



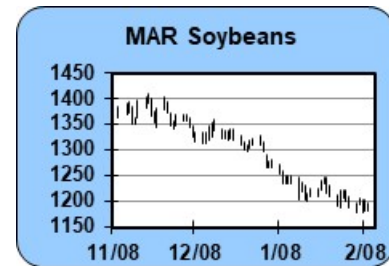
## DAILY GRAINS COMMENTARY Monday February 12, 2024

### DAILY SOY COMPLEX COMMENTARY 2/12/2024

#### US export prices remain well above Brazil

**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 up 4 1/2; Soymeal (MAY 24) up 3.10; and Soyoil (MAY 24) down -0.64. Soybean open interest as of February 9 was down 2,636 contracts, soymeal down 210 contracts, and soybean oil down 13,169.



Global markets are subdued start to the week as trading volume is reduced with holidays in several Asian countries. While the UK FTSE-100 has a mild early loss, the German DAX and French CAC-40 have moderate early gains. US equity index futures have mixed results with the NASDAQ outperforming the S&P and Dow, while Bonds and the Dollar both have mild early strength. There are no major US or Canadian economic numbers on today's schedule. Fed Governor Bowman and Minneapolis Fed President Kashkari will speak during morning US trading hours.

**NEAR-TERM MARKET FUNDAMENTALS:** The bear camp is likely to remain in charge this week as South American weather looks favorable and US demand is expected to remain poor, since US beans are uncompetitive with Brazil. China demand has been subdued and December and January bean shipments were only 5.1 million tonnes, compared to 10.6 million a year ago. Commitment of Traders data showed Managed Money net shorts at a 5-year high at 130,000 contracts, up 22,000 from last week. Volume may be lighter than usual with China's Lunar holiday and Brazil's Carnival. There were rumors last week China may have canceled some US cargoes to buy cheaper Brazilian beans, but we have no confirmation. Two Brazil consultancies lowered their Brazil crop estimates Friday, Safras at 149.076 million tonnes and COGO at 148.5 million tonnes, both well below USDA's 156 million tonnes. The 100th annual USDA Outlook Forum will be held later this week and history would suggest there won't be any bullish surprises, which could keep futures markets under some pressure until after the numbers are released. The one bright spot in the soybean complex last week was soybean oil which formed a weekly reversal higher and follow through strength this week would be an indication the long downtrend is coming to an end. March Bean futures have resistance at 1205 and support at 1180, which was tested multiple times last week. Until prices can find a bullish spark to trigger short covering, it will be very tough to extend a rally with the current bearish fundamentals.

Soybeans positioning in the Commitments of Traders for the week ending February 6th showed Managed Money traders were net short 130,300 contracts after increasing their already short position by 22,053 contracts. CIT traders are net long 117,303 contracts after net selling 2,693 contracts. Non-Commercial No CIT traders are net short 162,576 contracts after net selling 15,953 contracts. Non-Commercial & Non-Reportable traders added 15,680 contracts to their already short position and are now net short 167,696.

Soyoil Managed Money traders net bought 10,193 contracts and are now net short 44,225 contracts. CIT traders added 9,666 contracts to their already long position and are now net long 135,710. Non-Commercial No CIT traders are net short 73,746 contracts after net buying 114 contracts. Non-Commercial & Non-Reportable traders were net short 33,605 contracts after decreasing their short position by 3,294 contracts.

Soymeal Managed Money traders were net short 14,590 contracts after decreasing their short position by 7,478 contracts. CIT traders were net long 99,931 contracts after increasing their already long position by 875 contracts. Non-Commercial No CIT traders net bought 2,563 contracts and are now net short 53,508 contracts. Non-

Commercial & Non-Reportable traders are net short 13,899 contracts after net buying 2,168 contracts.

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

The fundamental and technical picture remain bearish. March held 1180 again overnight but rallies will find significant headwinds this week with Outlook Forum numbers not expected to be bullish. Closures for China's Lunar holiday and Brazil's Carnaval will mean lighter volume than usual. Until March can move above 1205, the downtrend continues and small rallies can be sold.

