

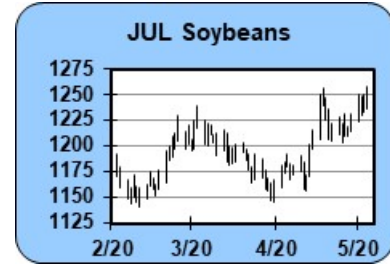


DAILY SOY COMPLEX COMMENTARY
5/24/2024

July prices reverse lower Thursday

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):
SOY BEANS +0.0, BEAN OIL +0.0, SOYMEAL +0.2

OVERNIGHT DEVELOPMENTS: Soybeans (JUL 24) prices overnight are up 1 1/4; Soymeal (JUL 24) up 1.70; and Soyoil (JUL 24) up 0.1. Soybean open interest as of May 23 was up 5,941 contracts, soymeal up 4,694 contracts, and soybean oil up 3,797. Chinese Dalian (JUL 24) Soybeans up 0.17%, Soymeal up 0.30%, Soyoil unchanged, Palm oil up 0.26%. Malaysian Palm was down 0.21%. Global equity markets overnight were sharply lower following a massive losses in the US trade on Thursday. However, except for the Australian and Chinese markets global declines were less than 1%. Critical economic news released overnight included a significant improvement in a New Zealand Roy Morgan Consumer Confidence reading for May, stronger New Zealand imports/exports for April, not as weak as feared GBP GfK Consumer Confidence, slightly lower year-over-year Japanese national consumer price index for April, as expected German GDP, much weaker than expected GBP retail sales for April, a very slight downtick in Swiss employment and a slight dip in French Business Climate in Manufacturing for May. The North American session will start out with April US durable goods which are expected to have a sizable downtick from March's 2.6% reading. March Canadian retail sales are forecast to have a mild downtick from February's 1.2% year-over-year rate. A private survey of May US consumer sentiment is expected to hold steady with the previous 67.4 reading. Fed Governor Waller will speak during morning US trading hours.



NEAR-TERM MARKET FUNDAMENTALS: July beans ran into aggressive selling, after hitting its highest price level since January 25th Thursday morning and reversed lower. Disappointment that reported China purchases of US beans earlier this week were not confirmed by a morning flash sale announcement put pressure on the market. US bean area under drought declined another 2% to 7%, compared to 20% year ago. More rains fell across Iowa, southern Minnesota, and eastern Nebraska overnight and additional chances are forecast for late this weekend into early next week for the eastern half of the corn belt. The Buenos Aires Grain Exchange says Argentine bean conditions rose 1% to 25% excellent and harvest stands at 78% complete. Kepler Weber, the largest maker of grain silos in Brazil, says there are 4800 storage silos in Rio Grande do Sul, more than any other Brazilian state, and they will begin assessing damage to stored grain from the floods once waters recede. Weekly export sales for beans and meal were on the low end of guesses and China still has no new crop US bean sales on the books. USDA NASS crush will be released June 3rd and will garner much more interest than usual due to the low NOPA number last week. Reports of damage from frost and dryness in Russian wheat areas may not seem important to soybean prices on the surface; however, a loss of feed wheat could increase protein demand for soybean meal and is likely an underlying supportive factor for the recent meal rally. Thursday's reversal down on July beans would be confirmed with a lower close today. Once the crop is in, the market is likely to turn more bearish with most Midwest areas having plentiful subsoil moisture to start the growing season.

The Export Sales Report showed that for the week ending May 16, net soybean sales came in at 279,402 tonnes for the current marketing year and 65,500 for the next marketing year for a total of 344,902. Cumulative soybean sales have reached 92.7% of the USDA forecast for the 2023/2024 marketing year versus a 5-year average of 96.1%. Sales need to average 222,000 tonnes per week to reach the USDA forecast.

Net meal sales came in at 145,315 tonnes for the current marketing year and 51,437 for the next marketing year for a total of 196,752. Cumulative meal sales have reached 82.4% of the USDA forecast for the 2023/2024

marketing year versus a 5-year average of 82.4%. Sales need to average 129,000 tonnes per week to reach the USDA forecast.

Net oil sales came in at -1,041 tonnes (cancelations) for the current marketing year and 4,038 for the next marketing year for a total of 2,997. Cumulative oil sales have reached 65.5% of the USDA forecast for the 2023/2024 marketing year versus a 5-year average of 81.2%. Sales need to average 3,500 tonnes per week to reach the USDA forecast.

