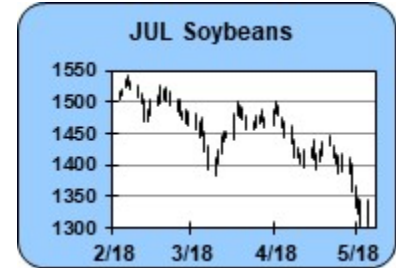




**DAILY SOY COMPLEX COMMENTARY**  
5/23/2023

1-5 day dry lowa/N Illinois; 6-10 day Hot and dry

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



**OVERNIGHT DEVELOPMENTS:** July Soybean prices overnight are down 3; Soymeal (JUL 23) down -0.20; and Soyoil (JUL 23) down -0.45. Soybean open interest as of May 22 was up 3,916 contracts, soymeal down 1,823 contracts, and soybean oil up 2,867. Chinese Dalian Soybeans are down 0.28%, Soymeal up 1.31% and Soyoil down 0.59%. Malaysian Palm was down 1.46%. Global equity markets overnight were lower except for the FTSE 100. Critical economic news released overnight included a slight decline in Australian S&P global composite PMI readings for May, better-than-expected Australian S&P global manufacturing PMI, better-than-expected Australian S&P global services PMI readings for May, better-than-expected Japanese Jibun bank manufacturing PMI, better-than-expected Japanese bank services PMI, significantly higher than expected GBP public sector net borrowing for April, better-than-expected French HCOB manufacturing PMI reading for May, softer than expected French HCOB services PMI readings, better-than-expected German composite PMI, better-than-expected German services PMI, softer than expected German manufacturing PMI, softer than expected GBP composite, manufacturing, and services PMI readings for May. The North American session will start out with a weekly private survey of same-store sales. The May US "flash" manufacturing PMI is forecast to have a minimal uptick from the previous 50.2 reading. April new home sales are expected to have a mild downtick from March's 683,000 annualized rate. The Richmond Fed's May manufacturing index is forecast to have a moderate downtick from April's -10 reading. For the month to date wheat prices are down 32 1/2 in SRW, up 43 in HRW, down 4 1/2 in HRS; Corn is down 16 1/4; Soybeans down 90 1/4; Soymeal down \$23.00; Soyoil down 3.45. Year-To-Date nearby futures are down 24.1% in SRW, down 7.8% in HRW, down 14.9% in HRS; Corn is down 16.2%; Soybeans down 12.5%; Soymeal down 14.4%; Soyoil down 24.4%.

**NEAR-TERM MARKET FUNDAMENTALS:** After moving down to the lowest level since December 2021, November soybeans closed sharply higher on the session yesterday. Ideas that the market is oversold and relatively cheap, plus talk of some dryness issues developing and Iowa and northern Illinois helped to support. A shift to drier weather threatens to bring on stress to some crops, and after five more days of dry weather, many fields in Iowa and the northern half of Illinois will be looking at 12 or more days without any rain. For the weekly crop progress report, traders expected to see soybean plantings near 66% complete, 61-69% range, as compared with 49% planted last week.

Soybeans planted as of May 21 was up 17% at 66%. This is up 19% versus last year and up 17% versus the 10 year average. The top producing states reported with Illinois 85% (+8%), Iowa 84% (+15%), Minnesota 53% (+23%), North Dakota 20% (+18%) and Missouri 74% (+12%). Exporters announced the sale of 225,000 tonnes of US soybean meal sold to Philippines. Soybean export inspections for the week ending May 18 came in at 155,051 metric tonnes from trade expectations for 100,000-500,000 tonnes. Cumulative inspections year-to-date are 48,199,475 metric tonnes which is 1.9% below last year. This is 87.9% of the USDA's forecast for the 2022-23 marketing year versus the five year average of 80.4%.

**TODAY'S MARKET IDEAS:**

With the oversold technical condition of the market, the drier forecast for parts of the Midwest may have sparked some buying and short covering. November soybeans support is at 1176 1/2, with 1215 1/2 and 1228 3/4 as resistance. December meal traded down to the lowest level since November 10 before a strong close. Support is at 377.60, with 388.90 as resistance. December soybean oil support is at 47.10, with 49.56 and 50.48 as

resistance.

