



DAILY GRAINS COMMENTARY Thursday May 09, 2024

DAILY SOY COMPLEX COMMENTARY

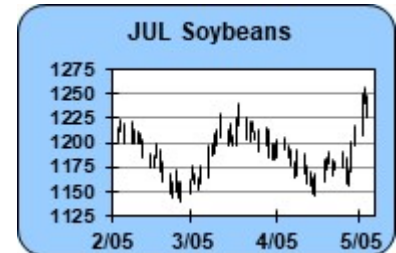
5/9/2024

Argentine workers strike set for today

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):
SOY BEANS +0.1, BEAN OIL +0.0, SOYMEAL +0.3

OVERNIGHT DEVELOPMENTS: Soybeans (JUL 24) prices overnight are up 5 3/4; Soymeal (JUL 24) up 2.60; and Soyoil (JUL 24) down -0.07. Soybean open interest as of May 8 was down 5,785 contracts, soymeal up 5,410 contracts, and soybean oil up 482. Chinese Dalian (JUL 24) Soybeans down 0.70%,

Soymeal down 0.14%, Soyoil down 0.97%, Palm oil down 1.30%. Malaysian Palm was down 1.01%. Global equity markets overnight were mixed with gains located in Asia and initial weakness throughout Europe. Critical economic news released overnight included a modest increase in Chinese April exports, a significant increase in Chinese imports on a year over year basis, a noted expansion of the Chinese trade surplus, improvement in a Japanese coincident index reading for March and a better-than-expected but softer Japanese leading economic index reading for March. The North American session will start out with a weekly reading on initial jobless claims which are expected to have a minimal uptick from the previous 208,000 reading. Ongoing jobless claims are forecast to have a mild weekly increase from the previous 1.774 million reading.



NEAR-TERM MARKET FUNDAMENTALS: Long liquidation, before fresh fundamental data is released in tomorrow morning's USDA supply/demand report, is expected to continue today. The May USDA report can have a significant market impact as USDA gives traders their 1st look at new crop balance sheets. Pre-report guesses from Reuters estimate 2023/24 US carryout for beans is 339 million bushels, nearly steady with last month's 340 million. New crop 2024/25 bean carryout estimated at a more burdensome 431 million bushels. For South America, Argentine beans are expected at 49.61 million tonnes, down from 50 million last month and Brazil beans guess is 152.63 million tonnes, down from 155 million last month. The Western corn belt and Plains remain mostly dry through Sunday when a more active pattern is expected arrive for next week, suggesting some planting delays. Over the next 10 days, the Gulf states are expected to see the heaviest rains. The Rosario Grain Exchange left their production number for Argentina unchanged at 50 million tonnes and said the crop was 44% harvested. China customs data shows their bean imports were 8.572 million tonnes in April, up 18% from March and a record for the month. Year-to-date bean imports are down 2.9% to 27.148 million tonnes. CONAB will update Brazil production next Tuesday. The Argentine workers unions strike is still scheduled for today but isn't expected to last more than one day. ANEC says exporters may have to redirect shipments to avoid the Rio Grande port where the flooding has shut roads and railways coming into the facility. Weekly export sales are expected in a range of 250,000 to 600,000 tonnes. July beans came close to testing 1st support at 1224 overnight but stronger retracement support stands at 1218. Rallies are expected to be challenged today and the pullback may continue into Friday morning's USDA report.

TODAY'S MARKET IDEAS:

Prices are inching higher this morning but expect selling on rallies today in front of tomorrow's USDA report. Pullback support starts at 1224 and then 1218 on July futures. The improved technical picture is likely to give the bulls confidence in buying pullbacks. If USDA offers bearish numbers tomorrow, a break down to the 1200 to 1210 range should find strong support.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

SOYBEAN COMPLEX TECHNICAL OUTLOOK:

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SOYBEANS (JUL) 05/09/2024: Momentum studies are trending higher but have entered overbought levels. The market's close above the 9-day moving average suggests the short-term trend remains positive. The market is in a bearish position with the close below the 2nd swing support number. The next upside objective is 1254 3/4. The next area of resistance is around 1239 and 1254 3/4, while 1st support hits today at 1216 1/2 and below there at 1209 3/4.

