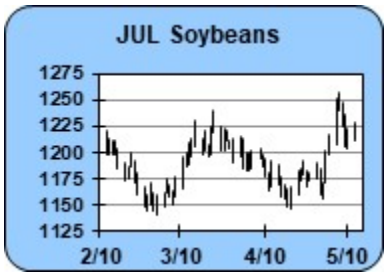
LAKEFRONT
FUTURES & OPTIONS, LLC.

DAILY GRAINS COMMENTARY
Tuesday May 14, 2024

DAILY SOY COMPLEX COMMENTARY
5/14/2024

CONAB raises Brazil production slightly, still well below USDA



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 down -7 1/2; Soymeal (JUL 24) up 1.90; and Soyoil (JUL 24) down -1.3. Soybean open interest as of May 13 was up 8,112 contracts, soymeal up 2,765 contracts, and soybean oil down 10,397. Chinese Dalian (JUL 24) Soybeans up 0.87%, Soymeal up 0.48%, Soyoil up 1.38%, Palm oil up 1.95%. Malaysian Palm was down 1.40%. Global equity markets overnight were generally weaker except for the markets in Tokyo, London, and Madrid which traded fractionally higher. Critical economic news released overnight included falling New Zealand electronic card retail sales for April, a significant jump in New Zealand visitor arrivals in March, a slight uptick in Japanese producer price index readings for April, a hot German CPI reading for April, a significant contraction in Japanese Machine Tool Orders for April, stronger than expected GBP average earnings, lower-than-expected GBP claimant count readings for April, a larger than expected decline in GBP jobs, a hotter than expected Swiss producer and import price reading for April, a significant contraction in Swiss producer and import prices, a much higher-than-expected Spanish CPI reading for April, not as bad as feared German ZEW current situation readings for May, much stronger-than-expected German ZEW economic sentiment for May and a much stronger-than-expected euro zone ZEW Economic Sentiment reading for May. The North American session will start out with a weekly private survey of same-store sales and a monthly private survey of small business optimism. The April US producer price index is expected to have a minimal uptick from March's 2.1% year-over-year rate. The April US core producer price index (excluding food and energy) is forecast to hold steady with March's 2.4% year-over-year rate. Fed Chair Powell and Fed Governor Cook will speak during morning US trading hours while Kansas City Fed President Schmid will speak during the late afternoon. Earnings announcements will include Home Depot before the Wall Street opening.

NEAR-TERM MARKET FUNDAMENTALS: While the US planting pace is 10% below last year, it is still above the 10-year average. Back 5 days, the heaviest rains will be across Missouri, Illinois and the Eastern corn belt states, as well as the southeast US. CONAB updated their 2023/24 bean crop forecast to 147.685 million tonnes, compared to 146.522 million in their previous forecast and 154.609 million in 2022/23. USDA's number last Friday was 154 million. The Biden Administration has yet to announce a list of Chinese goods that will be subject to increased import tariffs, which could include used cooking oil. If the decision does come this week, China is expected to retaliate in some fashion. Weekly export inspections came in above the highest guess and a 3-week high. Brazil's Patria updated their Brazil bean production to 142.8 million tonnes, down from 143.18 in their previous forecast and said flood losses in the southern Brazil region are anticipated to be 2.4 million tonnes. After additional flooding rains hit Rio Grande do Sul again over the weekend, this week looks drier before more shower chances next week. NOPA crush will be out Wednesday. US planting progress was 35% done compared to the Reuters poll estimate of 39% and progress will be slow this week over the southern half of the bean belt. Key support on July beans is 1204 and 50-day moving average support is 1194.

Soybeans planted as of May 12 was up 10% at 35%. This is down 10% versus last year and up 4% versus the 10-year average. The top producing states report with Illinois 39%(+8%), Iowa 39%(+9%), Minnesota 26%(+9%), Indiana 34%(+14%), Nebraska 37%(+19%).

Soybean export inspections for the week ending May 9 came in at 406,052 metric tonnes. Cumulative inspections year-to-date are 39,537,565 metric tonnes which is 17.7% below last year. This is 84.5% of the USDA's forecast

for the 2023-24 marketing year versus the five year average of 80.8%.

