



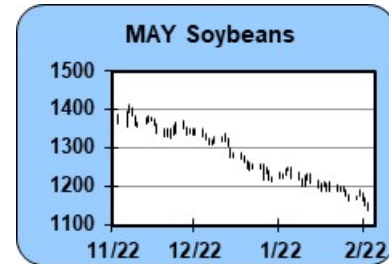
## DAILY GRAINS COMMENTARY Monday February 26, 2024

### DAILY SOY COMPLEX COMMENTARY 2/26/2024

**First notice day pressure to start the week**

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

**OVERNIGHT DEVELOPMENTS:** Soybeans (MAY 24) prices overnight are down -3; Soymeal (MAY 24) up 0.10; and Soyoil (MAY 24) down -0.16. Soybean open interest as of February 23 was down 22,985 contracts, soymeal down 18,616 contracts, and soybean oil down 2,500. Chinese Dalian (MAY 24) Soybeans down 0.95%, Soymeal up 0.13%, Soyoil down 0.39%, Palm oil up 0.03%. Malaysian Palm was up 0.26%. Global equity markets overnight were mostly lower with Chinese markets reversing a trend of gains with moderate losses. Critical economic news released overnight was very thin with only a slightly slower increase in Japanese corporate service price index readings for January released. The North American session will start out with January Canadian manufacturing sales which are expected to have a moderate uptick from December's -0.7% reading. January US new home sales are forecast to have a minimal uptick from December's 664,000 annualized rate. The Dallas Fed's February manufacturing business index is expected to have a moderate uptick from January's -27.4 reading. Kansas City Fed President Schmid will speak during morning US trading hours. Earnings announcements will include Workday, ONEOK, and Zoom Video Communications after the Wall Street close.



**NEAR-TERM MARKET FUNDAMENTALS:** March 1st notice day liquidation is ongoing and likely to keep pressure on prices for the next couple of days. A bleak technical outlook and bearish fundamentals will be hard to shake, although we may see some kind of relief bounce after March liquidation runs its course midweek. AgRural estimates Brazil harvest at 40% done with Mato Grosso at 76% done compared to 72% average. They also lowered their Brazilian bean crop estimate to 147.7 million tonnes compared to 150.1 million in their previous forecast. As we move into March, Brazil bean exports typically ramp up as harvest supplies are plentiful and US exports suffer and that is likely to continue this year. China remains focused on reducing foreign crop import needs via GMO planting and their sow herd continues to shrink, down 6.9% from last year, which reduces their soymeal demand. Another worrisome item for the bull camp, US crush margins are fading and with bean export demand weak, US domestic usage cannot afford to take a step back. Managed Money increased their shorts 2,000 contracts to just under 137,000 contracts in beans, and increased shorts 3,000 contracts in meal to 31,000 short and 53,000 short bean oil, a jump of 17,000 from the previous week. Additional pressure is coming from reports US chicken producer Perdue Farms is importing Brazil beans into the US East Coast to process for feed at prices nearly \$50 per tonne less than the US Gulf. It appears to us the path of least resistance is lower, although we could see a relief rally after the first notice day liquidation and end of the month selling ends midweek. Close in support today on May beans is 1131 3/4 and then 1125. Long-term support on the spot bean chart is 1080 and reaching that level is certainly not out of the question.

The Commitments of Traders report for the week ending February 20th showed Soybeans Managed Money traders are net short 136,677 contracts after net selling 2,177 contracts. CIT traders net sold 2,192 contracts and are now net long 117,736 contracts. Non-Commercial No CIT traders net bought 1,504 contracts and are now net short 160,680 contracts. Non-Commercial & Non-Reportable traders are net short 166,616 contracts after net selling 126 contracts.

The February 20th Commitments of Traders report showed Soyoil Managed Money traders are net short 52,841 contracts after net selling 17,401 contracts. CIT traders net long 132,107 contracts after decreasing their long

position by 2,494 contracts. Non-Commercial No CIT traders are net short 77,046 contracts after net selling 8,666 contracts. Non-Commercial & Non-Reportable traders added 9,806 contracts to their already short position and are now net short 37,659.

The Commitments of Traders report for the week ending February 20th showed Soymeal Managed Money traders are net short 30,684 contracts after net selling 3,092 contracts. CIT traders were net long 83,225 contracts after decreasing their long position by 10,663 contracts. Non-Commercial No CIT traders net bought 4,244 contracts and are now net short 54,873 contracts. Non-Commercial & Non-Reportable traders were net short 25,573 contracts after increasing their already short position by 314 contracts.

