



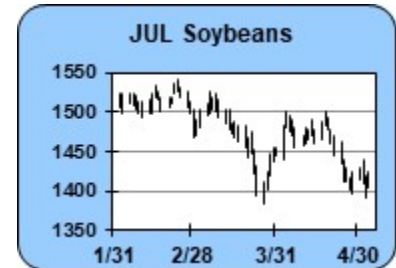
DAILY GRAINS COMMENTARY Friday May 05, 2023

DAILY SOY COMPLEX COMMENTARY 5/5/2023

Surge in palm oil overnight and outsiders turn positive

**OVERNIGHT CHANGES THROUGH 6:06 AM (CT):
SOY BEANS +0.1, BEAN OIL +0.0, SOYMEAL +0.3**

OVERNIGHT DEVELOPMENTS: July Soybean prices overnight are up 9 1/4; Soymeal up 2.40; and Soyoil up 0.85. Soybean open interest as of May 4 was up 6,165 contracts, soymeal up 4,898 contracts, and soybean oil up 2,196. Chinese Dalian Soybeans are up 0.92%, Soymeal up 0.23% and Soyoil up 0.69%. Malaysian Palm was up 5.14%! Global equity markets were higher overnight in action that was partially the result of strong Apple earnings and from a measure of corrective action following recent losses. Critical economic news released overnight included a noted decline in a Chinese Caixin services PMI reading for April, a horrendous drop in German factory orders for March, a precipitous softening in Swiss consumer prices, much weaker than expected French industrial output, steady but weaker than expected French nonfarm payrolls, a much better-than-expected Spanish industrial output reading for March, much stronger than expected Italian retail sales, slightly better-than-expected GBP S&P global construction PMI for April and a massive slide in euro zone retail sales for April. The North American session will start out with the highlight for global markets, the April US employment situation report. April non-farm payrolls are expected to come in around 175,000 to 185,000, which compares with 236,000 in March. The April US unemployment rate is forecast to have a minimal uptick from March's 3.5% rate while April average hourly earnings are expected to hold steady at a 4.2% year-over-year rate. April Canadian unemployment is forecast to have a minimal uptick from March's 5.0% reading along with a moderate monthly increase in their net employment. March US consumer credit is expected to have a mild increase from March's \$15.3 billion reading. For the week so far wheat prices are up 12 in SRW, up 27 1/2 in HRW, up 15 1/2 in HRS; Corn is up 6 3/4; Soybeans up 7 1/4; Soymeal down \$5.20; Soyoil up 1.59. Year-To-Date nearby futures are down 20.3% in SRW, down 4.8% in HRW, down 15.0% in HRS; Corn is down 4.5%; Soybeans down 4.4%; Soymeal down 10.7%; Soyoil down 18.1%.



NEAR-TERM MARKET FUNDAMENTALS: July soybeans closed slightly higher on the session yesterday after choppy and two-sided trade. July meal closed just slightly lower on the day and up near the highs of the session as the market recovered from an early break to the lowest level since December 2. More talk that the huge grain storage deficit for Brazil is helping to drive cash markets lower helped to pressure. Record crush pace in February and March produced record quantities of meal and oil. This has pressured meal prices since early March. While April showed increased downtime, it appeared to be less than in recent years, which suggests that there are more products that need to find a home. With export demand less than spectacular, finding outlets for the increasing amounts of soymeal could end up pressuring margins and eventually the crush pace. This brings us to the USDA crush forecast of 2.22 billion bushels for 2022/23. Through the end of March, cumulative crush had reached 1.307 billion bushels, 58.9% of the USDA forecast for the 2022/23 marketing year. That was slightly behind last year at the time and right on the 5-year average. With uncertain demand and declining margins, it could be difficult to keep up the pace needed to reach the forecast.