TODAY'S MARKET IDEAS:

The positive technical outlook took a shot across the bow yesterday as July futures reversed lower and closed weak. A lower close today would confirm a pullback is starting. Subsoil moisture is plentiful across the Midwest and gives the crop cushion to start the season. Close-in support stands at 1229 and 1222.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

SOYBEAN COMPLEX TECHNICAL OUTLOOK:

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SOYBEANS (JUL) 05/24/2024: 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 downside closing price reversal on the daily chart is somewhat negative. The market's close below the pivot swing number is a mildly negative setup. The near-term upside target is at 1265 1/4. The next area of resistance is around 1250 1/4 and 1265 1/4, while 1st support hits today at 1228 1/4 and below there at 1221.

SOYBEAN OIL (JUL) 05/24/2024: The major trend has turned down with the cross over back below the 40-day moving average. 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 market setup is somewhat negative with the close under the 1st swing support. The next upside target is 46.86. The next area of resistance is around 45.87 and 46.86, while 1st support hits today at 44.51 and below there at 44.13.

SOYMEAL (JUL) 05/24/2024: Declining momentum studies in the neutral zone will tend to reinforce lower price action. The close above the 9-day moving average is a positive short-term indicator for trend. The daily closing price reversal down puts the market on the defensive. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The next downside target is now at 370.1. The next area of resistance is around 380.4 and 384.9, while 1st support hits today at 373.0 and below there at 370.1.

DAILY CORN COMMENTARY

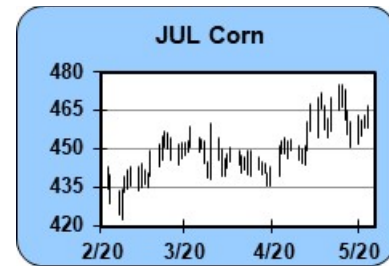
5/24/2024

Heavy rains hit Iowa again overnight

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):

CORN +0.1

OVERNIGHT DEVELOPMENTS: Corn (JUL 24) prices overnight are up 1 1/2. Corn open interest as of May 23 was up 2,428 contracts. Chinese Dalian (JUL 24) Corn was down 0.20%.



NEAR-TERM MARKET FUNDAMENTALS: July corn prices are up \$0.12 on the week on solid demand and weather uncertainties and the edge remains with the bull camp. Heavy rains once again moved across eastern Nebraska and Iowa overnight and more is expected from Iowa eastward late this weekend into early next week. The Buenos Aires Grain Exchange says excellent conditions on corn fell 3% to 11% this week and harvest stands at 28.2% complete. Emater says Rio Grande do Sul harvest is 92% complete and flooding losses have yet to be fully assessed. US Midwest area under drought fell another 2% to 10% compared to 26% year ago. Argentine officials will be heading to China today to work out customs agreements to open the door for China to import Argentine corn. French corn seeding is 78% done, but well below the 5-year average of 96%. This week, Corn prices may be finding some support from the wheat versus corn spread reaching its highest level in 2 years, raising ideas corn may be undervalued. Export sales continue their solid pace and the US should remain competitive through mid-summer. The International Grains Council cut world corn stocks 6 million tonnes to 1.220 billion tonnes, due to the leafhopper infestation shrinking Argentina's crop. US Crop conditions reports will start in early June and will likely be historically strong now that moisture deficits have been replenished. The condition reports will shift the focus to the positive early start for the crop and offer a bearish headwind. However, for the short-term, further strength is likely until the crop is fully planted, with objectives of 475 1/2 and 484 on July futures.

The Export Sales Report showed that for the week ending May 16, net corn sales came in at 911,151 tonnes for the current marketing year and 304,952 for the next marketing year for a total of 1,216,103. Cumulative sales have reached 90.2% of the USDA forecast for the 2023/2024 marketing year versus a 5 year average of 91.8%. Sales need to average 349,000 tonnes per week to reach the USDA forecast.

TODAY'S MARKET IDEAS:

Corn may be seeing some positive benefit from the extension of the wheat rally pushing the wheat/corn spread to its highest levels in 2 years, raising ideas corn may be undervalued. Our thoughts are the same to finish the week and last week's bounce off key 451 support on July futures suggests the market could at least test this month's high at 475 1/2 and possibly 484. Speculators can continue to look for 4-7 cent pullbacks as buying opportunities.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

CORN TECHNICAL OUTLOOK:

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CORN (JUL) 05/24/2024: Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. The close above the 9-day moving average is a positive short-term indicator for trend. With the close over the 1st swing resistance number, the market is in a moderately positive position. The next downside objective is 454 3/4. The next area of resistance is around 468 1/4 and 472, while 1st support hits today at 459 3/4 and below there at 454 3/4.