**TODAY'S MARKET IDEAS:**

Prices may stay under pressure for the 1st half of this week until first notice day liquidation and end of month selling runs its course. With the current bearish fundamentals, we expect a rally will find willing sellers. Close-in support on May is 1131 3/4. Resistance will be seen on rallies starting at 1160.

**NEW RECOMMENDATIONS:**

None.

**PREVIOUS RECOMMENDATIONS:**

None.

Commitment of Traders - Futures and Options - 2/13/2024 - 2/20/2024						
	Non-Commercial		Net Position	Commercial		Non-Reportable
	Net Position	Weekly Net Change		Weekly Net Change	Net Position	
<b>Grains</b>						
<b>Soybeans</b>	-153,468	+1,063	166,617	+126	-13,148	-1,189
<b>Soymeal</b>	-43,965	+207	25,574	+315	18,392	-521
<b>Soyoil</b>	-40,043	-12,277	37,658	+9,805	2,384	+2,471

**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 (MAY) 02/26/2024: Daily stochastics are trending lower but have declined into oversold territory. 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 target is 1125. The market is approaching oversold levels on an RSI reading under 30. The next area of resistance is around 1151 3/4 and 1165 1/4, while 1st support hits today at 1131 3/4 and below there at 1125.

SOYBEAN OIL (MAY) 02/26/2024: The moving average crossover down (9 below 18) indicates a possible developing short-term downtrend. 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 market tilt is slightly negative with the close under the pivot. The next downside objective is 43.67. Some caution in pressing the downside is warranted with the RSI under 30. The next area of resistance is around 45.08 and 45.60, while 1st support hits today at 44.12 and below there at 43.67.

SOYMEAL (MAY) 02/26/2024: 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. It is a slightly negative indicator that the close was lower than the pivot swing number. The next downside objective is 321.3. The market is approaching oversold levels on an RSI reading under 30. The next area of resistance is around 331.6 and 336.0, while 1st support hits today at 324.3 and below there at 321.3.

## DAILY CORN COMMENTARY

2/26/2024

### Pressure from March liquidation to start the week

**OVERNIGHT CHANGES THROUGH 6:06 AM (CT):**  
CORN -0.4

**OVERNIGHT DEVELOPMENTS:** Corn (MAY 24) prices overnight are down -3 1/4. Corn open interest as of February 23 was down 12,518 contracts. Chinese Dalian (MAY 24) Corn was up 0.24%.



**NEAR-TERM MARKET FUNDAMENTALS:** The freefall continues to start the week and pressure from March liquidation and the extremely weak technical picture will be the feature for at least the 1st half of this week. Typically, prices see a rebound after 1st notice day pressure ends and this week will probably be no different. As expected, fund net shorts set an all-time record last week at 341,000 contracts, up 27,000 from the previous week and that was as of Tuesday of last week, so shorts are even larger now. Commercials, on the other hand, are net long a record 58,000 contracts. AgRural says center-south planting in Brazil is 73% complete and conditions are seen generally favorable. Today is the 12th day out of the last 13 sessions that March futures have scored a new contract low. US corn is competitive off the Pacific Northwest Coast, and we expect demand to bounce back this week from the poor export sales number last week. At the current prices, US farmers are likely to lock the bin door and sit on their stored corn waiting for a spring/early summer rally. It is our opinion prices have fallen far enough and shorts should come away from their positions on the weakness early this week as the downside looks limited from here. Record fund shorts and record long commercial longs, fears a warm winter will result in a hot summer and expected US corn acreage down 3-4 million should slow the recent slide in the days ahead. We look for a period of consolidation and/or chart basing to start after 1st notice lay liquidation ends midweek.

Corn positioning in the Commitments of Traders for the week ending February 20th showed Corn Managed Money traders hit a new extreme short of 340,732 contracts. Managed Money traders added 26,391 contracts to their already short position and are now net short 340,732. CIT traders were net long 290,248 contracts after decreasing their long position by 1,098 contracts. Corn Non-Commercial No CIT traders hit a new extreme short of 341,926 contracts. Non-Commercial No CIT traders were net short 341,926 contracts after increasing their already short position by 19,145 contracts. Corn Non-Commercial & Non-Reportable traders hit a new extreme short of 306,772 contracts. Non-Commercial & Non-Reportable traders net sold 16,384 contracts and are now net short 306,772 contracts.

