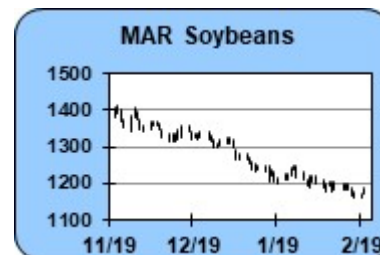




**DAILY SOY COMPLEX COMMENTARY**  
2/22/2024

**S American crops cuts priced in**

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



**OVERNIGHT DEVELOPMENTS:** Soybeans (MAY 24) prices overnight are up 2; Soymeal (MAY 24) up 0.10; and Soyoil (MAY 24) down -0.02. Soybean open interest as of February 21 was down 10,234 contracts, soymeal down 4,079 contracts, and soybean oil down 8,644. Chinese Dalian (MAY 24) Soybeans up 0.11%, Soymeal down 0.96%, Soyoil down 0.11%, Palm oil down 0.14%. Malaysian Palm was down 0.62%. Global equity markets overnight were higher again carried by better-than-expected earnings and revenues from Nvidia. Critical economic news released overnight included stronger New Zealand imports, softer New Zealand exports, much weaker than expected Australian Judo Bank Manufacturing PMI, stronger-than-expected Australian Judo Bank composite PMI, weaker than expected Japanese Jibun bank services PMI, weaker than expected Japanese Jibun bank manufacturing PMI readings for February, a surprise contraction in New Zealand credit card spending in January, better than expected French business climate in manufacturing stronger-than-expected French HCOB manufacturing, services, and composite PMI readings for February, better-than-expected German services PMI, softer than expected German manufacturing positive PMI readings for February, Italian CPI was as expected and changed from the prior month, better than expected euro zone HCOB services and composite PMI readings for February HCOB manufacturing PMI, softer than expected GBP S&P global manufacturing PMI readings for February and better than expected GBP S&P global services and composite PMI readings for February. The North American session will start out with December Canadian retail sales which are forecast to have a moderate uptick from November's 1.8% year-over-year rate. A weekly reading on US initial jobless claims is expected to have a modest uptick from the previous 212,000 reading. Ongoing jobless claims are forecast to have a minimal downtick from the previous 1.895 million reading. The Chicago Fed's January national activity index is expected to have a modest downtick from December's -0.15 reading. The February US "flash" manufacturing PMI is forecast to have a minimal downtick from the previous 50.7 reading. January US existing home sales are expected to have a moderate increase from December's 3.78 million annualized rate. Fed Vice Chair Jefferson will speak during morning US trading hours while Philadelphia Fed President Harker, Minneapolis Fed President Kashkari, Fed Governor Cook and Fed Governor Waller will speak during the afternoon. Earnings announcements will include Cheniere Energy and Newmont before the Wall Street opening while Intuit and Booking Holdings report after the close.

**NEAR-TERM MARKET FUNDAMENTALS:** The bull camp failed the test yesterday, raising the odds of further price deterioration for the near term. The Rosario Grain Exchange said recent heat in Argentina took off top end yields and they lowered their crop estimate to 49.5 million tonnes, compared to 52 million in January. The Buenos Aires Grain Exchange estimated the crop at 52.5 million tonnes, compared to USDA at 50 million. Rains are expected to return to central Argentina this weekend and crop weather is generally seen as favorable in Brazil also. Refinitiv lowered their Brazil crop estimate by 1% to 149.6 million tonnes, compared to USDA at 156 million. Dr Cordonnier lowered his Brazil estimate by 2 million tonnes, saying later planted beans are not able to compensate for the low yields of the early planted beans, and Brazil's Secretary of Ag Policy, while visiting the US, said production is likely under 145 million tonnes. Mato Grosso farmers have sold 40.6% of their beans, compared to 60% average. Brazil's biodiesel blend increases 2% in March to 14%, which is expected to reduce their soyoil exports. March prices tested support at 1160 overnight and after yesterday's weak performance, prices are likely to slip to contract low support at 1145.

