2 Fibonacci retracement level at 122.062 should trade down to test the Fibonacci 50% retracement level at 121.000. A trade above 123.250 might suggest a retest of the December 10th high at 124.750.



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