



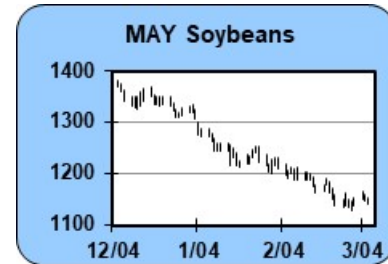
DAILY GRAINS COMMENTARY Thursday March 07, 2024

DAILY SOY COMPLEX COMMENTARY 3/7/2024

Short covering picks up before USDA Friday

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):
SOY BEANS +0.1, BEAN OIL +0.0, SOYMEAL +0.3

OVERNIGHT DEVELOPMENTS: Soybeans (MAY 24) prices overnight are up 8 3/4; Soymeal (MAY 24) up 3.00; and Soyoil (MAY 24) up 0.24. Soybean open interest as of March 6 was up 9,833 contracts, soymeal up 6,333 contracts, and soybean oil down 240. Chinese Dalian (MAY 24) Soybeans up 0.78%, Soymeal down 0.10%, Soyoil up 0.37%, Palm oil up 1.08%. Malaysian Palm was down 0.25%. Global equity markets overnight were mixed with declining markets outnumbering markets trading higher. Critical economic news released overnight included continued contraction in Australian home loans, stronger than expected Chinese imports and exports for February, no change in the Swiss unemployment rate, a catastrophic contraction in German factory orders in January 2011.3%, and a slight moderation in GBP Halifax House Prices in February. The North American session will start out with the February Challenger job cut survey followed by a weekly reading on initial jobless claims which are expected to have a minimal uptick from the previous 215,000 reading. Ongoing jobless claims are forecast to have a minimal weekly decline from the previous 1.905 million reading. The January US international trade balance is expected to have a minimal increase from December's \$62.2 billion monthly deficit. January Canadian international merchandise trade is forecast to have a modest increase from December's monthly deficit. Fourth quarter non-farm productivity is expected to have a moderate downtick from the previous 4.9% reading while fourth quarter unit labor costs are forecast to have a moderate uptick from the previous -1.1% reading. Fed Chair Powell will testify in front of the Senate Banking Committee during mid-morning US trading hours. Cleveland Fed President Mester will speak during late morning US trading hours. January US consumer credit is expected to have a sizable uptick from December's \$1.6 billion reading. Earnings announcements will include Kroger before the Wall Street opening while Broadcom, Costco Wholesale and Marvell Technology report after the close.



NEAR-TERM MARKET FUNDAMENTALS: Short covering is back in vogue across the grain complex today before Friday morning's USDA supply demand report that gives the edge to the bull camp. Known bearish news appears to be digested and new fundamental data is awaited from the USDA. Expected US 2023/24 bean carryout is 319 million tonnes, up slightly from 315 million in February. World bean carryout is expected at 114.27 million tonnes, down from 116.03 last month. The Argentine bean crop is expected at 50.23 million tonnes, near unchanged from last month's 50 million, and Brazil beans are expected at 152.28 million tonnes, down from 156.00 last month. Jan - Feb China bean imports hit a 5-year low on poor crush margins and reduce trade during the Lunar holiday. However, a major range down failure in the dollar yesterday to its lowest in a month, combined with a possible USDA report inspired washout could see the US garner a slight pickup in export sales. CONAB says Brazil harvest is 47% complete, compared to 44% a year ago. The US Delta and the Eastern corn belt will see needed rains over the next 10 days. US weekly export sales this morning are expected in a range of 180,000 - 600,000 tonnes on beans and 165,000 - 550,000 tonnes on meal. A much more important USDA report will be out at the end of the month with an update on quarterly stocks and spring acreage intentions. A May bean rally above 1165 3/4, last week's highs, would be a positive technical sign for further short covering but another layer of resistance looms at 1179. Without a major bullish surprise from the USDA, rallies may be selling opportunities, especially given the recent minor recovery has come on lower than average volume.

