



DAILY GRAINS COMMENTARY

Thursday April 18, 2024

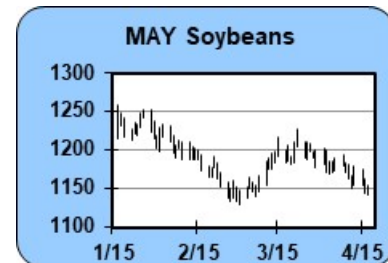
DAILY SOY COMPLEX COMMENTARY

4/18/2024

Brazil harvest nearing 90% complete

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):
SOY BEANS -0.1, BEAN OIL +0.0, SOYMEAL -0.2

OVERNIGHT DEVELOPMENTS: Soybeans (JUL 24) prices overnight are down -5 3/4; Soymeal (JUL 24) down -1.90; and Soyoil (JUL 24) down -0.24. Soybean open interest as of April 17 was down 5,398 contracts, soymeal up 2,144 contracts, and soybean oil down 2,477. Chinese Dalian (MAY 24) Soybeans down 0.15%, Soymeal down 0.57%, Soyoil down 0.37%, Palm oil down 0.90%. Malaysian Palm was down 0.57%. Global equity markets traded higher overnight with gains largely less than 0.5%. Critical economic news released overnight included significant (less dovish) central banker dialogue flowing from the IMF meeting, a weaker than expected Australian employment reading for March, residual weakness in Australian bank business confidence readings, slight uptick in Australian unemployment (but softer than expected), softer Swiss trade activity in euro zone construction output for February. The North American session will start out with a weekly reading on initial jobless claims that are expected to have a modest uptick from the previous 211,000 reading. Ongoing jobless claims are forecast to have a minimal weekly increase from the previous 1.817 million reading. The April Philly Fed manufacturing survey is expected to have a mild downtick from March's 3.2 reading. March existing home sales are forecast to have a moderate downtick from February's 4.38 million annualized rate. The Conference Board's March reading on leading indicators is expected to have a minimal downtick from February's 0.1% reading. Fed Governor Bowman, New York Fed President Williams and Atlanta Fed President Bostic will speak during morning US trading hours. Earnings announcements will include Elevance Health, Marsh & McLennan, Blackstone and Infosys before the Wall Street opening while Netflix and Intuitive Surgical report after the close.



NEAR-TERM MARKET FUNDAMENTALS: More rain is falling across Nebraska and Iowa this morning and the central Midwest looks to have an active pattern in the 2nd week of the forecast as well, which gives the edge to the bear camp today. Brazil's currency reversed up Wednesday after hitting a 10-month low, reducing the incentive for Brazil farmers to sell cash grain. Brazil harvest is nearing 90% complete, which means weather focus will be solely on the US and Argentina. Argentina looks mostly dry for the next 5 days which is welcome after recent rains. Paraguay, the third-largest global bean exporter, is expected to see a record 10.4 million tonne soy harvest, but low River levels are hindering exports. Weekly export sales this morning are expected in a range of 300,000 to 650,000 tonnes for beans and 100,000 to 300,000 tonnes for soybean meal. China's March bean imports were 5.54 million tonnes down 15.3% year-over-year, year-to-date bean imports are down 10.8%. In the category of something to keep an eye on, a major volcanic eruption occurred Wednesday in Indonesia and many of us remember the eruption of Mount Pinatubo in the Philippines, which altered weather patterns across the southern hemisphere. It is way too early to say if that will be the case this time but certainly must be monitored. July beans have taken back the small gains of Wednesday and key support remains at the contract low of 1140 1/2. With an active pattern across the US Midwest seen as bearish, the path of least resistance looks lower.

TODAY'S MARKET IDEAS:

Technical indicators are oversold and near levels where the market previously bottomed back in late February. However, there is a dearth of bullish news and rally power looks limited. Despite a minor bounce Wednesday, July beans appear to still be targeting the contract low of 1140 1/2. Indonesian volcano eruption fallout must be watched closely for any influence on southern hemisphere weather patterns.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

SOYBEAN COMPLEX TECHNICAL OUTLOOK:

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SOYBEANS (JUL) 04/18/2024: 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 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 objective is now at 1151. The next area of resistance is around 1170 1/2 and 1176 1/4, while 1st support hits today at 1158 and below there at 1151.

