



DAILY GRAINS COMMENTARY Monday March 18, 2024

DAILY SOY COMPLEX COMMENTARY 3/18/2024

Potential Iowa rains forecast for this weekend

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 -2 1/2; Soymeal (MAY 24) down -0.80; and Soyoil (MAY 24) down -0.06. Soybean open interest as of March 15 was up 9,887 contracts, soymeal up 5,394 contracts, and soybean oil up 2,004. Chinese Dalian (MAY 24) Soybeans down 0.13%, Soymeal up 0.37%, Soyoil up 0.69%, Palm oil up 0.34%. Malaysian Palm was up 0.07%.

Global equity markets have begun an eventful week with a mostly positive tone. A set of critical Chinese economic numbers were highlighted by better-than-expected readings for industrial production and retail sales. February Euro zone CPI came as expected 2.6% year-over-year. The North American session will start out with the February Canadian industrial product price index (IPPI) which is forecast to have a mild uptick from January's -2.9% year-over-year rate. The March NAHB housing market index is expected to hold steady with February's 48 reading.



NEAR-TERM MARKET FUNDAMENTALS: With 9 trading sessions left before the March Quarterly Stocks and Acreage Intentions report, weather will be the major focus for traders this week. Rains in southern Brazil are not ideal with harvest ongoing, but more importantly, after a dry week this week, rains are forecast for the central Midwest, including Iowa, by early next week. Subsoil moisture improvement is needed before spring planting. Brazil soy premiums sagged last week as harvest moved forward. Overall Brazil harvest is expected between 62 and 65% complete and Mato Grosso is nearly finished at 96% complete. Safras lowered their Brazil production estimate to 148.6 million tonnes, down from 149.076 million last month. USDA stands at 156 million tonnes. NOPA crush came in at a whopping 186.194 million bushels, well above the average guess of 178.06 million and easily the highest February reading of all time. Bean oil stocks were 1.690 billion pounds, above the 1.590 billion pre-report estimate. The extra leap day in February and mild weather helped crush outperform expectations. May bean oil seeing its highest close since December 20th. China announced a bean auction this week to rotate reserve stocks. The weekly chart saw its 3rd higher weekly close in a row after seeing lower weekly closes for 12 of 13 weeks prior to the last week of February. This week will be mainly about the weather and traders beginning to position for the important end of the month quarterly stocks and acreage intentions report. Heavy hedge-related selling seen on Thursday's rally last week could resume if prices move back over 1210 on May. If Midwest showers in the 6 to 10 day timeframe verify, rallies will be tough to extend beyond last week's high.

Soybeans positioning in the Commitments of Traders for the week ending March 12th showed Managed Money traders net bought 16,862 contracts and are now net short 155,137 contracts. CIT traders are net long 121,435 contracts after net buying 5,414 contracts. Non-Commercial No CIT traders are net short 179,963 contracts after net buying 14,654 contracts. Non-Commercial & Non-Reportable traders are net short 185,178 contracts after net buying 20,316 contracts.

The March 12th Commitments of Traders report showed Soyoil Managed Money traders net bought 29,063 contracts and are now net short 33,410 contracts. CIT traders added 2,275 contracts to their already long position and are now net long 132,530. Non-Commercial No CIT traders are net short 74,630 contracts after net buying 12,006 contracts. Non-Commercial & Non-Reportable traders reduced their net short position by 20,423 contracts to a net short 32,278 contracts.

The Commitments of Traders report for the week ending March 12th showed Soymeal Managed Money traders

were net short 50,935 contracts after increasing their already short position by 1,409 contracts. CIT traders net sold 98 contracts and are now net long 76,798 contracts. Non-Commercial No CIT traders added 1,047 contracts to their already short position and are now net short 70,825. Non-Commercial & Non-Reportable traders reduced their net short position by 2,338 contracts to a net short 41,665 contracts.

