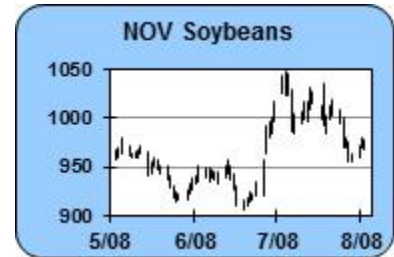




DAILY SOY COMPLEX COMMENTARY
08/10/17

Some dryness concerns and strong demand tone for report

OVERNIGHT CHANGES THROUGH 6:05 AM (CT):
SOY BEANS +5.4, BEAN OIL +0.1, SOYMEAL +2.0



OVERNIGHT DEVELOPMENTS: November soybeans are trading 5 cents higher this morning. China Dalian futures were up 0.5% this morning and Palm oil futures in Malaysia are trading up 1.25%. There were 39 deliveries against the August soybean contract this morning to push the total for the month to 2,802 contracts. Soybean meal deliveries were 147 (1,365 cumulative) with soybean oil deliveries at 127 contracts to push the cumulative total to 4,397 contracts. Global equities were weaker overnight with the exception the RTS Index and the AT Com SHR which managed minimal gains. In addition to the latest North Korean/US political dialogue twist the trade was also presented with Japanese capital flows data which showed a large increase of inflows into Japanese Bonds from foreign investors but that news was offset by an outflow of investment from Japanese stocks. The markets also saw Japanese machinery orders slipping by 1.9% in the month of June. The trade will be presented with French industrial output that is expected to contract and Italian trade balance results. Also out from the economic front is UK construction output which is expected to firm at the same time that UK industrial output is expected to climb back into positive territory. Other measurements from the UK expected to show economic improvement are manufacturing output and a smaller trade deficit. However the most important data points today might come from a series of inflation measures from France, Germany, Italy, Russia and the United States. The most prevalent economic data point from the US will come in the form of initial claims which is expected to be unchanged.

NEAR-TERM MARKET FUNDAMENTALS: The results of the USDA update will set the trend for the market short-term. With another week or more before Iowa gets a good rain, the market is a bit nervous rationalizing the break to last week's lows. The strong demand has been a supportive force recently so the news of a cancellation of 130,000 tonnes of old crop soybeans to unknown destination helped to pressure the market into the mid-session yesterday. This should be no surprise to the market after news this weekend of as much as 500,000 tonnes of soybeans were being offered or re-sold by Chinese interests. This was most likely due to a record import total of 10.1 million tonnes for the month of July after the VAT tax expired on June 30th. The mid-day weather forecast turned a bit drier for the longer term outlook in the central Midwest but the latest National Weather Service 6-10 and 8-14 day forecasts still have above normal precipitation. The Dalian soybean market was up nearly 1.0% on the session yesterday and traded to the highest level since March 10th. India meal exports for the April to July time frame reached 638,468 tonnes from 413,341 tonnes last year.

The average estimate for today's USDA report from Bloomberg has soybean yield at 47.4 (46.5-49 range) bushels per acre with production at 4.203 (4.122-4.346 range) billion bushels and compared to the USDA's July figure at 4.260 billion bushels. The 2016-17 ending stocks are estimated at 399 (285-430 range) million bushels and compared to July's 410 million bushels. The 2017-18 ending stocks are estimated at 433 (346-572 range) million bushels and compared to July's 460 million bushels. The 2016-17 World ending stocks are estimated at 94.4 (93.5-95.8 range) million tonnes and the 2017-18 world ending stocks are estimated at 92.3 (89-96.5 range) million tonnes and compared to July's 93.5 million tonnes. The 2016-17 Brazilian soybean production is estimated at 113.8 (113.0-114.5 range) million tonnes with Argentina's soybean production at 57.8 (57.0-58.0 range) million tonnes. Traders are looking for today's export sales to come in near 300,000 to 700,000 tonnes.

TODAY'S MARKET IDEAS:

Given the weather forecast, it would take a yield estimate above 48.0 to give the bear camp confidence. With old

crop exports most likely being raised taking ending stocks down further, and a potential increase in Chinese 2016-17 imports, the report could have definite bullish demand items. If the USDA thinks the soybean yield is sub 47.0 in today's report, the market will be right back above 1000 level on its way to test 1047. Aggressive traders could buy the November 1050 call and sell the November 900 put for a cost of 3 3/4 cents. The combo settled at 4 1/8 cents. November soybean support is at 968 followed by 962 1/2. Resistance is 990 1/2 and 1001 1/4.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

SOYBEAN COMPLEX TECHNICAL OUTLOOK:

Note: Technical commentary is based solely on statistical indicators and does not necessarily correspond to any fundamental analysis that may appear elsewhere in this report.

