

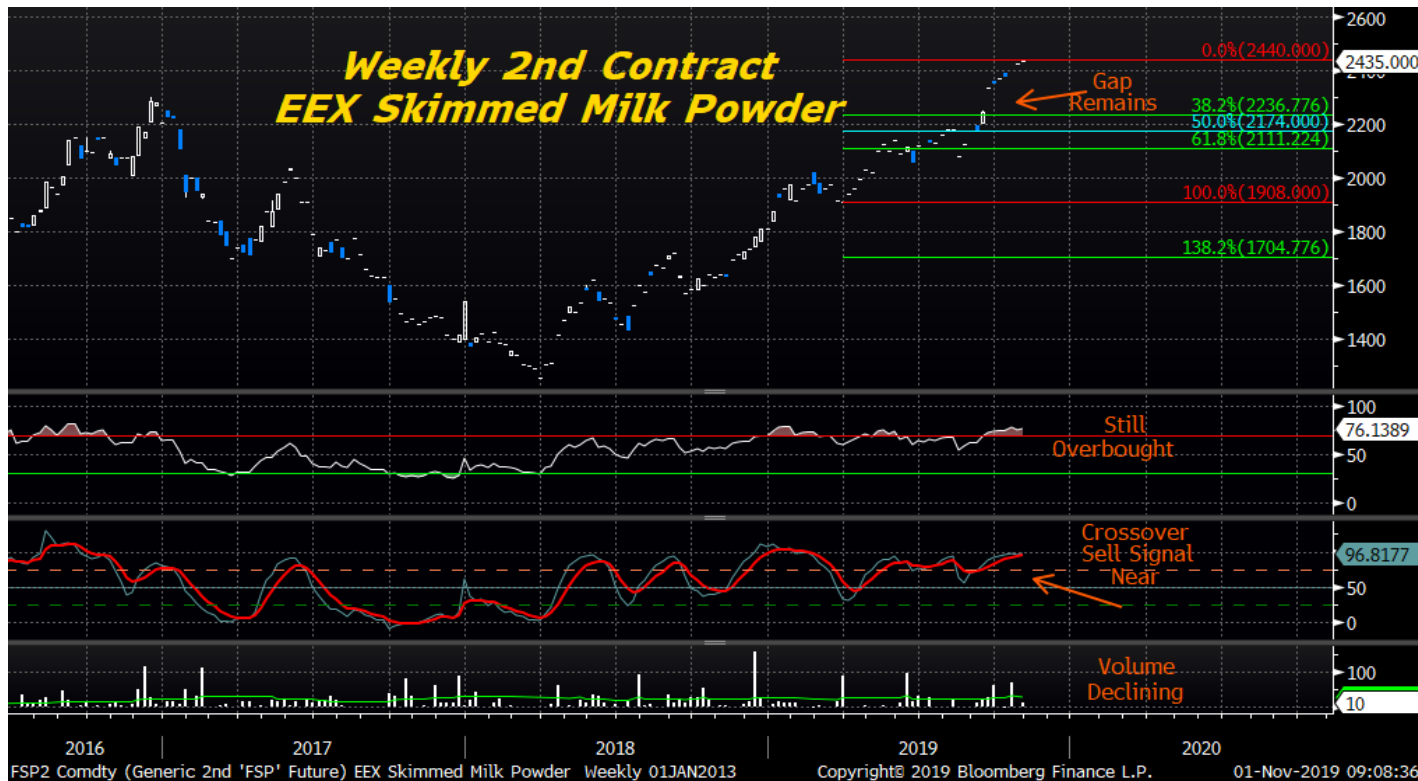
A light grey world map is centered in the background of the slide, showing the continents of North America, South America, Europe, Africa, Asia, and Australia.