TODAY'S MARKET IDEAS:

Below normal temperatures are expected across the Midwest for the next couple weeks which will limit any early planting efforts. However, potential rains a week from now in the dry areas of Iowa may swing the edge to the bear camp as fundamentals remain bearish. Fading rallies this week is our advice. Retracement support on May beans at 1184 was tested on Friday. Next support is 1173. Rallies over 1205 should struggle to extend.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 3/5/2024 - 3/12/2024						
	Non-Commercial			Commercial		Non-Reportable
	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change
Grains						
Soybeans	-174,230	+20,535	185,177	-20,318	-10,948	-219
Soymeal	-60,495	-126	41,664	-2,339	18,830	+2,464
Soyoil	-35,020	+18,136	32,278	-20,422	2,742	+2,287

SOYBEAN COMPLEX TECHNICAL OUTLOOK:

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SOYBEANS (MAY) 03/18/2024: Rising stochastics at overbought levels warrant some caution for bulls. The close above the 9-day moving average is a positive short-term indicator for trend. The daily closing price reversal up is a positive indicator that could support higher prices. The market's close below the pivot swing number is a mildly negative setup. The next upside objective is 1211 1/2. The next area of resistance is around 1206 1/2 and 1211 1/2, while 1st support hits today at 1190 and below there at 1178 1/2.

SOYBEAN OIL (MAY) 03/18/2024: Studies are showing positive momentum but are now in overbought territory, so some caution is warranted. A positive signal for trend short-term was given on a close over the 9-bar moving average. The outside day up is somewhat positive. The market setup is supportive for early gains with the close over the 1st swing resistance. The near-term upside objective is at 50.90. With a reading over 70, the 9-day RSI is approaching overbought levels. The next area of resistance is around 50.34 and 50.90, while 1st support hits today at 48.50 and below there at 47.21.

SOYMEAL (MAY) 03/18/2024: Momentum studies are trending higher from mid-range, which should support a move higher if resistance levels are penetrated. 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 near-term upside target is at 342.1. The next area of resistance is around 338.0 and 342.1, while 1st support hits today at 331.4 and below there at 328.8.

DAILY CORN COMMENTARY

3/18/2024

Beneficial rains in Brazil late this week then dry again

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):

CORN +0.1

OVERNIGHT DEVELOPMENTS: Corn (MAY 24) prices overnight are up 1 3/4. Corn open interest as of March 15 was down 12,488 contracts. Chinese Dalian (MAY 24) Corn was up 0.57%.



NEAR-TERM MARKET FUNDAMENTALS: Brazil rains are on tap late this week and that may offer a bearish headwind to offset the positive technical picture. In addition, rains for the dry areas of the central Midwest are forecast for this coming weekend, including Iowa. Midwest temperatures for the next 2 weeks are expected to be below normal, which will limit early planting ideas. China's February imports of corn were 2.6 million tonnes, down 15.7% year-over-year. Ukraine's farm ministry forecast corn planted area to fall to 3.863 May and hectares, down from 4.043 million last season. The 4.5% drop is less than their February forecast which called for a drop of 9%. Safrinha corn in Mato Grosso is 98% planted and weather is increasingly important there. Significant fund short covering was the theme last week as Managed Money dropped 41,000 contracts and now stand at 256,000 contracts short as of last Tuesday. US and Argentine corn are near parity, and we expect good exports again this week. The late February low on May corn was an important low in our opinion, but it will likely take a renewed weather issue to sustain any strength above 450, beyond a minor short covering rally. Pullbacks below 432 are expected to find good support.

The Commitments of Traders report for the week ending March 12th showed Corn Managed Money traders reduced their net short position by 40,867 contracts to a net short 255,928 contracts. CIT traders added 6,562 contracts to their already long position and are now net long 286,471. Non-Commercial No CIT traders were net short 271,833 contracts after decreasing their short position by 33,585 contracts. Non-Commercial & Non-Reportable traders reduced their net short position by 47,119 contracts to a net short 213,850 contracts.

TODAY'S MARKET IDEAS:

Brazil and US Midwest rains are forecast for this coming weekend and may result in some market pressure to start the week. However, layers of support from 432 down to 426 1/2 on May should hold any breaks. Speculators can consider buying a pullback in the support zone.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 3/5/2024 - 3/12/2024						
Grains	Non-Commercial		Net Position	Commercial		Non-Reportable
	Net Position	Weekly Net Change		Weekly Net Change	Net Position	
Corn	-209,677	+42,761	213,851	-47,118	-4,173	+4,358

CORN TECHNICAL OUTLOOK:

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CORN (MAY) 03/18/2024: The daily stochastics have crossed over down which is a bearish indication. Stochastics turning bearish at overbought levels will tend to support lower prices if support levels are broken. The market's short-term trend is positive on the close above the 9-day moving average. The upside daily closing price reversal gives the market a bullish tilt. The close over the pivot swing is a somewhat positive setup. The next downside objective is now at 428 1/4. The next area of resistance is around 440 3/4 and 444 1/2, while 1st

support hits today at 432 3/4 and below there at 428 1/4.