TODAY'S MARKET IDEAS:

Fund shorts are lightening their positions before tomorrow morning's USDA report and before traders shift their

focus to US planting weather. Nearby resistance on May futures is 1166 and a move above that level would target 1172 then 1179. With the longer-term downtrend remaining in place, selling rallies is the favored strategy and any report bounce should find strong resistance.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

SOYBEAN COMPLEX TECHNICAL OUTLOOK:

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SOYBEANS (MAY) 03/07/2024: Daily stochastics are showing positive momentum from oversold levels, which should reinforce a move higher if near term resistance is taken out. The close above the 9-day moving average is a positive short-term indicator for trend. It is a slightly negative indicator that the close was lower than the pivot swing number. The next upside objective is 1160 3/4. The next area of resistance is around 1154 3/4 and 1160 3/4, while 1st support hits today at 1141 3/4 and below there at 1134 1/2.

SOYBEAN OIL (MAY) 03/07/2024: Rising from oversold levels, daily momentum studies would support higher prices, especially on a close above resistance. The market's short-term trend is positive on the close above the 9-day moving average. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The next upside target is 46.17. The next area of resistance is around 45.73 and 46.17, while 1st support hits today at 44.91 and below there at 44.52.

SOYMEAL (MAY) 03/07/2024: 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 upside daily closing price reversal gives the market a bullish tilt. It is a slightly negative indicator that the close was lower than the pivot swing number. The near-term upside objective is at 335.0. The next area of resistance is around 333.2 and 335.0, while 1st support hits today at 327.6 and below there at 323.7.

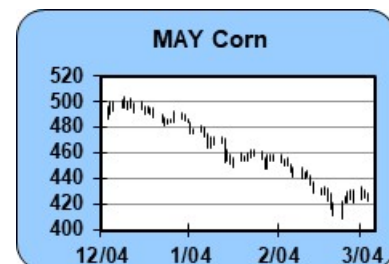
DAILY CORN COMMENTARY

3/7/2024

Prices pop above key moving average resistanc

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):
CORN +0.7

OVERNIGHT DEVELOPMENTS: Corn (MAY 24) prices overnight are up 6 1/4. Corn open interest as of March 6 was up 10,243 contracts. Chinese Dalian (MAY 24) Corn was up 0.41%.



NEAR-TERM MARKET FUNDAMENTALS: The bull camp remains in charge as prices pushed through resistance overnight, forcing the heavily short funds to cover. The technical outlook has certainly improved after the four-month downtrend looks to have run its course. The US dollar fell to its lowest in a month in US corn is already competitive, even with Ukraine prices, but China has yet to step up with US purchases. Weekly export sales estimate today is 800,000 - 1,400,000 tonnes. Recent weeks have come in generally around 1 million tonnes and we expect that solid trend to continue for the next couple months. 2 systems are on tap for the Eastern corn belt with 1.5-2" rains possible

and even heavier rains in the Delta and Southeast regions. Drought remains in the central and northern Midwest. Mexico says they are waiting for the US to show proof that GMO grain is safe for human consumption and a ruling on the dispute is still expected later this year. Tomorrow's USDA supply and demand report is expected to show US 2023/24 carryout at 2.159 billion bushels, down from 2.172 in the February report and world carryout is expected at 320.39 million tonnes, down from 322.06 million last month. Argentine corn estimate is expected unchanged at 55 million and Brazil corn is expected at 121.95 million, down from 124 million last month. The path of least resistance remains higher on corn, especially after the move above the 20-day moving average today for the 1st time since mid-December and fund shorts feeling the hot seat.

Ethanol average daily production for the week ending March 1 averaged 1.057 million barrels. This was down 1.9% from last week and up 4.7% from last year. The 5-year average for this week is 0.998 million barrels per day. Ethanol production for the week was 7.399 million barrels. Ethanol stocks were 26.051 million barrels. This was a new high stocks level for this week of the year. The previous high was 25.320 million barrels in 2023. This was the highest since March 17, 2023. This was up 0.1% from last week and up 2.9% from last year. The 5-year average stocks for this week is 24.448 million barrels. The amount of corn used for the week is estimated at 104.91 million bushels. Cumulative corn use for the crop year has reached 2.687 billion bushels. Corn use needs to average 102.81 million bushels per week to meet the USDA's marketing year forecast of 5.375 billion bushels.