The weekly export sales report showed that for the week ending April 27, net soybean sales came in at 289,730 tonnes for the current marketing year and 67,000 for the next marketing year for a total of 356,730. Cumulative soybean sales have reached 92.5% of the USDA forecast for the 2022/2023 marketing year versus a 5 year average of 94.8%. Net meal sales came in at 179,584 tonnes for the current marketing year and -17,007 for the next marketing year for a total of 162,577. Cumulative meal sales have reached 78.4% of the USDA forecast for the 2022/2023 marketing year versus a 5 year average of 79.0%. Net oil sales came in at 14,017 tonnes. Cumulative oil sales have reached 51.1% of the USDA forecast for the 2022/2023 marketing year versus a 5 year

average of 78.5%. For the month of March, US soybean exports reached 3.136 million tonnes, down 1.5% from last year.

TODAY'S MARKET IDEAS:

July soybean support is at 1417 and 1406 1/2, with 1436 1/4 and 1448 3/4 as resistance. November soybean support is at 1266 1/2 and 1257, with 1284 1/2 and 1295 as resistance. Resistance for July Meal comes in at \$427.80, with \$412.00 as initial support if the bear trend continues. The 50% mark of the contract range comes in at \$388.90, which may provide long-term support. July Soyoil support is at 52.48 and 51.87, with 54.04 and 54.86 as resistance.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

SOYBEAN COMPLEX TECHNICAL OUTLOOK:

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SOYBEANS (JUL) 05/05/2023: A bullish signal was given with an upside crossover of the daily stochastics. 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. It is a mildly bullish indicator that the market closed over the pivot swing number. The near-term upside target is at 1434 1/2. The next area of resistance is around 1427 and 1434 1/2, while 1st support hits today at 1408 1/2 and below there at 1397 1/2.

SOYBEAN OIL (JUL) 05/05/2023: 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 above the 9-day moving average is a positive short-term indicator for trend. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The next upside target is 53.71. The next area of resistance is around 53.03 and 53.71, while 1st support hits today at 51.93 and below there at 51.50.

SOYMEAL (JUL) 05/05/2023: Daily stochastics are trending lower but have declined into oversold territory. The close below the 9-day moving average is a negative short-term indicator for trend. The market tilt is slightly negative with the close under the pivot. The next downside target is 415.1. The 9-day RSI under 30 indicates the market is approaching oversold levels. The next area of resistance is around 428.7 and 431.6, while 1st support hits today at 420.5 and below there at 415.1.

DAILY CORN COMMENTARY

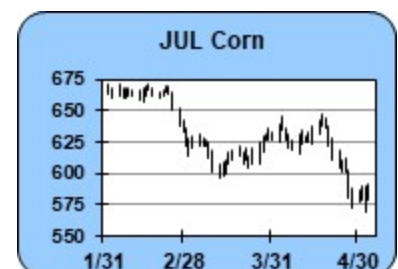
5/5/2023

Short-covering support possible given extreme oversold

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):

CORN +0.4

OVERNIGHT DEVELOPMENTS: July Corn prices overnight are up 4 1/2. Corn open interest as of May 4 was up 20,979 contracts. Chinese Dalian Corn was down 0.54%.



NEAR-TERM MARKET FUNDAMENTALS: July corn closed slightly higher on the session yesterday and the buying pushed the market up to the highest level since April 27. Momentum indicators are turning up from an oversold condition and the market is vulnerable to short covering support on any type of positive news. News that weekly export sales came in at the lowest level on record at -194,682 tonnes helped to limit the buying support. China cancelled 562,800 tonnes. With the shortage of storage space for grain in Brazil, active sales in the cash market have pressured. The US Midwest is expected to see waves of showers over the coming week, along with increasing temperatures. While the temperatures will help planting move along, the sporadic rains may prompt a more start and stop effect. Soil moisture appears to be in good shape. The 6-10-day maps continue to show wetter and warmer conditions. The 8-14-day does show drier conditions and slightly above normal temps. The Northern Plains are forecast to see normal to above normal temps for the coming couple of weeks. Like the Midwest, they will see waves of showers over the next week.

The US Drought Monitor reported abnormal dryness (D0) and moderate drought (D1) had expanded across Iowa, Illinois, western Indiana, and Missouri, based on increasing 30 to 60-day precipitation deficits. A swath of short-term severe drought (D2) was introduced to central Missouri. The weekly export sales report showed that for the week ending April 27, net corn sales came in at -315,639 tonnes (cancellations) for the current marketing year and 120,957 for the next marketing year for a total of -194,682. China cancellations were a key negative force. Cumulative sales have reached 81.2% of the USDA forecast for the 2022/2023 marketing year versus a 5 year average of 88.9%. For the month of March, US corn exports reached 921,000 tonnes, down 33.9% from last year.

