

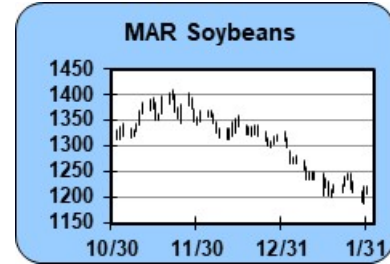


**DAILY SOY COMPLEX COMMENTARY**  
2/1/2024

**Weather models add rains in Argentina late next week**

**OVERNIGHT CHANGES THROUGH 6:06 AM (CT):**  
**SOY BEANS -0.1, BEAN OIL +0.0, SOYMEAL -0.4**

**OVERNIGHT DEVELOPMENTS:** Soybeans (MAR 24) prices overnight are down -9; Soymeal (MAR 24) down -1.70; and Soyoil (MAR 24) down -0.24. Soybean open interest as of January 31 was down 7,163 contracts, soymeal down 4,066 contracts, and soybean oil down 1,176. Chinese Dalian (MAY 24) Soybeans up 0.15%, Soymeal up 1.14%, Soyoil down 0.28%, Palm oil down 1.14%. Malaysian Palm was down 1.15%. Global equity markets overnight were lower except for the CSI 300, FTSE, and the Ixex, which gained fractions on the day. Economic news released overnight included a slightly softer than expected Australian bank manufacturing PMI for January, unchanged Japanese Jibun bank manufacturing PMI, a significant contraction in Australian building permits, a notable contraction in Australian National Australia Bank's Business Confidence readings for the fourth quarter, increases in Australian import and export prices for the fourth quarter, a larger than expected contraction in Australian building permits, unchanged Chinese Caixin Manufacturing PMI for January, a stronger than expected Spanish HCOB Manufacturing PMI for January, stronger than expected Italian HCOB manufacturing PMI for January, weaker than expected French HCOB manufacturing PMI, no change in euro zone HCOB manufacturing PMI for January and slightly better-than-expected but softer than the prior month UK S&P global manufacturing PMI for January. The North American session will start out with the January Challenger job cut survey followed by a weekly reading on initial jobless claims that are expected to have a minimal downtick from the previous 214,000 reading. Ongoing jobless claims are forecast to have a modest weekly increase from the previous 1.833 million reading. Fourth quarter non-farm productivity is expected to have a sizable downtick from the previous 5.2% reading while fourth quarter unit labor costs are forecast to have a moderate uptick from the previous -1.2% reading. The January ISM manufacturing index is expected to have a mild downtick from December's 47.4 reading. December construction spending is forecast to have a minimal uptick from the previous 0.4% reading. Earnings announcements will include Merck, Honeywell, Eaton, Illinois Tool Works and Altria before the Wall Street opening while Apple, Amazon.com and Meta Platforms (Facebook) report after the close.



**NEAR-TERM MARKET FUNDAMENTALS:** Morning weather models are trying to add precipitation in Argentina's growing areas late next week giving the edge to the bear camp to start the day. This morning's weakness may be attributed to anticipation of poor weekly export sales later this morning as Brazil prices are well discounted to the US. The price discount has resulted in 3 cargoes of Brazilian beans being imported by Perdue Farms to the US East Coast. Census USDA crush will be out after the close today and the pre-report estimate is 206.1 million bushels, compared to January 2023 at 187.4 million. Our friends at crushtraders.com estimate is 203.8 million. Bean oil stocks are expected around 1.764 billion pounds, down from last year's 2.306 billion. India says they are looking to step up oilseed production to cut expensive veg oil imports. Iran bought 200,000 tonnes of meal, which will likely be sourced from Brazil or Argentina. The Buenos Aries Grain Exchange slightly raised their Argentine bean production to 51 million tonnes, compared to USDA at 50 million. However, the exchange went on to say current hot/dry conditions are beginning to take a toll as subsoil moisture declines, and rains late next week will be critically needed to avoid a significant drop in crop health. Weekly bean export sales are expected to be in a range of 500,000 to 1,050,000 tonnes. Meal sales are expected between 200,000 to 450,000 tonnes. Bean oil sales are expected to be negligible. Yesterday's minor follow-through from Tuesday's reversal higher was encouraging for the bull camp but prices are sagging this morning. Price action will be dictated by each South American weather model run but technical bulls may be willing to buy the break after Tuesday's reversal.