CORN (JUL) 03/18/2024: The daily stochastics have crossed over down which is a bearish indication. Stochastics turning bearish at overbought levels will tend to support lower prices if support levels are broken. The close above the 9-day moving average is a positive short-term indicator for trend. The daily closing price reversal up is a positive indicator that could support higher prices. The close over the pivot swing is a somewhat positive setup. The next downside target is 440 3/4. The next area of resistance is around 452 3/4 and 456, while 1st support hits today at 445 1/4 and below there at 440 3/4.

DAILY WHEAT COMMENTARY

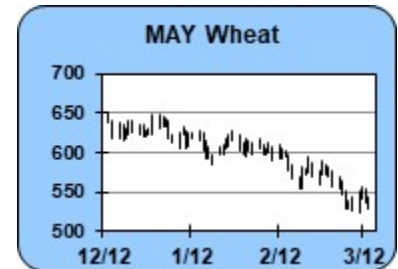
3/18/2024

Russia attacks Odessa port

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):

WHEAT +0.73

OVERNIGHT DEVELOPMENTS: Chicago wheat (MAY 24) prices overnight are up 7 1/4; Kansas City (MAY 24) up 5 3/4; and Minneapolis (MAY 24) up 5 1/4. MATIF Milling Wheat(MAY 24) was up 1.2%. Chicago wheat open interest as of March 15 was up 3,205 contracts and Minneapolis wheat was down 811 contracts.



NEAR-TERM MARKET FUNDAMENTALS: Wheat prices are finding support on the Russian attacks on the Odessa port and below normal temperatures coming into the northern Plains. Ukraine and Russia are getting more aggressive with their infrastructure attacks and the port of Odessa suffered damage to agribusiness facilities there over the weekend, but to what degree is not yet known. The EU is mulling concessions to protesting farmers and is considering a ban on Russian agriculture imports into the EU. Recent strength in the Mexican peso is giving Mexico more buying power for US imports. Commitment of Traders data showed funds increasing their short position in Chicago by 14,000 contracts through Tuesday of last week and weakness in the 2nd half of the week likely means short positioning is even larger now. Net Managed Money shorts in Kansas City stand at 36,000 contracts. HRW is well ahead of schedule in the southern Plains and weather watchers will be looking for any cold snap, which could send Kansas City wheat into an aggressive short covering rally. The latest forecast model updates show welcome moisture chances for the southern Plains this coming weekend, but the southwest third of the crop belt may miss out. We don't see any fundamental reason for anything more than a short covering bounce this week unless rain chances for this coming weekend begin to fade.

Wheat positioning in the Commitments of Traders for the week ending March 12th showed Managed Money traders were net short 78,870 contracts after increasing their already short position by 13,331 contracts. CIT traders are net long 107,138 contracts after net selling 3,522 contracts. Non-Commercial No CIT traders were net short 101,726 contracts after increasing their already short position by 13,351 contracts. Non-Commercial & Non-Reportable traders are net short 57,911 contracts after net selling 9,260 contracts.

The March 12th Commitments of Traders report showed KC Wheat Managed Money traders net bought 5,339 contracts and are now net short 35,547 contracts. CIT traders are net long 71,789 contracts after net buying 6,882 contracts. Non-Commercial No CIT traders are net short 49,295 contracts after net buying 1,392 contracts. Non-Commercial & Non-Reportable traders were net short 27,733 contracts after decreasing their short position by 3,893 contracts.

TODAY'S MARKET IDEAS:

As long as rains for the southern Plains stay in the forecast for this coming weekend, price rallies will likely be limited.