SOYBEANS (NOV) 08/10/2017: Momentum studies are declining, but have fallen to oversold levels. The close below the 9-day moving average is a negative short-term indicator for trend. The market's close below the pivot swing number is a mildly negative setup. The next downside target is now at 962 1/2. The next area of resistance is around 978 1/2 and 983 1/4, while 1st support hits today at 968 and below there at 962 1/2.

SOYBEAN OIL (DEC) 08/10/2017: Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. The market's short-term trend is positive on the close above the 9-day moving average. It is a mildly bullish indicator that the market closed over the pivot swing number. The next downside target is now at 33.94. The next area of resistance is around 34.77 and 34.94, while 1st support hits today at 34.28 and below there at 33.94.

SOYMEAL (DEC) 08/10/2017: Momentum studies are declining, but have fallen to oversold levels. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The market tilt is slightly negative with the close under the pivot. The next downside objective is 309.9. The next area of resistance is around 314.5 and 316.4, while 1st support hits today at 311.3 and below there at 309.9.

DAILY CORN COMMENTARY

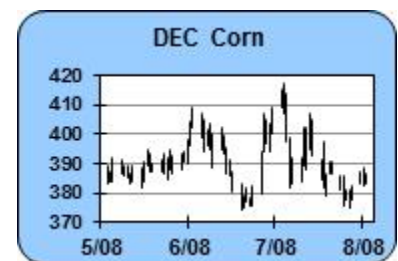
08/10/17

Traders watching yield; huge drawdown world stocks possible

OVERNIGHT CHANGES THROUGH 6:05 AM (CT):

CORN +0.0

OVERNIGHT DEVELOPMENTS: December corn is trading unchanged this morning. Outside market forces are mixed but the North Korea fears of escalation and a weak stock market are negative forces. China corn is also unchanged as traders await the key USDA Crop Production and Supply/Demand report. At China auctions, the government sold 130,000 tonnes from 301,800 tonnes offered.



NEAR-TERM MARKET FUNDAMENTALS: The massive beginning stocks for the 2017/18 season has helped to hold futures down at levels that seem too cheap given the outlook for a moderate drop in US ending stocks and a potential huge drop in the world stocks from a record high. Solid ethanol production numbers as well as a drier mid-day forecast for Iowa, Illinois, Indiana and Ohio helped to support the market to a higher close yesterday. The latest 6-10 and 8-14 day forecasts have a slightly wetter outlook for the central Midwest. Above-normal precipitation continues in the Delta and southern Plains through August 23rd. Taiwan rejected all offers on its

tender this week due to high prices. Dalian corn traded up 1.0% yesterday to the highest since July 21st. The open interest in corn went down 24,912 contracts on Tuesday and down again yesterday and the total is down over 81,000 contracts in the last four days with long liquidation from the speculative fund likely. Conab this morning pegged Brazil corn production at 97.2 million tonnes from 96 million previous.

For today's USDA report the average estimate from Bloomberg has corn yield at 165.9 (162.6-169 range) bushels per acre with production estimated at 13.807 (13,529-14,070 range) billion bushels. The 2016-17 ending stocks are estimated at 2.363 billion bushels (2.315-2.436 range) and 2017-18 ending stocks are estimated at 1.940 billion bushels (1.642-2.325 range) and compared to the USDA's July figure at 2.325 billion bushels. The 2016-17 World ending stocks are estimated at 227.2 million tonnes and the 2017-18 World ending stocks are estimated at 193.4 million tonnes (183.0-200.5 range). The low end estimate would be a global production deficit of 44.2 million tonnes. Only 1988 and 1983 showed a larger drawdown. Brazil's 2016-17 corn production is estimated at 97.9 million tonnes compared to the USDA's July number at 97.0 million and Argentina's 2016-17 corn production is estimated at 41.0 million tonnes compared to the USDA's July 41.0 million tonnes.

Ethanol production for the week ending August 4th was 7.084 million barrels. Corn used in last week's production is estimated at 106.26 million bushels. Corn use needs to average 76.8 million bushels per week to meet this crop year's USDA estimate. Stocks were 21.3 million barrels. This is up 2.37% vs. last week and up 4.34% vs. last year. Traders are looking for today's weekly export sales near 450,000 to 750,000 tonnes. December corn saw late buying interest after mid-day forecasts lean drier in the near term for Iowa. Radar over Iowa yesterday afternoon had light showers falling with limited coverage.

