



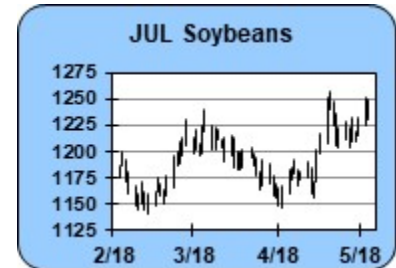
DAILY GRAINS COMMENTARY Wednesday May 22, 2024

DAILY SOY COMPLEX COMMENTARY 5/22/2024

China buys US Beans

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

OVERNIGHT DEVELOPMENTS: Soybeans (JUL 24) prices overnight are up 4 1/4; Soymeal (JUL 24) up 0.20; and Soyoil (JUL 24) up 0.54. Soybean open interest as of May 21 was down 8,564 contracts, soymeal up 961 contracts, and soybean oil up 426. Chinese Dalian (JUL 24) Soybeans down 0.11%, Soymeal down 0.19%, Soyoil down 0.07%, Palm oil down 0.68%. Malaysian Palm was down 1.35%. Global equity markets overnight were mixed with declining markets outnumbering those posting gains. Critical economic news least overnight included as expected Japanese import/export data for April, stronger than expected Japanese machinery orders for March, no change in New Zealand interest rates, a hotter than expected GBP CPI for April, hotter than expected GBP producer price index inputs, softer than expected GBP producer price index output readings, steady and still elevated GBP retail price index readings for April, a surprise jump in GBP public-sector net borrowing for April and a surprising jump in GBP DCLG house price index for March. The North American session will start out with a weekly private survey of mortgage applications followed by the first top-tier US economic number of the week, an April reading on existing home sales that is forecast to have a minimal uptick from March's 4.19 million annualized rate. The minutes from the early May FOMC meeting will be released during early afternoon US trading hours. Chicago Fed President Goolsbee will speak during morning US trading hours. Earnings announcements will include TJX, Analog Devices and Target before the Wall Street opening while NVIDIA, Synopsys, and Snowflake report after the close.



NEAR-TERM MARKET FUNDAMENTALS: The bull camp remains in charge as July prices have had a higher daily low for 6 straight sessions. Reuters is reporting China bought a few cargoes of US beans off the Pacific Northwest Coast as rising Brazil soy premiums recently improved US competitiveness. However, China still has no new US crop purchases on the books. Flood losses in southern Brazil are still being assessed and COGO says flood losses are likely 2.5-3 million tonnes. Dr. Cordonnier left his Argentine and Brazil estimates unchanged this week. Bunge says they are restarting operations at the flooded Rio Grande port and their crush operations there should be back online by this weekend. The one to 5 day forecast has additional shower chances for the central and eastern bean belt with Western growing areas seeing the lightest amounts. The 6 to 10 day shows below normal temperatures for the heart of the Midwest and the 8 to 14 shows below normal precipitation for the Eastern corn belt and above normal temperatures for the Western belt. Recent soil moisture improvements across the Midwest assure the initial crop condition ratings, which begin in June, will start off very strong this year. For now, the bull camp remains in charge and July prices may challenge this month's high at 1256 1/2. The odds are low of seeing a major break currently before the crop is fully in the ground.

TODAY'S MARKET IDEAS:

China demand has resurfaced as they bought at least 2 cargoes of US beans this week and flood losses in southern Brazil are still being assessed, offering a measure of underlying support beneath the market, and giving the edge to the bull camp. If July can move above the May high of 1256 1/2, prices could make a run to 50% retracement resistance from the November 2023 high to the February 24 low which sits at 1280 1/2, with longer-term 200-day moving average resistance just above that at 1283 1/2. Technical support stands at 1229 and 1222.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

SOYBEAN COMPLEX TECHNICAL OUTLOOK:

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SOYBEANS (JUL) 05/22/2024: 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 near-term upside objective is at 1257. The next area of resistance is around 1245 3/4 and 1257, while 1st support hits today at 1226 3/4 and below there at 1218 3/4.

SOYBEAN OIL (JUL) 05/22/2024: The market back below the 40-day moving average suggests the longer-term trend could be turning down. Momentum studies are trending higher but have entered overbought levels. A positive signal for trend short-term was given on a close over the 9-bar moving average. It is a slightly negative indicator that the close was lower than the pivot swing number. The next upside target is 46.75. The next area of resistance is around 46.25 and 46.75, while 1st support hits today at 45.37 and below there at 44.98.

SOYMEAL (JUL) 05/22/2024: Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. The close above the 9-day moving average is a positive short-term indicator for trend. It is a slightly negative indicator that the close was lower than the pivot swing number. The next downside objective is 364.5. The next area of resistance is around 376.0 and 379.4, while 1st support hits today at 368.6 and below there at 364.5.