Monthly Dairy Technical Analysis

November 2019



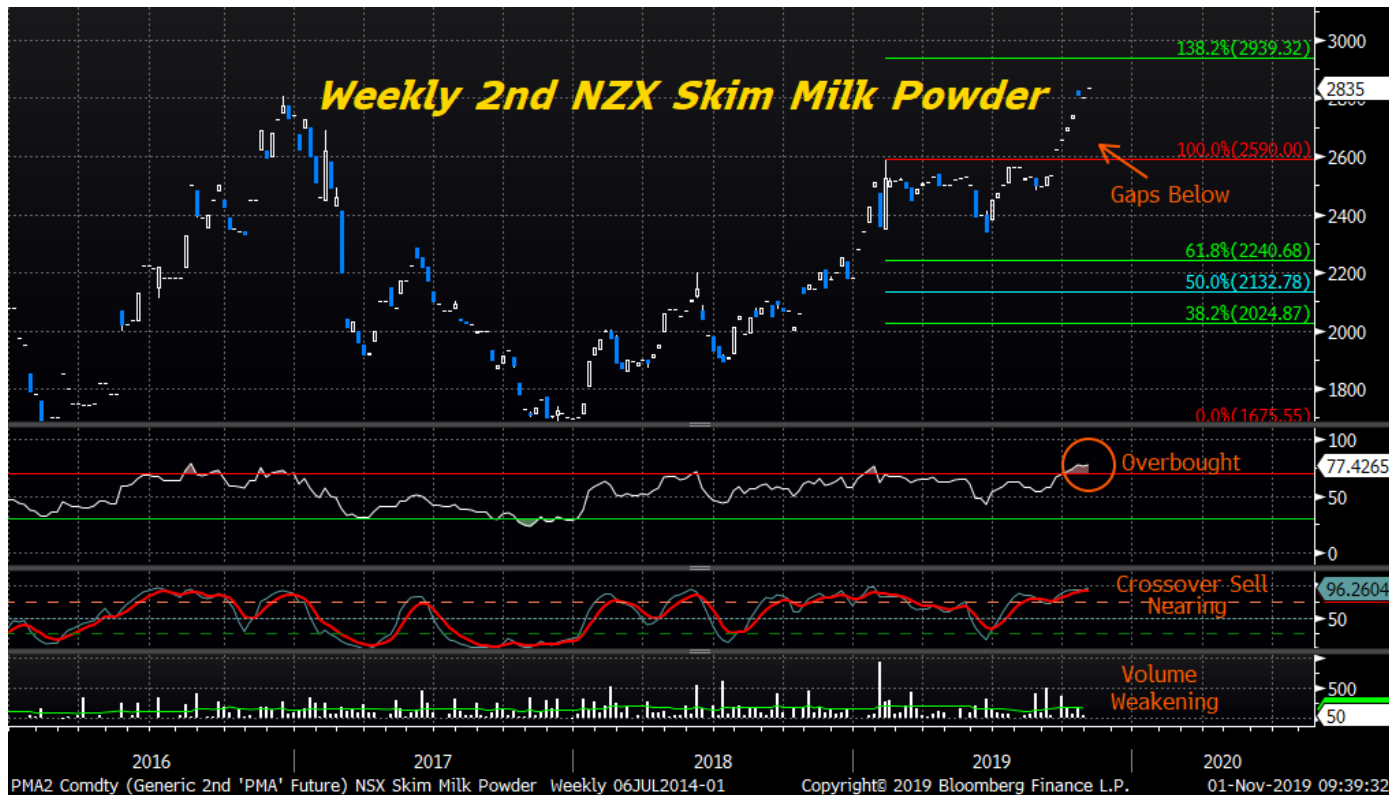
EEX Skimmed Milk Powder continues to forge ahead, still under the influence of the extension up from September 13th followed by the large gap opening the week of September 20th. The gap below remains from 2337 to 2250. The market pushed up to a fresh high at 2440 this week with new Fibonacci retracement analysis added. The relative strength index (RSI) is still in overbought with a 76.1% reading and seems to be stalling. The slow stochastics crossed over with a buy signal on September 13th and continue to point higher in positive mode. However, the stochastics are in extreme overbought territory and also seem to have stalled and a crossover sell signal seems likely. The volume has been on the decline the last couple weeks, while the market is making new highs, which should be a red flag for the bull camp. A close above the August 2014 highs at 2450 should run up to test the old Fibonacci swing high objective at 2699. A close above 2699 could run up to test the April 2014 high at 2925. A close below the gap at 2337 should trade down to test the Fibonacci 38.2% retracement level at 2236. A close below 2236 could trade down to the Fibonacci 61.8% retracement level at 2111.



