



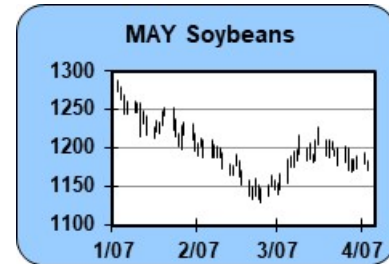
DAILY GRAINS COMMENTARY Thursday April 11, 2024

DAILY SOY COMPLEX COMMENTARY 4/11/2024

CONAB lowers Brazil production slightly from last month

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):
SOY BEANS -0.0, BEAN OIL -0.0, SOYMEAL +0.2

OVERNIGHT DEVELOPMENTS: Soybeans (JUL 24) prices overnight are down -2 3/4; Soymeal (JUL 24) up 1.40; and Soyoil (JUL 24) down -0.56. Soybean open interest as of April 10 was up 6,219 contracts, soymeal down 4,654 contracts, and soybean oil down 8,446. Chinese Dalian (MAY 24) Soybeans down 0.04%, Soymeal down 0.96%, Soyoil up 0.21%, Palm oil down 0.29%. Malaysian Palm was up 0.54%. Global equity markets overnight were mostly lower except for the markets in Tokyo, Shanghai, Hong Kong, and France which managed very modest gains. Critical economic news released overnight included a significant inflow of foreign money into Japanese stocks, a positive flow of foreign money into Japanese bonds, a hotter than expected Australian Consumer Inflation Expectations reading for April, a much weaker than expected Chinese consumer price index reading for March (-1%), another large contraction in Chinese Producer Price Index readings for March, not as strong as expected French industrial output, with the Chinese new loan delayed once again! The North American session will start out with the March US producer price index which is expected to have a moderate uptick from February's 1.6% year-over-year rate. The March US core producer price index (excluding food and energy) is forecast to have a mild uptick from February's 2.0% year-over-year rate. A weekly reading on initial jobless claims is expected to have a mild downtick from the previous 221,000 reading. Ongoing jobless claims are forecast to have a minimal weekly increase from the previous 1.791 million reading. New York Fed President Williams will speak during morning US trading hours while Boston Fed President Collins and Atlanta Fed President Bostic will speak during the afternoon. Earnings announcements will include Constellation Brands and Fastenal before the Wall Street opening.



NEAR-TERM MARKET FUNDAMENTALS: USDA will take center stage today at 11 AM Chicago time with the release of the April supply and demand report after CONAB slightly reduced their Brazil production number this morning. CONAB's new estimate of 146.522 million tonnes compares to last month at 146.8 and the March USDA report at 155. The usually large discrepancy between USDA and CONAB is likely to shrink today as USDA is expected to ratchet down their number. Recent data would suggest USDA could cut US exports and increase crush in today's report. However, they may opt to wait on the crush increase due to significant maintenance downtime expected this month and next. The Reuters estimate for the report shows an average guess of 317 million bushels for US ending stocks, slightly higher than the March number of 315 million. World ending stocks are projected at 113.71 million tonnes, slightly down from March at 114.27 million. Argentine's bean production is expected at 55.6 million tonnes, slightly above USDA's March number of 56.00 million and Brazil beans at 151.68 million tonnes, below USDA's 155 million. The Eastern corn belt is seeing numerous storms today, but the Western belt stays dry through next Tuesday. Stronger than expected inflation data Wednesday pushed the US dollar sharply higher to a new 5-month high, pressuring May beans to their lowest since March 7th heading into today's report. USDA announced a Wednesday morning flash sale of 254,000 tonnes of new crop beans to Unknown. Weekly export sales for morning a Thursday re expected in a range of 200,000 to 600,000 on beans, 150,000 to 300,000 on meal and 0 ton 10,000 tonnes for bean oil. May bean prices have fallen through the 618 retracement support, leaving 1140 as the next important downside level, where a bearish report reaction should find good buying support. Layers of resistance at 1193 and 1202 should cap any report rally today.

TODAY'S MARKET IDEAS:

CONAB reduced their Brazil production number very slightly from last month but the very large 9 million tonne

difference between USDA and CONAB remains. USDA is expected to bring their number down today. With the full growing season dead ahead, a 15-25 break today would likely find solid buying support. May beans support is 1140 and the 1st upside breakout level is 1193 1/4.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

SOYBEAN COMPLEX TECHNICAL OUTLOOK:

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SOYBEANS (MAY) 04/11/2024: Momentum studies are declining, but have fallen to oversold levels. The market's short-term trend is negative as the close remains below the 9-day moving average. The close below the 1st swing support could weigh on the market. The next downside target is 1150 3/4. The next area of resistance is around 1173 1/2 and 1186, while 1st support hits today at 1156 and below there at 1150 3/4.

SOYBEAN OIL (MAY) 04/11/2024: Declining momentum studies in the neutral zone will tend to reinforce lower price action. 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 next downside objective is now at 46.43. The next area of resistance is around 48.15 and 48.64, while 1st support hits today at 47.05 and below there at 46.43.

SOYMEAL (MAY) 04/11/2024: The close under the 40-day moving average indicates the longer-term trend could be turning down. The daily stochastics gave a bearish indicator with a crossover down. Momentum studies trending lower at mid-range should accelerate a move lower 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 326.1. The next area of resistance is around 334.0 and 338.6, while 1st support hits today at 327.8 and below there at 326.1.

DAILY CORN COMMENTARY

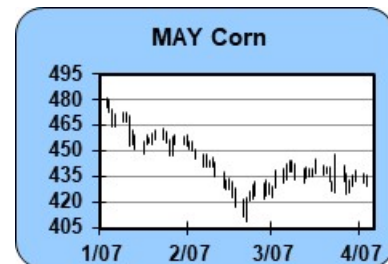
4/11/2024

CONAB Brazil production bullish, USDA update follows at 11AM CDT

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):

CORN +0.2

OVERNIGHT DEVELOPMENTS: Corn (JUL 24) prices overnight are up 2 1/4. Corn open interest as of April 10 was up 3,445 contracts. Chinese Dalian (MAY 24) Corn was down 0.50%.



NEAR-TERM MARKET FUNDAMENTALS: All eyes on the USDA

today with the 11 AM Chicago time release of the April supply demand report, which should finally break the market out of its recent tight range. Ethanol production was slightly lower than last week but in the range of guesses and above USDA's needed pace. Stocks were also slightly lower from last week but in the range of guesses as well. USDA could opt to increase US ethanol output today as weekly production has been record high recently. The Reuters average estimate for today's supply and demand report is 2.102 billion bushels for US

ending stocks, down from 2.172 in the March report. World ending stocks are estimated at 316.72 million tonnes, down from 319.63 million in March. Argentine production is estimated at 55.60 million tonnes, slightly under USDA's March number of 56.00 and Brazil corn is estimated at 121.75 million, down from 124 million in March. CONAB updated Brazil total corn production this morning to a bullish 110.964 million tonnes, down from last month's 112.75 million and well below the pre-report estimate of 114.45 million tonnes. USDA will update their 124 million tonne production estimate today. Reports this morning China has canceled 4-5 cargoes of Ukraine corn to comply with recent government measures to slow arrivals and support farmgate prices. The Rosario Grain Exchange cut their Argentine production number rather dramatically to 50.5 million tonnes, down from 57 million last month, due to "unprecedented" disease pressure from the spiroplasm bacteria. Brazil says they will maintain tariffs on US ethanol imports despite Biden's complaints. Wednesday's weakness was attributed to the sharp rally in the US Dollar and another avian flu case in a dairy cow in North Carolina. Further reports suggest it could be poultry litter (ground up chicken waste) that is often used in cattle feed that could be spreading the virus. Weekly export sales estimates this morning are expected in a range of 750,000 to 1,300,000 tonnes. With the full growing season in the US just ahead, any bearish report reaction should find good buying support.

Ethanol average daily production for the week ending April 5 averaged 1.056 million barrels. This is a new high daily production for this week of the year. The previous high was 1.034 million barrels per day in 2018. This was down 1.6% from last week and up 10.1% from last year. The 5-year average for this week is 0.921 million barrels per day. Ethanol production for the week was 7.392 million barrels. Ethanol stocks were 26.208 million barrels. This was down 0.8% from last week and up 4.3% from last year. The 5-year average stocks for this week is 24.171 million barrels. The amount of corn used for the week is estimated at 104.82 million bushels. Cumulative corn use for the crop year has reached 3.209 billion bushels. Corn use needs to average 102.47 million bushels per week to meet the USDA's marketing year forecast of 5.375 billion bushels.

TODAY'S MARKET IDEAS:

CONAB's updated total corn production for Brazil was bullish at 110.964, down from 112.75 last month. In the March USDA supply demand report, USDA stood at 124 million tonnes and that will be ratcheted down by USDA today. Speculators can consider buying any report break below 463 and look at bullish option plays at that level as well. With the full growing season just ahead, we don't expect a washout to the downside. Key support remains at the March 28th low of 460 3/4.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

CORN TECHNICAL OUTLOOK:

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CORN (MAY) 04/11/2024: The cross over and close above the 40-day moving average indicates the longer-term trend has turned up. Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. The close above the 9-day moving average is a positive short-term indicator for trend. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The next downside objective is 428 3/4. The next area of resistance is around 436 3/4 and 438 3/4, while 1st support hits today at 431 3/4 and below there at 428 3/4.

CORN (JUL) 04/11/2024: The cross over and close above the 40-day moving average is an indication the longer-term trend has turned positive. Momentum studies trending lower at mid-range should accelerate a move lower if support levels are taken out. The market's short-term trend is negative as the close remains below the 9-day moving average. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The next downside target is 440 1/2. The next area of resistance is around 448 and 449 3/4, while 1st support hits today at 443 1/2 and below there at 440 1/2.

DAILY WHEAT COMMENTARY

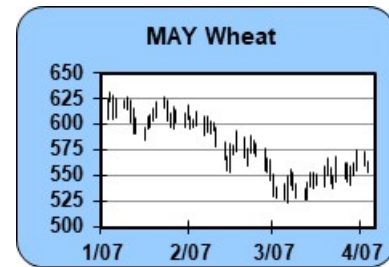
4/11/2024

Hot/windy across S Plains expected this weekend

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):

WHEAT -0.18

OVERNIGHT DEVELOPMENTS: Chicago wheat (JUL 24) prices overnight are down -1; Kansas City (JUL 24) up 1 3/4; and Minneapolis (MAY 24) down -1 1/2. MATIF Milling Wheat(MAY 24) was down -0.2%. Chicago wheat open interest as of April 10 was down 2,647 contracts and Minneapolis wheat was down 427 contracts.



NEAR-TERM MARKET FUNDAMENTALS: Divergent action yesterday between Kansas City and Chicago contracts was due to the weather concerns in the HRW belt with high winds and temperatures in some places in the low 90's this weekend in the southern Plains expected. In addition, frosty temperatures may be seen in the Dakotas late next week. The average Reuters estimate for today's USDA report for US ending stocks is 690 million bushels up from the March report at 673 million. World ending stocks are expected at 259.14 million tonnes, slightly above the March number of 258.83 million. We don't expect any game changing surprises from the USDA today for wheat, but a feed use cut is not out of the question which would raise carryout slightly from last month. Ukraine says Russia destroyed Kyiv's largest powerplant and Ukraine's railway operator suspended deliveries to the Black Sea port of Chornomorsk. No official reason was given for the suspension, but we assume it has to do with recent attacks and power grid issues. A US General in Europe said yesterday Ukraine is close to running out of artillery shells and air defense interceptors and faces a dire situation if weapon shipments do not arrive quickly. Weekly export sales estimates this morning are in the range of -100,000 tonnes to a positive 250,000 tonnes. May Kansas City closed convincingly above the 50-day moving average for the 1st time since December 7th. This raises the likelihood of further short covering in Kansas City wheat with the next important 100-day moving average resistance sitting at 610. May Chicago, on the other hand, still needs to close above its 50-day at 567 to open the door for additional gains. Look for any report break to be supported today due to the HRW stress in the Southwest Plains. CONAB updated Brazil's 2024 wheat output to 9.73 million tonnes, up from 9.588 last month.

TODAY'S MARKET IDEAS:

Traders are expecting a possible feed use cut by the USDA this morning, resulting in a slightly higher US carryout than last month. The southern Plains will see temperatures up to the low 90s this weekend with high winds and there is little precipitation the forecast for Western Kansas for the next 10 days. This is likely to support any bearish report reaction today and May Chicago 1st support is 549 with 543 next.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

WHEAT TECHNICAL OUTLOOK:

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WHEAT (MAY) 04/11/2024: The market now above the 40-day moving average suggests the longer-term trend has turned up. Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. The market's short-term trend is positive on the close above the 9-day moving average. The close over the pivot swing is a somewhat positive setup. The next downside target is now at 548 1/2. The next

area of resistance is around 564 1/4 and 571 1/2, while 1st support hits today at 552 3/4 and below there at 548 1/2.

KC WHEAT (MAY) 04/11/2024: The market now above the 60-day moving average suggests the longer-term trend has turned up. A positive indicator was given with the upside crossover of the 9 and 18 bar moving average. Momentum studies are rising from mid-range, which could accelerate a move higher if resistance levels are penetrated. The market now above the 18-day moving average suggests the intermediate-term trend has turned up. The market's close above the 2nd swing resistance number is a bullish indication. The near-term upside target is at 610 3/4. The next area of resistance is around 604 1/2 and 610 3/4, while 1st support hits today at 584 and below there at 570.

MINN WHEAT (MAY) 04/11/2024: Positive momentum studies in the neutral zone will tend to reinforce higher price action. The close above the 9-day moving average is a positive short-term indicator for trend. The close over the pivot swing is a somewhat positive setup. The near-term upside objective is at 667 3/4. The next area of resistance is around 658 3/4 and 667 3/4, while 1st support hits today at 644 3/4 and below there at 639 1/2.

RICE (MAY) 04/11/2024: Momentum studies are rising from mid-range, which could accelerate a move higher if resistance levels are penetrated. The cross over and close above the 18-day moving average indicates the intermediate-term trend has turned up. The market's close above the 2nd swing resistance number is a bullish indication. The next upside objective is 17.963. The next area of resistance is around 17.582 and 17.963, while 1st support hits today at 16.718 and below there at 16.234.

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	434 1/4	49.83	48.94	39.28	38.67	433.81	434.03	435.25	434.18	439.72
CNAN24	445 3/4	48.38	48.15	36.24	32.85	445.63	446.64	447.97	445.93	450.65
SSAK24	1164 3/4	35.19	40.40	23.76	14.43	1176.44	1179.92	1189.19	1178.77	1190.07
SSAN24	1178	34.94	40.45	23.14	13.70	1189.19	1192.97	1202.61	1190.31	1200.88
SMAK24	330.9	41.00	42.94	37.59	35.92	333.90	333.17	335.86	336.04	341.51
BOAK24	47.60	45.34	48.49	42.88	31.60	47.98	48.19	48.36	47.14	47.14
WHAK24	558 1/2	52.71	50.59	66.40	63.78	562.31	558.22	552.24	562.37	573.41
WHAN24	573 1/2	53.33	51.68	67.89	64.48	576.94	573.53	567.50	571.48	581.70
RCAK24	17.150	58.27	50.72	18.31	33.09	16.51	16.39	16.88	17.81	17.90
KWAK24	594 1/4	59.50	55.43	49.63	58.25	584.81	580.14	580.10	582.04	590.97
MWAK24	651 3/4	53.03	49.05	43.34	53.28	650.31	643.81	648.75	657.94	668.84
OTAK24	337 3/4	36.18	36.60	12.10	14.73	332.13	341.61	349.67	360.09	361.38

Calculations based on previous session. Data collected 04/10/2024

Data sources can & do produce bad ticks. Verify before use.

DAILY SWING STATISTICS

Contract		Support 2	Support 1	Pivot	Resist 1	Resist 2
GRAIN COMPLEX						
CNAK24	Corn	428 3/4	431 3/4	433 3/4	436 3/4	438 3/4
CNAN24	Corn	440 1/4	443 1/2	445	448	449 3/4
SSAK24	Soybeans	1150 1/2	1156	1168 1/4	1173 1/2	1186
SSAN24	Soybeans	1164 1/2	1169 1/2	1181 1/2	1186 1/2	1198 1/2
SMAK24	Soymeal	326.0	327.7	332.3	334.0	338.6
BOAK24	Soybean Oil	46.42	47.04	47.53	48.15	48.64
WHAK24	Wheat	548 1/2	552 3/4	560	564 1/4	571 1/2
WHAN24	Wheat	563 3/4	568	574 3/4	579	585 3/4
RCAK24	Rice	16.233	16.717	17.098	17.582	17.963
KWAK24	KC Wheat	570	584	590 1/2	604 1/2	611
MWAK24	MINN Wheat	639 1/2	644 1/2	653 3/4	659	668
OTAK24	Oats	324 1/4	332	336	343 1/2	347 3/4

Calculations based on previous session. Data collected 04/10/2024

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