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

The technical picture improved again with yesterday's confirmation of Tuesday's reversal but an increase in forecasted rain in Argentina is putting the bulls to the test. If buyers step up early today in the face of potential better rains in Argentina next week, it will go a long way to further embolden the bull camp and could trigger additional fund short covering. March futures key resistance is 1247 1/2 and close in support is 1202.

### **NEW RECOMMENDATIONS:**

None.

### **PREVIOUS RECOMMENDATIONS:**

None.

### **SOYBEAN COMPLEX TECHNICAL OUTLOOK:**

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SOYBEANS (MAR) 02/01/2024: Momentum studies are trending higher from mid-range, which should support a move higher if resistance levels are penetrated. 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 next upside objective is 1234 3/4. The next area of resistance is around 1230 1/4 and 1234 3/4, while 1st support hits today at 1214 1/4 and below there at 1202 1/2.

SOYBEAN OIL (MAR) 02/01/2024: 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 close over the pivot swing is a somewhat positive setup. The next downside target is 44.86. The next area of resistance is around 46.54 and 46.94, while 1st support hits today at 45.50 and below there at 44.86.

SOYMEAL (MAR) 02/01/2024: Positive momentum studies in the neutral zone will tend to reinforce higher price action. The market's close above the 9-day moving average suggests the short-term trend remains positive. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The next upside target is 377.0. The next area of resistance is around 373.6 and 377.0, while 1st support hits today at 363.0 and below there at 355.7.

## **DAILY CORN COMMENTARY**

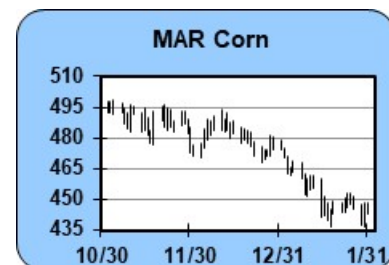
2/1/2024

### **Pullback offers technical buying opportunity**

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

**CORN** -0.5

**OVERNIGHT DEVELOPMENTS:** Corn (MAR 24) prices overnight are down -4. Corn open interest as of January 31 was up 11,466 contracts. Chinese Dalian (MAY 24) Corn was up 0.46%.



**NEAR-TERM MARKET FUNDAMENTALS:** While hot/dry weather in Argentina is raising crop stress, heavier relief rains have been added to the forecast for later next week, pressuring prices to start the day. In addition, Refinitiv raised their Argentine crop estimate to 57.1 million tonnes, compared to USDA at 55 million, and the Rosario Grain Exchange estimate is 59 million. If relief rains do not show up next week, estimates may begin to come back down. Argentina crop

conditions will be out later today which will offer the 1st clue on how much stress the crop is seeing. Weekly export sales this morning are expected in a range of 800,000-1,300,000 tonnes. The EU has decided to delay plans to require farmers to leave more farmland fallow, but farmer protests are ongoing at the EU summit in Brussels. Brazil's corn-ethanol is expected to account for 22% of Brazil's total ethanol production this year. China says their raising the subsidy for high-quality planting in their push for better yields. Spring revenue protection price setting period begins today and runs through the end of the month. The bull camp was certainly hoping for a little more enthusiasm after Tuesday's key reversal higher. March futures resistance is 453 1/4. Net short funds may get a little uncomfortable if prices breach that level, which could trigger a larger short covering bounce.

Ethanol average daily production for the week ending January 26 averaged 0.991 million barrels. This was up 21.1% from last week and down 3.6% from last year. The 5-year average for this week is 1.009 million barrels per day. Ethanol production for the week was 6.937 million barrels. Ethanol stocks were 24.270 million barrels. This was down 6.0% from last week and down 0.7% from last year. The 5-year average stocks for this week is 24.424 million barrels. The amount of corn used for the week is estimated at 98.36 million bushels. Cumulative corn use for the crop year has reached 2.158 billion bushels. Corn use needs to average 103.31 million bushels per week to meet the USDA's marketing year forecast of 5.375 billion bushels.

