



DAILY GRAINS COMMENTARY Wednesday February 07, 2024

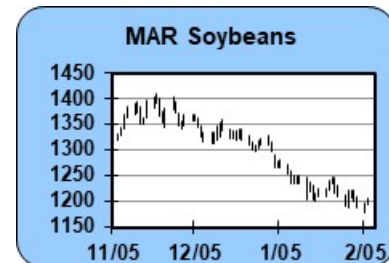
DAILY SOY COMPLEX COMMENTARY 2/7/2024

Limited changes expected to US balance sheet

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):
SOY BEANS -0.1, BEAN OIL +0.0, SOYMEAL -0.6

OVERNIGHT DEVELOPMENTS: Soybeans (MAR 24) prices overnight are down -12 1/4; Soymeal (MAR 24) down -5.30; and Soyoil (MAR 24) up 0.05. Soybean open interest as of February 6 was up 1,222 contracts, soymeal down 280 contracts, and soybean oil up 5,640. Chinese Dalian (MAY 24) Soybeans up 0.38%, Soymeal up 0.20%, Soyoil down 0.20%, Palm oil up 0.11%. Malaysian Palm was up 0.88%.

Global markets have a mildly positive tone following a second positive daily result in a row for Chinese equities. European shares are seeing mixed results early in today's action with UK FTSE-100 and German DAX indices posting modest losses. German industrial production and Italian retail sales were slightly weaker than expected. Today's trading will start with a weekly private survey of US mortgage applications. The December US international trade balance is expected to show a minimal decline from November's \$63.2 billion monthly deficit. December Canadian international merchandise trade is forecast to have a mild decline from November's monthly surplus. December US consumer credit is expected to have a downtick from November's \$23.7 billion. Fed Governor Kugler, Boston Fed President Collins and Richmond Fed President Barkin will speak during morning trading hours while Fed Governor Bowman this afternoon.



NEAR-TERM MARKET FUNDAMENTALS: Thursday morning's USDA Supply/Demand and CONAB's updated Brazil production numbers will take the focus off South American weather for a short time tomorrow. Weakness started early in the overnight session and has continued into this morning as good Argentine rains look locked in for tomorrow through the weekend. If the Argentine crop comes in as expected, it could be near double last year's drought-reduced production numbers. IMEA lowered their Mato Grosso production 600,000 tonnes to 38.4 million tonnes, down from 45.3 last season. The China Feed Association said feed production was up 6.6% in 2023 from the year prior and hog feed production was up 10%. CONAB will release updated Brazil production tomorrow morning and estimates are 150.41 million tonnes. USDA 2023/24 ending stocks average guess for beans is 284 million bushels, up from 280 million in the January report. World bean ending stocks are expected near 112.48 million tonnes. Brazil's bean production is expected at 153.15 million tonnes, down from 157 in January and Argentina beans at 50.84 million tonnes, up from 50 million in January. March beans are back down within striking distance of the 1180 support level. With few changes expected in the US balance sheet, all eyes will quickly return to South American weather if the report lacks surprises. Although rain has been scarce in Argentina for the last 3 weeks, relief rains are expected to arrive just in time this weekend to avoid dramatic crop cuts, which favors the bear camp.

TODAY'S MARKET IDEAS:

Prices are back down testing support as critical Argentine rains are expected to start tomorrow night. Thursday's USDA report is not expected to hold any major surprises, but South American estimates will be watched closely. Argentine rains are on the way, harvest in Brazil is ongoing and funds have no reason yet to cover shorts. Initial resistance on March is 1223 and then 1249, key support remains at 1180.

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) 02/07/2024: 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 close over the pivot swing is a somewhat positive setup. The next downside target is now at 1188. The next area of resistance is around 1205 1/4 and 1211 1/4, while 1st support hits today at 1193 3/4 and below there at 1188.

SOYBEAN OIL (MAR) 02/07/2024: The daily stochastics have crossed over up which is a bullish indication. Daily momentum studies are on the rise from low levels and should accelerate a move higher on a push through the 1st swing resistance. A positive signal for trend short-term was given on a close over the 9-bar moving average. With the close over the 1st swing resistance number, the market is in a moderately positive position. The next upside target is 46.79. Consider buying pull-backs since daily studies are bullish. The next area of resistance is around 46.40 and 46.79, while 1st support hits today at 45.48 and below there at 44.94.

SOYMEAL (MAR) 02/07/2024: Stochastics are at mid-range but trending higher, which should reinforce a move higher if resistance levels are taken out. The market back below the 18-day moving average suggests 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 pivot swing number is a mildly negative setup. The next upside target is 365.7. The next area of resistance is around 362.1 and 365.7, while 1st support hits today at 355.5 and below there at 352.4.