### TODAY'S MARKET IDEAS:

Corn is seeing further weakness to start this week on March liquidation and end of month selling, but we think the odds are rising that the break is near done and prices may begin a period of consolidation later this week. It is typical to bounce after 1st notice day liquidation and the severe, relentless price selloff recently should raise the odds of a rebound as technical indicators are extremely oversold.

### NEW RECOMMENDATIONS:

None.

### PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 2/13/2024 - 2/20/2024							
	Non-Commercial		Net Position	Commercial		Non-Reportable	
	Net Position	Weekly Net Change		Weekly Net Change	Net Position	Weekly Net Change	
<b>Grains</b>							
Corn	-274,738	-17,414	306,773	+16,385	-32,034	+1,030	

## 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 (MAY) 02/26/2024: 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. It is a slightly negative indicator that the close was lower than the pivot swing number. The next downside target is 405 1/4. The 9-day RSI under 20 suggests the market is extremely oversold. The next area of resistance is around 418 1/2 and 425, while 1st support hits today at 408 1/2 and below there at 405 1/4.

CORN (JUL) 02/26/2024: 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. The market's close below the pivot swing number is a mildly negative setup. The next downside objective is now at 418. More downside action may be limited by the RSI under 20 putting the market in extremely oversold territory. The next area of resistance is around 431 and 437 1/4, while 1st support hits today at 421 1/2 and below there at 418.

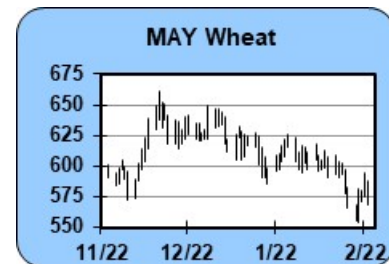
## DAILY WHEAT COMMENTARY

2/26/2024

### Fundamental outlook weakening with lack of US crop threat

**OVERNIGHT CHANGES THROUGH 6:06 AM (CT):**  
**WHEAT -0.8**

**OVERNIGHT DEVELOPMENTS:** Chicago wheat (MAY 24) prices overnight are down -8; Kansas City (MAY 24) down -6 1/4; and Minneapolis (MAY 24) down -4 1/4. MATIF Milling Wheat(MAY 24) was down -1.3%. Chicago wheat open interest as of February 23 was down 6,140 contracts and Minneapolis wheat was down 76 contracts.



**NEAR-TERM MARKET FUNDAMENTALS:** A disappointing start to the week for the bull camp as price action continues to be very poor with only limited follow-through from the reversal higher last week. The fundamental outlook is weakening and pressure may continue for the next few days as end of month selling and 1st notice day liquidation for March contracts is ongoing. With US winter wheat area in drought only 12% and good/excellent conditions in HRW well above last year, KC wheat may be the weak link that holds Chicago prices down. Russian and World prices are far below the US and, although the next major weather item may be talk of a potential frost, a large HRW crop would add additional bearish pressure that could take prices lower than expected. Typically, prices see a bounce after 1st notice day liquidation and that may be the case later this week. Nearby support on the May contract is 553 and close in resistance is 577. Without a threat to the US crop, sellers should be active on rallies.

Wheat positioning in the Commitments of Traders for the week ending February 20th showed Managed Money traders were net short 68,524 contracts after increasing their already short position by 12,852 contracts. CIT traders reduced their net long position by 897 contracts to a net long 98,629 contracts. Non-Commercial No CIT traders are net short 75,218 contracts after net selling 14,525 contracts. Non-Commercial & Non-Reportable traders are net short 50,597 contracts after net selling 15,580 contracts.

KC Wheat positioning in the Commitments of Traders for the week ending February 20th showed Managed Money traders net sold 5,499 contracts and are now net short 41,907 contracts. CIT traders were net long 64,986 contracts after increasing their already long position by 1,957 contracts. Non-Commercial No CIT traders were net short 52,648 contracts after increasing their already short position by 4,677 contracts. Non-Commercial & Non-Reportable traders net sold 4,477 contracts and are now net short 35,163 contracts.

### TODAY'S MARKET IDEAS:

End of month selling and March liquidation will be the feature for the 1st half of this week, and it would be typical to get a bounce after that. However, with US prices well above world values and no current threat to the US HRW crop, rallies will be labored and last week's highs of 594 on May Chicago may be tough resistance until the market sees some new bullish market news. Contract low support on May stands at 553 1/2.