TODAY'S MARKET IDEAS:
The southern half of the corn belt will see planting delays through the weekend, but the overall replenishment of moisture is still seen as beneficial for crop development. With the planting pace still above the 10-year average, it's too early to worry about any delays. The potential tariff announcement on Chinese used cooking oil may keep volatility higher than average. Resistance on July beans stands at 1230. If pullback support at 1204 is exceeded, next retracement support stands at 1194.

NEW RECOMMENDATIONS:
None.

PREVIOUS RECOMMENDATIONS:
None.

SOYBEAN COMPLEX TECHNICAL OUTLOOK:

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SOYBEANS (JUL) 05/14/2024: Declining momentum studies in the neutral zone will tend to reinforce lower price action. A positive signal for trend short-term was given on a close over 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 1203. The next area of resistance is around 1227 3/4 and 1236 1/4, while 1st support hits today at 1211 1/4 and below there at 1203.

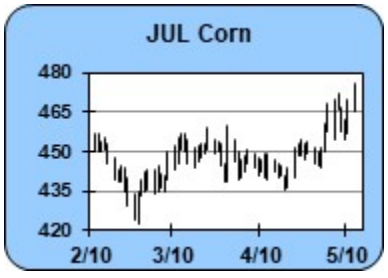
SOYBEAN OIL (JUL) 05/14/2024: Positive momentum studies in the neutral zone will tend to reinforce higher price action. The market's close above the 9-day moving average suggests the short-term trend remains positive. It is a mildly bullish indicator that the market closed over the pivot swing number. The next upside objective is 46.31. The next area of resistance is around 45.82 and 46.31, while 1st support hits today at 44.48 and below there at 43.62.

SOYMEAL (JUL) 05/14/2024: 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's close below the pivot swing number is a mildly negative setup. The next downside target is now at 361.4. The next area of resistance is around 369.8 and 374.7, while 1st support hits today at 363.2 and below there at 361.4.

DAILY CORN COMMENTARY

5/14/2024

US planting 11% behind 10-yr average



OVERNIGHT CHANGES THROUGH 6:06 AM (CT):
CORN +0.2

OVERNIGHT DEVELOPMENTS: Corn (JUL 24) prices overnight are up 2. Corn open interest as of May 13 was up 4,095 contracts. Chinese Dalian (JUL 24) Corn was up 0.24%.

NEAR-TERM MARKET FUNDAMENTALS: July corn continues its move higher and the bull camp remains in control. Planting delays in the short-term will be an issue for the southern half of the corn belt and if rainfall

continues beyond week 2 of the forecast, we would expect to hear talk of some corn acres switching to beans. Planting progress is slipping behind at 49% complete, 11% below the 10-year average. The 6 to 10 day forecast across the Midwest shows above normal precipitation. Weekly export inspections hit a 13-week low but were still in the middle of the range of guesses. CONAB updated their Brazil corn estimate for 2023/24 to 111.636 million tonnes, compared to 110.964 million in their previous forecast and 131.893 million last season. USDA's number last Friday was 122 million so the large discrepancy remains intact. Consultancy, Patria, estimated total Brazil corn harvest at 115.77 million tonnes, up from 113.98 million previously and safrinha corn production 86.06 million tonnes, up from 85.06 million previously. French corn seeding is falling way behind due to wet weather. As of the end of last week, planting was 54% done, compared to average of 79%. Today's CONAB number highlights the production difference with the USDA and that uncertainty will provide support on breaks. The intermediate-term trend is higher and we expect further upside.

Corn planted as of May 12 was up 13% at 49%. This is down 11% versus last year and down 11% versus the 10-year average. The top producing states reported with Iowa 57%(+10%), Illinois 42%(+10%), Nebraska 55%(+24%), Minnesota 56%(+14%), Indiana 36%(+16%).

Corn export inspections for the week ending May 9 came in at 937,729 metric tonnes. Cumulative inspections year-to-date are 33,933,661 metric tonnes which is 30.3% above last year. This is 63.6% of the USDA's forecast for the 2023-24 marketing year versus the five year average of 61.9%.

TODAY'S MARKET IDEAS:
July corn moved to a new 5-month high and appears headed for the 484 objective from last week's breakout of the range-bound trade. In addition, the 200-day moving average stands at 484 1/2, which should offer significant resistance. The trend remains higher and we still like buying breaks below 464 on July futures.

NEW RECOMMENDATIONS:
None.

PREVIOUS RECOMMENDATIONS:
None.

