

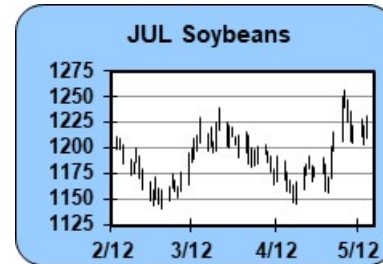


DAILY SOY COMPLEX COMMENTARY
5/16/2024

Crush slowdown more dramatic than expected

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

OVERNIGHT DEVELOPMENTS: Soybeans (JUL 24) prices overnight are down -1; Soymeal (JUL 24) down -1.10; and Soyoil (JUL 24) down -0.05. Soybean open interest as of May 15 was up 1,278 contracts, soymeal down 3,740 contracts, and soybean oil up 4,112. Chinese Dalian (JUL 24) Soybeans up 0.09%, Soymeal up 0.37%, Soyoil up 1.27%, Palm oil up 0.91%. Malaysian Palm was down 1.37%. Global equity markets overnight were higher in Asia and weaker in Europe in the early trade. Critical economic included a softer than expected Japanese GDP, an uptick in the Australian unemployment rate for April, lower than expected Japanese industrial production for March, slightly softer than expected but still hot Italian consumer price index readings for April and a smaller than expected Italian global trade surplus. The North American session will start out with a weekly reading on initial jobless claims that are expected to have a moderate downtick from the previous 231,000 reading. Ongoing jobless claims are forecast to have a minimal weekly decline from the previous 1.785 million reading. The May Philly Fed manufacturing survey is expected to have a moderate downtick from April's 15.5 reading. April US housing starts are forecast to have a modest uptick from March's 1.321 million annualized rate. April US building permits are expected to have a mild uptick from March's 1.467 million annualized rate. April readings for the US import price index and US export price index are both forecast to have mild upticks from their March year-over-year readings. April US industrial production is expected to have a moderate downtick from March's 0.4% reading, while April US capacity utilization is forecast to hold steady at 78.4%. Fed Vice Chair Barr, Richmond Fed President Barkin and Philadelphia Fed President Harker will speak during morning US trading hours while Cleveland Fed President Mester and Atlanta Fed President Bostic will speak during the afternoon. Earnings announcements will include Walmart and Deere & Company before the Wall Street opening while Applied Materials report after the close.



NEAR-TERM MARKET FUNDAMENTALS: Sideways price action has dominated this week and neither bull nor bear camp has been able to get a foothold. The 6-10 and 8-14 day outlooks continue to show above normal precipitation for most of the Midwest and rains will spread east through the Eastern corn belt the next couple days with another round of showers mid-next week. Planting will remain slower than desired. NOPA April crush came in way below even the lowest estimate. Crush was 166.034 million bushels, a 3-year low for April and the lowest crush since September 2023, compared to pre-report guesses of 183.072 million and well below the lowest estimate from crushtraders.com at 173.980 million. Bean oil stocks were also far below estimates. We had mentioned that very heavy processor maintenance downtime in April is likely to have slowed crush, but the decline was much more severe than expected, and we would not be surprised to see a revision. USDA announced a new sale of 180,000 tonnes of beans to Unknown Wednesday morning with 120,000 for old crop and 60,000 for new crop. China still has no new crop US bean purchases on the books yet. Brazil consultancy, COGO, updated their Brazil bean production to 148.6 million tonnes, down from their initial forecast earlier in the season of 163.4 million, compared with USDA at 154 million. They expect a bounce back for the 2024/25 crop to 164.76 million tonnes. Rio Grande do Sul is seeing drier weather this week, but heavy rains are on tap again for next week. This morning's weekly export sales are expected in a range of 300,000-500,000 tonnes on beans and 100,000-500,000 tonnes for meal. Bean oil is expected to be between 0-12,000 tonnes. This week's decline in the US dollar to a new 5 week low may provide some underlying support. Other market moving news is limited overnight. Overnight trading volume was small, and traders appear to be waiting for some new input before taking any aggressive positions. Until the US crop gets in the ground, buyers are likely to step up on breaks. Next key

support on July is 1194.