CORN (DEC) 05/24/2024: 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. The daily closing price reversal up is a positive indicator that could support higher prices. The market has a slightly positive tilt with the close over the swing pivot. The next downside objective is now at 477 3/4. The next area of resistance is around 490 1/2 and 493 3/4, while 1st support hits today at 482 1/2 and below there at 477 3/4.

DAILY WHEAT COMMENTARY

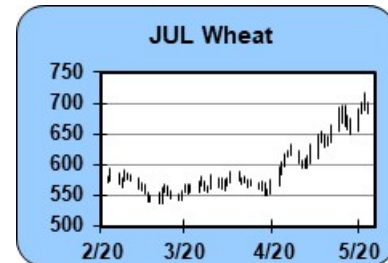
5/24/2024

Wet for SW Plains next week, only minor relief in Russia

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):

WHEAT -0.53

OVERNIGHT DEVELOPMENTS: Chicago wheat (JUL 24) prices overnight are up 1 1/4; Kansas City (JUL 24) up 8 3/4; and Minneapolis (JUL 24) up 5 1/4. MATIF Milling Wheat(SEP 24) was up 1.0%. Chicago wheat open interest as of May 23 was up 3,271 contracts and Minneapolis wheat was up 6,816 contracts.



NEAR-TERM MARKET FUNDAMENTALS: Wheat prices are holding their recent gains having rallied a little over \$0.40 this week and yesterday's failure to close lower and confirm Wednesday's reversal keeps the bull camp with the edge. In an interesting development overnight, Putin suggested he is ready to halt the war in Ukraine with a negotiated cease-fire that recognizes the current battle lines. It's difficult to know if this is a ploy to allow Russian military recruitment and arms manufacturing to catch up or a real attempt to end the drawn out war. Either way, Ukraine has said they are unwilling to give up any territory, so negotiations could be an uphill battle. US winter wheat area under drought was unchanged at 25% this week, compared to 47% last year. Rains fell across the Dakotas overnight and the forecast models have added significant chances for the Southwest Plains late next week. The 6-10 day and the 8-14 day maps show above normal precipitation specifically over the dry areas of western Kansas and the panhandles. The Southwest Plains is the only area across the Midwest remaining with severe subsoil deficits. Eastern Ukraine and southern Russia are now expected to see only minor dryness relief next week, keeping the stressful conditions intact. Argentine's wheat crop was disappointing this past season, but the Bahia Blanco Grain Exchange says the breadbasket area of Buenos Aries and La Pampa could see a 41% increase in crop production for 2024/25.

After such a strong price rally over the last month, pricing in weather issues, the market may be nearing a point where it needs to see rainfall occur over the dry areas of the Black Sea region and the SW US Plains before any significant pullback can commence. Wednesday's high on July Chicago at 716 3/4 is now key resistance and yesterday's low of 682 1/2 important support.

The Export Sales Report showed that for the week ending May 16, net wheat sales came in at 17,852 tonnes for the current marketing year and 224,860 for the next marketing year for a total of 242,712. Cumulative sales have reached 89.8% of the USDA forecast for the 2023/2024 marketing year versus a 5 year average of 95.7%. Sales need to average 141,000 tonnes per week to reach the USDA forecast.

TODAY'S MARKET IDEAS:

The market avoided confirmation of Wednesday's reversal lower, and the technical picture remains positive. We still encourage speculative longs to tighten stops after the recent \$1.70 rally as some technical indicators are reaching overbought levels. The forecast is certainly bearish for the Southwest US Plains with beneficial rains expected later next week. However, the Black Sea areas are not expected to see any major relief over the next 2 weeks, which may keep the bull trend in place until their forecast changes.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

WHEAT TECHNICAL OUTLOOK:

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WHEAT (JUL) 05/24/2024: Daily stochastics have risen into overbought territory which will tend to support reversal action if it occurs. The market's close above the 9-day moving average suggests the short-term trend remains positive. The upside closing price reversal on the daily chart is somewhat bullish. The close over the pivot swing is a somewhat positive setup. The near-term upside target is at 715 1/4. The 9-day RSI over 70 indicates the market is approaching overbought levels. The next area of resistance is around 708 and 715 1/4, while 1st support hits today at 688 and below there at 675 1/4.