**NEW RECOMMENDATIONS:**

None.

**PREVIOUS RECOMMENDATIONS:**

None.

**SOYBEAN COMPLEX TECHNICAL OUTLOOK:**

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SOYBEANS (JUL) 05/23/2023: The daily stochastics have crossed over up which is a bullish indication. The stochastics indicators are rising from oversold levels, which is bullish and should support higher prices. The market's close below the 9-day moving average is an indication the short-term trend remains negative. Market positioning is positive with the close over the 1st swing resistance. The near-term upside target is at 1372 1/4. The next area of resistance is around 1361 and 1372 1/4, while 1st support hits today at 1321 1/2 and below there at 1293 1/2.

SOYBEAN OIL (JUL) 05/23/2023: The daily stochastics gave a bullish indicator with a crossover up. The stochastics indicators are rising from oversold levels, which is bullish and should support higher prices. The market's short-term trend is negative as the close remains below the 9-day moving average. The upside closing price reversal on the daily chart is somewhat bullish. Market positioning is positive with the close over the 1st swing resistance. The near-term upside target is at 50.74. The next area of resistance is around 49.98 and 50.74, while 1st support hits today at 47.56 and below there at 45.89.

SOYMEAL (JUL) 05/23/2023: Momentum studies are declining, but have fallen to oversold levels. A negative signal for trend short-term was given on a close under the 9-bar moving average. The daily closing price reversal up is a positive indicator that could support higher prices. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The next downside objective is now at 402.8. The next area of resistance is around 416.9 and 421.6, while 1st support hits today at 407.5 and below there at 402.8.

**DAILY CORN COMMENTARY**

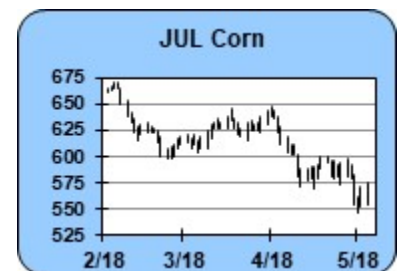
5/23/2023

**Iowa and N Illinois just too dry with heat next 2 weeks**

**OVERNIGHT CHANGES THROUGH 6:06 AM (CT):**

**CORN** +0.2

**OVERNIGHT DEVELOPMENTS:** July Corn prices overnight are up 3 1/2 cents. Corn open interest as of May 22 was up 8,429 contracts. Chinese Dalian Corn was up 0.35%.



**NEAR-TERM MARKET FUNDAMENTALS:** December corn experienced supportive technical action after posting a low last week from a key technical support level (490 3/4). Corn positioning in the Commitments of Traders for the week ending May 16th showed Managed Money traders were net short 91,985 contracts after decreasing their short position by 17,658 contracts, and the short-covering trend is a supportive force. In the last seven days, there has been almost no rain for parts of South Dakota, Iowa and the northern half of Illinois. For the next five days there is no rain in the forecast for Iowa, Illinois and East. With above normal temperatures and below normal precipitation in the 6-10 day forecast models, areas of Iowa and northern Illinois will be in need of rain.

For the weekly crop progress report, traders expected to see corn plantings near 82% complete, 79-85% range, as compared with 65% this week. Corn planted as of May 21 was up 16% at 81%. This is up 12% versus last year and up 2% versus the 10 year average. The top producing states report Iowa 95% (+9%), Illinois 91% (+7%), Nebraska 87% (+11%), Minnesota 80% (+19%), South Dakota 76% (+27%). Corn export inspections for the week ending May 18 came in at 1,323,117 metric tonnes from trade expectations for 700,000-1.425 million tonnes. Cumulative inspections year-to-date are 27,374,728 metric tonnes which is 33.1% below last year. This is 60.7% of the USDA's forecast for the 2022-23 marketing year versus the five year average of 66.1%.

#### **TODAY'S MARKET IDEAS:**

With another five days of dry weather, there will be plenty of fields in the Midwest which have not received rain for 12 days. With fund traders holding a large net short position, a short-covering threat is ongoing. December corn close in support is at 499, with 521 1/2 and 531 as next resistance. July corn support is at 561 3/4, with 585 1/4 and 597 1/4 as resistance.