TODAY'S MARKET IDEAS:

Fresh breaking news is absent and while NOPA crush was certainly disappointing, coming in far below the lowest guess, prices didn't fall apart. 50-day moving average support stands at 1197 on July and retracement support is just below 1194. Speculators may consider buying a pullback below 1200.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

SOYBEAN COMPLEX TECHNICAL OUTLOOK:

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SOYBEANS (JUL) 05/16/2024: Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. The market's short-term trend is negative as the close remains below the 9-day moving average. The daily closing price reversal down is a negative indicator for prices. It is a slightly negative indicator that the close was under the swing pivot. The next downside target is 1194 1/2. The next area of resistance is around 1224 3/4 and 1239 3/4, while 1st support hits today at 1202 1/4 and below there at 1194 1/2.

SOYBEAN OIL (JUL) 05/16/2024: Positive momentum studies in the neutral zone will tend to reinforce higher price action. 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 upside objective is 44.61. The next area of resistance is around 44.04 and 44.61, while 1st support hits today at 43.06 and below there at 42.65.

SOYMEAL (JUL) 05/16/2024: Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. The market's short-term trend is negative as the close remains below the 9-day moving average. The daily closing price reversal down is a negative indicator for prices. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The next downside target is 363.1. The next area of resistance is around 377.1 and 384.8, while 1st support hits today at 366.3 and below there at 363.1.

DAILY CORN COMMENTARY

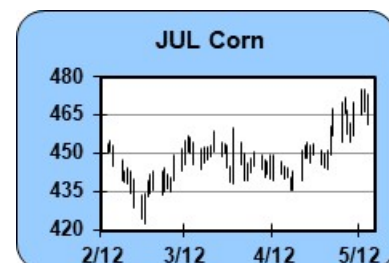
5/16/2024

5-week low in US Dollar supportive

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):

CORN +0.2

OVERNIGHT DEVELOPMENTS: Corn (JUL 24) prices overnight are up 1 3/4. Corn open interest as of May 15 was up 4,184 contracts. Chinese Dalian (JUL 24) Corn was up 0.41%.



NEAR-TERM MARKET FUNDAMENTALS: Although momentum stalled earlier this week, the intermediate term trend remains higher, and we give the edge to the bull camp. Over the last 24 hours, eastern Kansas, northwest Iowa and Indiana and

Ohio have seen scattered rains. Precipitation spreads across the eastern corn belt over the next couple days with more expected mid-next week. The planting pace will remain slow in some areas. The Buenos Aries Grain Exchange says upcoming dry and chilly weather may be beneficial to halt the spread of the leafhopper infestation. US grain firm, The Andersons, says they are looking to grow their US ethanol output. US weekly ethanol production was higher than expected and stocks had their 1st increase in 6 weeks. 2023/24 French corn stocks were lowered to 2.27 million tonnes, down from 2.34 million last month.

Satellite and data analysis firm, LSEG, updated their Brazil production to 118 million tonnes, above CONAB at 111.636 million and USDA at 122 million, which may be adding some market pressure. COGO updated their production for Brazil to 114.7 million tonnes, down from their initial forecast earlier this season at 129.6 million. This morning's weekly export sales are expected in a range of 700,000-1,050,000 tonnes. A 5-week low on the US dollar Wednesday is a supportive factor. Speculative buyers will likely see this break as an opportunity to step in. 100-day moving average support is 457 and the 50-day is 451 1/2.

Ethanol average daily production for the week ending May 10 averaged 1.000 million barrels. This was up 3.6% from last week and up 1.3% from last year. The 5-year average for this week is 0.925 million barrels per day. Ethanol production for the week was 7.000 million barrels. Ethanol stocks were 24.489 million barrels. This was a new high stocks level for this week of the year. The previous high was 24.190 million barrels in 2020. This was up 1.2% from last week and up 5.6% from last year. The 5-year average stocks for this week is 22.563 million barrels. The amount of corn used for the week is estimated at 99.26 million bushels. Cumulative corn use for the crop year has reached 3.694 billion bushels. Corn use needs to average 96.40 million bushels per week to meet the USDA's marketing year forecast of 5.250 billion bushels.

