



DAILY GRAINS COMMENTARY Thursday May 30, 2024

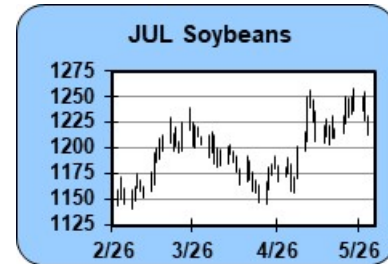
DAILY SOY COMPLEX COMMENTARY 5/30/2024

Managed Money longs in soymeal fueling selloff

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

OVERNIGHT DEVELOPMENTS: Soybeans (JUL 24) prices overnight are unchanged; Soymeal (JUL 24) up 2.80; and Soyoil (JUL 24) down -0.75. Soybean open interest as of May 29 was up 4,902 contracts, soymeal up 5,831 contracts, and soybean oil up 4,705. Chinese Dalian (JUL 24) Soybeans up 0.32%, Soymeal down 0.49%, Soyoil unchanged, Palm oil down 0.23%. Malaysian Palm was down 0.99%.

Global equity markets overnight were mixed with markets in Asia and the Pacific rim lower and generally higher in the West. Critical economic news released overnight included a larger than expected jump in Australian private capital expenditures in the first quarter, higher Swiss import, and export data for April, stronger-than-expected Swiss GDP, much weaker than expected Swiss KOF leading indicators for May, as expected Spanish consumer price index readings which matched the previous month and a drop in Italian unemployment readings for April. The North American session will start out with first quarter US gross domestic product which is expected to have a minimal downtick from the previous 1.6% annualized rate. First quarter core personal consumption expenditures (a favorite Fed inflation gauge) is forecast to hold steady with the previous 3.7% reading. A weekly reading on initial jobless claims is expected to have a minimal uptick from the previous 215,000 reading. Ongoing jobless claims are forecast to have a modest weekly increase from the previous 1.794 million reading. The April goods trade balance is expected to have a moderate uptick from March's \$91.8 billion reading. April wholesale inventories are forecast to have a mild uptick from the previous -0.4% reading. April pending home sales are expected to have a modest uptick from March's 0.1% year-over-year rate. New York Fed President Williams and Dallas Fed President Logan will speak during afternoon US trading hours. Earnings announcements will include Dollar General and Hormel Foods before the Wall Street opening while Costco Wholesale, Dell Technologies, Marvell Technologies, and Autodesk report after the close.



NEAR-TERM MARKET FUNDAMENTALS: Recently added fund long positions in soybean meal have become fuel for the selloff over the last couple of days, after Tuesday's reversal down, keeping the edge with the bear camp. In further bearish news for meal, China says they been exporting excess meal as their hog herd continues to shrink and demand has been weak. Weekly export sales will be delayed until Friday morning. On the other hand, Morgan Stanley estimates southern Brazil flood losses at a total of 5 million tonnes, with stored grain losses 2 million and field losses another 3 million. Most previous analyst estimates were between 2-3 million tonnes. Precipitation is beginning across the southern Plains with rains moving across Western Kansas this morning. The 8 to 14 day outlook shows below normal precipitation for the northwest bean belt and below normal temperatures for all the Midwest. Central Argentina is expecting dry and cold conditions which will help harvest move forward. The Argentine farmer is speeding up sales due to the better harvest weather and higher prices. US weather looks non-threatening, and prices may push down into support today. The surplus moisture across most of the Midwest gives the developing crop a cushion and the growing season is starting out nearly drought-free across most of the Midwest. This will weigh heaviest on beans as their balance sheet is the most burdensome of the grain and oilseed complex if weather turns out close to normal. The mid-May low of 1203 1/2 lines up with the 50-day and 100-day moving averages at 1203 and 1204, respectively as the next major support area. The lack of current bullish news means prices may quickly test support.

TODAY'S MARKET IDEAS:

Managed Money longs in meal had reached over 100,000 contracts last week and this week's selloff has been

fueled by liquidation. July beans are coming into moving average support at 1204, which needs to hold to avoid the chart turning more bearish. However, the non-threatening US forecast may keep sellers aggressive and push prices further down to retracement support at 1195.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

SOYBEAN COMPLEX TECHNICAL OUTLOOK:

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SOYBEANS (JUL) 05/30/2024: Momentum studies trending lower at mid-range should accelerate a move lower if support levels are taken out. The close under the 18-day moving average indicates the intermediate-term trend could be turning down. The close below the 1st swing support could weigh on the market. The next downside objective is now at 1199 1/4. The next area of resistance is around 1223 1/4 and 1236 1/2, while 1st support hits today at 1204 3/4 and below there at 1199 1/4.

SOYBEAN OIL (JUL) 05/30/2024: Studies are showing positive momentum but are now in overbought territory, so some caution is warranted. The market's close above the 9-day moving average suggests the short-term trend remains positive. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The near-term upside target is at 46.60. The next area of resistance is around 46.32 and 46.60, while 1st support hits today at 45.44 and below there at 44.83.