DAILY CORN COMMENTARY

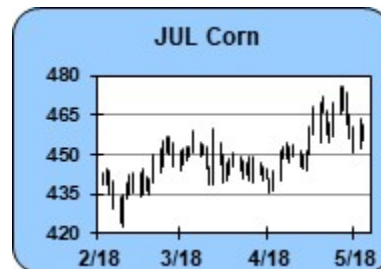
5/22/2024

US export window remains open

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):

CORN +0.3

OVERNIGHT DEVELOPMENTS: Corn (JUL 24) prices overnight are up 3 1/4. Corn open interest as of May 21 was up 1,438 contracts. Chinese Dalian (JUL 24) Corn was up 0.61%.



NEAR-TERM MARKET FUNDAMENTALS: Corn prices are inching higher after hitting support late last week and we give the edge to the bull camp. Rains will be lightest in the Western corn belt over the next week with central, eastern and southeastern belt areas seeing the highest chances of precipitation. Below normal temperatures are expected in the Midwest in the 6 to 10 day timeframe and below normal precipitation in the eastern belt in the 8 to 14 day forecast. Today's ethanol production is expected at 1.017 million barrels per day compared to 1.0 million last week and stocks are expected at 24.399 million barrels, slightly down from 24.489 last week. Dr Cordonnier left his Brazil and Argentina crop forecasts unchanged this week. Yesterday's morning flash sale of corn sold to Spain and Mexico is another sign the US corn export window is open and is likely to stay open for the next couple months until Brazil's safrinha 2nd crop is harvested. COGO reduced their 1st crop corn forecast for Brazil by 400,000 tonnes to 4.73 million tonnes, due to flood losses. Australia had its 1st human case of bird flu as the disease continues to spread around the globe. The new crop corn balance sheet is the tightest of the grain complex and that will likely keep the market from having any major downside move at this very early stage of the growing season. In addition, the strong wheat rally provides some support for corn as well. Buying breaks is still the favored stance and we look for a retest of the last week's highs of 475 1/2.

TODAY'S MARKET IDEAS:

Solid export sales and some planting delays remain supportive and July futures close-in resistance is 464 and 475 1/2. We think the market can avoid a significant decline at this time of year and buyers can step in on breaks looking for a test of at least 480.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

CORN TECHNICAL OUTLOOK:

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CORN (JUL) 05/22/2024: Momentum studies trending lower at mid-range should accelerate a move lower if support levels are taken out. The intermediate trend has turned down with the cross over back below the 18-day moving average. The market's close below the pivot swing number is a mildly negative setup. The next downside target is now at 452. The next area of resistance is around 461 and 464 1/4, while 1st support hits today at 455 and below there at 452.

CORN (DEC) 05/22/2024: Declining momentum studies in the neutral zone will tend to reinforce lower price action. The market's short-term trend is negative as the close remains below the 9-day moving average. It is a slightly negative indicator that the close was under the swing pivot. The next downside target is 476 1/2. The next area of resistance is around 485 1/4 and 488 1/4, while 1st support hits today at 479 1/4 and below there at 476 1/2.

DAILY WHEAT COMMENTARY

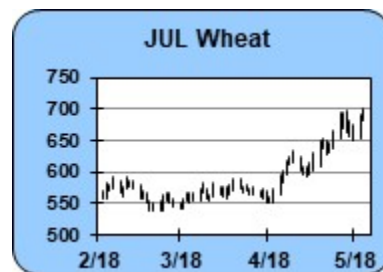
5/22/2024

Global weather issues bullish

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):

WHEAT +1.23

OVERNIGHT DEVELOPMENTS: Chicago wheat (JUL 24) prices overnight are up 13 3/4; Kansas City (JUL 24) up 14; and Minneapolis (JUL 24) up 8 3/4. MATIF Milling Wheat(SEP 24) was up 2.6%. Chicago wheat open interest as of May 21 was up 5,359 contracts and Minneapolis wheat was up 2,808 contracts.



NEAR-TERM MARKET FUNDAMENTALS: A ridge of high-pressure in Black Sea wheat areas resulting in dry/warm conditions is the main bullish driver for the current rally. Prices have seen their largest rally since the Russian invasion of Ukraine began and major global exporter 2024/25 stocks to use is expected to be at a 17-year low. LSEG, formerly Lanworth, lowered their Ukraine wheat production 1.5% to 21.8 million tonnes due to the frost and dryness. In addition to the Russian weather issues, Australian wheat areas need rain as well as the Southwest US Plains. The Illinois Wheat Association crop tour in the southern half of the state found average yields of 104 BPA compared to 97.1 last year as plentiful rains have fallen across the SRW US wheat belt recently. July Chicago negated the reversal high of last week as prices made a new high for the month Tuesday, taking away a bearish technical signal and opening the door for more upside. A new leg higher may be starting with next significant long-term resistance at 723 on July Chicago. The path of least resistance points higher until the Russian weather forecast changes.