### NEW RECOMMENDATIONS:

None.

### PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 2/13/2024 - 2/20/2024						
	Non-Commercial			Commercial		Non-Reportable
	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change
<b>Grains</b>						
KC Wheat	-32,502	-3,823	35,164	+4,479	-2,661	-654
Wheat	-46,046	-14,803	50,597	+15,580	-4,551	-777

### 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 (MAY) 02/26/2024: Stochastics are at mid-range but trending higher, which should reinforce a move higher if resistance levels are taken out. 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 592 3/4. The next area of resistance is around 578 3/4 and 592 3/4, while 1st support hits today at 559 1/4 and below there at 554.

KC WHEAT (MAY) 02/26/2024: A bearish signal was triggered on a crossover down in the daily stochastics. 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's close below the pivot swing number is a mildly negative setup. The next downside objective is 552. The next area of resistance is around 573 1/2 and 582 1/4, while 1st support hits today at 558 1/2 and below there at 552.

MINN WHEAT (MAY) 02/26/2024: The daily stochastics have crossed over down which is a bearish indication. 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 target is 633 1/2. The market is approaching oversold levels on an RSI reading under 30. The next area of resistance is around 655 and 666 1/2, while 1st support hits today at 638 1/2 and below there at 633 1/2.

RICE (MAY) 02/26/2024: The daily stochastics gave a bullish indicator with a crossover up. Positive momentum studies in the neutral zone will tend to reinforce higher price action. A positive signal for trend short-term was given on a close over the 9-bar moving average. The market has a slightly positive tilt with the close over the swing pivot. The near-term upside target is at 19.467. The next area of resistance is around 19.244 and 19.467, while 1st support hits today at 18.625 and below there at 18.228.

### 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**

CNAK24	413 1/2	13.63	17.94	7.08	4.99	422.19	430.11	440.93	458.58	467.58
CNAN24	426 1/4	15.14	19.08	7.86	5.94	434.00	440.89	450.72	468.11	477.00
SSAK24	1141 3/4	24.75	27.63	9.79	7.11	1160.69	1172.31	1190.19	1236.29	1265.37
SSAN24	1151 1/4	24.39	27.25	9.29	6.53	1169.50	1181.47	1199.51	1244.22	1272.89
SMAK24	328.0	27.62	29.95	12.04	9.74	334.45	336.51	344.72	360.38	369.98
BOAK24	44.60	28.19	33.49	27.05	15.50	45.19	46.16	46.41	47.69	48.49
WHAK24	569	35.52	37.75	27.15	30.08	576.38	579.00	591.79	607.72	612.37
WHAN24	570	33.81	35.96	23.37	26.55	577.00	580.22	594.28	612.88	618.18
RCAK24	18.935	60.92	60.10	50.11	50.13	18.68	18.72	18.67	18.18	18.01
KWAK24	566	30.10	32.90	17.69	17.31	573.13	577.44	596.21	614.13	622.94
MWAK24	646 3/4	21.61	25.54	11.22	9.59	657.31	662.33	678.71	700.83	709.58
OTAK24	354	33.58	39.48	35.89	21.28	357.38	365.14	367.97	367.97	369.19

Calculations based on previous session. Data collected 02/23/2024

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	405	408 1/2	415	418 1/2	425
CNAN24	Corn	418	421 1/2	427 3/4	431	437 1/2
SSAK24	Soybeans	1124 3/4	1131 1/2	1145	1152	1165 1/4
SSAN24	Soybeans	1135 1/4	1141 1/2	1154 1/2	1161	1173 3/4
SMAK24	Soymeal	321.2	324.2	328.6	331.6	336.0
BOAK24	Soybean Oil	43.66	44.11	44.63	45.08	45.60
WHAK24	Wheat	554	559 1/4	573 1/2	578 3/4	593
WHAN24	Wheat	555 1/4	560 1/2	574	579 1/2	592 3/4
RCAK24	Rice	18.227	18.624	18.847	19.244	19.467
KWAK24	KC Wheat	552	558 1/2	567 1/4	573 1/2	582 1/2
MWAK24	MINN Wheat	633 1/2	638 1/2	650	655	666 1/2
OTAK24	Oats	343 3/4	349	353 3/4	359	363 3/4

Calculations based on previous session. Data collected 02/23/2024

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.