TODAY'S MARKET IDEAS:

The average yield estimate at roughly 166 bu per acre seems high and could be setting the trade up for a bullish surprise. The world ending stocks already estimated to fall 34 million tonnes could be more with news that Chinese production may be revised down by 5.0 million tonnes. A yield near 164.0 could take world ending stocks down as much as 48 million tonnes. Aggressive traders looking for a bullish strategy for the report could buy 1 September 370 call and sell 1 December 420 call at a cost of 1 1/2 cents or better (Settled at 1 3/4 cent). December corn support is at 384 with 396 and 401 as resistance.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

CORN TECHNICAL OUTLOOK:

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CORN (DEC) 08/10/2017: Rising from oversold levels, daily momentum studies would support higher prices, especially on a close above resistance. The market's close above the 9-day moving average suggests the short-term trend remains positive. The close over the pivot swing is a somewhat positive setup. The next upside target is 389 1/4. The next area of resistance is around 388 and 389 1/4, while 1st support hits today at 384 1/2 and below there at 382.

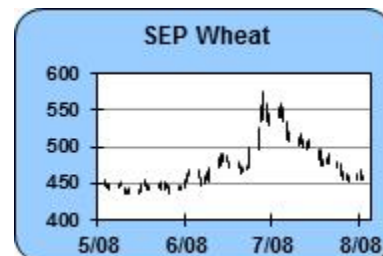
DAILY WHEAT COMMENTARY

08/10/17

Tightening US and world ending stocks; USDA Today

OVERNIGHT CHANGES THROUGH 6:05 AM (CT):

WHEAT -1.0



OVERNIGHT DEVELOPMENTS: September wheat is trading 1/4 of a cent higher this morning, Kansas City September wheat is up 3/4 of a cent and Minneapolis September wheat is up 2 3/4 cents. MATIF December futures are up 1.7%.

NEAR-TERM MARKET FUNDAMENTALS: With the market oversold and the outlook for a slight tightening of world supply ahead, and US wheat priced competitively, the market seems a bit too cheap. Morocco is tendering for 133,000 tonnes of soft wheat and Jordan is tendering for 100,000 tonnes of wheat. The market will continue to watch weather in Germany and Poland as wet weather continues to hamper harvest activity. As much as three inches of rain is forecasted over the next 72 hours in parts of northern Germany with harvest progress nearing only 25% complete and quality concerns mounting. For today's USDA reports, the average estimate from Bloomberg for 2017-18 wheat ending stocks is 901 (806-948 range) million bushels and compared to the July USDA number at 938 million bushels. All wheat is estimated at 1.717 (1.628-1.784 range) billion bushels and compared to July's 1.760 billion bushels.

All winter wheat is estimated at 1.278 (1.258-1.293 range) million bushels, HRW is estimated at 757 (737-775 range) million bushels, SRW is estimated at 306 (300-311 range) million bushels, White winter wheat is estimated at 216 (205-224 range) million bushels, and spring wheat is estimated at 390 (350-440) million bushels and compared to July's 423 million bushels. No changes are expected in the spring wheat harvested acres in this report. Changes to the spring wheat harvested acreage will be made in September. The 2017-18 world ending stocks are estimated at 256.8 (245.0-263.1 range) million tonnes and compared to July's 260.6 million tonnes. Traders are looking for today's weekly export sales near 300,000 to 600,000 tonnes.

TODAY'S MARKET IDEAS:

Chicago September wheat market has found support between 453 1/2 and 455 3/4 for the last six sessions. The market remains oversold with slow stochastics having crossed over early in the week and still in extremely oversold territory. A recovery rally is needed and with managed money trader length at minimal levels we would not be surprised to see one. US wheat has become competitive on the break and there is a strong seasonal buy in mid-August. Buying support is seen at 455 3/4 followed by 451 1/4. Don't rule out a bounce to 499 3/4.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

WHEAT TECHNICAL OUTLOOK:

Note: Technical commentary is based solely on statistical indicators and does not necessarily correspond to any fundamental analysis that may appear elsewhere in this report.

WHEAT (SEP) 08/10/2017: Daily momentum studies are on the rise from low levels and should accelerate a move higher on a push through the 1st swing resistance. The close below the 9-day moving average is a negative short-term indicator for trend. The daily closing price reversal up on the daily chart is somewhat positive. It is a mildly bullish indicator that the market closed over the pivot swing number. The near-term upside target is at 466. The next area of resistance is around 463 1/4 and 466, while 1st support hits today at 455 3/4 and below there at 451 1/4.