TODAY'S MARKET IDEAS:

With the extreme oversold technical condition and the reversal-type action, the market looks vulnerable to at least a technical correction. Support for July corn comes in at 588 3/4 and 579, with 599 and 608 1/4 as next resistance. December corn support is at 525 and 518 1/2, with 541 3/4 as resistance.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

CORN TECHNICAL OUTLOOK:

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CORN (JUL) 05/05/2023: Rising from oversold levels, daily momentum studies would support higher prices, especially on a close above resistance. The market's short-term trend is negative as the close remains below the 9-day moving average. The market has a slightly positive tilt with the close over the swing pivot. The next upside objective is 600 1/4. The next area of resistance is around 595 1/2 and 600 1/4, while 1st support hits today at 582 1/2 and below there at 574 1/4.

CORN (DEC) 05/05/2023: Daily momentum studies are on the rise from low levels and should accelerate a move higher on a push through the 1st swing resistance. A negative signal for trend short-term was given on a close under the 9-bar moving average. The downside closing price reversal on the daily chart is somewhat negative. It is a mildly bullish indicator that the market closed over the pivot swing number. The next upside objective is 538 3/4. The next area of resistance is around 533 3/4 and 538 3/4, while 1st support hits today at 523 1/4 and below there at 517 3/4.

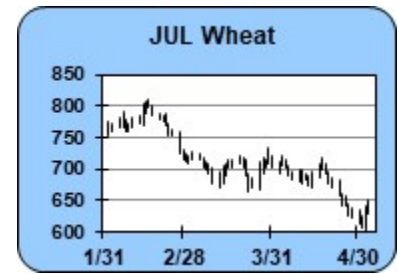
DAILY WHEAT COMMENTARY

5/5/2023

Reversal action this week on close above 633 3/4

**OVERNIGHT CHANGES THROUGH 6:06 AM (CT):
WHEAT +0.28**

OVERNIGHT DEVELOPMENTS: Chicago wheat prices overnight are up 3; Kansas City up 7 1/2; and Minneapolis up 8 3/4. MATIF Milling Wheat was down -0.5%. Chicago wheat open interest as of May 4 was down 3,075 contracts and Minneapolis wheat was up 1,598 contracts.



NEAR-TERM MARKET FUNDAMENTALS: July wheat closed moderately higher on the session yesterday and experienced follow-through technical buying from the impressive sweeping reversal Wednesday. The buying pushed the market up to the highest level since April 26. While overall winter wheat crop conditions showed some improvement this week, the Nebraska crop deteriorated to just 14% good/excellent from near 25% last year and near 48% as the 10 year average. The Kansas crop remains at the worst condition of the season at just 13% good/excellent. That compares with 25% last year and near 40% for the 10 year average. Kansas crops in poor/very poor condition reached a new high for the season at 64%, up from 39% last year and a 10 year average of near 27%. Talks on Ukraine crop exports through the Black Sea are due Friday.

Escalating tensions in the Black Sea region has traders uncertain if the safe corridor that allows Ukraine to export crops through the Black Sea will be extended beyond May. Wheat in much of the European Union has seen favorable conditions so far this spring. The US Department of Agriculture next week will issue its first global estimates for the 2023-24 season. The weekly export sales Report showed that for the week ending April 27, net wheat sales came in at 211,053 tonnes for the current marketing year and 279,672 for the next marketing year for a total of 490,725. Cumulative sales have reached 89.6% of the USDA forecast for the 2022/2023 marketing year versus a 5 year average of 95.6%.

