



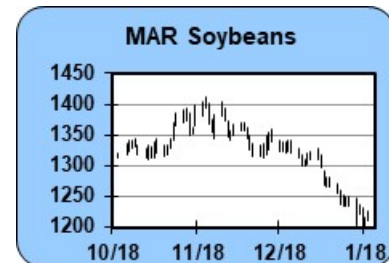
DAILY GRAINS COMMENTARY Monday January 22, 2024

DAILY SOY COMPLEX COMMENTARY 1/22/2024

Spec fund positioning most bearish since Feb 2020

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):
SOY BEANS -0.0, BEAN OIL +0.0, SOYMEAL -0.4

OVERNIGHT DEVELOPMENTS: Soybeans (MAR 24) prices overnight are down -1/4; Soymeal (MAR 24) down -3.60; and Soyoil (MAR 24) up 0.23. Soybean open interest as of January 19 was up 8,717 contracts, soymeal down 3,723 contracts, and soybean oil up 16,094. Chinese Dalian (MAY 24) Soybeans down 0.17%, Soymeal up 0.43%, Soyoil up 0.93%, Palm oil up 0.43%. Malaysian Palm was down 0.89%. Global equity markets overnight were generally higher except for the markets in China which traded significantly weaker. Perhaps the Chinese equity markets were disappointed in the lack of a rate cut by China overnight especially after Beijing last week instructed some heavily indebted local governments to halt infrastructure spending programs. Apparently, the Chinese were limited in their ability to support their economy without adding significant pressure to an already falling Chinese currency. There were no major economic reports released overnight with the German central bank monthly report scheduled for release after this publication. The North American session will only have one top-tier economic number, the Conference Board's December reading on leading indicators which is expected to have a mild uptick from November's -0.5% reading.



NEAR-TERM MARKET FUNDAMENTALS: We give the bull camp a slight edge to start the week on the short-term improvement in technical conditions after last week's reversal off support and improved export demand last week. Soybean prices in Brazil, as represented by the BM&F BOVESPA index for Parana, fell to their lowest since August 2020. Brazil soybean basis is \$0.80 under Chicago March futures, the largest discount since May as early harvest supplies began to be available. Brazil harvest is 5% done compared to 3% average and in Mato Grosso, which accounts for 29% of Brazil's total bean production, 13% is harvested compared to a 7% average. Weekend showers were beneficial for central Brazil and will move north this week. Argentina is expecting a mostly dry stretch for the next 10 days, except for the far north crop areas, and if the dryness extends beyond next week, a bullish price reaction could be seen. Soybean open interest has surged 16% so far in 2024 and speculative funds are holding their most bearish net short position since February 2020. Commitment of Traders data showed speculative funds sold 45,000 contracts of beans, raising their total net shorts to 76,000. Funds are now holding a net short position in meal of 4000 contracts and in bean oil of 47,000 contracts. China's total 2023 bean imports were up 11% from 2022 and 70% of their total imports were from Brazil, which was 29% increase from 2022. The US portion of China's bean imports fell 13% from the previous year to 24%. Trader focus this week will center on South American weather and whether last week's pickup in demand will continue. Thursday's March futures low of 12.01 is the key support level. Below that, another long-term support level looms at 11.80. As long as 12.01 holds, the bull camp can point to Thursday's reversal higher as a potential low.

The Export Sales Report showed that for the week ending January 11, net soybean sales came in at 781,277 tonnes for the current marketing year and 1,700 for the next marketing year for a total of 782,977. Cumulative soybean sales have reached 78.3% of the USDA forecast for the 2023/2024 marketing year versus a 5-year average of 74.9%. Sales need to average 312,000 tonnes per week to reach the USDA forecast.