### **NEW RECOMMENDATIONS:**

None.

### **PREVIOUS RECOMMENDATIONS:**

None.

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

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SOYBEANS (MAR) 02/12/2024: 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 market tilt is slightly negative with the close under the pivot. The next downside target is 1170 1/4. The next area of resistance is around 1191 3/4 and 1203, while 1st support hits today at 1175 1/4 and below there at 1170 1/4.

SOYBEAN OIL (MAR) 02/12/2024: Momentum studies are rising from mid-range, which could accelerate 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 downside closing price reversal on the daily chart is somewhat negative. The market's close below the pivot swing number is a mildly negative setup. The next upside target is 49.01. The next area of resistance is around 48.02 and 49.01, while 1st support hits today at 46.49 and below there at 45.93.

SOYMEAL (MAR) 02/12/2024: Daily stochastics declining into oversold territory suggest the selling may be drying up soon. A negative signal for trend short-term was given on a close under the 9-bar moving average. It is a slightly negative indicator that the close was lower than the pivot swing number. The next downside objective is 337.6. The next area of resistance is around 351.0 and 354.4, while 1st support hits today at 342.6 and below there at 337.6.

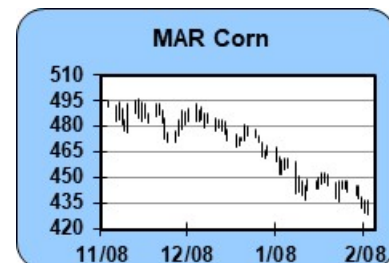
## **DAILY CORN COMMENTARY**

**2/12/2024**

### **Fundamentals weak but bearish sentiment extreme**

**OVERNIGHT CHANGES THROUGH 6:06 AM (CT):**  
**CORN +0.2**

**OVERNIGHT DEVELOPMENTS:** Corn (MAR 24) prices overnight are up 1 1/2. Corn open interest as of February 9 was up 3,521 contracts. Chinese Dalian (MAY 24) Corn was unchanged.



**NEAR-TERM MARKET FUNDAMENTALS:** While speculators are holding a near record short position, the fundamental and technical picture remains bearish. In bearish news this morning, AgRural said the quick soy harvest is widening the ideal Safrinha planting window and they now expect planted area to be down only 4.7%, compared to their December

estimate of 9.4% drop. They also raised their Safrinha production estimate to 91.2 million tonnes, compared to 86.3 million last month. This week's 100th Annual Outlook Forum may be a key pivot point before traders begin to shift to watching spring planting weather here in the US. In the past, it is rare for the Forum numbers to hold any bullish surprises, and that often pressures the market into the 2nd half of February. However, with managed Money shorts near 300,000 contracts, just below the record of 317,000, bearish Forum numbers could send prices down to extreme oversold levels from which a spring bounce can occur. South American weather this week will be overall favorable. Ukraine is offering corn very cheap to clear supplies and that continues to be a negative for the US markets. Ideas of ample supplies and the Outlook Forum may point to more sideways/lower drift this week.

The February 6th Commitments of Traders report showed Corn Managed Money traders added 17,593 contracts to their already short position and are now net short 297,744. CIT traders were net long 285,110 contracts after increasing their already long position by 13,528 contracts. Non-Commercial No CIT traders are net short 305,392 contracts after net selling 13,188 contracts. Corn Non-Commercial & Non-Reportable traders hit a new extreme short of 272,123 contracts. Non-Commercial & Non-Reportable traders are net short 272,123 contracts after net selling 4,427 contracts.

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

South American weather looks generally favorable, and the annual USDA Outlook Forum late this week is likely to offer bearish numbers. Certainly, bearish sentiment is nearing extreme with Managed Money less than 20,000 contracts from the all-time heaviest net short. Unfortunately for the bull camp, prices may need to fall further to reach a level that would trigger short covering. Nearby resistance is at 449 and support is 424.