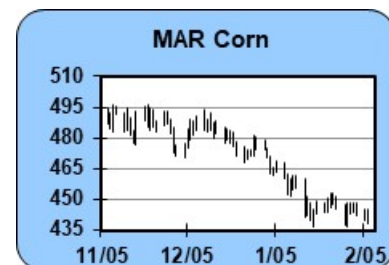
DAILY CORN COMMENTARY

2/7/2024

New contract lows keeps bears in control

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):
CORN -0.5

OVERNIGHT DEVELOPMENTS: Corn (MAR 24) prices overnight are down -4 1/4. Corn open interest as of February 6 was down 21,673 contracts. Chinese Dalian (MAY 24) Corn was up 0.17%.



NEAR-TERM MARKET FUNDAMENTALS: An overnight move down into new contract lows is bearish ahead of tomorrow's USDA supply/demand report. Beneficial rains are on the way in Argentina and additional drought relief is expected for the US Delta in the next 5 days as well. CONAB will be releasing updated Brazil production estimates tomorrow morning and the average guess is 116.94 million tonnes. Ethanol numbers released later today are expected to show an increase in production and small decrease in stocks. The average guess for US 2023/24 ending stocks is 2.146 billion bushels, down from 2.162 in January. World corn ending stocks are expected at 324.00 million tonnes. Argentine corn production is expected at 55.59 million tonnes, slightly above USDA's 55 million January number and if realized, it would be 60% higher than last year's production. Brazil corn is expected at 124.32 million tonnes, down from 127 million in January. Ukraine corn continues to be the cheapest around the world and accounted for 60% of Ukraine's January total grain exports. The largest US farm group is urging President Biden to focus on biofuels in his clean energy push, rather than EV's. March corn has breached last week's contract low and next support is 424. Perhaps tomorrow's report will offer some new fundamental input for the bull camp, but for now, there is a complete lack of supportive news.

TODAY'S MARKET IDEAS:

A lack of bullish news, bearish Argentine rains on the way and bearish technical action have pushed prices into new contract lows and the lowest since December 2020. Fundamental data will be updated by the USDA tomorrow as well as CONAB numbers and the market needs some kind of bullish surprise to avoid a continued grind lower. Nearby resistance is at 449 and next support is 424.

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) 02/07/2024: The daily stochastics gave a bearish indicator with a crossover down. Momentum studies trending lower at mid-range should accelerate a move lower if support levels are taken out. The market's close below the 9-day moving average is an indication the short-term trend remains negative. A negative signal was given by the outside day down. The close below the 1st swing support could weigh on the market. The next downside objective is 433 1/4. The next area of resistance is around 442 1/4 and 447 1/2, while 1st support hits today at 435 1/4 and below there at 433 1/4.

CORN (JUL) 02/07/2024: Momentum studies are rising from mid-range, which could accelerate 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 daily closing price reversal down puts the market on the defensive. It is a slightly negative indicator that the close was lower than the pivot swing number. The next upside objective is 466. The next area of resistance is around 462 3/4 and 466, while 1st support hits today at 458 1/4 and below there at 456 3/4.

DAILY WHEAT COMMENTARY

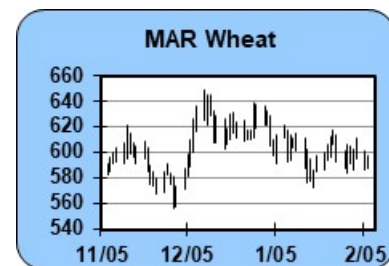
2/7/2024

Updates from USDA and Stats Canada tomorrow morning

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):

WHEAT -0.25

OVERNIGHT DEVELOPMENTS: Chicago wheat (MAR 24) prices overnight are down -1 1/4; Kansas City (MAR 24) down -1/4; and Minneapolis (MAR 24) down -3/4. MATIF Milling Wheat(MAY 24) was down -0.7%. Chicago wheat open interest as of February 6 was up 2,284 contracts and Minneapolis wheat was up 5,553 contracts.



NEAR-TERM MARKET FUNDAMENTALS: Market moving news is limited and traders await new fundamental data from USDA and Stats Canada tomorrow morning.

US 2023/24 ending stocks are expected at 647 million bushels, nearly unchanged from the 648 in the January report. World wheat ending stocks are expected at 260.48 million tonnes, also nearly unchanged from USDA's 260.03 number in January. Oklahoma and north-central Texas are expected to see rains this coming weekend keeping conditions on an improving track. However, extended forecast models hint at a late February cold spell, which must be monitored, since snow cover is absent across the HRW wheat belt. Tenders by Jordan, Bangladesh and Tunisia are a slight demand positive, but Russian prices have weakened and are now the lowest since the fall of 2023. In addition, Ukraine and Russian crop weather is favorable. Stats Canada will also be out

tomorrow morning with updated production numbers. All wheat is expected at 20.7 million tonnes and Durum at 2.9 million tonnes. Sideways action continued overnight, and tomorrow's USDA report is unlikely to hold any bullish surprises. A move outside of the recent tight range is likely tomorrow. However, a breakout to the upside will be limited by weak world prices and additional beneficial rains coming for the southern Plains this weekend.