**TODAY'S MARKET IDEAS:**

The market has resumed the trend of lower lows and lower highs after Tuesday's bounce. Ongoing Brazil harvest is a serious headwind and may not be overcome until traders fully shift to focusing on US spring weather. Crop cuts in South America appear to be priced in as the market reaction has been muted. We see a strong possibility of a test of key contract low support on March at 1145.

#### **NEW RECOMMENDATIONS:**

None.

#### **PREVIOUS RECOMMENDATIONS:**

None.

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

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SOYBEANS (MAY) 02/22/2024: A crossover down in the daily stochastics is a bearish signal. 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. The close below the 2nd swing support number puts the market on the defensive. The next downside target is now at 1147 1/2. The next area of resistance is around 1175 3/4 and 1190 3/4, while 1st support hits today at 1154 1/4 and below there at 1147 1/2.

SOYBEAN OIL (MAY) 02/22/2024: Daily stochastics declining into oversold territory suggest the selling may be drying up soon. 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 objective is 44.62. The next area of resistance is around 45.88 and 46.47, while 1st support hits today at 44.96 and below there at 44.62.

SOYMEAL (MAY) 02/22/2024: Daily momentum studies are on the rise from low levels and should accelerate a move higher on a push through the 1st swing resistance. 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 upside objective is 344.1. The next area of resistance is around 339.8 and 344.1, while 1st support hits today at 333.6 and below there at 331.6.

#### **DAILY CORN COMMENTARY**

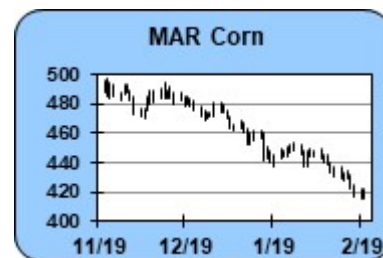
**2/22/2024**

#### **March nearing long-term 400 support**

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

**CORN +0.1**

**OVERNIGHT DEVELOPMENTS:** Corn (MAY 24) prices overnight are down - 1/2. Corn open interest as of February 21 was up 5,372 contracts. Chinese Dalian (MAY 24) Corn was up 0.91%.



**NEAR-TERM MARKET FUNDAMENTALS:** The recent acceleration of the downtrend is a clear indication of the pervasive extreme bearish sentiment as the market probes for a final capitulation low. Notably, March corn has made a new contract low in 10 of the last 11 trading days. Pressure is coming from a quick planting pace in Brazil, overall favorable weather in South America and poor technical action. Mato Grosso is having its fastest Safrinha planting start since 2013 when AgRural began tracking. Mato Grosso farmers sold only 19.2% of their crop by the end of January, way below the 50.5% average for this date. Reasons include low prices and some Brazilian farm co-op's recommendations not to sell. The Rosario Grain Exchange and the Buenos Aires Grain Exchange both

dropped their Argentine crop estimate to 57 million tonnes and 56.5 million, respectively, due to the recent heat. Ukraine corn exports in February are expected to be close to pre-war levels and China reportedly bought a few Ukrainian cargoes overnight. Mexico's president said they will continue to buy yellow corn from the US for industrial and feed use as both sides wait for a WTO ruling later this year on Mexico's GMO import ban. Mexico is on track to be the US's largest buyer this season. March prices are nearing long-term support at 400 and if that psychological level is breached, it could trigger a final capitulation low as wounded longs finally throw in the towel.

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

Another new contract low on March overnight for the 10th time in the last 11 trading sessions. The downtrend should slow as we near longer term support at 400 but there is a lack of any bullish arguments at the current time to turn prices around and trigger fund short covering. The estimated fund net short position is at a record.

#### **NEW RECOMMENDATIONS:**

None.

#### **PREVIOUS RECOMMENDATIONS:**

None.

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

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CORN (MAY) 02/22/2024: Daily stochastics declining into oversold territory suggest the selling may be drying up soon. The market's short-term trend is negative as the close remains below the 9-day moving average. There could be some early pressure today given the market's negative setup with the close below the 2nd swing support. The next downside target is now at 417. With a reading under 20, the 9-day RSI indicates the market is extremely oversold. The next area of resistance is around 428 3/4 and 435 1/4, while 1st support hits today at 419 3/4 and below there at 417.