TODAY'S MARKET IDEAS:

US corn exports have been solid this year and this week's drop in the US dollar enhances US competitiveness. July futures are pulling back into support and with the recent trend higher, we think buyers can step in on the break. Trendline support stands at 461, while moving average support is 457 and 451 1/2.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

CORN TECHNICAL OUTLOOK:

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CORN (JUL) 05/16/2024: A bearish signal was triggered on a crossover down in the daily stochastics. Stochastics turning bearish at overbought levels will tend to support lower prices 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 swing indicator gave a moderately negative reading with the close below the 1st support number. The next downside objective is now at 453 1/4. Daily studies pointing down suggests selling minor rallies. The next area of resistance is around 468 1/4 and 476 1/2, while 1st support hits today at 456 3/4 and below there at 453 1/4.

CORN (DEC) 05/16/2024: The daily stochastics have crossed over down which is a bearish indication. Momentum studies trending lower from overbought levels is a bearish indicator and would tend to reinforce lower price action. The close below the 9-day moving average is a negative short-term indicator for trend. The outside day down is somewhat negative. The swing indicator gave a moderately negative reading with the close below the 1st support number. The next downside target is now at 478 1/2. Daily studies pointing down suggests selling minor rallies. The next area of resistance is around 492 1/4 and 499 3/4, while 1st support hits today at 481 3/4 and below there at 478 1/2.

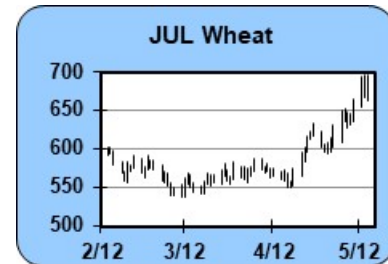
DAILY WHEAT COMMENTARY

5/16/2024

Russian Ag Ministry says 1% of crop area killed

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):
WHEAT +1.15

OVERNIGHT DEVELOPMENTS: Chicago wheat (JUL 24) prices overnight are up 12; Kansas City (JUL 24) up 13 1/4; and Minneapolis (JUL 24) up 10 1/4. MATIF Milling Wheat(SEP 24) was up 1.8%. Chicago wheat open interest as of May 15 was up 729 contracts and Minneapolis wheat was up 210 contracts.



NEAR-TERM MARKET FUNDAMENTALS: Chicago Wheat prices have jumped higher today after yesterday's reversal down as the Russian Ag Ministry says 830,000 hectares, equivalent to just over 2 million acres and 1% of their total wheat crop area, were killed by the frost. In addition, moisture stress is expected to increase in Ukraine and southern Russia over the next 10 days as extended forecast hints of precipitation get pushed further out. The Kansas wheat tour across the southwest region found an average yield of 42.46 BPA after 216 stops, compared to 27.6 in 2023. The final routes of the tour will be completed today, and results announced this afternoon. IKAR notes a dramatic consolidation in the Russian export scene and says 4 exporting firms now control 75% of Russia's export market. No doubt Russia will continue to be the major driver of world wheat prices. LSEG lowered their Australian wheat production 2% to 29.8 million tonnes after Western Australia saw the driest April in 4 years. GrainCorp says the dryness may crimp Aussie exports. This morning's weekly export sales are expected in a range of -100,000 to a positive 100,000 tonnes. Rains across a good portion of the Plains will keep wheat ratings stable but Russian weather is certainly supportive. Today will be a test for the bull camp whether prices can hold the morning gains after yesterday's reversal down.

TODAY'S MARKET IDEAS:

With 2 million acres of the Russian crop killed by frost, prices are rebounding after yesterday's reversal down. However, if the early session gains failed to hold later today, yesterday's technical reversal may begin a pullback of the recent rally. Key resistance stands at 699 and pullback support for Chicago July is 654 and then 641.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

WHEAT TECHNICAL OUTLOOK:

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WHEAT (JUL) 05/16/2024: 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 outside day down is somewhat negative. The market's close below the pivot swing number is a mildly negative setup. The next downside objective is 638. The next area of resistance is around 683 and 707 1/4, while 1st support hits today at 648 1/2 and below there at 638.

