



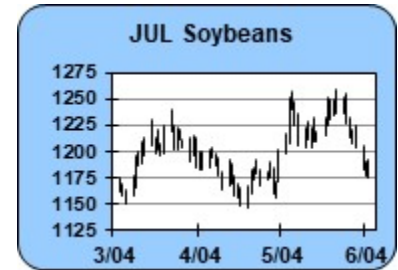
DAILY GRAINS COMMENTARY Thursday June 06, 2024

DAILY SOY COMPLEX COMMENTARY 6/6/2024

Drier Midwest outlook, temps rise in week 2

**OVERNIGHT CHANGES THROUGH 6:06 AM (CT):
SOY BEANS +0.1, BEAN OIL +0.0, SOYMEAL +0.2**

OVERNIGHT DEVELOPMENTS: Soybeans (JUL 24) prices overnight are up 5 1/2; Soymeal (JUL 24) up 1.10; and Soyoil (JUL 24) up 0.63. Soybean open interest as of June 5 was up 11,616 contracts, soymeal down 8,867 contracts, and soybean oil up 6,672. Chinese Dalian (JUL 24) Soybeans down 0.69%, Soymeal up 0.17%, Soyoil up 0.31%, Palm oil up 0.37%. Malaysian Palm was up 1.41%.



NEAR-TERM MARKET FUNDAMENTALS: While June is the most common month for a seasonal high in the bean market, 8 of the last 9 trading sessions July beans have closed lower and hit at one month low on Wednesday, keeping the bear camp in control. Wednesday's strong rally in meal caught traders by surprise after Brazil announced an executive order to simplify their tax structure, which agribusiness executives say will hurt Brazilian competitiveness and raise costs for producers and crushers. Brazil soy premiums have been rising with the US Gulf now just \$0.20 above Brazilian prices, back in March Brazil was a \$1.00 under the US. There were rumors yesterday USDA asked NOPA to check their numbers from the strangely low crush report 2 weeks ago. If this is true, a revised NOPA number may be coming. Over the next 5 days the US Midwest is expected to remain mostly dry, except for some showers in the southern Plains. The 6 to 10 day forecast shows below normal precipitation for the eastern bean belt with temperatures below normal as well, but above normal temps will be moving into the Western belt and temperatures rise to above normal levels in the 8 - 14 day timeframe. African swine fever was found in a farm pig in eastern Germany, which doesn't affect humans but is fatal to pigs. In 2020, China banned German pig meat due to a swine fever outbreak and that ban is still in place. LSEG revised their Argentine production estimate up 1% from last month to 49.4 million tonnes, compared to USDA at 50 million. Weekly export sales this morning are expected in a range of 175,000-600,000 for old crop beans and 0-200,000 for new crop. On meal, estimates are 100,000-300,000 tonnes for old crop and 0-60,000 new crop and bean oil 0-10,000 tonnes. Potential rising temperatures in the 2nd week of the forecast across the Midwest may begin to get the market's attention after the current 7-day decline pushed prices down to oversold levels. Initial resistance is 1192 on July and if prices can move above that level a run to 1st retracement resistance may be seen at 1207, if prices can clear the 50-day moving average which stands at 1199 1/2. Monday afternoon's 1st bean condition report is expected to show high ratings and may result in a short-term low.

TODAY'S MARKET IDEAS:

Price action Wednesday was disappointing as the market ended near its lows of the day. The forecast models have gone drier in the Midwest, which will help planting finish. However, temperatures are expected to rise to above normal levels across the Midwest in week 2 and that may spark some weather-related buying after the recent decline. 50-day moving average resistance stands at 1199 and .382 retracement resistance to the high 2 weeks ago is 1207 on July.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None

SOYBEAN COMPLEX TECHNICAL OUTLOOK:

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SOYBEANS (JUL) 06/06/2024: Momentum studies are declining, but have fallen to oversold levels. A negative signal for trend short-term was given on a close under the 9-bar moving average. The daily closing price reversal down is a negative indicator for prices. The market's close below the pivot swing number is a mildly negative setup. The next downside objective is now at 1164. With a reading under 30, the 9-day RSI is approaching oversold levels. The next area of resistance is around 1185 1/2 and 1196 3/4, while 1st support hits today at 1169 and below there at 1164.