Soybean positioning in the Commitments of Traders for the week ending January 16th showed Managed Money traders are net short 76,797 contracts after net selling 45,549 contracts. CIT traders reduced their net long position by 2,055 contracts to a net long 119,525 contracts. Non-Commercial No CIT traders added 53,791 contracts to their already short position and are now net short 104,527. Non-Commercial & non-reportable traders

net sold 60,719 contracts and are now net short 112,439 contracts.

The Commitments of Traders report for the week ending January 16th showed Soyoil Managed Money traders were net short 47,011 contracts after increasing their already short position by 403 contracts. CIT traders net bought 8,732 contracts and are now net long 130,958 contracts. Non-Commercial No CIT traders were net short 72,574 contracts after increasing their already short position by 1,473 contracts. Non-Commercial & Non-Reportable traders reduced their net short position by 1,094 contracts to a net short 28,935 contracts.

Soymeal positioning in the Commitments of Traders for the week ending January 16th showed Managed Money traders went from a net long to a net short position of 4,079 contracts after net selling 14,540 contracts. CIT traders are net long 103,987 contracts after net buying 3,207 contracts. Non-Commercial No CIT traders added 9,297 contracts to their already short position and are now net short 40,470. Non-Commercial & Non-Reportable traders were net long 8,144 contracts after decreasing their long position by 5,796 contracts.

TODAY'S MARKET IDEAS:

Last Thursday's turn higher off support is the important technical feature to start the week. Funds are holding their most bearish position since February 2020 and are likely to aggressively cover shorts until prices begin to move above resistance, which stands at 12.37 and 12.49. 12.01 on March futures is key support; however, another long-term support level sits at 11.80 and we doubt prices would fall below that low until much better Brazil harvest yield data comes in.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 1/9/2024 - 1/16/2024						
	Non-Commercial			Commercial		Non-Reportable
	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change
Grains						
Soybeans	-92,629	-56,954	112,438	+60,719	-19,810	-3,765
Soymeal	-11,290	-10,468	-8,145	+5,794	19,434	+4,672
Soyoil	-32,542	+132	28,936	-1,094	3,607	+962

SOYBEAN COMPLEX TECHNICAL OUTLOOK:

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SOYBEANS (MAR) 01/22/2024: Daily stochastics declining into oversold territory suggest the selling may be drying up soon. The market's short-term trend is negative as the close remains below the 9-day moving average. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The next downside target is now at 1200. The 9-day RSI under 30 indicates the market is approaching oversold levels. The next area of resistance is around 1221 1/4 and 1232 1/4, while 1st support hits today at 1205 1/4 and below there at 1200.

SOYBEAN OIL (MAR) 01/22/2024: A crossover down in the daily stochastics is a bearish signal. 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's close below the 1st swing support number suggests a moderately negative setup for today. The next downside objective is 45.81. The next area of resistance is around 47.58 and 48.53, while 1st support hits today at 46.22 and below there at 45.81.

SOYMEAL (MAR) 01/22/2024: A crossover down in the daily stochastics is a bearish signal. Daily stochastics declining into oversold territory suggest the selling may be drying up soon. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The downside closing price reversal on

the daily chart is somewhat negative. The market's close below the 1st swing support number suggests a moderately negative setup for today. The next downside objective is now at 349.0. Some caution in pressing the downside is warranted with the RSI under 30. The next area of resistance is around 361.3 and 368.3, while 1st support hits today at 351.7 and below there at 349.0.

DAILY CORN COMMENTARY

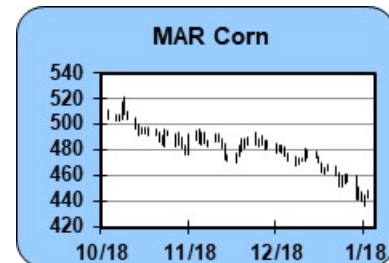
1/22/2024

Fundamental headwinds but short-term techs positive

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):

CORN -0.0

OVERNIGHT DEVELOPMENTS: Corn (MAR 24) prices overnight are unchanged. Corn open interest as of January 19 was up 23,517 contracts. Chinese Dalian (MAY 24) Corn was down 1.02%.



