



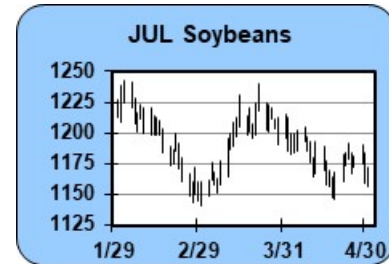
DAILY GRAINS COMMENTARY Thursday May 02, 2024

DAILY SOY COMPLEX COMMENTARY 5/2/2024

Flooding in S Brazil where beans are left to harvest

**OVERNIGHT CHANGES THROUGH 6:06 AM (CT):
SOY BEANS +0.1, BEAN OIL +0.0, SOYMEAL +0.4**

OVERNIGHT DEVELOPMENTS: Soybeans (JUL 24) prices overnight are up 10 1/2; Soymeal (JUL 24) up 3.50; and Soyoil (JUL 24) up 0.28. Soybean open interest as of May 1 was up 7,691 contracts, soymeal down 2,730 contracts, and soybean oil up 1,101. Malaysian Palm was up 0.68%. Global equity markets overnight were evenly mixed between winners and losers. Clearly, the markets managed to spin yesterday's Fed meeting results into a positive by discounting the Fed's statement that "progress on inflation had stalled" and instead the trade embraced relief that the Fed was not looking at further rate increases to rekindle progress on inflation. Critical economic news released overnight included a contraction in New Zealand building permits, a smaller than expected gain in Australian building permits, softer Australian trade figures, softer than expected Japanese consumer confidence, higher-than-expected Swiss consumer price readings for April, stronger-than-expected Spanish manufacturing PMI, better than expected French, German, and euro zone HCOB manufacturing PMI readings for April, disappointing Italian HCOB manufacturing PMI and a contraction in Italian producer price index readings for March. The North American session will start out with the April Challenger job cut survey followed by a weekly reading on initial jobless claims which are expected to have a mild uptick from the previous 207,000 reading. Ongoing jobless claims are forecast to have a moderate weekly increase from the previous 1.781 million reading. The March US international trade balance is expected to have a minimal increase from February's \$68.9 billion monthly deficit. March Canadian international merchandise trade is forecast to have a mild uptick from February's monthly surplus. First quarter non-farm productivity is expected to have a sizable downtick from the previous 3.2% reading. First quarter unit labor costs are forecast to have a sizable increase from the previous 0.4% reading. March factory orders are expected to have a modest uptick from February's 1.4% reading. April US vehicle sales are forecast to have a mild uptick from March's 15.5 million annualized rate. Earnings announcements will include Conoco Phillips, Southern Company, Intercontinental Exchange, and Zoetis before the Wall Street opening while Apple, Amgen and Booking Holdings report after the close.



NEAR-TERM MARKET FUNDAMENTALS: This week's selloff across commodities was partly due to worries that the Fed comments would be aggressively hawkish in their inflation fight. The Fed left rates unchanged yesterday and traders focused on Chairman Powell's comments that rate cuts are still on the table for later this year and no rate hikes are expected, which has taken some pressure off the grain complex and gives the edge to the bull camp today. This morning's weekly export sales are expected in a range of 100,000 - 700,000 tonnes on beans, 150,000 - 350,000 tonnes on meal and 0 - 10,000 on bean oil. Heavy rains moved through Eastern Nebraska and Iowa overnight and more is expected over the next week. There were 386 May bean deliveries overnight, 11 soymeal and 477 bean oil. NASS soybean crush for March came out below estimates but still a new record high for the month. India's April soyoil imports were up 41% from year ago, the highest in 10 months. US Gulf basis is steady/higher on firm freight rates. CONAB says Brazil harvest is 91% complete but the area left to harvest is seeing flooding rains, which is likely to damage crop quality. Roughly 8-9 million tonnes are left to harvest. Brazil export prices are moving higher, just as their harvest is near finished, and that is giving bean traders a reason to buy after the sharp selloff Tuesday. A rebound in prices to finish the week is expected, and key resistance stands at 1192 on July futures. Longer-term bearish fundamentals remain a headwind, but a near-term rally is anticipated as the final 10% of the Brazilian bean harvest looks to be less than ideal.

US NASS soybean crush hit a new record high for the month of March at 203.73 million bushels versus the

previous record of 197.97 million in 2023 compared to expectations of 205.97 million and was below the low-end of pre-report estimates. The March average is 188.81 million bushels. US soybean crush pace hit a new record high for the month of March at 6.57 million bushels versus the previous record of 6.39 million in 2023. The March average crush pace is 6.09 million bushels per day.