TODAY'S MARKET IDEAS:

The 20-day moving average and key resistance at 434 has been penetrated and further short covering is likely with next targeting at 449 on May. While the charts suggest a price low is in place a solid bottom will require increased concern toward the Safrinha crop and/or concerns of hot and dry in the US from abnormally warm winter temperatures.

NEW RECOMMENDATIONS:

BUY MAY Corn at 420. Risk 11 cents. Use an objective of 448.

PREVIOUS RECOMMENDATIONS:

None.

CORN TECHNICAL OUTLOOK:

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CORN (MAY) 03/07/2024: Momentum studies are trending higher from mid-range, which should support a move higher if resistance levels are penetrated. The market's short-term trend is positive on the close above the 9-day moving average. The upside closing price reversal on the daily chart is somewhat bullish. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The next upside objective is 433 3/4. The next area of resistance is around 431 3/4 and 433 3/4, while 1st support hits today at 425 3/4 and below there at 421 1/2.

CORN (JUL) 03/07/2024: Momentum studies are trending higher from mid-range, which should support 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 upside daily closing price reversal gives the market a bullish tilt. The market has a slightly positive tilt with the close over the swing pivot. The next upside objective is 444 1/4. The next area of resistance is around 442 3/4 and 444 1/4, while 1st support hits today at 437 1/4 and below there at 433 1/2.

DAILY WHEAT COMMENTARY

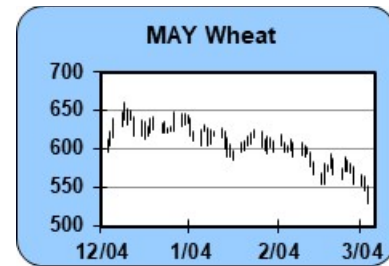
3/7/2024

US Gulf prices remain far above EU and Russian prices

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):

WHEAT +0.58

OVERNIGHT DEVELOPMENTS: Chicago wheat (MAY 24) prices overnight are up 4; Kansas City (MAY 24) up 6 1/2; and Minneapolis (MAY 24) up 7 1/2. MATIF Milling Wheat(MAY 24) was up 1.6%. Chicago wheat open interest as of March 6 was up 5,127 contracts and Minneapolis wheat was up 2,389 contracts.



NEAR-TERM MARKET FUNDAMENTALS: Wheat volume spiked yesterday to its highest since November 8 on the move into new contract lows, which is typically a bearish sign, but could be construed as possible capitulation to the downside if prices can recover over the next several days. Egypt's overnight tender found plenty of offers but at slightly higher prices than expected. Weekly export sales is expected in a range of 250,000 600,000 tonnes this morning. The US dollar hit a one-month low yesterday and the central plains are expected to see moisture March 14 - 17 and some rains will be seen in Oklahoma and the eastern half of Kansas over the next day or two. The massive Texas wildfires have now scorched 2000 square miles but are expected to be contained possibly by this weekend.

Spot Chicago wheat hit their lowest since September 2020 yesterday. Clearly, moisture potential in the Plains gives the bear camp confidence, especially with a private forecast from StoneX pegging the Brazilian 2024/25 wheat crop at 9.2 million tonnes versus only 8.1 million last year. Yet another bearish influence is improving weather in China which could reduce Russian wheat prices even further for shipment to China. Russian 12.5% protein wheat is now under \$200 a tonne versus the US Gulf at \$279 per tonne. Given this large premium to foreign competitors, very significant declines in the US dollar will be needed to put US sellers in the ballpark. Tomorrow's USDA report is expected to show US 2023/24 carryout at 657 million bushels, nearly unchanged from last month's 658 million. World carryout is expected at 259.12 million tonnes, also nearly unchanged from 259.44 last month. Despite this morning's short covering bounce, weak world values and bearish fundamentals remain in place.