NEAR-TERM MARKET FUNDAMENTALS: Although March corn bounced off key support last week, upside follow-through is needed to confirm at least a short-term turn higher. Speculative fund short positioning is getting very crowded and now stands at upwards of 260,000 contracts, the largest in history for January, while commercials hold a net long position of 50,000 contracts. It is notable to remember that funds generally don't go into the spring months with such a large net short position due to weather risks. Total grain shorts across the CBOT stand at 456,000 contracts. Open interest has had its largest 3-week surge since May 2019 and was up another 23,000 contracts on Friday. Brazilian Safrinha planting stands at 7% complete compared to 4% average. Mato Grosso is 10% planted compared to 5% average and with that state representing 50% of the total Safrinha output, the replenishment of soil moisture is a major headwind which may limit the extension of corn rallies. Seasonal tendencies point upward for the next month and with the very large fund net shorts, prices will need a bullish spark to initiate fund short covering, which could come from an extension of the dry period in Argentina beyond next week. Initial resistance is 4.62 on March futures and then at 4.69.

The Export Sales Report showed that for the week ending January 11, net corn sales came in at 1,251,109 tonnes for the current marketing year and 20,000 for the next marketing year for a total of 1,271,109. Cumulative sales have reached 59.1% of the USDA forecast for the 2023/2024 marketing year versus a 5-year average of 57.5%. Sales need to average 655,000 tonnes per week to reach the USDA forecast.

The Commitments of Traders report for the week ending January 16th showed Corn Managed Money traders were net short 260,542 contracts after increasing their already short position by 29,819 contracts. CIT traders are net long 251,759 contracts after net buying 20,279 contracts. Non-Commercial No CIT traders were net short 265,800 contracts after increasing their already short position by 38,392 contracts. Corn Non-Commercial & Non-Reportable traders hit a new extreme short of 264,054 contracts. Non-Commercial & Non-Reportable traders were net short 264,054 contracts after increasing their already short position by 46,318 contracts.

TODAY'S MARKET IDEAS:

With speculative fund shorts the largest in history for January, the downside looks limited for the short-term, especially after March futures turned higher off long-term support late last week. Speculative traders can consider buying breaks below 4.42, risking last Thursday's low. Initial resistance stands at 4.62. Close-in support was tested and held at 4.37.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 1/9/2024 - 1/16/2024						
	Non-Commercial		Commercial		Non-Reportable	
	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change
Grains						
Corn	-225,974	-36,493	264,054	+46,318	-38,080	-9,825

CORN TECHNICAL OUTLOOK:

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CORN (MAR) 01/22/2024: A bullish signal was given with an upside crossover of the daily stochastics. Daily stochastics are showing positive momentum from oversold levels, which should reinforce a move higher if near term resistance is taken out. The market's short-term trend is negative as the close remains below the 9-day moving average. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The near-term upside target is at 452 1/4. Some caution in pressing the downside is warranted with the RSI under 30. The next area of resistance is around 448 3/4 and 452 1/4, while 1st support hits today at 442 1/4 and below there at 439 1/2.

CORN (JUL) 01/22/2024: The daily stochastics gave a bullish indicator with a crossover up. 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 close over the pivot swing is a somewhat positive setup. The near-term upside objective is at 470 1/4. Some caution in pressing the downside is warranted with the RSI under 30. The next area of resistance is around 467 and 470 1/4, while 1st support hits today at 461 1/2 and below there at 459.