SOYMEAL (JUL) 05/30/2024: The downside crossover of the 9 and 18 bar moving average is a negative signal. Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. The close below the 18-day moving average is an indication the intermediate-term trend has turned down. It is a slightly negative indicator that the close was under the swing pivot. The next downside objective is 360.7. The next area of resistance is around 374.4 and 382.0, while 1st support hits today at 363.8 and below there at 360.7.

DAILY CORN COMMENTARY

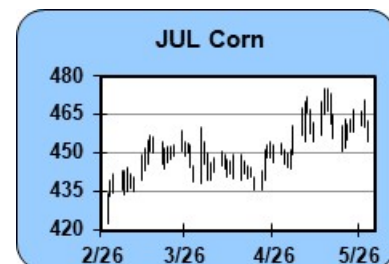
5/30/2024

Heavy rains on tap for south central corn belt

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):

CORN -0.1

OVERNIGHT DEVELOPMENTS: Corn (JUL 24) prices overnight are down -3/4. Corn open interest as of May 29 was up 15,348 contracts. Chinese Dalian (JUL 24) Corn was down 0.29%.



NEAR-TERM MARKET FUNDAMENTALS: Wednesday's selloff pushed prices down into moving average support on July and to the lower boundary of the last 3-weeks range. Heavy rains are expected this weekend in eastern Nebraska, Kansas, Oklahoma, Texas, and Arkansas with lighter amounts in the Eastern corn belt and the Northwest corn belt. The southern Plains rains will be welcomed; however, Arkansas has seen excessive precipitation over the last few weeks. 8-14 day forecasts show temperatures below normal across all the Midwest. No extended heat or dryness is anticipated through mid-June. Weekly export sales will be delayed until Friday morning. Ethanol production

today is expected at 1.031 million barrels per day, compared to 1.019 last week. Ethanol stocks are expected at 24.042 million barrels, down from last week's 24.212 million. LSEG left their Ukraine corn production number unchanged at 26.6 million tonnes but said drought risks could reduce the crop if dryness doesn't end quickly. Ukraine's Deputy Foreign Minister said 2024/25 grain exports will reach only 38-40 million tonnes, compared to 50 million last season. There is some crop stress from dryness in Brazil's central safrinha crop areas for the next 10 days and LSEG lowered their Brazil production 3% to 113.4 million tonnes, compared to USDA at 122 and CONAB at 111.6 million. Wednesday's open interest in corn jumped more than 15,000 contracts, which is a worrying sign for the bull camp as it indicates new shorts entering the market. Overnight, prices touched the 50-day moving average and held for the 3rd time this month. A close below 452 on July futures would suggest a move down to channel support at 446. The non-threatening US Midwest forecast will limit rallies.

TODAY'S MARKET IDEAS:

Since the February low, July corn has been in an uptrend channel with a lower boundary of 446. Moving average support stands at 453, which was tested overnight. With early season crop weather looking good, until the weather forecast changes to a more stressful outlook, prices may struggle to hold support. Rising open interest indicates new short positioning.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

CORN TECHNICAL OUTLOOK:

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CORN (JUL) 05/30/2024: Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. 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 objective is now at 448 1/4. The next area of resistance is around 459 1/2 and 465 1/2, while 1st support hits today at 451 and below there at 448 1/4.

CORN (DEC) 05/30/2024: Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. The close under the 18-day moving average indicates the intermediate-term trend could be turning down. The market's close below the 1st swing support number suggests a moderately negative setup for today. The next downside objective is now at 472 1/4. The next area of resistance is around 482 3/4 and 488 1/4, while 1st support hits today at 474 3/4 and below there at 472 1/4.

DAILY WHEAT COMMENTARY

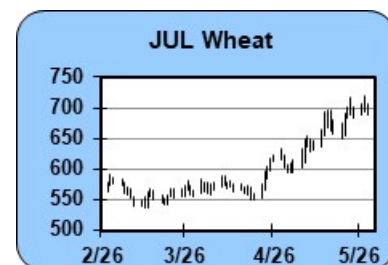
5/30/2024

Heavy rains for the southern Plains anticipated this weekend

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):

WHEAT -1.0

OVERNIGHT DEVELOPMENTS: Chicago wheat (JUL 24) prices overnight are down -11 1/2; Kansas City (JUL 24) down -11 3/4; and Minneapolis (JUL 24) down -6. MATIF Milling Wheat(SEP 24) was down -1.1%. Chicago wheat open interest as of May 29 was up 3,258 contracts and Minneapolis wheat was up 3,673 contracts.