The NZX Whole Milk Powder pushed above the Fibonacci 50% retracement level at 3182 in mid-October with the market looking to challenge the 61.8% retracement level at 3265. The market also left a gap below from 3120 to 3150 from the week of October 18th. The market has also closed higher in seven of the last eight weeks. The slow stochastics crossed over with a buy signal the week of September 20th and continue to point lower in positive mode. The stochastics have entered overbought territory with a crossover sell signal likely in the near future. The relative strength index (RSI) continues to point higher and remains in positive mode. The volume has been below average the last two months which could be a red flag for the bull camp. A close above the Fibonacci 61.8% retracement level at 3265 should extend up to test the March 29th high at 3440. A close above 3440 could extend up to challenge the recent high at 3535. A close below 3150 should trade down to test the Fibonacci 38.2% retracement level at 3099. A close below 3099 could trade down to test the September 30th low at 3000.



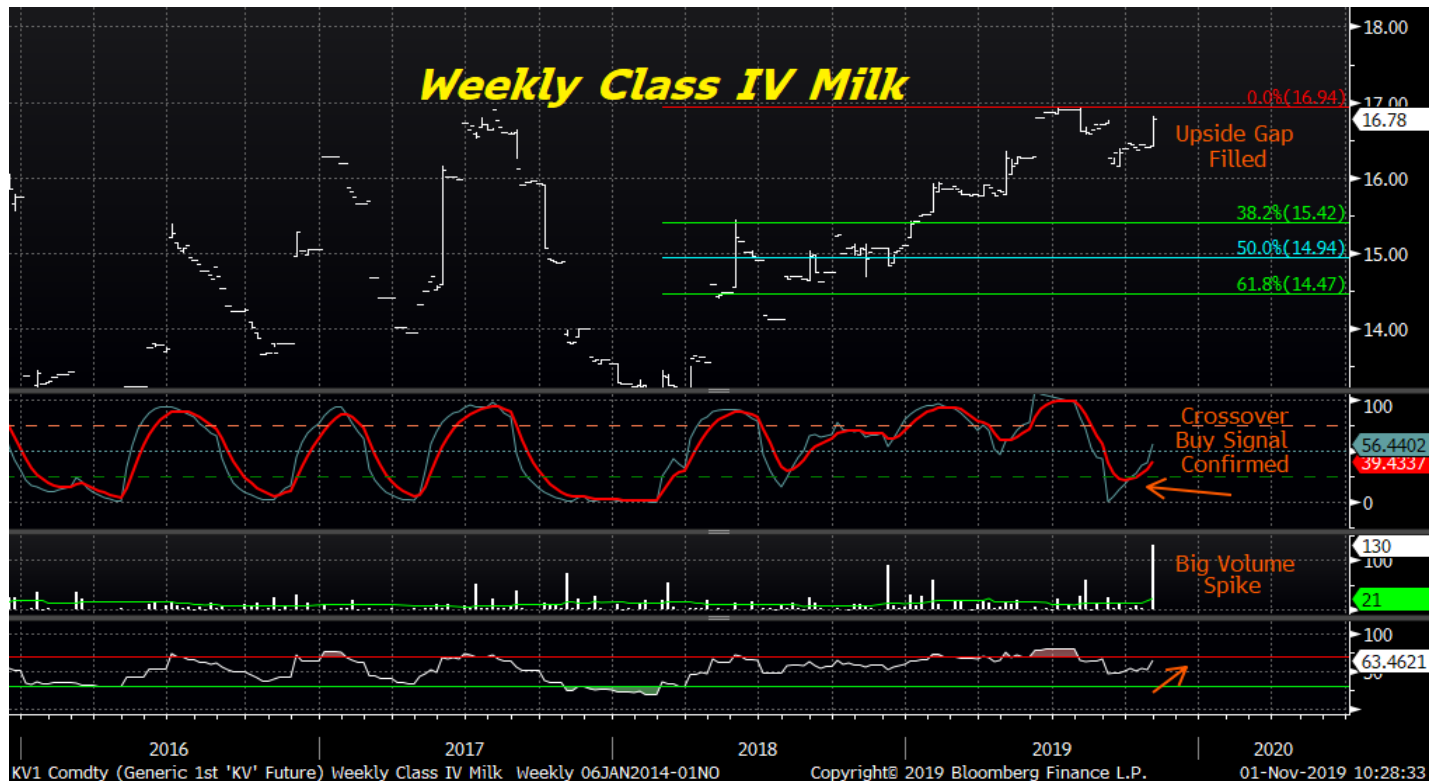
NZX Skim Milk Powder Futures has left several gaps below as the market continues to surge higher looking to test the Fibonacci swing high objective at 2939. The market also took out the December 2016 high at 2805 with a push up to 2835 the week of November 1st. The relative strength index (RSI) has pushed into overbought territory and looks to have plateaued. The slow stochastics cross remain in positive mode but have entered extreme overbought territory with a cross over sell signal nearing. A correction in both momentum indicators looks likely. The volume has been weak the last four weeks which seem to favor the bear camp. A close above 2939 should extend up to test the August 2014 highs at 3150. A close above 3140 could trade up to challenge the July 2014 high at 3475. A close below 2740 should extend down to test the old high at 2590. A close below 2590 could trade down to test the June 21st low at 2340.