DAILY WHEAT COMMENTARY

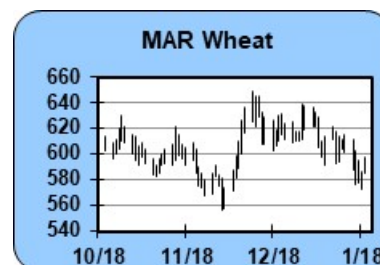
1/22/2024

Breaks supported by improved short-term technicals

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):

WHEAT -0.45

OVERNIGHT DEVELOPMENTS: Chicago wheat (MAR 24) prices overnight are down -4 1/4; Kansas City (MAR 24) down -6 1/4; and Minneapolis (MAR 24) up 2 1/4. MATIF Milling Wheat(MAR 24) was down -0.9%. Chicago wheat open interest as of January 19 was down 724 contracts and Minneapolis wheat was down 1,675 contracts.



NEAR-TERM MARKET FUNDAMENTALS: The bull camp can point to the technical reversals late last week and ongoing Mideast tensions as a reason to push prices higher this week, however, the Plains are expected to see beneficial moisture which may limit rally potential. Iran-backed militants struck a US airbase in Iraq and shipping attacks have reduced Suez Canal transits by 40% compared to this point in January last year.

Friday's weekly export sales easily outperformed even the highest guesses after 2 weeks in a row of disappointing numbers and it will be important to see if that trend continues this week. The numerous global shipping issues may increase US export demand to some degree. Commitment of Traders data showed funds increased their Chicago net short to 69,000 contracts as of last Tuesday, up 10,000 from the previous week. China total wheat imports in 2023 were up 22% from 2022 and total grain imports were up 12%. Last week's reversals higher should support breaks this week and key support stands at 5.73 on March Chicago. Resistance will be significant at 6.04.

The Export Sales Report showed that for the week ending January 11, net wheat sales came in at 707,632 tonnes for the current marketing year and none for the next marketing year. Cumulative sales have reached

81.6% of the USDA forecast for the 2023/2024 marketing year versus a 5 year average of 75.5%. Sales need to average 109,000 tonnes per week to reach the USDA forecast.

Wheat positioning in the Commitments of Traders for the week ending January 16th showed Managed Money traders are net short 68,575 contracts after net selling 10,587 contracts. CIT traders were net long 83,954 contracts after increasing their already long position by 226 contracts. Non-Commercial No CIT traders are net short 71,947 contracts after net selling 8,996 contracts. Non-Commercial & Non-Reportable traders added 9,200 contracts to their already short position and are now net short 56,303.

KC Wheat positioning in the Commitments of Traders for the week ending January 16th showed Managed Money traders added 4,426 contracts to their already short position and are now net short 38,652. CIT traders were net long 58,995 contracts after increasing their already long position by 3,700 contracts. Non-Commercial No CIT traders are net short 45,286 contracts after net selling 4,720 contracts. Non-Commercial & Non-Reportable traders added 8,755 contracts to their already short position and are now net short 32,484.

TODAY'S MARKET IDEAS:

Last week's uptick in US export demand will need to continue to offset the bearish factors of beneficial moisture in the southern Plains and weak EU wheat prices. However, the technical picture is improved with the reversals higher last week and although resistance is expected to be strong at 6.04 on March Chicago futures, a move above that level could trigger significant fund short covering and push prices up to 6.30.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 1/9/2024 - 1/16/2024						
	Non-Commercial			Commercial		Non-Reportable
	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change
Grains						
KC Wheat	-29,202	-5,011	32,485	+8,755	-3,282	-3,744
Wheat	-49,853	-10,963	56,302	+9,199	-6,450	+1,763

WHEAT TECHNICAL OUTLOOK:

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WHEAT (MAR) 01/22/2024: The daily stochastics gave a bullish indicator with a crossover up. Rising from oversold levels, daily momentum studies would support higher prices, especially on a close above resistance. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The market setup is supportive for early gains with the close over the 1st swing resistance. The near-term upside target is at 605 1/2. The next area of resistance is around 599 3/4 and 605 1/2, while 1st support hits today at 586 3/4 and below there at 579 1/4.

