



DAILY SOY COMPLEX COMMENTARY
1/31/2024

Argentine rains pushed back

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



OVERNIGHT DEVELOPMENTS: Soybeans (MAR 24) prices overnight are down -10 1/4; Soymeal (MAR 24) down -2.00; and Soyoil (MAR 24) down -0.7. Soybean open interest as of January 30 was up 4,225 contracts, soymeal up 1,971 contracts, and soybean oil down 6,751. Chinese Dalian (MAY 24) Soybeans up 0.92%, Soymeal up 1.29%, Soyoil down 1.01%, Palm oil down 1.99%. Malaysian Palm was down 1.15%. Global equity markets overnight were mixed with Chinese markets off again with declines of .81%, 0.91%, and 8% in the Shanghai stock exchange composite. Overnight economic news of importance included softer than expected Japanese retail trade for December, softer than expected Japanese industrial production, improved New Zealand business confidence, softer than expected Australian consumer price index readings, minimally better-than-expected Chinese NBS Manufacturing PMI for January, As Expected Chinese NBS Manufacturing PMI for January, Slightly Better-Than-Expected Japanese Consumer Confidence, a Smaller Than Expected Decline in Japanese Housing Starts, Significantly Softer German Import Price Readings, a Massive Contraction in German Retail Sales of 1.6%, Another Decline in GBP Nationwide Housing Prices, a Softer Than Expected Swiss Retail Sales, a Contraction in French Consumer Price Index Readings, Positive but Softer Than the Prior Month Spanish Retail Sales, a Surprise Decline in German Unemployment in January, Continued Weakness in a Swiss ZEW survey of expectations and a noted decline in Italian unemployment for the month of December. The North American session will start out with a weekly private survey of mortgage applications followed by the January ADP employment survey which is forecast to have a moderate downtick from December's 164,000 reading. December Canadian GDP is expected to have a minimal downtick from November's 0.1% reading. The fourth quarter US employment cost index is expected to have a minimal downtick from the previous 1.1% reading. The January Chicago PMI is forecast to have a mild uptick from December's 46.9 reading. The highlight for global markets will come during early afternoon US trading hours with the results of the January FOMC meeting. No change in Fed rates or policy is expected, but post-meeting comments from Fed Chair Powell will be scrutinized for clues on upcoming Fed policy moves. Another busy day of earnings announcements will include Mastercard, Thermo Fisher Scientific, Boeing, ADP, Boston Scientific and Phillips 66 before the Wall Street opening while QUALCOMM and MetLife report after the close.

NEAR-TERM MARKET FUNDAMENTALS: A 2nd upside reversal in the last 9 trading sessions yesterday may give the funds a reason for more aggressive short covering as relief rains in Argentina are delayed. Argentina is expected to endure more heat/dryness now through February 8th, after which relief rains are expected. Yesterday, prices may have reached levels that were low enough to encourage price-sensitive buyers like China to step in. We hear rumors that China bought up to 6 cargoes of Brazil beans Tuesday. In addition, an independent research firm lowered their Brazil crop estimate to 145.4 million tonnes, down from 150.7 million in their previous forecast. There were no other fundamental changes to account for the turn higher, but the IMF did improve their outlook for the 2nd quarter, which seemed to spark a risk-on mentality across commodities. ANEC expects Brazil's January exports to reach 2.49 million tonnes, up from 940,000 tonnes a year ago. Brazil Meal exports are expected to be 1.76 million tonnes compared to 1.43 year ago. USDA census crush will be out Thursday afternoon at 2 PM central time and the pre-report estimate is 206.1 million bushels crushed. Our friends at Crushtraders.com estimate crush at 203.8 million. The January 18th chart reversal sparked a weeklong rally however, Tuesday's outside reversal higher coming after a high-volume selloff Monday, may raise the importance of this turn higher. A higher close today on March futures is needed to confirm further potential technical gains.

TODAY'S MARKET IDEAS:

Just when the market looks like it's ready to fall apart, another technical reversal higher gives the bull camp the edge, if March can confirm with a higher close today. The delay in relief rains in Argentina was the bullish spark yesterday and prices may have fallen to levels attractive to China. If Tuesday's reversal is the start of a larger short covering rally, aggressive short-term speculators may consider buying a pullback under 1210 this morning, anticipating a higher close.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

SOYBEAN COMPLEX TECHNICAL OUTLOOK:

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SOYBEANS (MAR) 01/31/2024: 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 close below the 9-day moving average is an indication the short-term trend remains negative. The outside day up is somewhat positive. With the close over the 1st swing resistance number, the market is in a moderately positive position. The next upside objective is 1245. The next area of resistance is around 1235 1/2 and 1245, while 1st support hits today at 1202 and below there at 1178 1/4.

SOYBEAN OIL (MAR) 01/31/2024: 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. The daily closing price reversal up on the daily chart is somewhat positive. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The next downside target is 44.47. The next area of resistance is around 46.64 and 47.06, while 1st support hits today at 45.35 and below there at 44.47.