TODAY'S MARKET IDEAS:

March Chicago is coiling in a tight range bounded by 584 1/2 on the low-end and 611 1/2 on the upper end. Expectations for unchanged ending stocks on tomorrow's USDA report is not giving traders much reason to anticipate a big report move. More likely, wheat will be a follower of corn and beans tomorrow. The bottom line is there is no compelling bullish story currently, and as long as Black Sea prices stay low, US prices will be unable to extend a rally very far.

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) 02/07/2024: Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. A negative signal for trend short-term was given on a close under the 9-bar moving average. It is a mildly bullish indicator that the market closed over the pivot swing number. The next downside target is 584 1/2. The next area of resistance is around 599 3/4 and 603 1/4, while 1st support hits today at 590 1/4 and below there at 584 1/2.

KC WHEAT (MAR) 02/07/2024: Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. The intermediate trend could be turning up with the close back above the 18-day moving average. It is a mildly bullish indicator that the market closed over the pivot swing number. The next downside target is now at 607 1/4. The next area of resistance is around 623 3/4 and 628 1/4, while 1st support hits today at 613 1/4 and below there at 607 1/4.

MINN WHEAT (MAR) 02/07/2024: Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. The close below the 9-day moving average is a negative short-term indicator for trend. It is a mildly bullish indicator that the market closed over the pivot swing number. The next downside target is 685 1/4. The next area of resistance is around 697 1/2 and 702 1/2, while 1st support hits today at 689 and below there at 685 1/4.

RICE (MAR) 02/07/2024: Studies are showing positive momentum but are now in overbought territory, so some caution is warranted. A positive signal for trend short-term was given on a close over the 9-bar moving average. Since the close was above the 2nd swing resistance number, the market's posture is bullish and could see more upside follow-through early in the session. The near-term upside target is at 18.757. The next area of resistance is around 18.694 and 18.757, while 1st support hits today at 18.455 and below there at 18.278.

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	438 3/4	31.73	33.64	35.84	31.72	442.88	445.08	446.13	463.43	468.74
CNAN24	460 1/2	33.56	33.91	32.69	33.45	462.75	464.08	465.54	484.31	489.31
SSAH24	1199 1/2	39.00	37.42	26.74	25.98	1196.88	1206.11	1215.53	1270.51	1296.00

SSAN24	1217 3/4	38.13	36.43	25.33	25.45	1216.00	1224.31	1233.74	1288.36	1313.38
SMAH24	358.8	45.23	43.05	46.87	50.58	359.60	359.02	360.18	377.94	390.16
BOAH24	45.94	43.41	41.65	20.23	22.30	45.40	45.85	46.82	48.41	49.16
WHAH24	595	46.33	46.92	54.57	51.69	596.63	599.25	596.67	609.73	603.67
WHAN24	605 3/4	41.37	43.30	44.78	39.28	608.94	613.28	613.03	627.12	623.86
RCAH24	18.575	69.98	66.43	80.91	88.91	18.36	18.17	17.88	17.62	17.56
KWAH24	618 1/2	48.19	47.96	63.31	60.82	619.56	623.44	616.74	629.59	630.45
MWAH24	693 1/4	44.10	44.05	50.11	47.80	695.00	697.53	696.43	711.11	716.17
OTAH24	378	55.03	53.11	61.62	67.03	375.38	372.72	370.76	371.04	370.97

Calculations based on previous session. Data collected 02/06/2024
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	435	440 1/4	442 1/2	447 1/2
CNAN24	Corn	456 3/4	458	461 1/2	463	466 1/4
SSAH24	Soybeans	1187 3/4	1193 1/2	1199 1/2	1205 1/2	1211 1/4
SSAN24	Soybeans	1206	1212	1217 1/2	1223 1/2	1229
SMAH24	Soymeal	352.3	355.4	359.0	362.1	365.7
BOAH24	Soybean Oil	44.93	45.47	45.86	46.40	46.79
WHAH24	Wheat	584 1/2	590 1/4	594	599 3/4	603 1/2
WHAN24	Wheat	597 1/2	602	605 1/4	609 1/2	613
RCAH24	Rice	18.277	18.454	18.517	18.694	18.757
KWAH24	KC Wheat	607 1/4	613 1/4	617 3/4	623 3/4	628 1/4
MWAH24	MINN Wheat	685	689	693 3/4	697 1/2	702 1/2
OTAH24	Oats	361	370 1/2	375 3/4	385 1/2	390 1/2

Calculations based on previous session. Data collected 02/06/2024
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.