Friday's trading volume on May Chicago was the lowest since January 22nd, highlighting the lack of trader enthusiasm. China's cancellations look to be behind us, but world prices are still near their lows. Resistance on May Chicago is 556. Contract low support is 523 1/2 and if that were to give way, longer term support is 500.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 3/5/2024 - 3/12/2024						
	Non-Commercial			Commercial		Non-Reportable
	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change
Grains						
KC Wheat	-26,121	+3,176	27,733	-3,895	-1,612	+717
Wheat	-56,434	-9,483	57,911	+9,260	-1,477	+223

WHEAT TECHNICAL OUTLOOK:

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WHEAT (MAY) 03/18/2024: The daily stochastics gave a bearish indicator with a crossover down. 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. It is a slightly negative indicator that the close was under the swing pivot. The next downside target is now at 519 3/4. The next area of resistance is around 533 3/4 and 541, while 1st support hits today at 523 1/4 and below there at 519 3/4.

KC WHEAT (MAY) 03/18/2024: 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 target is 552 1/2. The next area of resistance is around 576 3/4 and 585 1/4, while 1st support hits today at 560 1/4 and below there at 552 1/2.

MINN WHEAT (MAY) 03/18/2024: A bearish signal was triggered on a crossover down in the daily stochastics. Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. A negative signal for trend short-term was given on a close under the 9-bar moving average. The market setup is somewhat negative with the close under the 1st swing support. The next downside target is 634 1/4. The next area of resistance is around 654 1/4 and 665, while 1st support hits today at 638 3/4 and below there at 634 1/4.

RICE (MAY) 03/18/2024: 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. The market's close below the pivot swing number is a mildly negative setup. The next downside objective is 17.759. The next area of resistance is around 17.857 and 17.908, while 1st support hits today at 17.783 and below there at 17.759.

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	436 3/4	52.65	49.21	78.57	77.18	438.38	436.44	430.11	442.54	452.03
CNAN24	449	53.76	50.27	79.00	77.43	450.63	448.33	442.03	452.71	462.15
SSAK24	1198 1/4	67.27	57.50	72.92	79.27	1196.56	1179.22	1163.92	1192.90	1218.74
SSAN24	1212 1/2	69.87	59.33	74.20	80.73	1210.25	1191.33	1174.90	1202.64	1227.53
SMAK24	334.7	47.15	44.80	60.00	61.85	336.93	335.67	332.95	344.52	353.57
BOAK24	49.42	79.81	70.03	76.65	88.10	48.55	47.08	46.10	46.78	47.35
WHAK24	528 1/2	30.77	33.34	20.78	17.52	538.13	538.67	555.89	582.66	593.78
WHAN24	544	34.43	36.03	25.67	22.54	552.56	551.08	563.18	588.32	599.82

RCAK24	17.820	36.02	40.22	8.77	7.82	17.88	17.90	18.22	18.30	18.16
KWAK24	568 1/2	40.89	42.38	59.09	50.29	581.44	579.28	577.79	596.09	605.41
MWAK24	646 1/2	38.60	39.71	50.08	41.59	659.31	658.39	656.81	678.18	689.94
OTAK24	365 3/4	47.88	48.81	70.99	70.23	370.75	365.97	364.71	366.69	367.69

Calculations based on previous session. Data collected 03/15/2024

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DAILY SWING STATISTICS

Contract		Support 2	Support 1	Pivot	Resist 1	Resist 2
GRAIN COMPLEX						
CNAK24	Corn	428	432 1/2	436 1/4	441	444 1/2
CNAN24	Corn	440 3/4	445	448 1/2	453	456 1/4
SSAK24	Soybeans	1178 1/2	1190	1195	1206 1/2	1211 1/2
SSAN24	Soybeans	1193 1/2	1204 1/2	1209 1/4	1220 1/2	1225
SMAK24	Soymeal	328.7	331.3	335.4	338.0	342.1
BOAK24	Soybean Oil	47.20	48.49	49.05	50.34	50.90
WHAK24	Wheat	519 1/2	523	530 1/4	534	541
WHAN24	Wheat	535 3/4	539	545 1/2	549	555 1/4
RCAK24	Rice	17.758	17.782	17.833	17.857	17.908
KWAK24	KC Wheat	552 1/2	560 1/4	569	576 3/4	585 1/2
MWAK24	MINN Wheat	634	638 3/4	649 1/2	654 1/4	665
OTAK24	Oats	358 1/2	361 1/2	367	370	375 1/2

Calculations based on previous session. Data collected 03/15/2024

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