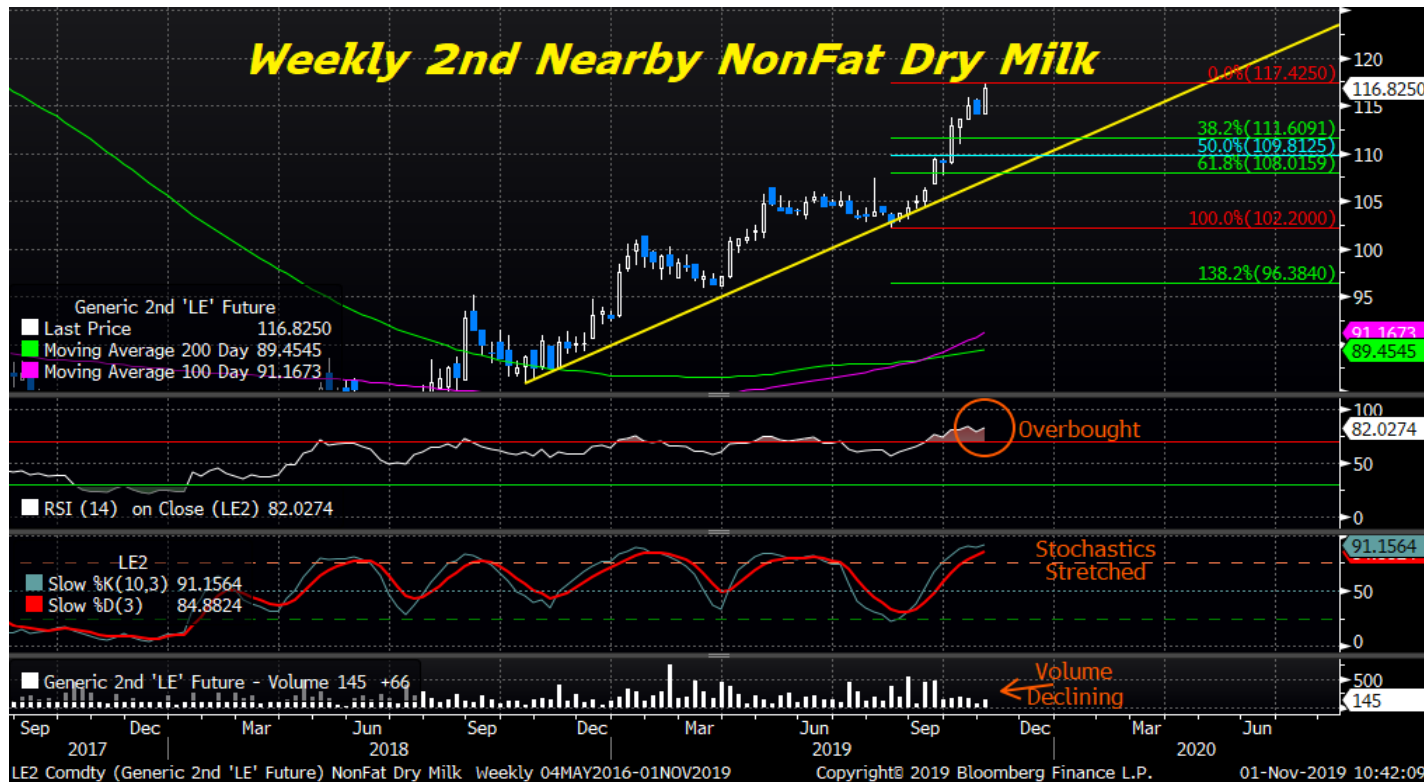
CME Class III Milk Futures chart has been reconfigured. A new Fibonacci analysis has been added using the June 7th low at 16.23 to the November 1st high at 19.85. The market extended sharply higher the week of November 1st with a \$1.34 weekly range. The volatility in Class III the last two months has been impressive with an average weekly range of .80 cents the last eight weeks. The relative strength index (RSI) pushed up into overbought territory in mid-October and looks to have stalled. A correction in the RSI seems likely in the near term. The slow stochastics crossed over with a buy signal on the week of October 11th and continues to point higher in positive mode. However, the stochastics have entered overbought levels and caution is warranted. The volume spiked higher the week of November 1st and has remained above average the last two months which should still favor the bull camp. A close above 20.65 should extend up to test the November 2014 high at 21.36. A close above 21.36 could extend up to test the 2014 highs near 23.00-23.55. A close below 19.05 should extend down to the Fibonacci 38.2% level at 18.47. A close below 18.47 could trade down to the Fibonacci 50% retracement level at 18.04. A close below 18.04 could trade down to the Fibonacci 61.8% level at 17.61. A close below 17.61 could trade down to the Fibonacci 100% level at 16.23. A close below 16.23 could trade down to the Fibonacci 138.2% level at 14.85.