SOYBEAN OIL (JUL) 05/09/2024: Stochastics are at mid-range but trending higher, which should reinforce a move higher if resistance levels are taken out. The close below the 9-day moving average is a negative short-term indicator for trend. The daily closing price reversal down is a negative indicator for prices. The market's close below the 1st swing support number suggests a moderately negative setup for today. The next upside objective is 45.14. The next area of resistance is around 44.36 and 45.14, while 1st support hits today at 43.22 and below there at 42.86.

SOYMEAL (JUL) 05/09/2024: 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 close below the 1st swing support could weigh on the market. The next upside objective is 390.5. The next area of resistance is around 383.5 and 390.5, while 1st support hits today at 373.5 and below there at 370.6.

DAILY CORN COMMENTARY

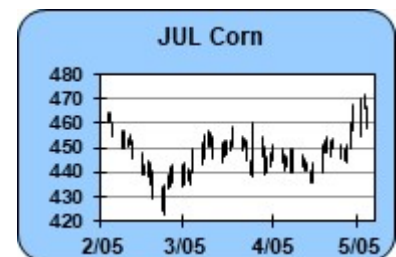
5/9/2024

More Argentine crop cuts, USDA fundamental update tomorrow

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):

CORN +0.2

OVERNIGHT DEVELOPMENTS: Corn (JUL 24) prices overnight are up 2 3/4. Corn open interest as of May 8 was up 7,691 contracts. Chinese Dalian (JUL 24) Corn was up 0.41%.



NEAR-TERM MARKET FUNDAMENTALS: Thursday's pullback on July corn may push a little deeper into support today before tomorrow morning's USDA fundamental update. Overnight rains fell across Kentucky, Tennessee, northern Iowa and far northern Illinois but beyond those areas, planting weather looks good through the weekend before a much more active pattern begins next week. Heavy rains are expected in the Gulf states. The 8 to 14 day maps show above normal temperatures returning for the eastern and southern corn belt. The Rosario Grain Exchange says the Argentine crop is 25% harvested compared to 33% last year. They also lowered their Argentine corn production number to 47.5 million tonnes, down from 50.5 million previously and compared to USDA at 55 million. For tomorrow's supply/demand report, Reuters average guess for corn ending stocks for 2023/24 are 2.100 billion bushels, down from 2.12 to last month and 2024/25 ending stocks are projected at 2.284 billion bushels. Argentine corn is expected to be cut 3 million tonnes to 52 million and Brazil corn is expected to drop 1.5 million tonnes to 122.4 million. LSEG lowered their 2024/25 US corn production estimate to 373 million tonnes, down 1% from their previous estimate and they are using 90.7 million acres, down 4.1% from last year. They also updated their Argentine corn estimate to 50.8 million tonnes, down 2% from their previous estimate and compares to USDA at 55 million. CONAB will release their latest Brazilian crop estimate

next Tuesday. Weekly ethanol production was slightly below last week and below expectations. Ethanol stocks had their largest drop in 3 1/2 months and were well below guesses. Weekly export sales this morning are expected in a range of 600,000 to 1,100,000 tonnes. July corn fell below 1st support at 460, which was the old high of the 2-month range but is recovering slightly this morning. If funds get more aggressive liquidating longs before Friday's report, prices could pull back to retracement support between 450-454 on July futures. But overall, we expect buyers will step up on breaks.

Ethanol average daily production for the week ending May 3 averaged 0.965 million barrels. This was down 2.2% from last week and unchanged from last year. The 5-year average for this week is 0.908 million barrels per day. Ethanol production for the week was 6.755 million barrels. Ethanol stocks were 24.200 million barrels. This was the lowest since December 29, 2023. This was down 5.1% from last week and up 3.9% from last year. The 5-year average stocks for this week is 23.190 million barrels. The amount of corn used for the week is estimated at 95.78 million bushels. Cumulative corn use for the crop year has reached 3.595 billion bushels. Corn use needs to average 103.86 million bushels per week to meet the USDA's marketing year forecast of 5.375 billion bushels.