TODAY'S MARKET IDEAS:

Uncertainty about the future of Black Sea grain shipments may drive interest back into wheat. The market is extremely oversold technically and experienced follow through buying from Wednesday's reversal. July wheat support is 632 3/4 and 627 1/2, with 660 1/2 and 673 3/4 as resistance.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

WHEAT TECHNICAL OUTLOOK:

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WHEAT (JUL) 05/05/2023: 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 market's short-term trend is positive on the close above the 9-day moving average. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The next upside objective is 664. The next area of resistance is around 655 3/4 and 664, while 1st support hits today at 634 1/4 and below there at 621.

KC WHEAT (JUL) 05/05/2023: The stochastics indicators are rising from oversold levels, which is bullish and should support higher prices. A positive signal for trend short-term was given on a close over the 9-bar moving average. It is a mildly bullish indicator that the market closed over the pivot swing number. The next upside objective is 825 1/2. The next area of resistance is around 815 and 825 1/2, while 1st support hits today at 781 1/2 and below there at 758 1/4.

MINN WHEAT (JUL) 05/05/2023: The stochastics indicators are rising from oversold levels, which is bullish and should support higher prices. 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 upside objective is 834. The next area of resistance is around 825 1/2 and 834, while 1st support hits today at 798 1/2 and below there at 780 1/4.

RICE (JUL) 05/05/2023: Momentum studies are trending higher but have entered overbought levels. The market's close above the 9-day moving average suggests the short-term trend remains positive. It is a mildly bullish indicator that the market closed over the pivot swing number. The near-term upside objective is at 18.108. The market is becoming somewhat overbought now that the RSI is over 70. The next area of resistance is around 18.052 and 18.108, while 1st support hits today at 17.898 and below there at 17.799.

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										
CNAN23	589	34.18	35.39	17.68	19.97	585.50	591.64	611.46	616.79	626.35
CNAZ23	528 1/2	33.95	34.36	16.66	20.69	526.00	533.53	546.47	555.89	564.02
SSAN23	1417 3/4	38.86	39.94	20.57	21.06	1418.38	1418.31	1445.64	1459.61	1472.40
SSAX23	1268 1/2	39.24	39.06	21.02	22.96	1270.75	1267.94	1287.38	1309.12	1326.21
SMAN23	424.6	27.52	32.15	15.65	13.57	427.75	430.07	442.57	453.13	456.68
BOAN23	52.48	43.84	41.85	23.21	28.00	52.18	52.07	53.28	55.22	56.65
WHAN23	645	44.55	41.71	15.03	22.61	628.06	636.36	662.74	685.86	705.42
WHAU23	656 3/4	44.77	41.85	15.10	22.86	639.50	647.97	673.76	696.99	716.04
RCAN23	17.975	73.54	65.22	80.26	90.69	17.84	17.48	17.26	17.26	17.44
KWAN23	798 1/4	48.80	46.60	16.43	24.73	770.19	780.67	814.64	819.37	828.71
MWAN23	812	44.33	42.77	14.73	21.13	795.00	806.56	835.88	850.27	862.50
OTAN23	319	43.68	41.03	20.06	25.23	309.13	317.92	326.97	340.45	344.12

Calculations based on previous session. Data collected 05/04/2023

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						
CNAN23	Corn	574 1/4	582 1/2	587 1/4	595 1/2	600 1/4
CNAZ23	Corn	517 3/4	523 1/4	528 1/4	533 3/4	538 3/4
SSAN23	Soybeans	1397 1/2	1408 1/2	1416	1427	1434 1/2
SSAX23	Soybeans	1251 3/4	1260 3/4	1267 1/4	1276 1/4	1282 3/4
SMAN23	Soymeal	415.0	420.4	423.3	428.7	431.6
BOAN23	Soybean Oil	51.49	51.92	52.60	53.03	53.71
WHAN23	Wheat	621	634 1/4	642 1/2	655 3/4	664
WHAU23	Wheat	632 1/2	646	654	667 1/2	675 1/2
RCAN23	Rice	17.798	17.897	17.953	18.052	18.108
KWAN23	KC Wheat	758 1/4	781 1/2	792	815	825 3/4
MWAN23	MINN Wheat	780	798 1/2	807	825 1/2	834
OTAN23	Oats	305 1/2	313	317 1/2	325	329 1/2

Calculations based on previous session. Data collected 05/04/2023

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