CME Class IV Milk Futures chart filled the upside gap from 16.57 to 16.43 and continued to extend higher pushing up to 16.82 to end the month of October. The recent high at 16.94 looks to be tested again in the near future. The relative strength index (RSI) continues to point higher in positive mode but is approaching overbought territory. The slow stochastics crossed over with a buy signal the week of October 4th and continue to point higher in positive mode. The volume spiked higher the week of November 1st on the strong rally which is a positive development. A close above 16.94 is positive and should extend up to 17.45. A close above 17.45 could challenge the December 2014 high at 18.20. A close below 16.43 should extend down to test the September 20th low at 16.15. A close below 16.15 could extend down to the Fibonacci 38.2% level at 15.42.



CME Nonfat Dry Milk chart has been reconfigured. The new Fibonacci retracement analysis is drawn from the low on August 16th low at 102.20 to the November 1st high at 117.45. The market closed strong last week extending to a new high at 117.45 and has close high in nine of the last eleven weeks. The long-term trend line support remains intact with support coming in at 107.89 for the week of November 8th and at 108.59 for the week of November 15th. The relative strength index (RSI) remains extremely overbought and seems to have stalled which could be indicating a loss of momentum. The slow stochastics are still under the influence of the cross over buy signal from the week of August 30th and continue to point higher but are in overbought territory with a cross over sell signal likely in the near future. The volume has been declining on the recent rally which should be a red flag for the bull camp. A close above the March 2015 highs at 118.00 should trade up to test 120.00. A close above 120.00 should extend up to the February 2015 highs at 121.50. A close below last week's low at 114.20 should trade down to test the Fibonacci 38.2% retracement level at 111.60. A close below 111.60 should trade down to test the Fibonacci 50% retracement level at 109.81.



