

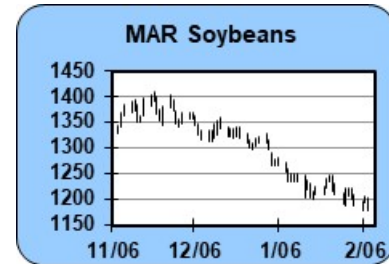


**DAILY SOY COMPLEX COMMENTARY**  
2/8/2024

**CONAB production lower than expected**

**OVERNIGHT CHANGES THROUGH 6:06 AM (CT):**  
**SOY BEANS +0.1, BEAN OIL +0.0, SOYMEAL -0.2**

**OVERNIGHT DEVELOPMENTS:** Soybeans (MAR 24) prices overnight are up 2 1/4; Soymeal (MAR 24) down -1.30; and Soyoil (MAR 24) up 0.5. Soybean open interest as of February 7 was down 3,875 contracts, soymeal down 2,009 contracts, and soybean oil down 3,996. Chinese Dalian (MAY 24) Soybeans up 0.19%, Soymeal down 0.53%, Soyoil up 0.25%, Palm oil up 0.62%. Malaysian Palm was down 0.08%.



Global markets started out with a positive tone, but they have lost some strength and are showing mixed results coming into this morning's action. Chinese equities saw a third positive daily result in a row and the Japanese Nikkei reached a 34-year high. January Chinese CPI was lower than forecast while January Chinese PPI was slightly higher than expected, with both staying in negative year-over-year territory. Major European indices were modestly higher early today and were led to the upside by the French CAC-40 while US stock index futures fell back from overnight highs and were close to unchanged levels. Today's trading will start out with US weekly initial jobless claims that are expected to have a modest downtick from the previous 224,000. Ongoing jobless claims are forecast to have a mild weekly decline from the previous 1.898 million. December wholesale trade is expected to have a sizable uptick from the previous -0.4%. Richmond Fed President Barkin will speak during morning US trading hours.

**NEAR-TERM MARKET FUNDAMENTALS:** USDA takes centerstage today with the February supply/demand report released at 11 AM Chicago time. 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, down from 114.60 million in the January report. 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. CONAB released their updated Brazil bean crop estimate at 149.404 million tonnes, versus guesses of 150.41 million and compared to 155.269 in their previous forecast. Planted area rose 2.3%. Relief rains in Argentina have started and temperatures easing as rains move in. Focus has now shifted to a stabilizing Argentine crop and ongoing harvest in Brazil. There were rumors yesterday China was buying Argentine beans for June shipment. December monthly exports on beans were 177 million bushels, down from 274 million bushels in November and 293 million bushels in December 2022. December monthly meal exports were 1.597 million tonnes, up from 1.467 in November and well above December a year ago at 1.192 million. January Brazil soy exports were 2.855 million tonnes, compared to 840,000 a year ago. Meal exports for January were up 38%. Brazil soy exports in February expected to reach 7.3 million tonnes, down from 7.55 million a year ago. Soymeal exports in Brazil are seen reaching 1.75 million tonnes in February, up from 1.28 million a year ago. Bunge CEO expects 1.4 billion gallons of renewable diesel capacity to come online in the 1st half of 2024. Today's futures price reaction to the USDA numbers will be very important since there is a strong bearish lean heading into the report. With CONAB estimates slightly bullish, a neutral report could give prices a bounce. March resistance is 1206 and 1223. Key support remains at 1180.

**TODAY'S MARKET IDEAS:**

CONAB numbers this morning were slightly bullish and although the USDA is not expected to offer any significant bullish surprises in today's supply and demand report, trader sentiment is leaning very bearish and even a neutral report could offer the market a chance to bounce. Important Argentine rains have started and that may be a

limiting factor to any correction rally. Initial resistance on March is 1206 and then 1223, key support remains at 1180.

**NEW RECOMMENDATIONS:**

None.

