

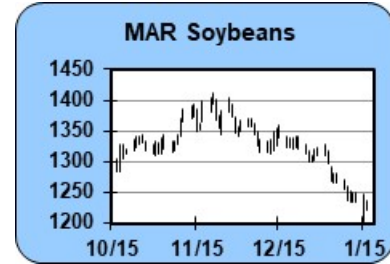


DAILY SOY COMPLEX COMMENTARY
1/17/2024

Rising crop estimates in Arg adds to bear news

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

OVERNIGHT DEVELOPMENTS: Soybeans (MAR 24) prices overnight are down -7; Soymeal (MAR 24) down -0.50; and Soyoil (MAR 24) down -0.55. Soybean open interest as of January 16 was up 9,157 contracts, soymeal up 873 contracts, and soybean oil up 5,378. Chinese Dalian (MAY 24) Soybeans up 0.37%, Soymeal up 0.39%, Soyoil up 0.03%, Palm oil up 0.46%. Malaysian Palm was down 1.22%.



Global equity markets overnight were under noted pressure with the stock markets in China posting five-year lows. Overnight economic news of importance included a contraction in electronic credit card retail sales, a contraction in Chinese house price index readings for December, a slightly softer than expected Chinese year-over-year GDP, softer than expected Chinese retail sales, hotter than expected GBP consumer price index readings for December, a much larger than expected drop in GBP producer price index readings, slightly hotter than expected GBP retail sales price index readings for December, a larger than expected decline in GBP DCLG House Price Index readings for November, and as expected euro zone harmonized Index of consumer prices. The North American session will start out with weekly private surveys of same-store sales and mortgage applications. The December Canadian industrial product price index (IPPI) is forecast to have a sizable uptick from November's -2.3% year-over-year rate. December US retail sales are expected to have a minimal uptick from November's 0.3% reading. December readings for the US import price index and US export price index are both forecast to have a mild monthly uptick from their November readings. December US industrial production is expected to have a modest downtick from November's 0.2% reading, while December US capacity utilization is forecast to have a minimal downtick from November's 78.8% reading. November US business inventories are expected to hold steady with October's -0.1% reading. The January NABH housing index is forecast to have a modest uptick from December's 37 reading. The latest Fed Beige Book of US economic conditions will be released during early afternoon US trading hours. Fed Vice Chair Barr and Fed Governor Bowman will speak during morning US trading hours while New York Fed President Williams will speak during the afternoon. Earnings announcements include Prologis, Charles Schwab and U.S. Bancorp before the Wall Street opening while Kinder Morgan reports after the close.

NEAR-TERM MARKET FUNDAMENTALS: Despite the high-volume spike down late last week, upside follow-through has been limited after Friday's test of longer-term support on the bearish data from the USDA. Despite most private analysts crop estimates for Brazil turning out below the USDA, there is a growing realization that Argentina's crop could be very large. The Head of Agriculture Statistics at the Rosario Grain Exchange says good weather in Argentina is pointing toward a "super harvest" for soybeans, which we assume would be equivalent to a bumper harvest here in the US. With the range of private estimates of Brazil's crop so large, 135-159 million tons, it is too soon to say how much Argentina production can offset Brazil. Argentina is expected to stay in a drying trend for the next 10 days to 2 weeks, which is unlikely to be a concern in the short-term, unless it extends beyond into February. Brazil is expecting a mix of rain and sun over the next 2 weeks with some northeastern and southern areas getting the least. EarthDaily Agro says early yields in Mato Grosso are averaging 52.12 bags per hectare, compared with 62.88 last season, the worst yield trend in 15 years. An association representing thousands of grain farmers in Brazil, Aprosoya, says the weather has hurt crops much worse than official estimates suggest and pegged Brazil production at 135 million tonnes, well below other private estimates. Whether this is a farm group trying to talk the market up because they are undersold is a legitimate question but yield reports must be monitored with such a large discrepancy between USDA numbers and private estimates.

NOPA crush came in at 195.32, above estimates of 193.0. Bean oil stocks were 1.360 billion pounds compared to estimates of 1.27 billion. The extreme weather is likely to slow US crush rates this month. We still believe Friday's spike down on March futures to near 12.00 long-term support was enough to stabilize this price break; however, until losses in Brazil can be further quantified, traders may continue to assume Argentina will make up for a chunk of Brazil's losses.

Soybean export inspections for the week ending January 11 came in at 1,264,468 metric tonnes. Cumulative inspections year-to-date are 25,576,844 metric tonnes which is 21.1% below last year. This is 53.6% of the USDA's forecast for the 2023-24 marketing year versus the five-year average of 53.0%.