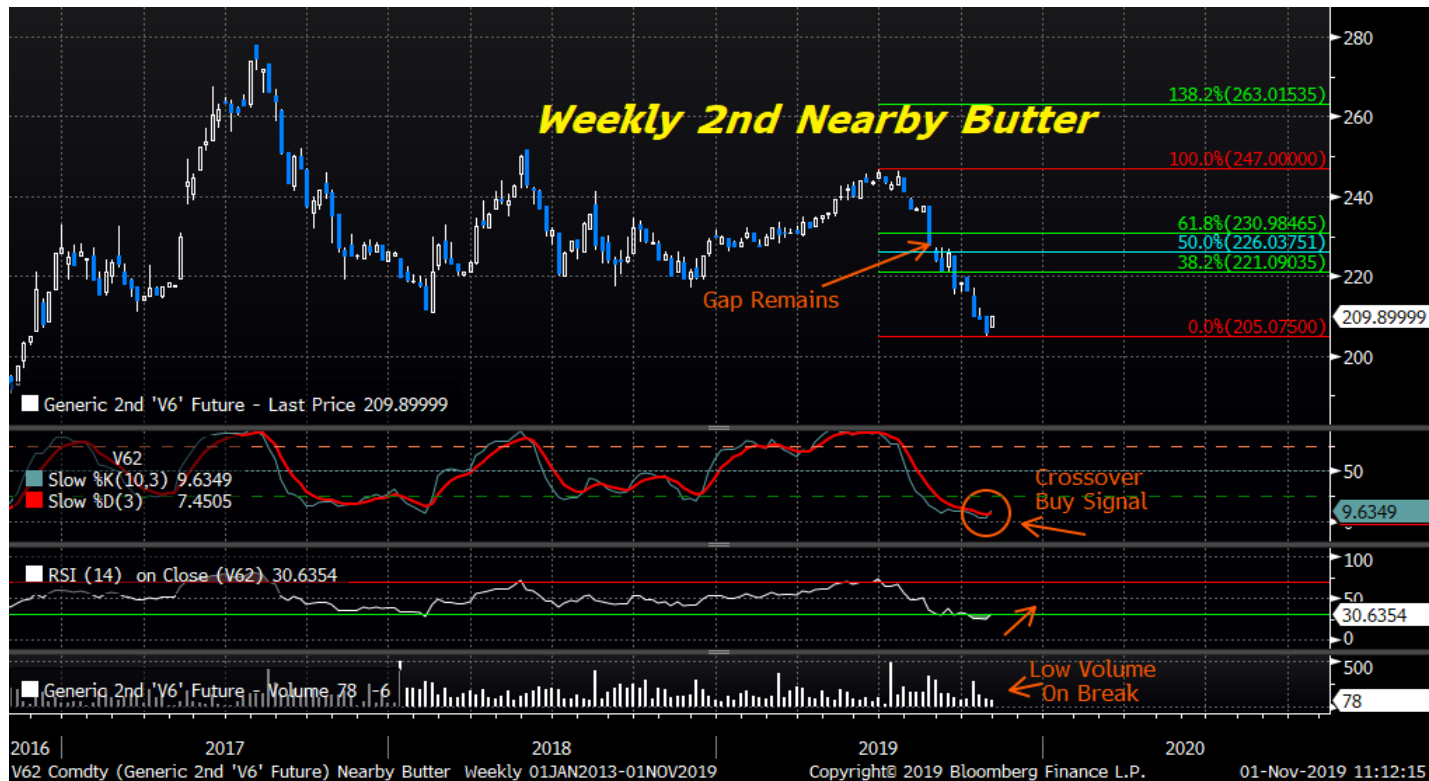
CME Dry Whey Futures chart has been reconfigured. The new Fibonacci retracement analysis is drawn from the September 6th high at 37.90 to the November 1st low at 31.05. Last week's chart action put in a weekly reversal with a new low for the move posted at 31.05 followed by a higher weekly close. A gap remains above from the October 4th low of 35.25 to the October 11th high at 34.75. The relative strength index (RSI) looks to be bottoming and has turned up from oversold territory and is in positive mode. The slow stochastics crossed over with a sell signal on September 20th and remain in negative mode but seem to have stalled with momentum starting to turn up. The volume was strong on last week's reversal which should favor the bull camp. A close below 31.05 is negative and should trade down to the July 13th low at 30.25. A close below 30.25 could extend down to 27.50. A close above the Fibonacci 61.8% retracement level at 35.28 is positive and should trade up to test the 100-day moving average at 36.01. A close above 36.01 could extend up to challenge the recent high at 37.90.