#### **NEW RECOMMENDATIONS:**

\* Buy December Corn at 503, with an objective of 543 1/2. Risk 9 cents from entry.

#### **PREVIOUS RECOMMENDATIONS:**

None.

#### **CORN TECHNICAL OUTLOOK:**

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CORN (JUL) 05/23/2023: A bullish signal was given with an upside crossover of the daily stochastics. The stochastics indicators are rising from oversold levels, which is bullish and should support higher prices. The close below the 9-day moving average is a negative short-term indicator for trend. The market setup is supportive for early gains with the close over the 1st swing resistance. The near-term upside target is at 589 3/4. The next area of resistance is around 582 and 589 3/4, while 1st support hits today at 560 and below there at 545 1/2.

CORN (DEC) 05/23/2023: Rising from oversold levels, daily momentum studies would support higher prices, especially on a close above resistance. A positive signal for trend short-term was given on a close over the 9-bar moving average. The daily closing price reversal up is a positive indicator that could support higher prices. With the close over the 1st swing resistance number, the market is in a moderately positive position. The near-term upside target is at 519 1/4. Consider buying pull-backs since daily studies are bullish. The next area of resistance is around 515 1/2 and 519 1/4, while 1st support hits today at 502 1/2 and below there at 493.

#### **DAILY WHEAT COMMENTARY**

**5/23/2023**

**2-week forecast for more rain in the plains bearish**

#### **OVERNIGHT CHANGES THROUGH 6:06 AM (CT):**

**WHEAT +0.18**

**OVERNIGHT DEVELOPMENTS:** July wheat prices overnight are up 5 cents; Kansas City up 8 1/2; and Minneapolis up 8. MATIF Milling Wheat was up 1.1%. Chicago wheat open interest as of May 22 was up 2,985 contracts and Minneapolis wheat was up 1,001 contracts.



**NEAR-TERM MARKET FUNDAMENTALS:** July wheat traded down to the lowest level since April 2021 before closing slightly higher on the session yesterday. The outlook for more rain in the central and southern Plains

helped to pressure, but the market found support as traders see more and more talk of producers abandoning their crops for insurance. For the weekly crop progress report, traders expected to see spring wheat plantings near 60% complete, 51-75% range, as compared with 40% planted last week. Spring Wheat planted as of May 21 was up 24% at 64%. This is up 16% versus last year and down 14% versus the 10 year average. The top producing states reported with North Dakota 48% (+28%), Montana 72% (+18%), Minnesota 74% (+46%), South Dakota 95% (+11%), Washington 98% (+3%). Winter wheat crop conditions were expected to come in near 30% good/excellent, 28-32% range, as compared with 29% last week.

Winter Wheat rated good/excellent as of May 21 was up 2% at 31% and poor/very poor was down 1% at 40%. Current G/EX is down 14% versus the 10 year average and Poor/Very Poor is up 15% versus the 10 year average. The good/excellent ratings for the top producing states were: Kansas 10% (0%), Texas 23% (+3%), Oklahoma 10% (-1%), Colorado 29% (+3%) and Montana 49% (+1%). European milling wheat futures closed lower after hitting a new 22 month low with talk of ample supply from the Black Sea region and record exports from Russia. Wheat export inspections for the week ending May 18 came in at 407,682 metric tonnes from trade expectations for 100,000-350,000 tonnes. Cumulative inspections year-to-date are 19,143,446 metric tonnes which is 2.6% below last year. This is 90.8% of the USDA's forecast for the 2022-23 marketing year versus the five year average of 92.7%.

#### **TODAY'S MARKET IDEAS:**

Wheat positioning in the Commitments of Traders for the week ending May 16th showed Managed Money traders are net short 112,769 contracts. July wheat may follow the other grains higher short-term. Support is at 603 3/4, with resistance at 632 1/4 and 641. July Kansas City wheat held above support at 806 yesterday. Support moves up to 825 1/2, with 849 3/4 and 863 as next resistance.

#### **NEW RECOMMENDATIONS:**

None.

#### **PREVIOUS RECOMMENDATIONS:**

None.