**PREVIOUS RECOMMENDATIONS:**

None.

**SOYBEAN COMPLEX TECHNICAL OUTLOOK:**

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SOYBEANS (MAR) 02/08/2024: Momentum studies are still bearish but are now at oversold levels and will tend to support reversal action if it occurs. The market's short-term trend is negative as the close remains below the 9-day moving average. The market setup is somewhat negative with the close under the 1st swing support. The next downside objective is now at 1167 1/4. The next area of resistance is around 1200 1/4 and 1212 1/2, while 1st support hits today at 1177 3/4 and below there at 1167 1/4.

SOYBEAN OIL (MAR) 02/08/2024: Momentum studies are trending higher from mid-range, which should support a move higher if resistance levels are penetrated. The cross over and close above the 18-day moving average is an indication the intermediate-term trend has turned positive. Market positioning is positive with the close over the 1st swing resistance. The next upside target is 47.99. The next area of resistance is around 47.54 and 47.99, while 1st support hits today at 45.98 and below there at 44.88.

SOYMEAL (MAR) 02/08/2024: 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 close below the 9-day moving average is a negative short-term indicator for trend. The close below the 2nd swing support number puts the market on the defensive. The next downside target is 343.3. The next area of resistance is around 356.1 and 362.8, while 1st support hits today at 346.3 and below there at 343.3.

**DAILY CORN COMMENTARY**

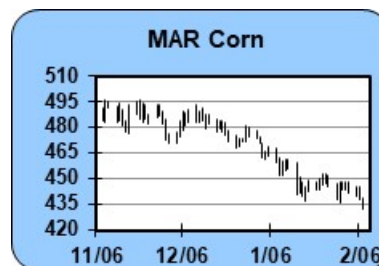
2/8/2024

**Post-report bounce possible on extreme bearish sentiment**

**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 February 7 was down 3,952 contracts. Chinese Dalian (MAY 24) Corn was unchanged.



**NEAR-TERM MARKET FUNDAMENTALS:** Corn is heading into today's USDA report struggling with very bearish overall sentiment and a dearth of bullish news. 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. CONAB updated their total Brazil corn crop this morning to 113.696 million tonnes, down from 117.603 last month. The average guess was 116.94 million tonnes. They estimated Safrinha corn at 88.098 million tonnes,

down from 91.235 last month and planted acres fell 8.2%. Furthermore, BrasilAgro lowered their Safrinha planted acreage estimate 7% due to weak profit margins. Critical rains in Argentina have started and will continue for the next week. US total farm exports hit a 3-year low in 2023. Weather forecasters are beginning to talk about the demise of La Nina and the rise of El Nino later this year. The question is whether El Nino will arrive in time to affect US growing season weather this year. 2023 ended up globally as the hottest year on record and January set an all-time heat record as well. The US chief negotiator says he expects a resolution to the Mexico/US corn dispute by the end of the year. The speedy start to Safrinha corn planting, especially in Mato Grosso, which is near halfway done, has been a negative for prices. Since corn prices are at contract lows heading into today's USDA report and funds are aggressively net short, the price reaction to the report numbers will be very important to price direction over the near-term. A neutral or slightly bullish report may offer a bounce and even a modestly bearish report may find buyers on the break after the bullish CONAB numbers.

Ethanol average daily production for the week ending February 2 averaged 1.033 million barrels. This was up 4.2% from last week and up 3.3% from last year. The 5-year average for this week is 0.996 million barrels per day. Ethanol production for the week was 7.231 million barrels. Ethanol stocks were 24.779 million barrels. This was up 2.1% from last week and up 1.5% from last year. The 5-year average stocks for this week is 24.191 million barrels. The amount of corn used for the week is estimated at 102.53 million bushels. Cumulative corn use for the crop year has reached 2.260 billion bushels. Corn use needs to average 103.34 million bushels per week to meet the USDA's marketing year forecast of 5.375 billion bushels.