TODAY'S MARKET IDEAS:

Unfortunately for the bull camp, the bounce off longer term support in high volume action Friday has not carried through higher and prices are threatening to retest the 12.00 level on March futures. Talk that Argentine's crop could be very large is keeping sellers aggressive on rallies. Stochastics are pointing higher but a poor close today could neutralize the bullish signal. If prices can gain some upside momentum, an initial bounce should find resistance at 12.52 and 12.68. Aggressive speculators can consider buying breaks, risking Friday's low.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

SOYBEAN COMPLEX TECHNICAL OUTLOOK:

Note: Data is collected using the closing values of the previous session and calculations and analysis are run at the same time. Technical commentary is based solely on statistical indicators and does not necessarily correspond to any fundamental analysis that may appear elsewhere in this report. Data sources can and do produce bad ticks that can cause computation errors. Please verify before use.

SOYBEANS (MAR) 01/17/2024: Rising from oversold levels, daily momentum studies would support higher prices, especially on a close above resistance. The close below the 9-day moving average is a negative 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 objective is 1245 1/4. With a reading under 30, the 9-day RSI is approaching oversold levels. The next area of resistance is around 1235 3/4 and 1245 1/4, while 1st support hits today at 1218 3/4 and below there at 1211 1/4.

SOYBEAN OIL (MAR) 01/17/2024: Momentum studies are trending higher from mid-range, which should support a move higher if resistance levels are penetrated. The close below the 9-day moving average is a negative short-term indicator for trend. The swing indicator gave a moderately negative reading with the close below the 1st support number. The next upside objective is 48.94. The next area of resistance is around 47.93 and 48.94, while 1st support hits today at 46.57 and below there at 46.21.

SOYMEAL (MAR) 01/17/2024: 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. Market positioning is positive with the close over the 1st swing resistance. The next upside objective is 377.7. Short-term indicators suggest buying pullbacks today. The next area of resistance is around 375.3 and 377.7, while 1st support hits today at 366.9 and below there at 360.8.

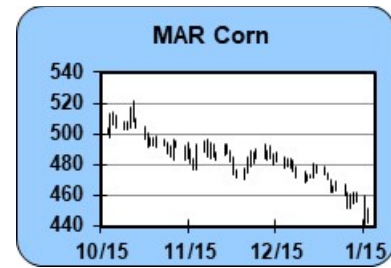
DAILY CORN COMMENTARY

1/17/2024

Weak action but long-term support just below

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):
CORN -0.1

OVERNIGHT DEVELOPMENTS: Corn (MAR 24) prices overnight are down -1 1/4. Corn open interest as of January 16 was up 19,032 contracts. Chinese Dalian (MAY 24) Corn was down 0.34%.



NEAR-TERM MARKET FUNDAMENTALS: March corn was unable to get any follow-through post-report and is testing contract lows once again on talk of a bumper crop coming in Argentina. An executive at the Rosario Grain Exchange says Argentine corn may be headed for a "superharvest" after significant weather improvements over the last month. US domestic corn demand may be taking a slight hit as ethanol plants and chicken processors slow or halt some operations due to the extreme weather. A return to normal to above normal temperatures is expected next week across all the Midwest. The recent significant rise in corn open interest continued yesterday with an estimated 19,000 contract increase, sending open interest to a 1 1/2 year high. The fact that much of the recent increase has come on the lower board is an indication of new short positioning. The US dollar made a fresh higher high this morning and crude oil is also weak, adding some additional pressure on the market. While Friday's USDA report was certainly fundamentally bearish, prices have come down to the longer-term support zone at 4.35 to 4.40 on March futures and we would expect some stabilization of the downtrend in this area.

Corn export inspections for the week ending January 11 came in at 875,621 metric tonnes. Cumulative inspections year-to-date are 13,918,431 metric tonnes which is 29.1% above last year. This is 26.1% of the USDA's forecast for the 2023-24 marketing year versus the five-year average of 25.3%.

The Commitments of Traders report for the week ending January 9th showed Corn Managed Money traders were net short 230,723 contracts after increasing their already short position by 33,397 contracts. CIT traders are net long 231,480 contracts after net buying 13,512 contracts. Non-Commercial No CIT traders added 23,093 contracts to their already short position and are now net short 227,408. Non-Commercial & non-reportable traders added 19,341 contracts to their already short position and are now net short 217,736.

TODAY'S MARKET IDEAS:

The trend remains weak, despite the heavy volume spike down move on Friday pushing March corn futures down into a longer-term support area. We think speculators can consider weakness below 4.40 a longer-term buy zone, but how quickly the market can get a corrective bounce going is still a question mark with bearish fundamentals front and center. Initial resistance stands at 4.69 and then 4.81 for March futures. Close-in support is at 4.37.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

CORN TECHNICAL OUTLOOK:

Note: Data is collected using the closing values of the previous session and calculations and analysis are run at the same time. Technical commentary is based solely on statistical indicators and does not necessarily correspond to any fundamental analysis that may appear elsewhere in this report. Data sources can and do produce bad ticks that can cause computation errors. Please verify before use.