CORN TECHNICAL OUTLOOK:

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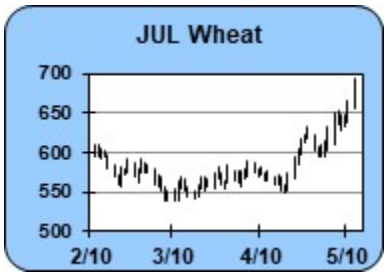
CORN (JUL) 05/14/2024: The daily stochastics gave a bullish indicator with a crossover up. Rising stochastics at overbought levels warrant some caution for bulls. A positive signal for trend short-term was given on a close over the 9-bar moving average. The close over the pivot swing is a somewhat positive setup. The near-term upside target is at 481 1/2. The next area of resistance is around 477 1/2 and 481 1/2, while 1st support hits today at 467 1/2 and below there at 461 1/2.

CORN (DEC) 05/14/2024: Momentum studies are trending higher but have entered overbought levels. The market's short-term trend is positive on the close above the 9-day moving average. The market has a slightly positive tilt with the close over the swing pivot. The next upside objective is 500 3/4. The next area of resistance is around 497 1/4 and 500 3/4, while 1st support hits today at 488 3/4 and below there at 483 1/2.

DAILY WHEAT COMMENTARY

5/14/2024

Chicago wheat reaches important retracement resistance



OVERNIGHT CHANGES THROUGH 6:06 AM (CT):
WHEAT -0.03

OVERNIGHT DEVELOPMENTS: Chicago wheat (JUL 24) prices overnight are down -1 1/2; Kansas City (JUL 24) down -1 1/2; and Minneapolis (JUL 24) up 1 1/2. MATIF Milling Wheat(SEP 24) was down -0.3%. Chicago wheat open interest as of May 13 was up 6,939 contracts and Minneapolis wheat was up 428 contracts.

NEAR-TERM MARKET FUNDAMENTALS: July Chicago wheat tested significant retracement resistance overnight and until crop losses due to frosts in Russia can be quantified, prices may be nearing a short-term peak unless Russian weather worsens again. The latest forecasts have a few showers reaching the dry areas of Russia this weekend into next week, but soaking rain is not expected. Russian crop cuts this week have driven EU and US prices higher despite US crop conditions remaining unchanged at 50% good/excellent this week. Russian 12.5% pro wheat export price is up $5 per ton this week to $221 per tonne. CONAB updated their Brazil 2024 wheat crop output forecast to 9.082 million tonnes, compared to 9.730 in their previous forecast and 8.097 million last season. Weekly export inspections were in the middle of the range of guesses with 3 weeks left in the current marketing year. India reported their government reserve stocks are still at 16-year lows as of May 1, down 10.3% year-over-year. The Kansas Wheat Quality Crop Tour starts this morning. July Chicago wheat came within $0.02 of significant retracement resistance at 699 overnight and longs may consider lightening up as the 1st major objectives for this current rally have been reached.

Winter Wheat rated good / excellent (G/EX) as of May 12 was unchanged at 50%, right on expectations and poor / very poor was up 2% at 18%. Current G/EX is up 5% versus the 10-year average and Poor / Very Poor is down 7% versus the 10 year average. Of the 18 reported states 10 reported better, 5 worse, and 3 unchanged G/EX ratings. The good / excellent ratings for the top producing states were: Kansas 31%(-1%), Washington 46%(-5%), Montana 46%(+9%), Illinois 77%(+4%), Idaho 68%(-2%).

Spring Wheat planted as of May 12 was up 14% at 61% versus expectations of 63%. This is up 26% versus last year and up 4% versus the 10-year average. The top producing states reported with North Dakota 49%(+17%), Minnesota 71%(+20%), Montana 63%(+11%), South Dakota 88%(+9%), Idaho 88%(+6%).

Wheat export inspections for the week ending May 9 came in at 366,339 metric tonnes. Cumulative inspections year-to-date are 17,648,464 metric tonnes which is 5.8% below last year. This is 89.4% of the USDA's forecast for the 2023-24 marketing year versus the five year average of 90.6%.

TODAY'S MARKET IDEAS:
July Chicago wheat has reached a significant upside objective of.618 retracement from the July 2023 high to the March low of this year and it will likely take a further worsening of crop conditions in the Black Sea area to sustain a rally above $7. Speculators may consider taking profits and looking for a pullback for the next buying opportunity.