TODAY'S MARKET IDEAS:

The move above last week's highs strengthens the technical outlook for the current weather inspired rally. The

Black Sea forecast remains bullish with limited rainfall potential over the next 10 days. A new upside leg appears to be starting. A close above 699 would open the door for a run to the next objective of 723.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

WHEAT TECHNICAL OUTLOOK:

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WHEAT (JUL) 05/22/2024: The daily stochastics have crossed over up which is a bullish indication. 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. It is a mildly bullish indicator that the market closed over the pivot swing number. The next upside objective is 713. The market is becoming somewhat overbought now that the RSI is over 70. The next area of resistance is around 706 3/4 and 713, while 1st support hits today at 688 1/4 and below there at 675 3/4.

KC WHEAT (JUL) 05/22/2024: 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 717 1/2. The next area of resistance is around 711 1/4 and 717 1/2, while 1st support hits today at 694 1/4 and below there at 683 1/4.

MINN WHEAT (JUL) 05/22/2024: The daily stochastics gave a bullish indicator with a crossover up. Daily stochastics have risen into overbought territory which will tend to support reversal action if it occurs. The market's short-term trend is positive on the close above the 9-day moving average. The close over the pivot swing is a somewhat positive setup. The next upside objective is 751 3/4. The next area of resistance is around 745 3/4 and 751 3/4, while 1st support hits today at 731 3/4 and below there at 723 1/2.

RICE (JUL) 05/22/2024: The upside crossover (9 above 18) of the moving averages suggests a developing short-term uptrend. 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 defensive setup, with the close under the 2nd swing support, could cause some early weakness. The next downside target is 18.375. The next area of resistance is around 18.725 and 18.915, while 1st support hits today at 18.455 and below there at 18.375.

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	49.20	51.14	55.29	45.70	457.00	461.86	459.33	451.82	450.18
CNAZ24	482 1/4	50.51	52.36	62.28	53.54	481.19	485.31	482.04	475.39	473.17
SSAN24	1236 1/4	61.29	59.68	70.00	74.48	1232.13	1222.61	1212.94	1199.01	1194.41
SSAX24	1213	59.89	58.80	70.16	71.58	1208.00	1206.28	1199.07	1186.52	1179.93
SMAN24	372.3	57.44	58.73	61.75	59.47	370.73	371.02	368.08	351.73	347.95
BOAN24	45.81	58.22	54.04	60.02	73.99	45.48	44.57	44.21	46.19	46.40
WHAN24	697 1/2	71.68	69.89	79.03	83.54	675.19	669.67	645.14	602.02	591.35
WHAZ24	739 3/4	72.79	71.37	80.16	84.59	718.69	713.06	689.69	643.69	629.86
RCAN24	18.590	45.44	49.01	48.88	42.77	18.82	18.91	18.87	18.14	18.16
KWAN24	702 3/4	66.80	65.56	71.75	75.61	683.31	679.61	664.22	616.04	604.24
MWAN24	738 3/4	65.27	64.82	69.87	70.64	727.56	725.83	717.85	681.20	676.20

OTAN24 362 34.81 42.03 45.40 21.86 369.69 393.08 387.83 362.09 361.64

Calculations based on previous session. Data collected 05/21/2024

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 3/4	455	458	461	464 1/4
CNAZ24	Corn	476 1/2	479 1/4	482 1/2	485 1/4	488 1/2
SSAN24	Soybeans	1218 3/4	1226 1/2	1238	1246	1257 1/4
SSAX24	Soybeans	1201 1/2	1207 1/4	1213	1218 3/4	1224 1/2
SMAN24	Soymeal	364.4	368.5	371.9	376.0	379.4
BOAN24	Soybean Oil	44.97	45.36	45.86	46.25	46.75
WHAN24	Wheat	675 3/4	688	694 1/2	707	713 1/4
WHAZ24	Wheat	721 1/4	732	736 1/2	747 1/2	751 3/4
RCAN24	Rice	18.375	18.455	18.645	18.725	18.915
KWAN24	KC Wheat	683	694	700 1/4	711 1/2	717 1/2
MWAN24	MINN Wheat	723 1/4	731 1/2	737 1/2	746	751 3/4
OTAN24	Oats	353 3/4	356 1/2	364 1/2	367 1/2	375 1/4

Calculations based on previous session. Data collected 05/21/2024

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