TODAY'S MARKET IDEAS:

With the major range down washout yesterday forged on a significant jump in trading volume and an increase in open interest, bearish sentiment toward wheat has not reached excessive levels yet as the most recent spec and fund short position was more than 60,000 contracts lower than the last major bearish extreme at the end of November. Until world values can bounce, the path of least resistance remains lower despite the chance for minor short covering before tomorrow morning's report. Strong resistance on May Chicago stands at 553.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

WHEAT TECHNICAL OUTLOOK:

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WHEAT (MAY) 03/07/2024: 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 defensive setup, with the close under the 2nd swing support, could cause some early weakness. The next downside objective is now at 513 3/4. With a reading under 30, the 9-day RSI is approaching oversold levels. The next area of resistance is around 542 and 557 3/4, while 1st support hits today at 520 and below there at 513 3/4.

KC WHEAT (MAY) 03/07/2024: The daily stochastics have crossed over down which is a bearish indication.

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 is in a bearish position with the close below the 2nd swing support number. The next downside target is 541 3/4. The next area of resistance is around 566 and 576, while 1st support hits today at 549 and below there at 541 3/4.

MINN WHEAT (MAY) 03/07/2024: The stochastics indicators are rising from oversold levels, which is bullish and should support higher prices. 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 upside target is 659. The next area of resistance is around 651 1/4 and 659, while 1st support hits today at 639 1/4 and below there at 634 3/4.

RICE (MAY) 03/07/2024: 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. The swing indicator gave a moderately negative reading with the close below the 1st support number. The next downside target is now at 17.689. The next area of resistance is around 18.082 and 18.298, while 1st support hits today at 17.778 and below there at 17.689.

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	428 3/4	46.73	42.07	43.30	52.78	427.44	425.14	429.18	447.98	458.45
CNAN24	440	46.85	42.31	43.92	53.15	438.75	436.94	440.28	457.87	468.24
SSAK24	1148 1/4	37.49	35.49	23.00	28.04	1150.88	1146.36	1162.01	1205.17	1237.43
SSAN24	1158 3/4	37.79	35.59	22.08	27.00	1161.06	1156.58	1171.72	1213.96	1245.48
SMAK24	330.4	40.37	37.94	25.47	30.49	331.53	329.37	333.63	349.98	360.40
BOAK24	45.32	43.51	42.03	24.17	27.57	45.17	45.14	45.83	46.93	47.68
WHAK24	531	25.28	29.90	23.67	14.24	550.94	564.75	573.56	595.41	604.43
WHAN24	542 1/2	27.33	31.21	24.55	16.67	556.69	568.64	576.15	600.19	609.57
RCAK24	17.930	34.62	40.47	19.84	10.91	18.25	18.40	18.57	18.29	18.12
KWAK24	557 1/2	36.03	37.33	34.10	30.61	567.56	574.03	577.63	602.93	612.64
MWAK24	645 1/4	37.16	36.70	26.23	26.42	651.00	653.42	659.89	687.13	698.14
OTAK24	356 1/2	36.97	41.56	55.57	50.39	364.69	364.58	365.76	366.66	367.28

Calculations based on previous session. Data collected 03/06/2024
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DAILY SWING STATISTICS

Contract		Support 2	Support 1	Pivot	Resist 1	Resist 2
GRAIN COMPLEX						
CNAK24	Corn	421 1/4	425 1/2	427 1/2	432	433 3/4
CNAN24	Corn	433 1/2	437 1/4	439	442 3/4	444 1/2
SSAK24	Soybeans	1134 1/4	1141 1/2	1147 1/2	1155	1160 3/4
SSAN24	Soybeans	1145 3/4	1152 1/2	1158	1165	1170 1/4
SMAK24	Soymeal	323.6	327.5	329.3	333.2	335.0
BOAK24	Soybean Oil	44.51	44.90	45.34	45.73	46.17
WHAK24	Wheat	513 3/4	520	535 3/4	542	557 3/4
WHAN24	Wheat	528	534	545	551	562
RCAK24	Rice	17.688	17.777	17.993	18.082	18.298
KWAK24	KC Wheat	541 1/2	549	558 3/4	566	576
MWAK24	MINN Wheat	634 1/2	639	646 3/4	651 1/2	659
OTAK24	Oats	351 3/4	353 1/2	357 3/4	359 1/2	363 3/4

Calculations based on previous session. Data collected 03/06/2024
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