NEAR-TERM MARKET FUNDAMENTALS: This week's pullback continued overnight on scattered rain chances for Ukraine and heavy rain potential in the southern Plains this weekend. Kansas, Oklahoma and Texas are all expected to see significant rain totals Friday-Sunday. Initially, the rainfall is certainly seen as beneficial, however, concerns may arise over wheat quality as the wet weather evolves since harvest will be starting very quickly. Weekly export sales will be delayed until Friday morning. The EU announced a tariff hike on Russian grain imports to start July 1. A cargo ship in the Red Sea was hit by missiles from Yemen yesterday but was able to limp to its destination. Egypt says they will raise the price of subsidized bread for the 1st time in 6 years, which will be very unpopular with the poor who rely on the government handout. India says monsoon rains have begun in the southernmost parts of the country, which is slightly earlier than normal. Australia's Weather Bureau says rain chances should improve after an expected dry June. Half of Black Sea growing areas will see very minimal relief to the dryness over the next 10 days and that should keep a measure of support under the market. Previous pullbacks over the last 45 days have been 3 to 4 days in duration so at least another day or 2 of downside action may be seen. July Chicago.382 retracement support of the 45-day rally is 655.

TODAY'S MARKET IDEAS:

Heavy rain totals for the US southern Plains on tap for this weekend have been part of the downside pressure on prices this week. However, the crop is close enough to harvest that quality concerns may be a larger issue than the benefit of the moisture replenishment. Black Sea growing areas will see some scattered precipitation, but significant portions of the crop area will remain stressed. Price action may stay weak through early next week as winter wheat conditions are likely to improve on Monday afternoon's condition report.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

WHEAT TECHNICAL OUTLOOK:

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WHEAT (JUL) 05/30/2024: Momentum studies are trending lower from high levels which should accelerate a move lower on a break below the 1st swing support. The market's close above the 9-day moving average suggests the short-term trend remains positive. It is a slightly negative indicator that the close was lower than the pivot swing number. The next downside objective is now at 677 1/2. The next area of resistance is around 701 1/2 and 712 3/4, while 1st support hits today at 684 and below there at 677 1/2.

KC WHEAT (JUL) 05/30/2024: 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 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 target is now at 704 3/4. The next area of resistance is around 729 3/4 and 740 1/2, while 1st support hits today at 711 3/4 and below there at 704 3/4.

MINN WHEAT (JUL) 05/30/2024: 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 near-term upside target is at 772 1/4. The next area of resistance is around 761 1/2 and 772 1/4, while 1st support hits today at 742 1/2 and below there at 734 1/2.

RICE (JUL) 05/30/2024: Momentum studies are still bearish but are now at oversold levels and will tend to support reversal action if it occurs. The market's short-term trend is negative as the close remains below the 9-day moving average. The market tilt is slightly negative with the close under the pivot. The next downside target is now at 17.578. The next area of resistance is around 18.005 and 18.237, while 1st support hits today at 17.675

and below there at 17.578.

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	455 1/4	43.42	47.51	46.08	38.74	461.63	459.53	462.18	452.84	452.06
CNAZ24	478 3/4	43.22	47.58	47.72	37.80	484.69	483.06	485.08	476.46	475.07
SSAN24	1214	44.46	48.88	65.39	52.93	1232.69	1233.94	1228.81	1201.24	1200.94
SSAX24	1196 3/4	42.91	48.31	61.66	48.70	1210.69	1210.33	1209.96	1188.51	1186.21
SMAN24	369.1	47.27	51.55	54.50	44.57	377.23	374.44	374.88	355.43	351.73
BOAN24	45.88	58.00	54.29	69.22	72.32	45.39	45.48	44.65	45.79	46.39
WHAN24	692 3/4	64.49	65.48	79.30	76.75	697.06	686.89	669.79	616.50	601.49
WHAZ24	736 1/4	66.09	67.14	80.39	78.15	739.06	729.44	713.28	658.73	641.64
RCAN24	17.840	32.06	39.45	22.55	10.03	18.19	18.53	18.66	18.20	18.15
KWAN24	720 3/4	66.62	66.11	81.10	81.04	720.75	701.75	685.39	631.32	616.56
MWAN24	752	66.97	66.35	79.37	81.20	751.56	739.22	729.83	690.71	683.57
OTAN24	384 1/2	55.03	54.73	22.65	22.77	376.69	372.42	388.44	364.46	362.49

Calculations based on previous session. Data collected 05/29/2024

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	448 1/4	451	457	459 1/2	465 3/4
CNAZ24	Corn	472 1/4	474 3/4	480 1/4	482 3/4	488 1/4
SSAN24	Soybeans	1199 1/4	1204 1/2	1218	1223 1/2	1236 3/4
SSAX24	Soybeans	1185	1189 1/4	1200	1204 1/4	1215
SMAN24	Soymeal	360.6	363.7	371.3	374.4	382.0
BOAN24	Soybean Oil	44.82	45.43	45.71	46.32	46.60
WHAN24	Wheat	677 1/4	684	695	701 1/2	712 3/4
WHAZ24	Wheat	721 3/4	728	738	744 1/2	754 1/4
RCAN24	Rice	17.577	17.674	17.907	18.005	18.237
KWAN24	KC Wheat	704 1/2	711 3/4	722 1/2	729 3/4	740 1/2
MWAN24	MINN Wheat	734 1/2	742 1/2	753 1/2	761 1/2	772 1/2
OTAN24	Oats	373	379 3/4	382 1/2	389 1/4	392

Calculations based on previous session. Data collected 05/29/2024

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