TODAY'S MARKET IDEAS:

The pullback below initial support of 460 on July futures may point to a further test of support in the low 450's. Planting progress should be good across the Midwest this week but next week looks much more active. Tomorrow's USDA report will turn the focus back to supply for at least the short-term, but a bearish report reaction may find good buying with the full growing season just ahead.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

CORN TECHNICAL OUTLOOK:

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CORN (JUL) 05/09/2024: A crossover down in the daily stochastics is a bearish signal. Daily stochastics turning lower from overbought levels is bearish and will tend to reinforce a downside break especially if near term support is penetrated. A positive signal for trend short-term was given on a close over the 9-bar moving average. The close below the 2nd swing support number puts the market on the defensive. The next downside target is now at 451. The next area of resistance is around 463 1/4 and 469 3/4, while 1st support hits today at 453 3/4 and below there at 451.

CORN (DEC) 05/09/2024: 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 close below the 2nd swing support number puts the market on the defensive. The next downside objective is now at 474 3/4. The next area of resistance is around 485 1/4 and 491, while 1st support hits today at 477 1/4 and below there at 474 3/4.

DAILY WHEAT COMMENTARY

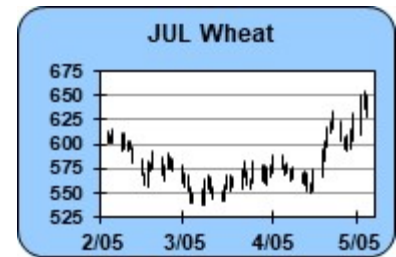
5/9/2024

Russian frosts encourage the bull camp

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):

WHEAT +1.05

OVERNIGHT DEVELOPMENTS: Chicago wheat (JUL 24) prices overnight are up 11 1/2; Kansas City (JUL 24) up 12 3/4; and Minneapolis (JUL 24) up 10 1/2. MATIF Milling Wheat(SEP 24) was up 2.2%. Chicago wheat open interest as of May 8 was up 2,588 contracts and Minneapolis wheat was up 639 contracts.



NEAR-TERM MARKET FUNDAMENTALS: The bull camp is back in charge after a minor pullback the last couple days as 3 Russian wheat crop regions have declared a state of emergency due to damaging frosts over the past week. Russian news agency TASS says there is time for some of the damaged crops to be resown. The Voronezh area is expected to lose a potential 265,000 hectares of production according to the officials, which equates to 655,000 acres. Egypt bought 6 Russian cargoes and one Romanian cargo for a total purchase of 420,000 tonnes at a price \$23 per tonne above their previous tender in mid-April. Having received nearly 20 offers, the Egypt tender is a reminder to traders that there are plentiful wheat supplies still available at prices cheaper than the US. Ukraine struck a Russian oil depot overnight while Russia attacked Ukraine's hydroelectric plants. While only limited relief is expected in the Black Sea areas over the next 10 days, some scattered rains will fall and there are now rains in the forecast for the southern Plains for Kansas, Oklahoma and Texas for early next week. The Oklahoma Wheat Commission crop tour estimated state production at 89.16 million bushels, well above 2023's 68.6 million number. Tomorrow's USDA supply and demand report guesses are for near unchanged US 2023/24 carryout at 696 million bushels and 2024/25 carryout is expected to jump to 786 million bushels. US all wheat production is expected at 1.884 million bushels up from 1.812 last season. The Russian frost news is supportive and if July Chicago can exceed this week's high of 653 3/4, technicals would point to a run to retracement resistance at 668. With potential rains for the southern Plains early next week, this morning's rally may uncover some selling. But for the intermediate-term the market trend is higher.

TODAY'S MARKET IDEAS:

July Chicago prices are inside Thursday's range but reports of frost damage in Russia are supportive. July Chicago has 1st pullback support at the 200-day moving average at 624. Additional shower chances in the southern Plains early next week are a headwind, however, if prices can move above this week's highs, a run to retracement resistance at 668 would be possible.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

WHEAT TECHNICAL OUTLOOK:

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WHEAT (JUL) 05/09/2024: Rising stochastics at overbought levels warrant some caution for bulls. The market's short-term trend is positive on the close above the 9-day moving average. The market tilt is slightly negative with the close under the pivot. The next upside target is 657 1/4. The next area of resistance is around 644 1/2 and 657 1/4, while 1st support hits today at 623 1/2 and below there at 615 1/2.