SOYBEAN OIL (JUL) 04/18/2024: Daily stochastics are trending lower but have declined into oversold territory. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The market has a slightly positive tilt with the close over the swing pivot. The next downside objective is 44.80. Some caution in pressing the downside is warranted with the RSI under 30. The next area of resistance is around 45.92 and 46.24, while 1st support hits today at 45.20 and below there at 44.80.

SOYMEAL (JUL) 04/18/2024: The major trend could be turning up with the close back above the 40-day moving average. Momentum studies are trending higher from mid-range, which should support a move higher if resistance levels are penetrated. The cross over and close above the 18-day moving average is an indication the intermediate-term trend has turned positive. The daily closing price reversal up on the daily chart is somewhat positive. Market positioning is positive with the close over the 1st swing resistance. The next upside objective is 344.3. The next area of resistance is around 342.3 and 344.3, while 1st support hits today at 337.3 and below there at 334.4.

DAILY CORN COMMENTARY

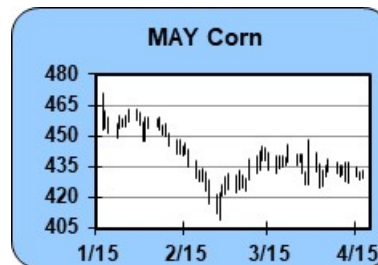
4/18/2024

Midwest rains pressure

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):

CORN -0.1

OVERNIGHT DEVELOPMENTS: Corn (JUL 24) prices overnight are down -1 1/4. Corn open interest as of April 17 was up 1,016 contracts. Chinese Dalian (MAY 24) Corn was up 0.21%.



NEAR-TERM MARKET FUNDAMENTALS: Rains are falling across the central Midwest and an active pattern for week 2 is pressuring prices to the low-end of the recent range, despite warnings regarding stunt disease in Argentina. The Rosario Grain Exchange yesterday said cuts to the Argentine crop will be coming due to the proliferation of stunt disease, which in some northern provinces is resulting in 40 - 50% losses. The Argentine government is accelerating approval of insecticides, but it will come too late for the current crop. July corn prices seem unconcerned with this seemingly bullish news as trader focus is on soil replenishing rains falling across the Midwest and more is expected next week. A volcanic eruption in Indonesia could influence southern hemisphere weather patterns. Traders should keep a close eye on the ash cloud, which is not currently as large as Mount Pinatubo's eruption in the Philippines in 1991 but is growing. China's March imports were 1.71 million tonnes, down 22% year-over-year but year-to-

date imports are up 5.1%. Weekly export sales are expected in a range of 300,000 to 900,000 tonnes. This week's strong US Dollar does put somewhat of a damper on US competitiveness, although there are few cheaper alternatives for global buyers, other than Ukraine, where delays and shipping risks must be considered. Deliveries into the Ukrainian port of Chornomorsk remain halted due to infrastructure damage. The US Foreign Ag Service (FAS) says Ukraine corn acreage is expected to be down 8% due to low profits compared to oilseed crops. Exports are expected to be down 9%, the lowest since 2017/18. Ethanol production dropped more than expected and hit a 3-month low, mainly due to plants taking maintenance downtime. July corn is testing the low on March 28th of 438 1/2 and may finally be ready to breakout of the 14-day tight trading range. Technically, the market is overdue for a breakout and a move down below the recent range could trigger sell stops and send the market down closer to the contract low of 422 1/4. Buying support should increase if the market falls below 430.