#### **NEW RECOMMENDATIONS:**

None.

#### **PREVIOUS RECOMMENDATIONS:**

None.

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

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CORN (MAR) 02/12/2024: Daily stochastics are trending lower but have declined into oversold territory. The close below the 9-day moving average is a negative short-term indicator for trend. The swing indicator gave a moderately negative reading with the close below the 1st support number. The next downside objective is 422 1/4. Some caution in pressing the downside is warranted with the RSI under 30. The next area of resistance is around 433 1/4 and 439 1/2, while 1st support hits today at 424 3/4 and below there at 422 1/4.

CORN (JUL) 02/12/2024: Daily stochastics are trending lower but have declined into oversold territory. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The market's close below the pivot swing number is a mildly negative setup. The next downside objective is now at 445. The market is approaching oversold levels on an RSI reading under 30. The next area of resistance is around 454 1/4 and 459, while 1st support hits today at 447 1/4 and below there at 445.

#### **DAILY WHEAT COMMENTARY**

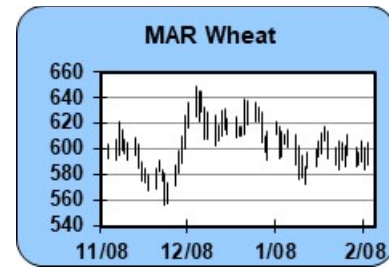
**2/12/2024**

## HRW conditions improving

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

WHEAT -0.43

**OVERNIGHT DEVELOPMENTS:** Chicago wheat (MAR 24) prices overnight are down -4 1/2; Kansas City (MAR 24) down -4 1/2; and Minneapolis (MAR 24) down -2 1/4. MATIF Milling Wheat(MAR 24) was down -0.8%. Chicago wheat open interest as of February 9 was down 5,171 contracts and Minneapolis wheat was down 1,065 contracts.



**NEAR-TERM MARKET FUNDAMENTALS:** March Chicago prices remain inside the 2-week range, despite Russia's claims that Ukraine drones attacked a civilian Russian cargo ship. Oklahoma and Texas received beneficial moisture this weekend, although amounts were light in the Oklahoma Panhandle and northern Texas Panhandle. But overall, HRW crops will remain on an improving track. Polish and Spanish farmers continue to block roads and protest green ag reforms and cheap Ukraine imports. Polish politicians have called for the EU Commissioner on Agriculture to resign. It appears Russia has lowered its minimum wheat export price to \$235 per tonne down from \$250 previously. SovEcon says Russian wheat stocks hit a record high as of January 1 at 36.5 million tonnes, up 1% from the previous year and crop conditions remain favorable. Chicago March futures fell \$0.03 last week while Kansas City fell \$0.22, due to the tighter US SRW supply/demand balance sheet. This week's USDA Outlook Forum may add some bearish pressure. Technical action remains sideways until the market breaks out of the 584-611 range on March Chicago.

Wheat positioning in the Commitments of Traders for the week ending February 6th showed Managed Money traders were net short 66,738 contracts after increasing their already short position by 1,920 contracts. CIT traders are net long 92,612 contracts after net buying 1,514 contracts. Non-Commercial No CIT traders net sold 1,525 contracts and are now net short 65,023 contracts. Non-Commercial & Non-Reportable traders reduced their net short position by 693 contracts to a net short 45,344 contracts.

KC Wheat Managed Money traders are net short 33,397 contracts after net selling 42 contracts. CIT traders are net long 62,320 contracts after net buying 807 contracts. Non-Commercial No CIT traders are net short 43,069 contracts after net selling 4,252 contracts. Non-Commercial & Non-Reportable traders added 1,596 contracts to their already short position and are now net short 24,220.

### TODAY'S MARKET IDEAS:

The near-term trend is sideways and although Russia's accusation Ukraine attacked a civilian cargo ship may offer some slight support under the market, traders seem to have grown tired of reacting to such events. A breakout of the recent range on March Chicago of 584-611 would suggest a \$0.25 move in the direction of the breakout.