KC WHEAT (JUL) 05/16/2024: Momentum studies are trending lower from high levels which should accelerate a move lower on a break below the 1st swing support. A positive signal for trend short-term was given on a close over the 9-bar moving average. The market tilt is slightly negative with the close under the pivot. The next downside target is 650 1/2. The next area of resistance is around 692 and 715 3/4, while 1st support hits today at 659 1/2 and below there at 650 1/2.

MINN WHEAT (JUL) 05/16/2024: The daily stochastics gave a bearish indicator with a crossover down. Stochastics turning bearish at overbought levels will tend to support lower prices if support levels are broken. The close above the 9-day moving average is a positive short-term indicator for trend. The market could take on a defensive posture with the daily closing price reversal down. It is a slightly negative indicator that the close was under the swing pivot. The next downside target is 708 1/4. The next area of resistance is around 738 3/4 and 755, while 1st support hits today at 715 1/4 and below there at 708 1/4.

RICE (JUL) 05/16/2024: A bullish signal was given with an upside crossover of the daily stochastics. Momentum studies are rising from mid-range, which could accelerate a move higher if resistance levels are penetrated. The cross over and close above the 18-day moving average indicates the intermediate-term trend has turned up. A positive setup occurred with the close over the 1st swing resistance. The next upside objective is 19.457. The next area of resistance is around 19.325 and 19.457, while 1st support hits today at 18.895 and below there at 18.598.

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	462 1/2	53.75	55.01	76.25	72.24	468.06	464.83	457.93	451.14	448.49
CNAZ24	487	57.67	57.90	81.77	78.94	490.75	487.11	480.46	474.44	471.38
SSAN24	1213 1/2	54.18	54.52	66.89	61.73	1216.63	1223.67	1201.35	1196.92	1189.62
SSAX24	1201	53.64	54.82	73.27	68.61	1206.00	1209.58	1191.50	1184.57	1175.08
SMAN24	371.7	58.41	59.76	69.54	64.66	370.85	375.31	362.79	348.94	345.52
BOAN24	43.55	43.84	42.80	35.33	36.16	44.14	43.82	44.23	46.53	46.39
WHAN24	665 3/4	65.99	65.96	83.53	79.75	672.19	652.69	629.75	591.05	584.75
WHAZ24	709 1/2	67.37	67.79	85.57	81.25	715.13	697.11	673.76	632.05	621.75
RCAN24	19.110	56.50	56.37	51.37	54.40	19.03	18.79	18.98	18.07	18.15
KWAN24	675 3/4	60.35	61.48	78.72	73.49	682.88	669.03	650.56	605.86	596.33
MWAN24	727	64.00	64.41	81.57	77.90	729.63	720.44	707.21	675.18	671.60
OTAN24	397 3/4	56.05	60.14	89.04	80.06	414.31	404.47	384.11	361.37	360.47

Calculations based on previous session. Data collected 05/15/2024
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	453 1/4	456 1/2	465	468 1/2	476 3/4
CNAZ24	Corn	478 1/2	481 1/2	489 1/4	492 1/2	500
SSAN24	Soybeans	1194 1/2	1202	1217 1/4	1225	1240
SSAX24	Soybeans	1184 1/2	1191	1204 3/4	1211	1225
SMAN24	Soymeal	363.0	366.2	373.9	377.1	384.8
BOAN24	Soybean Oil	42.65	43.06	43.63	44.04	44.61
WHAN24	Wheat	638	648 1/2	672 3/4	683	707 1/2
WHAZ24	Wheat	684 1/2	693 1/2	716 1/4	725 1/2	748
RCAN24	Rice	18.597	18.895	19.027	19.325	19.457
KWAN24	KC Wheat	650 1/4	659 1/2	683	692	715 3/4
MWAN24	MINN Wheat	708	715 1/4	731 1/2	738 3/4	755
OTAN24	Oats	378 3/4	385	404	410 1/2	429 1/4

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