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

This morning's weakness will test whether buyers will step in on the break as they did yesterday morning. Some rains have been added to the Argentine forecast for next week and Argentine condition reports come out later today. Nearby resistance is at last week's high at 453 1/4 and then important moving average resistance is 468 on March. Speculators can consider buying a pullback this morning and risking Tuesday's reversal low.

#### **NEW RECOMMENDATIONS:**

None.

#### **PREVIOUS RECOMMENDATIONS:**

None.

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

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CORN (MAR) 02/01/2024: 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. It is a mildly bullish indicator that the market closed over the pivot swing number. The near-term upside target is at 452 1/2. The next area of resistance is around 451 and 452 1/2, while 1st support hits today at 445 1/2 and below there at 441 3/4.

CORN (JUL) 02/01/2024: Stochastics are at mid-range but trending higher, which should reinforce a move higher if resistance levels are taken out. 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 next upside target is 470 1/4. The next area of resistance is around 468 3/4 and 470 1/4, while 1st support hits today at 464 1/4 and below there at 461 1/4.

#### **DAILY WHEAT COMMENTARY**

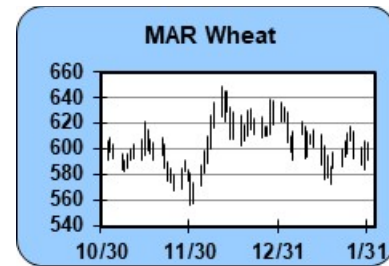
**2/1/2024**

## Weak Russian prices weigh

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

WHEAT -0.75

**OVERNIGHT DEVELOPMENTS:** Chicago wheat (MAR 24) prices overnight are down -6 1/2; Kansas City (MAR 24) down -5 1/4; and Minneapolis (MAR 24) down -3. MATIF Milling Wheat(MAR 24) was down -1.4%. Chicago wheat open interest as of January 31 was up 3,770 contracts and Minneapolis wheat was up 1,995 contracts.



**NEAR-TERM MARKET FUNDAMENTALS:** Weak Russian prices and anticipation of poor export sales this morning has wheat prices testing the reversal lows of earlier this week, giving the edge to the bear camp. In addition, Paris wheat has seen fresh lows overnight and southern Plains rains this weekend are a little further west and are now expected to cover all of Kansas, Oklahoma, and most of Nebraska. EU farmers are setting fires and attacking barriers at the EU summit in Brussels to protest restrictive green ag policies. The EU is proposing measures to limit Ukraine imports to appease farmers. India's Meteorological Agency says warmer than normal temperatures expected in February could put the wheat crop at risk. Weekly export sales are expected in a range of 275,000 to 600,000 tonnes. Without a rally in EU, Black Sea and/or Russian wheat prices, US wheat rallies face significant headwinds. Yesterday's lack of confirmation of Tuesday's turn higher is disappointing and March Chicago close-in support at 584 looks vulnerable.

### TODAY'S MARKET IDEAS:

With the technical picture reverting back to neutral after yesterday's weak performance, bullish optimism earlier this week has faded, and prices remain in the recent range of 573 1/4-617 1/4 on March Chicago. Combined 50-day and 100-day moving average resistance on March Chicago is at 605. With HRW rains now forecast to cover Nebraska, Kansas, and Oklahoma this coming weekend, the path of least resistance looks lower.

### NEW RECOMMENDATIONS:

None.

### PREVIOUS RECOMMENDATIONS:

None.

### WHEAT TECHNICAL OUTLOOK:

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**WHEAT (MAR) 02/01/2024:** The close below the 60-day moving average is an indication the longer-term trend has turned down. The upside crossover (9 above 18) of the moving averages suggests a developing short-term uptrend. Positive momentum studies in the neutral zone will tend to reinforce higher price action. The close below the 18-day moving average is an indication the intermediate-term trend has turned down. The market's close below the pivot swing number is a mildly negative setup. The near-term upside objective is at 610. The next area of resistance is around 601 3/4 and 610, while 1st support hits today at 588 3/4 and below there at 583 3/4.