KC WHEAT (SEP) 08/10/2017: Rising from oversold levels, daily momentum studies would support higher prices, especially on a close above resistance. A negative signal for trend short-term was given on a close under the 9-bar moving average. The daily closing price reversal up on the daily chart is somewhat positive. The close over the pivot swing is a somewhat positive setup. The near-term upside objective is at 470. The next area of resistance is around 467 1/2 and 470, while 1st support hits today at 460 and below there at 455.

MINN WHEAT (SEP) 08/10/2017: Daily stochastics are showing positive momentum from oversold levels, which should reinforce a move higher if near term resistance is taken out. A positive signal for trend short-term was given on a close over the 9-bar moving average. The market has a slightly positive tilt with the close over the

swing pivot. The near-term upside target is at 743 3/4. The next area of resistance is around 738 1/2 and 743 3/4, while 1st support hits today at 729 1/2 and below there at 725 1/2.

RICE (SEP) 08/10/2017: Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. The intermediate trend could be turning up with the close back above the 18-day moving average. The market's close above the 2nd swing resistance number is a bullish indication. The next downside objective is now at 12.130. The next area of resistance is around 12.385 and 12.430, while 1st support hits today at 12.235 and below there at 12.130.

DAILY TECHNICAL STATISTICS

	CLOSE	9 DAY RSI	14 DAY RSI	14 DAY SLOW STOCH D	14 DAY SLOW STOCH K	4 DAY M AVG	9 DAY M AVG	18 DAY M AVG	45 DAY M AVG	60 DAY M AVG
GRAIN COMPLEX										
CNAZ7	386 1/4	50.31	48.77	22.68	28.18	384.44	382.64	386.88	391.19	390.79
CNAU7	372 1/4	49.89	48.09	20.99	26.71	370.19	368.53	373.06	379.09	379.10
SSAX7	973 1/4	43.47	46.32	18.90	18.53	968.25	978.11	993.03	972.88	964.56
SSAU7	966	42.93	45.90	19.84	19.05	962.31	971.53	985.86	967.15	960.09
SMAZ7	312.9	36.83	41.48	14.11	12.47	312.70	316.37	323.88	318.15	315.83
BOAZ7	34.53	57.13	56.77	41.58	38.02	34.18	34.39	34.20	33.48	33.25
WHAU7	459 1/2	34.24	37.97	7.90	8.66	458.69	463.33	478.22	488.58	477.59
WHAZ7	486 3/4	35.22	38.92	8.01	8.59	486.00	490.03	503.65	511.81	500.44
RCAU7	12.310	56.52	57.95	72.17	65.78	12.21	12.31	12.19	11.89	11.73
KWAU7	463 3/4	35.50	38.56	8.32	9.62	462.63	466.19	478.99	493.53	482.57
MWAU7	734	50.45	51.96	19.97	25.34	727.00	725.92	740.82	716.18	679.66
OTAU7	270 1/2	35.46	43.17	23.78	10.73	275.50	281.28	285.79	273.14	263.53

Calculations based on previous session. Data collected 08/09/2017

Data sources can & do produce bad ticks. Verify before use.

DAILY SWING STATISTICS

Contract		Support 2	Support 1	Pivot	Resist 1	Resist 2
GRAIN COMPLEX						
CNAZ7	Corn	381 3/4	384 1/2	385 1/2	388	389 1/4
CNAU7	Corn	367 3/4	370 1/2	371 1/2	374	375 1/4
SSAX7	Soybeans	962 1/2	968	973	978 1/2	983 1/2
SSAU7	Soybeans	955	960 1/2	966	971 1/2	977
SMAZ7	Soymeal	309.8	311.2	313.1	314.5	316.4
BOAZ7	Soybean Oil	33.94	34.27	34.44	34.77	34.94
WHAU7	Wheat	451	455 3/4	458 1/2	463 1/4	466
WHAZ7	Wheat	478 1/2	483	486	490 1/2	493 1/2
RCAU7	Rice	12.130	12.235	12.280	12.385	12.430
KWAU7	KC Wheat	455	460	462 1/2	467 1/2	470
MWAU7	MINN Wheat	725 1/2	729 1/2	734 3/4	738 1/2	744
OTAU7	Oats	267 1/4	268 1/2	271 1/2	272 1/2	275 3/4

Calculations based on previous session. Data collected 08/09/2017

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