Ethanol average daily production for the week ending April 12 averaged 0.983 million barrels. This was down 6.9% from last week and down 4.0% from last year. The 5-year average for this week is 0.900 million barrels per day. Ethanol production for the week was 6.881 million barrels. Ethanol stocks were 26.080 million barrels. This was down 0.5% from last week and up 3.1% from last year. The 5-year average stocks for this week is 24.060 million barrels. The amount of corn used for the week is estimated at 97.57 million bushels. Cumulative corn use for the crop year has reached 3.306 billion bushels. Corn use needs to average 102.71 million bushels per week to meet the USDA's marketing year forecast of 5.375 billion bushels.

TODAY'S MARKET IDEAS:

July corn is still within the recent range but testing the bottom end. A drop below 438 1/2 would be bearish for the short-term although we think good support will be evident if July prices test 430 or below. Perhaps the Indonesian volcanic eruption may spark some longer term worries over global weather patterns.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

CORN TECHNICAL OUTLOOK:

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CORN (JUL) 04/18/2024: Momentum studies are still bearish but are now at oversold levels and will tend to support reversal action if it occurs. 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 target is 438 1/4. The next area of resistance is around 442 3/4 and 445 1/4, while 1st support hits today at 439 1/4 and below there at 438 1/4.

CORN (DEC) 04/18/2024: Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. 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 objective is 461 1/2. The next area of resistance is around 466 3/4 and 469 3/4, while 1st support hits today at 462 3/4 and below there at 461 1/2.

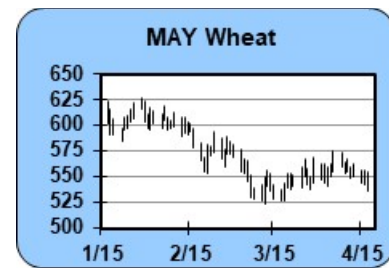
DAILY WHEAT COMMENTARY

4/18/2024

US and French wheat at parity, Ukraine cheapest

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):
WHEAT +0.25

OVERNIGHT DEVELOPMENTS: Chicago wheat (JUL 24) prices overnight are up 2 3/4; Kansas City (JUL 24) up 4 1/4; and Minneapolis (JUL 24) up 7. MATIF Milling Wheat(MAY 24) was up 0.1%. Chicago wheat open interest as of April 17 was up 1,530 contracts and Minneapolis wheat was down 3,370 contracts.



NEAR-TERM MARKET FUNDAMENTALS: The bearish theme of plentiful world supplies was center stage Wednesday as Egypt and Jordan tenders found plenty of wheat offers. In addition, updated weather models added some rains to the eastern part of the southern Plains, including the eastern half of Kansas and central and northern Texas over the next 10 days but the southwest growing areas remain the driest. Bullish headlines include US Foreign Ag Service saying Ukraine 2024/25 grain (wheat, corn, barley) acreage would be down 3%, with wheat sown area down 5%, resulting in a 27% decline in estimated exports, the lowest since 2014/2015. Ukraine's railway operator extended the halt in rail shipments to the Chornomorsk port that was damaged by Russia last week. Furthermore, in the 1st indication that global buyers may be nervous of geopolitical tensions causing food price spikes, the FAS says Jordan has begun to fill their wheat reserves. Temperatures are rising in the dry areas of southern Russia, responsible for 30% of wheat production. The Buenos Aires Grain Exchange says Argentina is 2024/25 wheat sown area is forecast at 5.9 million hectares, unchanged from last season. Weekly export sales this morning are expected in a range of -100,000 to a positive 200,000 tonnes. While price action has been weak so far this week, there may be enough bullish headlines around to give the market a short covering rally into the weekend. July Chicago resistance is 569 3/4 and we wouldn't be surprised of a test of that level by Friday's close.

TODAY'S MARKET IDEAS:

Technical action was poor on Wednesday but there are a few bullish headlines to give the bull camp some hope, including the potential for altered weather patterns due to the Indonesian volcanic eruption yesterday. Important retracement support on July Chicago at 557 was breached Wednesday but if prices do not follow through lower, we would expect a short covering bounce into the end of the week.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

WHEAT TECHNICAL OUTLOOK:

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WHEAT (JUL) 04/18/2024: Daily stochastics are trending lower but have declined into oversold territory. 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 downside objective is now at 537 1/2. The next area of resistance is around 561 3/4 and 575 1/4, while 1st support hits today at 542 3/4 and below there at 537 1/2.