CORN (MAR) 01/17/2024: Momentum studies are still bearish but are now at oversold levels and will tend to support reversal action if it occurs. A negative signal for trend short-term was given on a close under the 9-bar moving average. It is a slightly negative indicator that the close was lower than the pivot swing number. The next downside target is now at 436. The 9-day RSI under 30 indicates the market is approaching oversold levels. The next area of resistance is around 448 and 454 1/4, while 1st support hits today at 439 and below there at 436.

CORN (JUL) 01/17/2024: Momentum studies are declining, but have fallen to oversold levels. The market's short-term trend is negative as the close remains below the 9-day moving average. It is a slightly negative indicator that the close was under the swing pivot. The next downside target is now at 457. With a reading under 20, the 9-day RSI indicates the market is extremely oversold. The next area of resistance is around 468 1/4 and 474 1/4, while 1st support hits today at 459 3/4 and below there at 457.

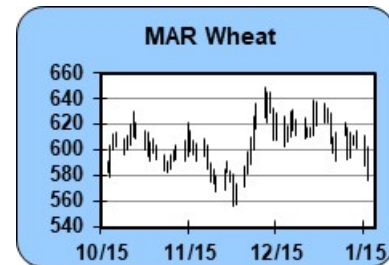
DAILY WHEAT COMMENTARY

1/17/2024

Plains moisture chances pressure prices

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):
WHEAT +0.35

OVERNIGHT DEVELOPMENTS: Chicago wheat (MAR 24) prices overnight are up 3; Kansas City (MAR 24) up 1/2; and Minneapolis (MAR 24) down -1/4. MATIF Milling Wheat(MAR 24) was up 0.5%. Chicago wheat open interest as of January 16 was up 9,882 contracts and Minneapolis wheat was up 2,540 contracts.



NEAR-TERM MARKET FUNDAMENTALS: Disappointing action yesterday for the bulls in the wheat as prices fell despite the neutral to friendly USDA numbers on Friday. Egypt announced a new tender overnight as did Tunisia. Algeria bought as much as 900,000 tons of feed wheat yesterday and Jordan another 120,000 tons overnight. However, US demand remains limited. Shippers of grain have rerouted some cargoes around Africa to avoid the Suez Canal. Black Sea tensions are back in the news as Ukraine reportedly shot down a Russian AWACS aircraft and a radar jamming jet over the past couple days. An expected return to above normal temperatures for the US Plains after the extreme lows may be adding additional pressure to prices, along with the very strong start for the US dollar this week. After seeing the Polish government make concessions to farmers last week to end the Ukraine border blockade, Romanian farmers now have decided to block border access. Although all Winter wheat acreage was cut more than expected in Friday's report, there are high expectations that harvested acres this season will be much higher than last year's lower than usual number, due to the drought-stricken crop. The US Southern Plains forecast has rain chances early next week along with a normalization of temperatures. The bear camp retains its grip and the path of least resistance for the short-term is pointing lower after yesterday's disappointing performance.

Wheat export inspections for the week ending January 11 came in at 234,205 metric tonnes. Cumulative inspections year-to-date are 10,377,165 metric tonnes which is 16.5% below last year. This is 52.6% of the USDA's forecast for the 2023-24 marketing year versus the five year average of 58.4%.

The January 9th Commitments of Traders report showed Wheat Managed Money traders net bought 2,289 contracts and are now net short 57,988 contracts. CIT traders were net long 83,728 contracts after decreasing their long position by 823 contracts. Non-Commercial No CIT traders reduced their net short position by 1,963 contracts to a net short 62,951 contracts. Non-Commercial & Non-Reportable traders are net short 47,103 contracts after net selling 2,565 contracts.

TODAY'S MARKET IDEAS:

The short-term downtrend accelerated lower yesterday closing at a 1 1/2 month low on March futures. The strong US dollar and an end in sight for the extreme low temperatures for the US Plains has reinforced the bears grip on prices. March futures has close-in resistance at 6.02 and 6.22. A breakout over 6.32 would be the signal to expect a run to the longer-term moving average resistance at 6.54. Close-in support now stands at 5.77 with contract low support in March futures at 5.56 1/4.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

WHEAT TECHNICAL OUTLOOK:

Note: Data is collected using the closing values of the previous session and calculations and analysis are run at the same time. Technical commentary is based solely on statistical indicators and does not necessarily correspond to any fundamental analysis that may appear elsewhere in this report. Data sources can and do produce bad ticks that can cause computation errors. Please verify before use.

WHEAT (MAR) 01/17/2024: 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's close below the 1st swing support number suggests a moderately negative setup for today. The next downside target is 560 1/4. The next area of resistance is around 594 3/4 and 611 1/4, while 1st support hits today at 569 1/4 and below there at 560 1/4.