US soybean oil stocks in March came in at 2.369 billion pounds versus 2.148 last month and 2.388 last year and compared to expectations of 2.294 billion pounds. The average stock level for this time of year is 2.345 billion pounds. The largest stock level for this month was 2.434 (2022) and lowest was 2.245 (2021). Current stock levels are running at 0.14% of USDA ending stocks estimates for the year.

TODAY'S MARKET IDEAS:

Heavy precipitation continues across parts of the central corn belt and problems with the final 10% of Brazil harvest are positives, along with Powell's comments yesterday, which were less hawkish than expected. July bean nearby resistance is 1192 with .618 retracement resistance at 1204. Key support is the April low at 1145 3/4 and the contract low from late February at 1140 1/2. The path of least resistance looks higher through week's end.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

SOYBEAN COMPLEX TECHNICAL OUTLOOK:

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SOYBEANS (JUL) 05/02/2024: The upside crossover (9 above 18) of the moving averages suggests a developing short-term uptrend. Momentum studies are trending higher from mid-range, which should support a move higher if resistance levels are penetrated. A negative signal for trend short-term was given on a close under the 9-bar moving average. The daily closing price reversal up on the daily chart is somewhat positive. The market has a slightly positive tilt with the close over the swing pivot. The next upside target is 1182 1/4. The next area of resistance is around 1177 3/4 and 1182 1/4, while 1st support hits today at 1162 3/4 and below there at 1152.

SOYBEAN OIL (JUL) 05/02/2024: 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. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The next downside target is now at 42.50. With a reading under 30, the 9-day RSI is approaching oversold levels. The next area of resistance is around 43.66 and 44.11, while 1st support hits today at 42.86 and below there at 42.50.

SOYMEAL (JUL) 05/02/2024: Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. A positive signal for trend short-term was given on a close over the 9-bar moving average. The market's close below the pivot swing number is a mildly negative setup. The next downside objective is now at 342.9. The next area of resistance is around 351.6 and 353.4, while 1st support hits today at 346.4 and below there at 342.9.

DAILY CORN COMMENTARY

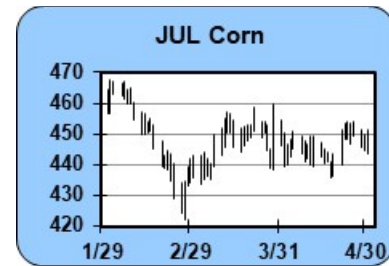
5/2/2024

Brazil heat/dryness and US wetness supportive into end of week

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):

CORN +0.4

OVERNIGHT DEVELOPMENTS: Corn (JUL 24) prices overnight are up 5. Corn open interest as of May 1 was up 12,414 contracts.



NEAR-TERM MARKET FUNDAMENTALS: Anticipated aggressive action by the Fed due to the recent sticky inflation numbers was mitigated yesterday after Chairman Powell indicated no rate hikes are in the forecast and rate cuts are still on the table for late this year. This lifted the bearish pale that has hung over the commodity markets this week, and we give the edge to the bull camp. Heavy rains moved across Eastern Nebraska, Iowa, southern Minnesota and far northeast Kansas overnight and additional rains are expected through next week. Low temperatures in the low 30s are forecast for Saturday in the northern Plains before temperatures warm up next week. On the other hand, Brazil's safrinha corn areas are mostly dry and hot. Also relieving some of the bearish pressure, USDA said 30 samples of retail ground beef tested negative for bird flu fragments. This morning's weekly export sales are expected in a range of 650,000 - 1,300,000 tonnes. Corn use for ethanol in March was 468.8 million bushels up 7 1/2% from a year ago. DDG production was 1.932 million tonnes, up 13.3% from year ago. Ukraine's deputy Ag minister says the war will likely take a toll on 2024/25 Ukraine corn production which could fall to 20 - 21 million tonnes compared to 27 million year ago. Ukraine is the cheapest supplier of corn around the globe and slower exports from that region will encourage more buying from the next cheapest country, the US. Ukraine's exportable surplus of corn is pegged to be only 3-4 million tonnes until September's new crop harvest. Significant exportable supplies out of Brazil are not expected until June/July. There were 233 may deliveries overnight. July corn prices are still rangebound but look to be ready for a test of the upper boundary at 460, especially if Midwest rains continue as farmers may opt for less corn acres. A move above 460 could send prices to next significant resistance at 488.