SOYMEAL (MAR) 01/31/2024: Momentum studies are rising from mid-range, which could accelerate a move higher if resistance levels are penetrated. The market now above the 18-day moving average suggests the intermediate-term trend has turned up. The market setup is supportive for early gains with the close over the 1st swing resistance. The near-term upside target is at 372.1. The next area of resistance is around 368.7 and 372.1, while 1st support hits today at 357.3 and below there at 349.2.

DAILY CORN COMMENTARY

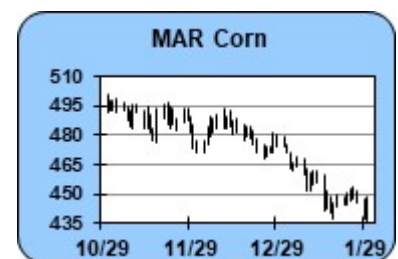
1/31/2024

New chart reversal may trigger larger short covering

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):

CORN -0.1

OVERNIGHT DEVELOPMENTS: Corn (MAR 24) prices overnight are down -1 1/2. Corn open interest as of January 30 was down 329 contracts. Chinese Dalian (MAY 24) Corn was up 0.46%.



NEAR-TERM MARKET FUNDAMENTALS: After making a new contract low on March by 1 tic Tuesday, stronger energy prices and spillover support from beans sparked a turnaround Tuesday and prices managed an outside key reversal higher, which gives the technical edge back to the bull camp. Other than a delay in relief rains in

Argentina, there was no other major fundamental change, although South Korean buyers did step up on the break. The very heavy net fund shorts may rethink their positions if March closes higher today to confirm the reversal. The US attache to Ukraine says their corn exports this season are expected to be up 8% from 2022/23. Ethanol data today is expected to show a rebound in production after weather slowdowns and stocks are expected to fall. The hot/dry pattern in Argentina looks to continue through February 8th. March futures must get above last week's high of 453 1/4 to change the short-term trend and yesterday's key reversal greatly raise the odds of more upside gains.

TODAY'S MARKET IDEAS:

Although the mid-January reversal lows were taken out by 1 tic yesterday, another larger outside key chart reversal has formed and a higher close today would confirm further technical gains. Funds are estimated to be short roughly 270,000 contracts so there is no shortage of fuel for a short covering rally and perhaps, this new key reversal will trigger more aggressive fund short covering. Aggressive short-term traders can buy a \$0.05 pullback today on March and hold the position if futures close higher on the day.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

CORN TECHNICAL OUTLOOK:

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CORN (MAR) 01/31/2024: The daily stochastics have crossed over up which is a bullish indication. 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 outside day up is somewhat positive. The market setup is supportive for early gains with the close over the 1st swing resistance. The next upside objective is 456 3/4. The next area of resistance is around 453 1/2 and 456 3/4, while 1st support hits today at 442 and below there at 433 1/2.

CORN (JUL) 01/31/2024: 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 market's close above the 9-day moving average suggests the short-term trend remains positive. A positive setup occurred with the close over the 1st swing resistance. The near-term upside target is at 475 1/4. Short-term indicators suggest buying pullbacks today. The next area of resistance is around 472 1/2 and 475 1/4, while 1st support hits today at 462 and below there at 454.

DAILY WHEAT COMMENTARY

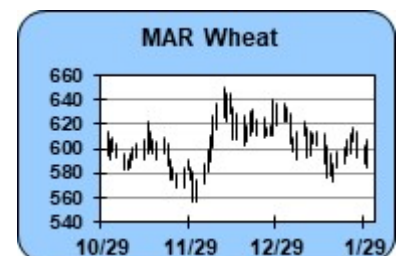
1/31/2024

Prices turn higher on spillover strength from corn and beans

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):

WHEAT -0.7

OVERNIGHT DEVELOPMENTS: Chicago wheat (MAR 24) prices overnight are down -7 3/4; Kansas City (MAR 24) down -7; and Minneapolis (MAR 24) down -6 3/4. MATIF Milling Wheat(MAR 24) was down -0.5%. Chicago wheat open interest as of January 30 was up 2,429 contracts and Minneapolis wheat was up 2,798 contracts.



NEAR-TERM MARKET FUNDAMENTALS: Wheat bulls decided not to be left behind yesterday as corn and beans turned higher and wheat followed their lead. The outside day higher on March Chicago appeared to be triggered by spillover strength in the other grains and lighter precipitation amounts in the Southwest Kansas and Oklahoma and Texas panhandles this coming weekend. Heavier amounts are expected in Nebraska, central and eastern Kansas, and Oklahoma. Ukraine's maritime exports in January expected to fall to 3.8 million tonnes from 6.1 million in January 2022, mainly due to the Red Sea and Suez shipping problems. For 2023, the US attache to Ukraine says their production was up 11% from the previous year and exports up 3%. The large farm protests that have occurred in Germany, then France, now Belgium and Spanish farmers are joining in. EU 'green' Ag regulations have been raising farming costs and producers have had enough. Although a major rally will be tough until EU, Black Sea and Russian prices can rally, we can't discount a short covering move to trendline resistance at 624 on March Chicago and perhaps to longer-term moving average resistance at 645.