CME Cheese chart has been reconfigured. The new Fibonacci retracement analysis has been drawn from the June 7th low at 1.649 to the November 1st high at 2.105. The market pushed up to a fresh five year high at 2.105 on November 1st and has closed higher in three of the last four weeks. The relative strength index (RSI) is showing some divergence with a lower reading of 70.6% than in mid-September even with the new highs. This could be an indication of a loss in momentum. The slow stochastics confirmed a cross over buy signal on October 18th but the stochastics have entered overbought territory. The volume has been below average in five of the last six weeks which could be a red flag for the bull camp. A close above 2.105 should extend up to test the October 2014 high at 2.145. A close above 2.145 could trade up to challenge 2.200. A close below 2.004 should trade down to test the Fibonacci 38.2% retracement level at 1.931. A close below 1.931 could trade down to test the Fibonacci 50% retracement level at 1.877.



CME Butter chart has been reconfigured. The new Fibonacci retracement analysis is drawn from the June 28th high at 247.00 to the October 25th low at 205.07. A bearish upside gap remains above the market from 227.10 to 228.00. There also is an additional upside gap left open from late July from 241.00 to 239.47. The slow stochastics crossed over with a buy signal back on November 1st from extremely oversold territory and are pointing higher in positive mode. The velocity of the move could be impressive give the oversold nature of the momentum indicator. The relative strength index (RSI) has also turned up from extremely oversold conditions and is in positive mode. The volume has been below average the last three weeks which could be a red flag for the bear camp. A close above 215.00 should extend up to test the Fibonacci 38.2% retracement level at 221.09. A close above 221.09 could trade up to fill the upside gap at 228.00. A close below the recent low at 205.07 is negative and should trade down to test 195.00. A close below 195.00 could extend down to test the October 2016 lows at 182.00.



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HighGround Dairy launched in 2012 by industry veteran, Eric Meyer. Affiliated with HighGround Trading LLC, Eric is the President of its Dairy Division which services all those interested in trading dairy futures and options markets. Through the brokerage division and its related consulting company, HighGround Advisory Group, it specializes in dairy hedging, risk management and market analysis services for farmers & cooperatives, processors, manufacturers, distributors, traders and end-users.

Market Information & Analysis:

- Comprehensive coverage of global dairy markets
- Special emphasis on GDT and global import/export analysis
- US Dairy Forecast Snapshot
- Monthly US Milk & Feed Report – written from producer perspective
- Thrice weekly and monthly technical analysis of CME markets
- Weekly/monthly market update reports
- Consistently first to Breaking News that may have market impact
- White-labeled market research for internal or external distribution
- Customized market data, white papers

Hedge Advisory Services:

➤ **Education**

- Dairy market 101, 201, etc.
- Federal Order & CA milk pricing systems
- Introduction to hedging & price risk management
- Customized training/education programs

➤ **Retainer-based Advisory Programs**

- Weekly, monthly, quarterly market/strategy calls
- Risk management hedging policy development
- Customized hedge plans and recommendations catered specifically to client's risk profile

HighGround Dairy has the ability to utilize multiple clearing firms to match clients with a firm that best suits their trading requirements including ADM Investor Services, Straits Financial, Rosenthal Collins Group, RJ O'Brien, among others. HighGround offers a full service trading desk to handle customer needs and employs a full-time Director of Compliance to ensure clients and brokers are following latest NFA/CFTC standards. HighGround Trading LLC provides the brokerage firm infrastructure, Eric & his team provide the dairy market expertise.

Access to execute dairy derivatives contracts at these exchanges:

