

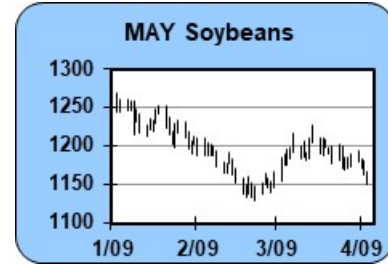


DAILY SOY COMPLEX COMMENTARY
4/12/2024

USDA stocks to use ratio 4-year high

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 up 4 1/4; Soymeal (JUL 24) up 1.60; and Soyoil (JUL 24) up 0.2. Soybean open interest as of April 11 was up 9,206 contracts, soymeal up 4,508 contracts, and soybean oil up 5,629. Chinese Dalian (MAY 24) Soybeans down 0.17%, Soymeal down 0.09%, Soyoil down 1.09%, Palm oil down 0.64%. Malaysian Palm was down 0.90%. Global equity markets overnight were mostly higher except for the Chinese and Australian markets, with the Chinese markets off considerably especially in Hong Kong where prices declined by more than 2%. Critical economic news released overnight included a contraction in New Zealand electronic credit card retail sales, a precipitous 0.5% decline in Japanese capacity utilization for February, a much larger than expected 0.6% decline in Japanese industrial production, steady but still problematic German consumer price index readings for March, slightly EP, better-than-expected GBP industrial production, softer than expected French consumer price index readings for March, much softer than expected Chinese March exports, much weaker than expected Chinese March imports, steady but residually hot Spanish CPI, and much weaker than expected Italian industrial sales for January. The North American session will start out with March readings for the US import price index and US export price index, both of which are forecast to have sizable increases from their February year-over-year readings. A private monthly survey of April US consumer sentiment is expected to have a minimal downtick from the previous 79.4 reading. Kansas City Fed President Schmid, Atlanta Fed President Bostic and San Francisco Fed President Daly will speak during afternoon US trading hours. Earnings announcements will include J.P. Morgan, Wells Fargo, BlackRock, and Citigroup before the Wall Street opening.



NEAR-TERM MARKET FUNDAMENTALS: USDA opted to make relatively minor adjustments to the US balance sheet yesterday but stopped short of raising crush and that resulted in higher ending stocks than anticipated, giving the report a bearish feel. The stocks-to-use ratio of 8.26% is the highest in 4 years. Surprisingly, USDA opted to leave Brazil production unchanged at 155 million despite the much lower number from CONAB Thursday morning. CONAB updated their Brazil production to 146.522 million tonnes, slightly down from last month at 146.8 million. The USDA offered no clarity on the unusually large discrepancy between USDA and CONAB's production numbers, which is still near 9 million tonnes. Furthermore, the Buenos Aires Grain Exchange updated their Argentina soy production number to 51 million tonnes, down from 52.5 million last month after USDA. The Eastern US bean belt is seeing some residual showers today and another round of precipitation looks possible for late next week. The Western belt will see some shower chances for the middle of next week. US bean crop area under drought dropped 1% to 22% this week compared to 20% a year ago. China says their March bean imports are down 20% from year ago to 5.54 million tonnes and January through March imports were down 10.8% from a year earlier. The 6 to 10 day forecast shows below normal temperatures moving into the Western corn belt which will keep the planting pace slow. May beans support is 1140 and the path of least resistance looks lower after yesterday's USDA report offered nothing for the bull camp.

TODAY'S MARKET IDEAS:

The huge discrepancy between USDA and CONAB was not resolved yesterday and that leaves a question mark surrounding global supplies. Technical indicators are oversold, and we may see some short covering to finish off the week. The fundamental picture remains negative. May support is 1140 and close-in resistance came down to 1168.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

SOYBEAN COMPLEX TECHNICAL OUTLOOK:

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SOYBEANS (MAY) 04/12/2024: 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 tilt is slightly negative with the close under the pivot. The next downside objective is 1143 3/4. The next area of resistance is around 1166 3/4 and 1174, while 1st support hits today at 1151 3/4 and below there at 1143 3/4.

SOYBEAN OIL (MAY) 04/12/2024: The close under the 60-day moving average indicates the longer-term trend could be turning down. 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 close below the 2nd swing support number puts the market on the defensive. The next downside target is now at 44.76. The next area of resistance is around 46.84 and 48.04, while 1st support hits today at 45.20 and below there at 44.76.

SOYMEAL (MAY) 04/12/2024: The market now above the 40-day moving average suggests the longer-term trend has turned up. The daily stochastics have crossed over up which is a bullish indication. Stochastics are at mid-range but trending higher, which should reinforce a move higher if resistance levels are taken out. The market's close above the 9-day moving average suggests the short-term trend remains positive. The upside closing price reversal on the daily chart is somewhat bullish. The market setup is supportive for early gains with the close over the 1st swing resistance. The near-term upside objective is at 340.5. The next area of resistance is around 338.6 and 340.5, while 1st support hits today at 332.6 and below there at 328.4.

DAILY CORN COMMENTARY

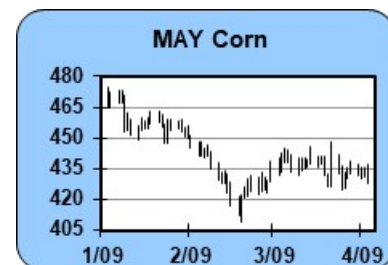
4/12/2024

USDA and CONAB have very different crop size ideas

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):

CORN +0.1

OVERNIGHT DEVELOPMENTS: Corn (JUL 24) prices overnight are up 1 1/4. Corn open interest as of April 11 was up 3,135 contracts. Chinese Dalian (MAY 24) Corn was down 0.42%.



NEAR-TERM MARKET FUNDAMENTALS: USDA raised ethanol and projected larger feed/residual usage yesterday, which reduced carryout but not by quite as much as the trade was thinking. World ending stocks were 1.5 million tonnes above the average guess. The major surprise of the report was USDA left Brazil corn production unchanged at 124 million tonnes when just hours earlier, CONAB, Brazil's USDA equivalent, updated their production number to 110.964 million. Also, the Buenos Aires GRAIN exchange dropped their Argentine corn crop from 52 million tonnes down to 49 million, while USDA lowered Argentine production 1 million tonnes yesterday to 55 million. So, USDA is 13 million above CONAB for Brazil and 6 million above for Argentina, resulting in a possible global supply swing of 18 million tonnes, which for reference, is 35% of total US corn exports. USDA's stocks to use ratio was 14.52%

yesterday, compared to 9.89% last year. US crop area under drought shrank 1% to 23%, down from 28% year ago. The 6 to 10 day forecast has below normal temperatures moving into the Western corn belt and above normal temperatures in the Eastern corn belt. Over the next 5 days most areas across Midwest will see some showers, except for the Southwest Plains. The global supply uncertainty is likely to support price breaks until the US crop gets in the ground with a good start. 460 on December corn should offer strong support.

TODAY'S MARKET IDEAS:

USDA and CONAB did not resolve their large production discrepancy of 13 million tonnes, which keeps a high degree of uncertainty around global supplies. We doubt the market can collapse in the current environment. Key support remains at the March 28th low of 460 3/4 and we favor bull option positions if December corn moves below 462.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

CORN TECHNICAL OUTLOOK:

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CORN (MAY) 04/12/2024: The market back below the 40-day moving average suggests the longer-term trend could be turning down. Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The outside day down and close below the previous day's low is a negative signal. 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 420 3/4. The next area of resistance is around 433 3/4 and 440 1/2, while 1st support hits today at 423 3/4 and below there at 420 3/4.

CORN (JUL) 04/12/2024: The close under the 40-day moving average indicates the longer-term trend could be turning down. 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 outside day down is a negative signal. The market's close below the 1st swing support number suggests a moderately negative setup for today. The next downside objective is now at 433 1/2. The next area of resistance is around 445 3/4 and 452 1/4, while 1st support hits today at 436 1/4 and below there at 433 1/2.

DAILY WHEAT COMMENTARY

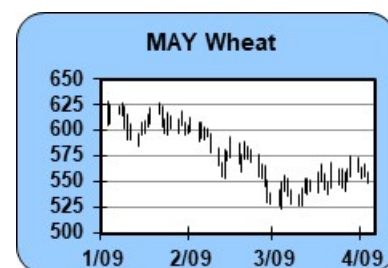
4/12/2024

SW US Plains dry/hot this weekend

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):

WHEAT +0.1

OVERNIGHT DEVELOPMENTS: Chicago wheat (JUL 24) prices overnight are up 2 1/2; Kansas City (JUL 24) up 3 3/4; and Minneapolis (MAY 24) down -1/2. MATIF Milling Wheat(MAY 24) was up 0.9%. Chicago wheat open interest as of April 11 was up 1,534 contracts and Minneapolis wheat was down 833 contracts.



NEAR-TERM MARKET FUNDAMENTALS: US wheat ending stocks were higher than expected yesterday on reduced domestic use but world ending stocks were slightly below guesses. USDA's only change to world

supplies was a slight reduction in the EU crop. CONAB updated Brazil's wheat production to 9.73 million tonnes, compared to 9.588 million last month. Overall, neither report had any surprise nor did not change the overall bearish fundamental picture. However, open interest has declined on the break over the last week, and we see signs prices may be ready for a short covering rally in the near-term after testing trendline support Thursday. The muted reaction to yesterday's bearish ending stocks is another sign the market may be sold out for the moment. The Southwest Plains remain the least favored for moisture over the next 10 days and temperatures will be up to 90 across Kansas this weekend, sapping soil moisture. Chilly temperatures are moving into the northern and central Plains late next week. US wheat area under drought was unchanged this week at 18%. Ukraine says relentless Russian bombardment has damaged the railway entering the Chornomorsk port facility and operations have been halted temporarily. Ukraine exports are likely to be down for the month of April. Plains weather will be an underlying supportive factor and May Chicago hit trendline resistance at 548 yesterday. A run up to moving average resistance at 564 is possible.

The Export Sales Report showed that for the week ending April 4, net wheat sales came in at 80,720 tonnes for the current marketing year and 274,390 for the next marketing year for a total of 355,110. Cumulative sales have reached 95.4% of the USDA forecast for the 2023/2024 marketing year versus a 5-year average of 92.6%. Sales need to average 42,000 tonnes per week to reach the USDA forecast.

TODAY'S MARKET IDEAS:

USDA made the expected usage cuts and Thursday's report had little for the bull camp. US SW Plains weather looks dry and hot this weekend, but colder temperatures next week for the northern and central Plains may add additional market support. If trendline support at 548 on May Chicago holds today, we could see a run up to next resistance at 564. We look for short covering today to finish out the week.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

WHEAT TECHNICAL OUTLOOK:

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WHEAT (MAY) 04/12/2024: The market back below the 40-day moving average suggests the longer-term trend could be turning down. Declining momentum studies in the neutral zone will tend to reinforce lower price action. The market back below the 18-day moving average suggests the intermediate-term trend could be turning down. The market setup is somewhat negative with the close under the 1st swing support. The next downside objective is 541 1/2. The next area of resistance is around 557 1/2 and 564 1/4, while 1st support hits today at 546 and below there at 541 1/2.

KC WHEAT (MAY) 04/12/2024: The close under the 60-day moving average indicates the longer-term trend could be turning down. A negative indicator was given with the downside crossover of the 9 and 18 bar moving average. 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 downside closing price reversal on the daily chart is somewhat negative. The market setup is somewhat negative with the close under the 1st swing support. The next upside target is 602. The next area of resistance is around 591 and 602, while 1st support hits today at 575 1/2 and below there at 570 3/4.

MINN WHEAT (MAY) 04/12/2024: Momentum studies are rising from mid-range, which could accelerate a move higher if resistance levels are penetrated. The close below the 18-day moving average is an indication the intermediate-term trend has turned down. There could be some early pressure today given the market's negative setup with the close below the 2nd swing support. The next upside target is 655 1/4. The next area of resistance is around 644 3/4 and 655 1/4, while 1st support hits today at 629 1/4 and below there at 624 1/2.

RICE (MAY) 04/12/2024: 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. It is a slightly negative indicator that the close was lower than the pivot swing number. The near-term upside target is at 17.438. The next area of resistance is around 17.122 and 17.438, while 1st support hits today at 16.618 and below there at 16.429.

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	42.64	44.29	36.78	31.79	432.44	432.56	434.81	433.69	439.28
CNAN24	441	41.93	43.95	32.75	25.78	444.19	445.14	447.53	445.50	450.27
SSAK24	1159 1/4	32.24	38.35	20.57	14.19	1170.00	1176.33	1187.03	1177.68	1188.75
SSAN24	1172 1/2	31.92	38.34	20.06	13.92	1183.13	1189.33	1200.39	1189.30	1199.65
SMAK24	335.6	51.32	49.27	38.66	40.81	334.53	332.93	335.91	335.62	340.98
BOAK24	46.02	33.21	39.70	35.01	19.27	47.26	47.97	48.17	47.13	47.11
WHAK24	551 3/4	46.51	47.02	62.66	55.17	558.44	557.28	553.53	561.23	572.67
WHAN24	566 1/4	46.58	47.68	63.62	55.07	573.06	572.47	568.74	570.61	581.05
RCAK24	16.870	50.93	46.10	25.47	39.80	16.69	16.44	16.82	17.77	17.88
KWAK24	583 1/4	51.10	50.30	52.16	57.22	585.06	579.92	581.04	581.32	590.60
MWAK24	637	38.39	40.49	43.75	44.56	647.56	642.92	648.22	656.67	667.78
OTAK24	347 3/4	51.43	46.96	17.70	28.91	336.25	340.58	348.67	359.58	361.27

Calculations based on previous session. Data collected 04/11/2024

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	420 1/2	423 3/4	430 1/2	433 3/4	440 1/2
CNAN24	Corn	433 1/2	436 1/4	443	445 3/4	452 1/2
SSAK24	Soybeans	1143 3/4	1151 1/2	1159	1167	1174 1/4
SSAN24	Soybeans	1156	1164 1/2	1172	1180 1/2	1188
SMAK24	Soymeal	328.3	332.5	334.4	338.6	340.5
BOAK24	Soybean Oil	44.76	45.20	46.40	46.84	48.04
WHAK24	Wheat	541 1/2	546	553	557 1/2	564 1/2
WHAN24	Wheat	555 1/2	560 1/4	567 1/2	572 1/4	579 1/2
RCAK24	Rice	16.428	16.617	16.933	17.122	17.438
KWAK24	KC Wheat	570 1/2	575 1/2	586 1/4	591	602
MWAK24	MINN Wheat	624 1/2	629 1/4	640	644 3/4	655 1/2
OTAK24	Oats	336 1/2	343 1/4	345 1/2	352 1/4	354 1/2

Calculations based on previous session. Data collected 04/11/2024

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