KC WHEAT (JUL) 04/18/2024: 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 could accelerate a price break if support levels are broken. The market back below the 18-day moving average suggests the intermediate-term trend could be turning down. The market's close below the 1st swing support number suggests a moderately negative setup for today. The next downside target is

now at 557 1/2. The next area of resistance is around 578 1/4 and 589 1/2, while 1st support hits today at 562 1/4 and below there at 557 1/2.

MINN WHEAT (JUL) 04/18/2024: Momentum studies are still bearish but are now at oversold levels and will tend to support reversal action if it occurs. 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 632. The next area of resistance is around 644 and 651, while 1st support hits today at 634 1/2 and below there at 632.

RICE (MAY) 04/18/2024: Studies are showing positive momentum but are now in overbought territory, so some caution is warranted. The close above the 9-day moving average is a positive short-term indicator for trend. Market positioning is positive with the close over the 1st swing resistance. The next upside target is 19.325. The 9-day RSI over 70 indicates the market is approaching overbought levels. The next area of resistance is around 19.120 and 19.325, while 1st support hits today at 18.540 and below there at 18.165.

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										
CNAN24	441	42.75	44.51	26.80	21.34	443.81	444.31	445.75	444.67	448.94
CNAZ24	464 3/4	41.13	44.22	41.28	33.67	468.31	469.25	470.47	467.12	469.44
SSAN24	1164 1/4	35.30	38.77	16.85	13.79	1170.75	1179.14	1191.03	1186.18	1195.45
SSAX24	1161 1/4	37.95	42.00	24.70	20.81	1165.81	1171.56	1178.81	1166.99	1171.25
SMAN24	339.8	51.79	50.22	51.91	57.66	340.08	338.50	339.00	338.33	342.92
BOAN24	45.56	27.86	35.28	14.59	8.62	45.88	47.12	47.97	47.39	47.34
WHAN24	552 1/4	35.12	40.40	43.31	27.97	563.81	569.92	569.19	567.19	578.18
WHAZ24	593 1/4	34.75	41.24	43.89	26.03	603.31	609.92	608.97	599.51	608.42
RCAK24	18.830	77.34	69.37	65.99	84.12	18.19	17.30	16.94	17.71	17.90
KWAN24	570 1/4	43.47	45.90	64.24	60.93	579.94	580.47	577.54	572.55	582.64
MWAN24	639 1/4	35.66	38.73	36.09	28.02	644.56	650.64	651.86	657.96	669.29
OTAN24	340	48.23	45.41	37.01	44.58	340.31	334.67	341.54	352.04	355.53

Calculations based on previous session. Data collected 04/17/2024
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						
CNAN24	Corn	438 1/4	439 1/4	441 3/4	442 3/4	445 1/4
CNAZ24	Corn	461 1/4	462 1/2	465 1/2	467	469 3/4
SSAN24	Soybeans	1151	1158	1163 3/4	1170 1/2	1176 1/2
SSAX24	Soybeans	1148 3/4	1155 1/2	1160 1/4	1167	1171 3/4
SMAN24	Soymeal	334.3	337.3	339.3	342.3	344.3
BOAN24	Soybean Oil	44.80	45.20	45.52	45.92	46.24
WHAN24	Wheat	537 1/2	542 3/4	556 1/2	561 3/4	575 1/2
WHAZ24	Wheat	580 1/2	585	596 3/4	601 1/2	613
RCAK24	Rice	18.165	18.540	18.745	19.120	19.325
KWAN24	KC Wheat	557 1/2	562 1/4	573 1/2	578 1/4	589 1/2
MWAN24	MINN Wheat	632	634 1/2	641 1/2	644	651
OTAN24	Oats	325 3/4	334	337 3/4	346	349 3/4

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