Ethanol average daily production for the week ending April 26 averaged 0.987 million barrels. This was up 3.5% from last week and up 1.1% from last year. The 5-year average for this week is 0.890 million barrels per day. Ethanol production for the week was 6.909 million barrels. Ethanol stocks were 25.488 million barrels. This was the lowest since February 2. This was down 1.0% from last week and up 9.1% from last year. The 5-year average stocks for this week is 23.204 million barrels. The amount of corn used for the week is estimated at 97.97 million bushels. Cumulative corn use for the crop year has reached 3.499 billion bushels. Corn use needs to average 103.41 million bushels per week to meet the USDA's marketing year forecast of 5.375 billion bushels.

TODAY'S MARKET IDEAS:

July corn made a new high for the month overnight and looks ready for a test of the upper range boundary at 460. A move above that level would target the 200-day moving average resistance at 488, which the market has not been above since late June 2023. Dryness in safrinha areas of Brazil and US planting delays are supportive to finish out the week.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

CORN TECHNICAL OUTLOOK:

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CORN (JUL) 05/02/2024: The market now above the 40-day moving average suggests the longer-term trend has turned up. Rising stochastics at overbought levels warrant some caution for bulls. 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. Market positioning is positive with the close over the 1st swing resistance. The next upside target is 456 3/4. The next area of resistance is around 454 1/2 and 456 3/4, while 1st support hits today at 447 and below there at 441 1/2.

CORN (DEC) 05/02/2024: The major trend could be turning up with the close back above the 40-day moving average. Studies are showing positive momentum but are now in overbought territory, so some caution is warranted. The intermediate trend could be turning up with the close back above the 18-day moving average. The daily closing price reversal up is a positive indicator that could support higher prices. A positive setup occurred with the close over the 1st swing resistance. The near-term upside objective is at 478 3/4. The next area of resistance is around 476 1/2 and 478 3/4, while 1st support hits today at 469 and below there at 463 3/4.

DAILY WHEAT COMMENTARY

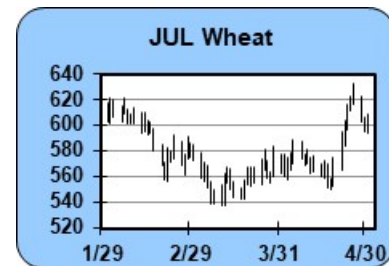
5/2/2024

Forecast reduces coverage in Black Sea dry areas

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):

WHEAT +0.93

OVERNIGHT DEVELOPMENTS: Chicago wheat (JUL 24) prices overnight are up 11; Kansas City (JUL 24) up 10; and Minneapolis (JUL 24) up 2 1/2. MATIF Milling Wheat(SEP 24) was up 0.8%. Chicago wheat open interest as of May 1 was down 398 contracts and Minneapolis wheat was down 2,407 contracts.



NEAR-TERM MARKET FUNDAMENTALS: The anticipated pullback in wheat may have run its course as prices are rebounding today on shrinking rain coverage forecasts in Southwest Russia and we give the edge to the bull camp. Central Texas and central Oklahoma received precipitation overnight along with parts of northern Kansas and the extended GFS model is trying to push rains further west into Western Kansas and northwest Oklahoma in the 11-15 day timeframe. Confidence that far out is low. Moisture improvements in many areas outside of Southwest Kansas may keep conditions from falling on next Monday's crop progress report. Ukraine's wheat export prices hit an 11-month high, and stocks are beginning to dwindle, which should begin to slow the export pace until new crop harvest. Ukraine's deputy Ag minister says the war may take its toll on wheat production in 2024/25 and he expects a drop to 14 million tonnes from 18 million last season. There were 211 SRW May deliveries overnight. Canadian railway workers indicated they will go on strike May 22. The US has gained additional export share during previous strikes, and this could be the case again this time if the strike goes on as planned. LSEG left their Russian production estimate unchanged at 89.8 million tonnes but said the crop needs rain. Weekly export sales are expected in a range of -100,000 to a positive 100,000. July Chicago wheat got within a couple cents of 50% retracement support at 592 on Wednesday and has rebounded. While a push down to .618 retracement support at 582 is not out of the question, last week's strong rally indicates a market low has been made and we think buyers will step up on a further pullback.