### NEW RECOMMENDATIONS:

None.

### PREVIOUS RECOMMENDATIONS:

None.

### WHEAT TECHNICAL OUTLOOK:

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WHEAT (MAR) 02/12/2024: 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. It is a mildly bullish indicator that the market closed over the pivot swing number. The next downside objective is now at 579 1/4. The next area of resistance is around 605 1/2 and 614 1/4, while 1st

support hits today at 588 and below there at 579 1/4.

KC WHEAT (MAR) 02/12/2024: Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. The close below the 9-day moving average is a negative short-term indicator for trend. The market's close below the pivot swing number is a mildly negative setup. The next downside objective is now at 585 3/4. The next area of resistance is around 610 3/4 and 619 3/4, while 1st support hits today at 593 3/4 and below there at 585 3/4.

MINN WHEAT (MAR) 02/12/2024: 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 market tilt is slightly negative with the close under the pivot. The next downside target is now at 672 3/4. The next area of resistance is around 690 1/2 and 698, while 1st support hits today at 678 and below there at 672 3/4.

RICE (MAR) 02/12/2024: Momentum studies are trending higher but have entered overbought levels. 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 next upside target is 19.187. The 9-day RSI over 70 indicates the market is approaching overbought levels. The next area of resistance is around 19.080 and 19.187, while 1st support hits today at 18.760 and below there at 18.548.

### 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	429	21.98	26.93	23.13	13.75	433.81	440.44	443.25	459.78	466.10
CNAN24	450 3/4	22.30	26.53	23.66	16.04	455.19	460.56	462.71	480.71	486.83
SSAH24	1183 1/2	33.86	34.30	21.46	16.43	1191.38	1199.39	1208.75	1260.90	1286.88
SSAN24	1199 3/4	31.36	32.26	19.90	14.22	1208.44	1217.56	1226.46	1278.32	1304.40
SMAH24	346.8	34.17	35.87	36.13	27.34	350.98	357.20	357.39	374.32	386.10
BOAH24	47.26	54.35	50.21	40.15	55.00	46.98	46.18	46.69	48.17	49.02
WHAH24	596 3/4	48.89	48.42	46.47	40.36	595.56	597.17	596.97	608.24	603.33
WHAN24	601	40.58	42.40	32.89	24.36	603.63	608.33	610.82	624.57	622.42
RCAH24	18.920	74.60	70.21	89.18	94.04	18.66	18.39	18.07	17.72	17.65
KWAH24	602 1/4	36.82	40.83	47.17	32.68	609.81	616.86	616.07	626.34	628.11
MWAH24	684 1/4	37.50	39.89	38.24	27.18	689.38	692.92	694.99	707.97	713.32
OTAH24	375 1/4	51.04	51.03	68.75	69.99	378.63	377.50	372.53	370.26	371.70

Calculations based on previous session. Data collected 02/09/2024

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	422	424 1/2	430 3/4	433 1/2	439 1/2
CNAN24	Corn	445	447 1/4	452	454 1/4	459
SSAH24	Soybeans	1170	1175 1/4	1186 1/2	1191 3/4	1203
SSAN24	Soybeans	1187 3/4	1192	1203	1207 1/2	1218 1/4
SMAH24	Soymeal	337.5	342.5	346.0	351.0	354.4
BOAH24	Soybean Oil	45.93	46.48	47.47	48.02	49.01
WHAH24	Wheat	579 1/4	588	596 3/4	605 1/2	614 1/4
WHAN24	Wheat	586	593	601 3/4	609	617 1/2
RCAH24	Rice	18.547	18.759	18.867	19.080	19.187
KWAH24	KC Wheat	585 3/4	593 3/4	602 3/4	610 3/4	619 3/4
MWAH24	MINN Wheat	672 3/4	678	685 1/2	690 1/2	698 1/4
OTAH24	Oats	370 3/4	372 1/2	376 1/2	378	382 1/4

Calculations based on previous session. Data collected 02/09/2024

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