KC WHEAT (JUL) 05/09/2024: The daily stochastics gave a bearish indicator with a crossover down. Momentum studies trending lower from overbought levels is a bearish indicator and would tend to reinforce lower price action. The close above the 9-day moving average is a positive short-term indicator for trend. The market's close below the 1st swing support number suggests a moderately negative setup for today. The next downside objective is now at 632 1/4. The next area of resistance is around 659 1/2 and 674 1/4, while 1st support hits today at 638 1/2

and below there at 632 1/4.

MINN WHEAT (JUL) 05/09/2024: Momentum studies trending lower from overbought levels is a bearish indicator and would 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. The market setup is somewhat negative with the close under the 1st swing support. The next downside objective is now at 685 1/4. Short-term indicators on the defensive. Consider selling an intraday bounce. The next area of resistance is around 713 3/4 and 729, while 1st support hits today at 691 3/4 and below there at 685 1/4.

RICE (JUL) 05/09/2024: The moving average crossover down (9 below 18) indicates a possible developing short-term downtrend. Momentum studies trending lower at mid-range should accelerate a move lower if support levels are taken out. 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 objective is now at 18.320. The next area of resistance is around 18.499 and 18.560, while 1st support hits today at 18.380 and below there at 18.320.

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	458 1/2	55.70	55.70	80.35	77.66	463.69	456.81	451.18	449.37	446.73
CNAZ24	481 1/4	57.03	56.57	82.89	81.78	485.25	478.78	474.04	472.32	469.20
SSAN24	1227 3/4	63.22	60.58	79.92	83.46	1234.50	1203.28	1186.68	1193.71	1187.37
SSAX24	1213	64.68	62.16	82.06	86.78	1215.44	1191.86	1178.88	1180.24	1170.79
SMAN24	378.5	69.87	68.19	84.67	85.24	380.38	365.14	353.93	345.44	342.99
BOAN24	43.79	39.69	38.98	23.98	30.25	43.80	43.85	44.64	46.87	46.65
WHAN24	634	65.37	64.25	80.85	83.89	637.00	620.61	600.75	578.34	577.54
WHAZ24	680 1/2	68.08	67.22	84.05	86.98	682.81	666.33	644.01	618.02	612.78
RCAN24	18.440	46.16	50.00	56.14	38.62	18.56	18.84	18.91	17.97	18.13
KWAN24	649	58.45	59.86	81.47	80.48	659.50	648.83	623.21	594.16	587.50
MWAN24	702 3/4	57.08	59.43	88.17	82.82	715.44	709.86	685.07	668.47	666.85
OTAN24	397 1/2	83.98	77.49	92.26	94.09	395.31	382.58	365.06	355.23	356.53

Calculations based on previous session. Data collected 05/08/2024

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	451	453 3/4	460 1/2	463 1/4	470
CNAZ24	Corn	474 1/2	477	482 3/4	485 1/2	491
SSAN24	Soybeans	1209 3/4	1216 1/2	1232 1/4	1239	1254 3/4
SSAX24	Soybeans	1201	1205 1/2	1216	1220 1/2	1231
SMAN24	Soymeal	370.5	373.5	380.5	383.5	390.5
BOAN24	Soybean Oil	42.86	43.22	44.00	44.36	45.14
WHAN24	Wheat	615 1/2	623 1/2	636 1/2	644 1/2	657 1/2
WHAZ24	Wheat	664 1/2	671 1/4	683	689 3/4	701 1/2
RCAN24	Rice	18.319	18.379	18.439	18.499	18.560
KWAN24	KC Wheat	632 1/4	638 1/2	653 1/4	659 1/2	674 1/4
MWAN24	MINN Wheat	685	691 3/4	707	713 3/4	729
OTAN24	Oats	387	392 1/4	397 1/2	402 3/4	408

Calculations based on previous session. Data collected 05/08/2024

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