TODAY'S MARKET IDEAS:

This week's pullback on July Chicago uncovered buying after testing the 100-day moving average and 50% retracement support Wednesday. If the downswing extends further, 0.618 retracement support could be reached at 582. We think the bull camp retains the edge into the weekend and buying pullbacks is the favored strategy.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

WHEAT TECHNICAL OUTLOOK:

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WHEAT (JUL) 05/02/2024: Momentum studies trending lower at mid-range should accelerate a move lower if support levels are taken out. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The daily closing price reversal down is a negative indicator for prices. The market's close below the pivot swing number is a mildly negative setup. The next downside objective is 585. The next area of resistance is around 606 3/4 and 615 1/4, while 1st support hits today at 591 3/4 and below there at 585.

KC WHEAT (JUL) 05/02/2024: Stochastics turning bearish at overbought levels will tend to support lower prices if support levels are broken. The close below the 9-day moving average is a negative short-term indicator for trend. The market setup is somewhat negative with the close under the 1st swing support. The next downside target is now at 613 1/2. Daily studies pointing down suggests selling minor rallies. The next area of resistance is around 632 1/4 and 641 1/2, while 1st support hits today at 618 1/4 and below there at 613 1/2.

MINN WHEAT (JUL) 05/02/2024: 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 market tilt is slightly negative with the close under the pivot. The next upside target is 708. With a reading over 70, the 9-day RSI is approaching overbought levels. The next area of resistance is around 705 1/4 and 708, while 1st support hits today at 699 1/4 and below there at 695 3/4.

RICE (JUL) 05/02/2024: Daily stochastics have risen into overbought territory which will tend to support reversal action if it occurs. The market's short-term trend is negative as the close remains below the 9-day moving average. The market's close below the pivot swing number is a mildly negative setup. The near-term upside objective is at 19.695. The next area of resistance is around 19.445 and 19.695, while 1st support hits today at 19.045 and below there at 18.895.

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	450 3/4	55.81	53.64	68.77	72.86	449.19	449.17	446.15	446.74	446.03
CNAZ24	472 3/4	53.27	52.35	69.33	70.98	472.13	472.33	470.10	469.82	468.20
SSAN24	1170 1/4	45.09	45.16	51.11	52.71	1173.13	1175.33	1174.58	1186.06	1185.77
SSAX24	1165	44.82	46.07	55.05	54.46	1169.31	1170.44	1169.03	1172.44	1167.52
SMAN24	349.0	57.05	56.10	72.00	65.53	349.98	347.87	343.25	340.51	340.62
BOAN24	43.26	26.26	30.85	17.33	14.29	44.05	44.82	45.71	47.08	46.97
WHAN24	599 1/4	56.46	56.98	73.41	68.98	608.31	602.64	584.68	571.45	575.25
WHAZ24	645 3/4	60.39	60.73	76.25	72.89	653.81	645.78	626.36	608.57	608.49
RCAN24	19.245	64.99	63.99	88.39	88.55	19.24	19.25	18.43	17.96	18.16
KWAN24	625 1/4	57.87	58.84	81.26	73.88	641.25	626.14	603.07	584.16	582.83
MWAN24	702 1/4	74.43	68.74	86.74	91.87	704.44	687.67	668.40	662.27	664.98
OTAN24	377 1/2	80.12	71.58	81.73	83.50	368.88	359.58	348.07	351.78	354.53

Calculations based on previous session. Data collected 05/01/2024

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	441 1/2	447	449 1/4	454 1/2	457
CNAZ24	Corn	463 3/4	469	471 1/4	476 1/2	478 3/4
SSAN24	Soybeans	1151 3/4	1162 1/2	1167	1178	1182 1/4
SSAX24	Soybeans	1150 1/4	1159	1162 1/2	1171	1174 3/4
SMAN24	Soymeal	342.8	346.3	348.1	351.6	353.4
BOAN24	Soybean Oil	42.49	42.85	43.30	43.66	44.11

WHAN24	Wheat	585	591 1/2	600 1/4	607	615 1/2
WHAZ24	Wheat	635	640	646 1/2	651 1/2	658
RCAN24	Rice	18.895	19.045	19.295	19.445	19.695
KWAN24	KC Wheat	613 1/2	618 1/4	627 1/2	632 1/4	641 1/2
MWAN24	MINN Wheat	695 3/4	699	702	705 1/2	708 1/4
OTAN24	Oats	365	372 1/2	375	382 1/2	385

Calculations based on previous session. Data collected 05/01/2024

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