NEW RECOMMENDATIONS:
None.

PREVIOUS RECOMMENDATIONS:
None.

WHEAT TECHNICAL OUTLOOK:

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WHEAT (JUL) 05/14/2024: 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's close above the 2nd swing resistance number is a bullish indication. The near-term upside objective is at 720 1/4. The 9-day RSI over 70 indicates the market is approaching overbought levels. The next area of resistance is around 706 3/4 and 720 1/4, while 1st support hits today at 667 1/4 and below there at 641.

KC WHEAT (JUL) 05/14/2024: 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's close above the 2nd swing resistance number is a bullish indication. The near-term upside objective is at 737 1/2. The market is becoming somewhat overbought now that the RSI is over 70. The next area of resistance is around 720 3/4 and 737 1/2, while 1st support hits today at 676 3/4 and below there at 649 1/4.

MINN WHEAT (JUL) 05/14/2024: The daily stochastics gave a bullish indicator with a crossover up. Rising stochastics at overbought levels warrant some caution for bulls. The market's close above the 9-day moving average suggests the short-term trend remains positive. The market's close above the 2nd swing resistance number is a bullish indication. The near-term upside target is at 762 1/2. The 9-day RSI over 70 indicates the market is approaching overbought levels. The next area of resistance is around 752 1/2 and 762 1/2, while 1st support hits today at 724 and below there at 705 1/2.

RICE (JUL) 05/14/2024: 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. The close below the 18-day moving average is an indication the intermediate-term trend has turned down. The close below the 1st swing support could weigh on the market. The next downside target is now at 18.168. The next area of resistance is around 19.085 and 19.607, while 1st support hits today at 18.365 and below there at 18.168.

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	472 1/2	68.19	64.54	77.95	80.98	464.31	462.67	455.11	450.64	447.71
CNAZ24	493	69.10	65.07	82.48	85.67	486.56	484.25	477.58	473.72	470.44
SSAN24	1219 1/2	57.65	56.78	72.17	67.11	1218.69	1217.14	1195.06	1196.31	1188.77
SSAX24	1212 1/4	61.85	60.25	77.32	74.95	1207.88	1203.67	1186.18	1183.55	1173.41
SMAN24	366.5	54.23	57.08	75.03	66.01	372.45	371.86	359.22	347.58	344.54
BOAN24	45.15	55.21	50.31	32.72	46.10	44.01	43.77	44.37	46.72	46.49
WHAN24	687	80.55	75.95	85.59	89.50	655.50	637.72	617.61	586.24	581.48
WHAZ24	728 1/2	81.84	77.78	87.98	91.29	699.13	682.61	661.38	626.71	617.73
RCAN24	18.725	50.19	52.17	50.37	48.11	18.83	18.75	18.99	18.03	18.14
KWAN24	698 3/4	74.10	70.95	82.06	84.68	668.38	658.28	639.44	601.79	592.49
MWAN24	738 1/4	74.50	71.48	83.35	83.94	716.19	715.03	698.06	672.71	669.40
OTAN24	426	91.65	85.44	94.03	95.30	409.00	398.19	377.14	359.28	358.90

Calculations based on previous session. Data collected 05/13/2024
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DAILY SWING STATISTICS

Contract		Support 2	Support 1	Pivot	Resist 1	Resist 2
GRAIN COMPLEX						
CNAN24	Corn	461 1/2	467 1/2	471 1/2	477 1/2	481 1/2
CNAZ24	Corn	483 1/4	488 1/2	492	497 1/2	500 3/4
SSAN24	Soybeans	1203	1211	1219 3/4	1228	1236 1/2
SSAX24	Soybeans	1191 1/4	1203	1210	1221 1/2	1228 3/4
SMAN24	Soymeal	361.3	363.1	368.0	369.8	374.7
BOAN24	Soybean Oil	43.61	44.47	44.96	45.82	46.31
WHAN24	Wheat	641	667	680 3/4	707	720 1/2
WHAZ24	Wheat	684 3/4	710	722	747	759 1/4
RCAN24	Rice	18.167	18.365	18.887	19.085	19.607
KWAN24	KC Wheat	649	676 1/2	693 1/4	721	737 1/2

MWAN24	MINN Wheat	705 1/2	724	734	752 1/2	762 1/2
OTAN24	Oats	407 3/4	418 1/2	423	433 1/2	438 1/4

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