**KC WHEAT (MAR) 02/01/2024:** Momentum studies are rising from mid-range, which could accelerate a move higher if resistance levels are penetrated. The market's close above the 9-day moving average suggests the short-term trend remains positive. The market tilt is slightly negative with the close under the pivot. The next upside objective is 635 3/4. The next area of resistance is around 628 3/4 and 635 3/4, while 1st support hits today at 615 3/4 and below there at 610.

**MINN WHEAT (MAR) 02/01/2024:** The upside crossover of the 9 and 18 bar moving average is a positive signal. Momentum studies are trending higher from mid-range, which should support a move higher if resistance levels are penetrated. A negative signal for trend short-term was given on a close under the 9-bar moving average. The

market's close below the 1st swing support number suggests a moderately negative setup for today. The next upside objective is 701 1/2. The next area of resistance is around 696 1/2 and 701 1/2, while 1st support hits today at 688 and below there at 684 1/4.

RICE (MAR) 02/01/2024: Momentum studies are trending higher from mid-range, which should support a move higher if resistance levels are penetrated. A positive signal for trend short-term was given on a close over the 9-bar moving average. The swing indicator gave a moderately negative reading with the close below the 1st support number. The near-term upside objective is at 18.388. The next area of resistance is around 18.077 and 18.388, while 1st support hits today at 17.653 and below there at 17.539.

## 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>										
CNAH24	448 1/4	45.08	41.61	33.78	38.30	445.63	447.14	449.63	466.45	471.85
CNAN24	466 1/2	42.50	39.16	26.19	30.57	464.13	465.72	469.65	487.49	492.30
SSAH24	1222 1/4	44.65	40.87	29.40	37.53	1211.13	1220.53	1226.60	1285.03	1307.80
SSAN24	1241 3/4	45.31	40.69	25.93	35.02	1229.31	1237.22	1244.25	1302.84	1324.98
SMAH24	368.3	54.81	48.60	33.91	50.00	358.65	358.83	361.93	383.14	394.65
BOAH24	46.02	36.40	37.76	25.46	22.39	46.13	46.85	47.41	48.99	49.43
WHAH24	595 1/4	45.56	46.55	54.99	57.35	598.63	600.42	599.25	608.18	604.13
WHAN24	610 1/4	43.52	44.77	49.04	49.88	614.06	616.06	617.44	626.97	625.65
RCAH24	17.865	54.12	55.02	69.16	69.82	18.03	17.83	17.70	17.55	17.42
KWAH24	622 1/4	50.35	49.20	63.99	68.48	623.94	621.22	617.65	629.89	632.80
MWAH24	692 1/4	41.41	42.30	50.21	50.51	697.19	699.69	699.08	713.06	719.43
OTAH24	382 1/2	61.09	56.15	47.05	55.81	372.13	371.92	369.51	370.58	371.10

Calculations based on previous session. Data collected 01/31/2024

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>						
CNAH24	Corn	441 1/2	445 1/2	447	451	452 1/2
CNAN24	Corn	461 1/4	464 1/4	465 3/4	468 3/4	470 1/4
SSAH24	Soybeans	1202 1/4	1214	1218 1/2	1230 1/2	1234 3/4
SSAN24	Soybeans	1220 1/2	1233	1237 3/4	1250 1/2	1255
SMAH24	Soymeal	355.6	362.9	366.3	373.6	377.0
BOAH24	Soybean Oil	44.86	45.50	45.90	46.54	46.94
WHAH24	Wheat	583 1/2	588 1/2	596 3/4	602	610
WHAN24	Wheat	599 1/4	604	612	616 1/2	624 3/4
RCAH24	Rice	17.538	17.652	17.963	18.077	18.388
KWAH24	KC Wheat	610	615 3/4	623	628 3/4	636
MWAH24	MINN Wheat	684 1/4	688	693	696 1/2	701 3/4
OTAH24	Oats	371 1/4	377 1/2	381	387 1/2	390 3/4

Calculations based on previous session. Data collected 01/31/2024

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