TODAY'S MARKET IDEAS:

Yesterday's surprise rally across the grain complex is an indication prices were low enough to discount the known bearish news and follow-through gains today would point to more upside potential. A close back over 6.17 1/4 on March Chicago would result in a higher high and higher low, reversing the staircase lower since early December. Extending this rally to long-term moving average resistance at 645 is possible if prices can move above near-term resistance at 617 1/4 and funds begin to rethink their large net short positions.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

WHEAT TECHNICAL OUTLOOK:

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WHEAT (MAR) 01/31/2024: The cross over and close above the 60-day moving average is an indication the longer-term trend has turned positive. Positive momentum studies in the neutral zone will tend to reinforce higher price action. The market now above the 18-day moving average suggests the intermediate-term trend has turned up. The outside day up is somewhat positive. A positive setup occurred with the close over the 1st swing resistance. The next upside objective is 622 3/4. The next area of resistance is around 616 1/2 and 622 3/4, while 1st support hits today at 594 1/2 and below there at 578 1/2.

KC WHEAT (MAR) 01/31/2024: The upside crossover of the 9 and 18 bar moving average is a positive signal. Studies are showing positive momentum but are now in overbought territory, so some caution is warranted. The market's short-term trend is positive on the close above the 9-day moving average. A positive setup occurred with the close over the 1st swing resistance. The near-term upside objective is at 646 3/4. The next area of resistance is around 640 1/4 and 646 3/4, while 1st support hits today at 619 3/4 and below there at 605 1/2.

MINN WHEAT (MAR) 01/31/2024: Momentum studies are trending higher from mid-range, which should support a move higher if resistance levels are penetrated. The market's short-term trend is positive on the close above the 9-day moving average. The daily closing price reversal up on the daily chart is somewhat positive. The market setup is supportive for early gains with the close over the 1st swing resistance. The next upside objective is 709 1/2. The next area of resistance is around 705 1/2 and 709 1/2, while 1st support hits today at 694 and below there at 686 1/4.

RICE (MAR) 01/31/2024: Momentum studies are trending higher but have entered overbought levels. The market's short-term trend is positive on the close above the 9-day moving average. The market has a slightly positive tilt with the close over the swing pivot. The near-term upside objective is at 18.493. The market is becoming somewhat overbought now that the RSI is over 70. The next area of resistance is around 18.347 and

18.493, while 1st support hits today at 18.003 and below there at 17.804.

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	447 3/4	44.19	41.01	31.52	34.37	446.50	446.67	450.64	467.21	472.46
CNAN24	467 1/4	43.57	39.79	23.99	27.17	464.81	465.39	470.89	488.32	492.90
SSAH24	1218 3/4	42.66	39.48	25.34	29.30	1211.31	1219.56	1229.11	1287.84	1309.80
SSAN24	1236 1/4	41.74	38.22	21.38	25.37	1228.25	1236.25	1246.54	1305.62	1326.96
SMAH24	363.0	49.02	44.27	25.86	35.03	356.13	358.06	362.37	384.32	395.32
BOAH24	46.00	36.15	37.60	27.00	21.61	46.25	47.02	47.52	49.08	49.50
WHAH24	605 1/2	52.87	50.93	53.81	60.85	602.88	599.33	600.26	607.78	604.09
WHAN24	620 1/4	50.92	49.27	48.62	54.22	618.38	615.33	618.65	626.83	625.90
RCAH24	18.175	70.73	64.95	68.84	80.17	18.05	17.80	17.67	17.55	17.39
KWAH24	630	56.64	52.96	61.74	70.25	627.69	619.36	617.86	629.66	633.32
MWAH24	699 3/4	47.69	46.16	50.07	55.45	701.38	699.22	700.14	713.56	720.05
OTAH24	377	57.10	53.57	42.66	45.92	367.63	370.17	368.54	370.74	371.32

Calculations based on previous session. Data collected 01/30/2024

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	433 1/4	442	445	453 1/2	456 3/4
CNAN24	Corn	454	462	464 3/4	472 1/2	475 1/2
SSAH24	Soybeans	1178	1202	1211 1/2	1235 1/2	1245
SSAN24	Soybeans	1201	1221 3/4	1230	1250 3/4	1259
SMAH24	Soymeal	349.1	357.2	360.6	368.7	372.1
BOAH24	Soybean Oil	44.47	45.34	45.77	46.64	47.06
WHAH24	Wheat	578 1/4	594 1/2	600 1/2	616 1/2	622 3/4
WHAN24	Wheat	595 1/4	610	615 3/4	630 1/2	636 1/4
RCAH24	Rice	17.803	18.002	18.148	18.347	18.493
KWAH24	KC Wheat	605 1/2	619 1/2	626 1/4	640 1/2	647
MWAH24	MINN Wheat	686	694	697 3/4	705 1/2	709 1/2
OTAH24	Oats	357	368 1/2	374 1/4	385 1/2	391 1/2

Calculations based on previous session. Data collected 01/30/2024

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