KC WHEAT (JUL) 05/24/2024: Daily stochastics have risen into overbought territory which will tend to support reversal action if it occurs. The market's short-term trend is positive on the close above the 9-day moving average. The daily closing price reversal up on the daily chart is somewhat positive. With the close over the 1st swing resistance number, the market is in a moderately positive position. The near-term upside objective is at 733 3/4. The next area of resistance is around 727 and 733 3/4, while 1st support hits today at 702 and below there at 683 1/2.

MINN WHEAT (JUL) 05/24/2024: Studies are showing positive momentum but are now in overbought territory, so some caution is warranted. The market's short-term trend is positive on the close above the 9-day moving average. The upside daily closing price reversal gives the market a bullish tilt. It is a mildly bullish indicator that the market closed over the pivot swing number. The near-term upside target is at 758. The next area of resistance is around 752 1/4 and 758, while 1st support hits today at 735 3/4 and below there at 725.

RICE (JUL) 05/24/2024: The moving average crossover down (9 below 18) indicates a possible developing short-term downtrend. Declining momentum studies in the neutral zone will 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 outside day down and close below the previous day's low is a negative signal. The market setup is somewhat negative with the close under the 1st swing support. The next downside target is 17.964. The next area of resistance is around 18.797 and 19.213, while 1st support hits today at 18.173 and below there at 17.964.

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	464	56.17	55.58	50.20	47.16	460.94	461.75	460.78	452.28	451.00
CNAZ24	486 1/2	56.33	56.02	55.18	49.57	484.25	485.14	483.39	475.89	473.96
SSAN24	1239 1/4	60.38	59.38	72.63	73.64	1242.44	1229.06	1219.96	1200.38	1197.38
SSAX24	1216	60.74	59.48	70.31	69.47	1216.00	1209.39	1203.60	1187.69	1182.75
SMAN24	376.7	61.13	61.06	58.77	55.27	375.33	372.14	371.19	353.31	349.55
BOAN24	45.19	52.29	50.47	67.49	71.71	45.80	45.01	44.27	46.03	46.39
WHAN24	698	70.30	68.98	80.72	82.15	694.31	679.67	654.04	607.88	595.12
WHAZ24	738 1/2	70.24	69.64	81.66	82.82	735.94	722.50	698.13	649.76	634.27
RCAN24	18.485	43.59	47.55	41.78	32.41	18.67	18.81	18.81	18.17	18.17
KWAN24	714 1/2	69.09	67.13	75.93	81.18	702.13	689.08	670.08	621.84	608.64
MWAN24	744	66.98	65.94	72.27	76.17	739.63	732.14	721.69	684.69	678.75
OTAN24	369 1/2	41.80	46.41	28.89	14.92	365.88	384.56	388.24	362.71	361.78

Calculations based on previous session. Data collected 05/23/2024

Data sources can & do produce bad ticks. Verify before use.

DAILY SWING STATISTICS

Contract	Support 2	Support 1	Pivot	Resist 1	Resist 2
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GRAIN COMPLEX

CNAN24	Corn	454 3/4	459 1/2	463 1/2	468 1/2	472 1/4
CNAZ24	Corn	477 3/4	482 1/2	485 3/4	490 1/2	493 3/4
SSAN24	Soybeans	1221	1228	1243 1/4	1250 1/2	1265 1/2
SSAX24	Soybeans	1203	1208 1/2	1218 1/4	1223 1/2	1233 1/2
SMAN24	Soymeal	370.1	373.0	377.5	380.4	384.9
BOAN24	Soybean Oil	44.12	44.50	45.49	45.87	46.86
WHAN24	Wheat	675 1/4	688	695 1/4	708	715 1/4
WHAZ24	Wheat	718	729 3/4	735 1/2	747 1/4	753
RCAN24	Rice	17.963	18.172	18.588	18.797	19.213
KWAN24	KC Wheat	683 1/4	702	708 1/2	727	733 3/4
MWAN24	MINN Wheat	725	735 3/4	741 1/2	752 1/4	758
OTAN24	Oats	361 1/2	364 3/4	371	374 1/4	380 1/2

Calculations based on previous session. Data collected 05/23/2024

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