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

The new contract lows yesterday came on relatively strong volume, the 2nd highest since just after Thanksgiving. CONAB production updates were friendly this morning, dropping more than expected. USDA data is expected to be benign, but there always seems to be a surprise in the report somewhere. The strong bearish sentiment going into the report raises the odds of a bounce post-report. March support is 424 and rallies will find resistance at 449 and 453.

#### **NEW RECOMMENDATIONS:**

None.

#### **PREVIOUS RECOMMENDATIONS:**

None.

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

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CORN (MAR) 02/08/2024: Daily stochastics are trending lower but have declined into oversold territory. 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 428 3/4. The 9-day RSI under 30 indicates the market is approaching oversold levels. The next area of resistance is around 437 1/2 and 441 1/2, while 1st support hits today at 431 and below there at 428 3/4.

CORN (JUL) 02/08/2024: A crossover down in the daily stochastics is a bearish signal. Momentum studies are declining, but have fallen to oversold levels. The market's close below the 9-day moving average is an indication the short-term trend remains negative. There could be some early pressure today given the market's negative setup with the close below the 2nd swing support. The next downside objective is now at 451. The 9-day RSI under 30 indicates the market is approaching oversold levels. The next area of resistance is around 458 1/4 and 462 1/4, while 1st support hits today at 452 3/4 and below there at 451.

#### **DAILY WHEAT COMMENTARY**

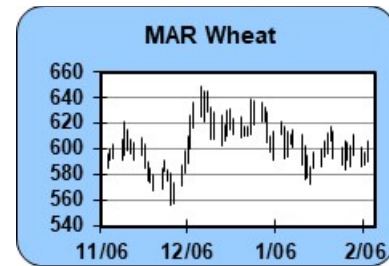
**2/8/2024**

## USDA unlikely to offer any significant surprises

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

**WHEAT** -0.93

**OVERNIGHT DEVELOPMENTS:** Chicago wheat (MAR 24) prices overnight are down -8 1/2; Kansas City (MAR 24) down -7; and Minneapolis (MAR 24) down -4. MATIF Milling Wheat(MAY 24) was down -1.9%. Chicago wheat open interest as of February 7 was down 7,078 contracts and Minneapolis wheat was down 1,122 contracts.



**NEAR-TERM MARKET FUNDAMENTALS:** Updated fundamental data from the USDA will be out at 11 AM Chicago time this 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. CONAB updated their 2024 Brazil wheat production estimate to 10.199 million tonnes, up from 8.097 million last month. On the other hand, StoneX estimated the 2023/24 Brazil wheat crop at 8.09 million tonnes, down 2% from their January forecast. Extended forecasts have moderated the cold temperatures expected in the Midwest for later this month. In further weather news, the North African drought is deepening and must be watched closely as that area accounts for the largest share of world wheat imports. India dropped their wheat stock limit, how much wheat can be held by retailers and processors, in half to 500 tonnes from 1000 tonnes as they try to manage supply. More beneficial moisture is on the way for Oklahoma and northern Texas this late this weekend into early next week. The range-bound action of the last couple weeks makes today's report reaction a bit of a crapshoot. If the report is neutral as the pre-report guesses would suggest, prices are likely to take their cue from corn and beans today.

### TODAY'S MARKET IDEAS:

Today's USDA report is not expected to hold significant changes to the balance sheet. Traders are not leaning heavily to the bear side like we see in corn and beans. Prices may take their cue from corn and beans price direction unless USDA provides something surprising in the report. Post-report, traders will be watching the N African drought and whether any bitter cold snaps are on the horizon for the US or Black Sea wheat areas.

### NEW RECOMMENDATIONS:

None.

### PREVIOUS RECOMMENDATIONS:

None.

### WHEAT TECHNICAL OUTLOOK:

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**WHEAT (MAR) 02/08/2024:** Declining momentum studies in the neutral zone will tend to reinforce lower price action. The cross over and close above the 18-day moving average is an indication the intermediate-term trend has turned positive. A positive setup occurred with the close over the 1st swing resistance. The next downside objective is 584 1/2. The next area of resistance is around 610 and 616 1/4, while 1st support hits today at 594 and below there at 584 1/2.