KC WHEAT (MAR) 01/22/2024: The crossover up in the daily stochastics is a bullish signal. Daily stochastics are showing positive momentum from oversold levels, which should reinforce a move higher if near term resistance is taken out. The market's short-term trend is negative as the close remains below the 9-day moving average. It is a mildly bullish indicator that the market closed over the pivot swing number. The near-term upside objective is at 622 1/2. The next area of resistance is around 614 1/2 and 622 1/2, while 1st support hits today at 601 1/2 and below there at 596 1/4.

MINN WHEAT (MAR) 01/22/2024: The crossover up in the daily stochastics is a bullish signal. The stochastics indicators are rising from oversold levels, which is bullish and should support higher prices. A negative signal for

trend short-term was given on a close under the 9-bar moving average. The market setup is supportive for early gains with the close over the 1st swing resistance. The near-term upside objective is at 708. The next area of resistance is around 702 1/4 and 708, while 1st support hits today at 688 3/4 and below there at 680 3/4.

RICE (MAR) 01/22/2024: Momentum studies are rising from mid-range, which could accelerate a move higher if resistance levels are penetrated. The close above the 9-day moving average is a positive short-term indicator for trend. The upside daily closing price reversal gives the market a bullish tilt. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The near-term upside target is at 17.801. The next area of resistance is around 17.717 and 17.801, while 1st support hits today at 17.553 and below there at 17.472.

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	445 1/2	28.54	30.97	14.88	16.32	443.81	450.42	460.29	473.77	477.90
CNAN24	464 1/4	21.84	26.22	12.23	12.59	463.56	471.42	482.01	494.92	497.88
SSAH24	1213 1/4	23.05	26.53	10.05	10.00	1214.94	1227.89	1260.06	1313.06	1321.82
SSAN24	1232	21.26	25.13	9.99	9.50	1235.00	1247.08	1276.75	1330.69	1339.53
SMAH24	356.5	28.96	30.43	15.63	14.93	361.90	363.59	374.18	395.77	401.14
BOAH24	46.90	33.03	36.35	36.54	32.91	47.37	47.88	48.11	49.84	49.92
WHAH24	593 1/4	44.00	45.27	22.09	22.66	585.81	595.56	607.31	604.78	603.52
WHAN24	609 3/4	40.79	43.06	21.42	20.83	605.19	616.03	626.68	625.91	627.28
RCAH24	17.635	53.79	53.72	41.48	43.05	17.61	17.58	17.57	17.48	17.23
KWAH24	608	42.10	42.71	21.62	24.52	602.19	611.86	622.08	631.22	637.31
MWAH24	695 1/2	42.55	42.02	14.80	19.33	688.63	696.64	707.26	718.96	724.25
OTAH24	379 3/4	56.56	53.64	41.99	44.80	363.13	370.08	370.35	371.03	376.34

Calculations based on previous session. Data collected 01/19/2024

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	439 1/2	442 1/4	446	448 3/4	452 1/2
CNAN24	Corn	459	461 1/2	464 3/4	467	470 1/2
SSAH24	Soybeans	1199 3/4	1205	1216	1221 1/2	1232 1/4
SSAN24	Soybeans	1219 1/4	1224 1/4	1234 3/4	1239 3/4	1250 1/4
SMAH24	Soymeal	348.9	351.6	358.6	361.3	368.3
BOAH24	Soybean Oil	45.80	46.22	47.17	47.58	48.53
WHAH24	Wheat	579	586 1/2	592 1/4	600	605 1/2
WHAN24	Wheat	598 1/2	604 1/4	609 1/2	615 1/4	620 1/2
RCAH24	Rice	17.471	17.552	17.636	17.717	17.801
KWAH24	KC Wheat	596	601 1/2	609 1/4	614 1/2	622 1/2
MWAH24	MINN Wheat	680 1/2	688 1/2	694 1/4	702 1/2	708
OTAH24	Oats	358 1/2	370 1/2	377 1/4	389	396

Calculations based on previous session. Data collected 01/19/2024

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