CORN (JUL) 02/22/2024: Daily stochastics declining into oversold territory suggest the selling may be drying up soon. The market's short-term trend is negative as the close remains below the 9-day moving average. 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 428 1/2. Some caution in pressing the downside is warranted with the RSI under 30. The next area of resistance is around 440 1/4 and 446 1/4, while 1st support hits today at 431 1/4 and below there at 428 1/2.

#### **DAILY WHEAT COMMENTARY**

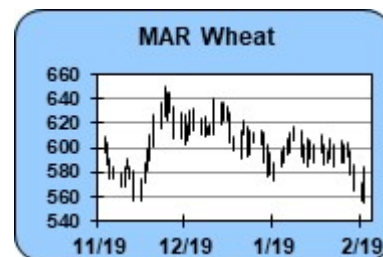
**2/22/2024**

#### **Positive technical action points higher**

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

**WHEAT +0.55**

**OVERNIGHT DEVELOPMENTS:** Chicago wheat (MAY 24) prices overnight are up 4; Kansas City (MAY 24) up 4 3/4; and Minneapolis (MAY 24) up 4 3/4. MATIF Milling Wheat(MAY 24) was up 0.6%. Chicago wheat open interest as of February 21 was down 1,066 contracts and Minneapolis wheat was down 5,539 contracts.



**NEAR-TERM MARKET FUNDAMENTALS:** Russian wheat export prices have fallen to their lowest since 2020 but Tuesday's strong upside reversal on March futures has got the attention of technical traders and given the bull camp the edge. Slovakian and Czech farmers are now protesting at their borders and Ukraine and Poland



CNAK24	424 1/4	18.98	22.39	9.36	7.09	429.00	436.17	445.06	461.98	470.07
CNAN24	435 3/4	20.64	23.45	9.94	7.89	439.75	446.19	454.38	471.38	479.38
SSAK24	1165	31.95	32.57	12.45	12.07	1172.69	1182.92	1197.25	1245.17	1272.53
SSAN24	1174	31.47	32.14	12.05	11.57	1181.50	1192.25	1206.58	1252.98	1279.93
SMAK24	336.7	35.69	35.24	14.39	15.23	337.68	339.16	347.16	363.28	372.73
BOAK24	45.42	33.85	37.48	39.55	28.02	45.99	46.91	46.64	47.96	48.68
WHAK24	578	40.45	40.95	22.57	27.67	570.88	584.00	595.47	610.37	612.69
WHAN24	578	37.75	38.56	18.63	23.86	572.44	585.58	598.49	615.73	618.90
RCAK24	18.515	48.40	52.23	53.40	38.56	18.60	18.74	18.61	18.13	17.98
KWAK24	575	34.56	35.93	17.16	19.34	571.75	584.33	602.11	617.32	624.35
MWAK24	661 1/2	29.49	31.11	11.71	14.86	660.31	669.50	684.36	704.57	711.73
OTAK24	357 1/4	33.13	40.33	53.17	36.95	365.63	369.39	368.61	369.21	370.61

Calculations based on previous session. Data collected 02/21/2024

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>						
CNAK24	Corn	416 3/4	419 1/2	426	429	435 1/4
CNAN24	Corn	428 1/2	431 1/4	437 1/2	440 1/4	446 1/2
SSAK24	Soybeans	1147 1/4	1154	1169	1176	1190 3/4
SSAN24	Soybeans	1157	1163 1/2	1177 3/4	1184 1/2	1198 1/2
SMAK24	Soymeal	331.5	333.5	337.8	339.8	344.1
BOAK24	Soybean Oil	44.61	44.95	45.54	45.88	46.47
WHAK24	Wheat	567 1/2	573 1/4	577	582 3/4	586 1/2
WHAN24	Wheat	568 1/4	573 1/2	577	582 1/2	585 3/4
RCAK24	Rice	18.281	18.407	18.496	18.622	18.711
KWAK24	KC Wheat	561 1/2	568	575 1/4	582	589
MWAK24	MINN Wheat	655 1/2	658 1/4	662	664 3/4	668 1/2
OTAK24	Oats	348	351	360 1/4	363 1/2	372 1/2

Calculations based on previous session. Data collected 02/21/2024

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