**KC WHEAT (MAR) 02/08/2024:** Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. The market's close below the 9-day moving average is an indication the short-term trend remains negative. It is a slightly negative indicator that the close was lower than the pivot swing number. The next downside objective is now at 605 3/4. The next area of resistance is around 624 1/4 and 631 1/2, while 1st support hits today at 611 1/4 and below there at 605 3/4.

**MINN WHEAT (MAR) 02/08/2024:** The downside crossover (9 below 18) of the moving averages suggests a

developing short-term downtrend. Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. The cross over and close above the 18-day moving average indicates the intermediate-term trend has turned up. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The next downside objective is now at 688 1/2. The next area of resistance is around 699 1/2 and 701 3/4, while 1st support hits today at 693 and below there at 688 1/2.

RICE (MAR) 02/08/2024: Momentum studies are trending higher but have entered overbought levels. The close above the 9-day moving average is a positive short-term indicator for trend. The market tilt is slightly negative with the close under the pivot. The next upside objective is 18.697. The next area of resistance is around 18.595 and 18.697, while 1st support hits today at 18.375 and below there at 18.258.

## 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	434 1/4	26.85	30.40	31.65	23.28	439.63	443.14	444.82	462.31	467.93
CNAN24	455 1/2	27.20	29.90	29.97	24.54	460.13	462.56	464.24	483.18	488.56
SSAH24	1189	34.81	34.83	25.15	21.99	1193.31	1202.33	1212.89	1267.03	1293.19
SSAN24	1207	33.60	33.62	24.00	21.32	1211.81	1220.92	1231.01	1284.80	1310.61
SMAH24	351.2	37.84	38.33	44.97	41.18	356.98	358.24	359.57	376.75	388.92
BOAH24	46.76	51.83	47.38	24.43	32.83	45.69	45.87	46.71	48.30	49.11
WHAH24	602	52.10	50.37	53.77	52.16	596.75	598.11	596.57	609.72	603.60
WHAN24	610 1/2	46.38	46.16	42.09	36.71	608.13	611.39	612.24	626.72	623.43
RCAH24	18.485	65.89	63.81	83.92	89.95	18.45	18.23	17.94	17.65	17.59
KWAH24	617 3/4	47.99	47.85	60.89	56.05	618.94	621.36	616.86	628.96	629.78
MWAH24	696 1/4	47.56	46.14	48.59	45.56	695.06	696.11	696.22	710.36	715.30
OTAH24	382 1/2	58.41	55.27	65.40	72.94	374.94	374.72	370.71	370.99	371.47

Calculations based on previous session. Data collected 02/07/2024

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	428 1/2	431	435	437 1/2	441 1/2
CNAN24	Corn	450 3/4	452 1/2	456 1/2	458 1/2	462 1/4
SSAH24	Soybeans	1167	1177 1/2	1189 3/4	1200 1/2	1212 1/2
SSAN24	Soybeans	1187	1196 1/2	1208 1/4	1217 1/2	1229 1/2
SMAH24	Soymeal	343.2	346.3	353.0	356.1	362.8
BOAH24	Soybean Oil	44.87	45.98	46.43	47.54	47.99
WHAH24	Wheat	584 1/2	594	600 1/2	610	616 1/2
WHAN24	Wheat	595 1/2	603 3/4	609	617 1/4	622 1/2
RCAH24	Rice	18.257	18.374	18.477	18.595	18.697
KWAH24	KC Wheat	605 1/2	611 1/4	618 1/2	624 1/4	631 1/2
MWAH24	MINN Wheat	688 1/2	693	695 1/4	699 1/2	702
OTAH24	Oats	373	378 1/2	381	386 1/2	389

Calculations based on previous session. Data collected 02/07/2024

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