#### **WHEAT TECHNICAL OUTLOOK:**

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WHEAT (JUL) 05/23/2023: Daily stochastics declining into oversold territory suggest the selling may be drying up soon. 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 objective is now at 588 1/4. The next area of resistance is around 615 and 623, while 1st support hits today at 597 1/2 and below there at 588 1/4.

KC WHEAT (JUL) 05/23/2023: Declining momentum studies in the neutral zone will tend to reinforce lower price action. 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 objective is 798 3/4. The next area of resistance is around 836 1/4 and 845, while 1st support hits today at 813 1/4 and below there at 798 3/4.

MINN WHEAT (JUL) 05/23/2023: Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. The close below the 9-day moving average is a negative short-term indicator for trend. The upside closing price reversal on the daily chart is somewhat bullish. It is a slightly negative indicator that the close was under the swing pivot. The next downside target is 784 1/2. The next area of resistance is around 820 3/4 and 829 1/4, while 1st support hits today at 798 1/4 and below there at 784 1/2.

RICE (JUL) 05/23/2023: The moving average crossover down (9 below 18) indicates a possible developing short-term downtrend. Daily stochastics are trending lower but have declined into oversold territory. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The swing indicator gave a moderately negative reading with the close below the 1st support number. The next downside target is 16.350.

The 9-day RSI under 30 indicates the market is approaching oversold levels. The next area of resistance is around 17.115 and 17.470, while 1st support hits today at 16.555 and below there at 16.350.

## 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
<b>GRAIN COMPLEX</b>										
CNAN23	571	42.05	40.27	28.08	29.56	560.56	575.39	581.38	607.34	609.89
CNAZ23	509	40.86	37.95	19.57	25.00	502.13	508.00	517.63	542.86	548.08
SSAN23	1341 1/4	35.04	34.87	12.80	13.82	1329.69	1364.78	1392.44	1430.05	1445.09
SSAX23	1197	32.73	32.22	11.18	12.40	1186.75	1211.97	1239.82	1275.61	1295.06
SMAN23	412.2	31.32	33.42	23.36	15.77	415.18	422.48	424.73	439.93	447.59
BOAN23	48.77	40.81	38.95	17.81	20.65	47.44	48.84	50.66	53.05	54.43
WHAN23	606 1/4	34.08	36.18	33.52	22.44	612.13	628.92	632.96	667.28	677.19
WHAU23	618 3/4	34.32	36.34	34.51	23.25	624.50	641.03	644.76	678.78	688.48
RCAN23	16.835	28.40	35.89	38.42	18.20	17.19	17.67	17.76	17.45	17.40
KWAN23	824 3/4	43.50	46.94	71.08	61.44	848.13	862.19	828.64	834.86	826.54
MWAN23	809 1/2	39.30	42.05	61.82	48.84	825.44	842.89	826.79	849.03	849.40
OTAN23	314 1/2	33.03	37.71	72.49	57.78	329.38	334.33	326.51	338.02	339.25

Calculations based on previous session. Data collected 05/22/2023

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

## DAILY SWING STATISTICS

Contract		Support 2	Support 1	Pivot	Resist 1	Resist 2
<b>GRAIN COMPLEX</b>						
CNAN23	Corn	545 1/2	560	567 3/4	582	590
CNAZ23	Corn	493	502 1/2	506 1/4	515 1/2	519 1/2
SSAN23	Soybeans	1293 1/2	1321 1/2	1333	1361	1372 1/2
SSAX23	Soybeans	1163 3/4	1183	1191 1/2	1211	1219 1/4
SMAN23	Soymeal	402.8	407.5	412.2	416.9	421.6
BOAN23	Soybean Oil	45.88	47.55	48.31	49.98	50.74
WHAN23	Wheat	588	597 1/2	605 1/2	615	623
WHAU23	Wheat	600 3/4	610 1/4	617 3/4	627 1/4	634 3/4
RCAN23	Rice	16.350	16.555	16.910	17.115	17.470
KWAN23	KC Wheat	798 1/2	813	821 3/4	836 1/2	845
MWAN23	MINN Wheat	784 1/2	798 1/4	807	820 3/4	829 1/2
OTAN23	Oats	300 1/2	305 1/2	318 1/2	323 1/2	336 1/2

Calculations based on previous session. Data collected 05/22/2023

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