KC WHEAT (MAR) 01/17/2024: 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 1st swing support number suggests a moderately negative setup for today. The next downside objective is now at 584 1/4. The next area of resistance is around 612 1/2 and 628 1/2, while 1st support hits today at 590 1/2 and below there at 584 1/4.

MINN WHEAT (MAR) 01/17/2024: Momentum studies are still bearish but are now at oversold levels and will tend to support reversal action if it occurs. A negative signal for trend short-term was given on a close under the 9-bar moving average. The swing indicator gave a moderately negative reading with the close below the 1st support number. The next downside objective is now at 679. The market is approaching oversold levels on an RSI reading under 30. The next area of resistance is around 698 and 708 1/4, while 1st support hits today at 683 1/2 and below there at 679.

RICE (MAR) 01/17/2024: The daily stochastics have crossed over down which is a bearish indication. Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. The close under the 18-day moving average indicates the intermediate-term trend could be turning down. The daily closing price reversal down is a negative indicator for prices. The market's close below the 1st swing support number suggests a moderately negative setup for today. The next downside target is 17.350. The next area of resistance is around 17.675 and 17.830, while 1st support hits today at 17.435 and below there at 17.350.

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
GRAIN COMPLEX										
CNAH24	443 1/2	21.21	26.94	16.76	13.56	451.94	457.17	464.92	476.49	481.20
CNAN24	464	17.72	24.08	14.89	11.02	473.13	479.25	487.13	497.56	500.83
SSAH24	1227 1/4	20.63	26.24	10.57	13.78	1231.13	1246.58	1277.14	1323.74	1327.77
SSAN24	1246 3/4	21.25	26.07	10.63	13.86	1250.56	1263.81	1293.35	1340.95	1345.43
SMAH24	371.1	40.00	37.47	13.25	21.64	364.93	369.09	379.24	400.48	403.39
BOAH24	47.25	33.77	37.05	36.52	39.15	48.12	48.12	48.59	50.03	50.14
WHAH24	582	34.57	40.04	28.16	19.65	598.13	603.17	611.97	605.82	604.97
WHAN24	605 1/4	34.85	40.01	29.40	20.64	620.06	624.19	631.28	627.68	629.33
RCAH24	17.555	50.96	51.98	39.46	39.02	17.56	17.51	17.57	17.43	17.18
KWAH24	601 1/2	32.89	37.90	25.77	17.36	614.31	619.42	626.86	634.63	641.25
MWAH24	690 3/4	29.43	35.27	16.48	10.79	699.50	704.19	712.64	722.77	727.71
OTAH24	352 1/2	38.25	41.71	52.47	39.91	372.56	368.50	371.88	370.87	378.01

Calculations based on previous session. Data collected 01/16/2024

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						
CNAH24	Corn	435 3/4	439	445	448	454 1/4
CNAN24	Corn	456 3/4	459 1/2	465 1/2	468 1/2	474 1/4
SSAH24	Soybeans	1211 1/4	1218 3/4	1228 1/4	1235 3/4	1245 1/4
SSAN24	Soybeans	1230 3/4	1238 1/4	1247 3/4	1255 1/4	1264 3/4
SMAH24	Soymeal	360.7	366.8	369.2	375.3	377.7
BOAH24	Soybean Oil	46.20	46.56	47.57	47.93	48.94
WHAH24	Wheat	560 1/4	569 1/4	585 3/4	594 3/4	611 1/4
WHAN24	Wheat	586	594	608 3/4	616 1/2	631 1/2
RCAH24	Rice	17.349	17.435	17.590	17.675	17.830
KWAH24	KC Wheat	584 1/4	590 1/2	606 1/2	612 1/2	628 3/4
MWAH24	MINN Wheat	678 3/4	683 1/2	693 1/2	698	708 1/4
OTAH24	Oats	336 3/4	342	357 1/2	363	378 1/4

Calculations based on previous session. Data collected 01/16/2024

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

***This report includes information from sources believed to be reliable and accurate as of the date of this publication, but no independent verification has been made and we do not guarantee its accuracy or completeness. Opinions expressed are subject to change without notice. Any information or recommendation contained herein: (i) is not based on, or tailored to, the commodity interest or cash market positions or other circumstances or characterizations of particular investors or traders; (ii) is not customized or personalized for any such investor or trader; and (iii) does not take into consideration, among other things, risk tolerance, net worth, or available risk capital. Any use or reliance upon the information or recommendations is at the sole discretion and election of the subscriber. The risk of loss in trading futures contracts or commodity options can be substantial, and traders should carefully consider the inherent risks of such trading in light of their financial condition. Any reproduction or retransmission of this report without the express written consent of Lakefront Futures is strictly prohibited.