SOYBEAN OIL (JUL) 06/06/2024: The downside crossover of the 9 and 18 bar moving average is a negative signal. Daily stochastics declining into oversold territory suggest the selling may be drying up soon. The market's short-term trend is negative as the close remains below the 9-day moving average. The market's close below the 1st swing support number suggests a moderately negative setup for today. The next downside target is 42.41. The next area of resistance is around 43.58 and 44.20, while 1st support hits today at 42.68 and below there at 42.41.

SOYMEAL (JUL) 06/06/2024: Daily stochastics are trending lower but have declined into oversold territory. The close below the 9-day moving average is a negative 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 target is now at 349.4. The next area of resistance is around 364.7 and 370.3, while 1st support hits today at 354.3 and below there at 349.4.

DAILY CORN COMMENTARY

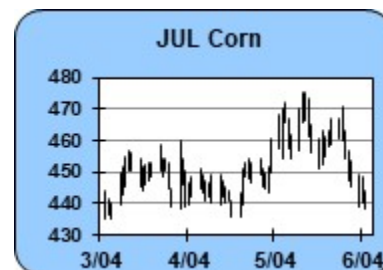
6/6/2024

Rising US Midwest temps in week 2

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):

CORN +0.6

OVERNIGHT DEVELOPMENTS: Corn (JUL 24) prices overnight are up 4 1/4. Corn open interest as of June 5 was up 20,572 contracts. Chinese Dalian (JUL 24) Corn was up 0.29%.



NEAR-TERM MARKET FUNDAMENTALS: Corn is finally catching a bid after hitting a 6 1/2 week low and following 7 consecutive days of lower closes. This morning's buying may be coming from forecasts of rising temperatures across the Midwest starting late next week and below normal precipitation expectations, especially across the Eastern corn belt. WHO confirmed the 1st global human infection of the H5N2 bird flu virus in Mexico and the patient died, but also had other health complications. This strain is different than the H5N7 virus that has spread across the US. An ADM corn mill in Iowa had a fire yesterday and the damage assessment is ongoing, which could reduce ethanol production in the area. Ethanol production was 1.072 million barrels per day, compared to guesses of 1.063. Ethanol stocks were expected steady to higher and came in under expectations at 23.052 million barrels, compared to pre-report guesses of 23.439. Prevent plant insurance dates are kicking in for many areas of the Midwest and farmers will be deciding whether to plant the last few acres, plant something else, or take the insurance check. Weekly export sales this morning are expected in range of 600,000-1,200,000 tonnes for old crop and 0-300,000 tonnes for new crop. Today's early strength is a positive sign after the recent decline and technical indicators may be turning up from oversold territory. The rising temperatures in week 2 of the US Midwest forecast suggest at least some weather premium may need to be built-in. Look for 1st resistance at 452 where the 50 and 100-day moving averages converge.

Ethanol average daily production for the week ending May 31 averaged 1.072 million barrels. This is a new high daily production for this week of the year. The previous high was 1.044 million barrels per day in 2019. This was up 0.4% from last week and up 3.5% from last year. The 5-year average for this week is 0.984 million barrels per day. Ethanol production for the week was 7.504 million barrels. Ethanol stocks were 23.052 million barrels. This was the lowest since December 15, 2023. This was down 0.7% from last week and up 0.5% from last year. The 5-year average stocks for this week is 22.240 million barrels. The amount of corn used for the week is estimated at 106.40 million bushels. Cumulative corn use for the crop year has reached 4.007 billion bushels. Corn use needs to average 109.77 million bushels per week to meet the USDA's marketing year forecast of 5.450 billion bushels.

TODAY'S MARKET IDEAS:

We mentioned yesterday prices looked ready for a bounce but needed a bullish spark and that may be coming from the extended forecast showing above normal temperatures moving into the Midwest late next week.

Technical indicators are into oversold territory and looking to turn up. Significant support at the April low of 435 3/4 on July has held and speculative buyers can put stops below that level to protect long positions.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

CORN TECHNICAL OUTLOOK:

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CORN (JUL) 06/06/2024: Daily stochastics are trending lower but have declined into oversold territory. 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 objective is 434 1/4. The 9-day RSI under 30 indicates the market is approaching oversold levels. The next area of resistance is around 442 1/4 and 446 1/4, while 1st support hits today at 436 1/4 and below there at 434 1/4.

CORN (DEC) 06/06/2024: Momentum studies are still bearish but are now at oversold levels and will tend to support reversal action if it occurs. A negative signal for trend short-term was given on a close under the 9-bar moving average. It is a slightly negative indicator that the close was under the swing pivot. The next downside target is 454 1/2. Some caution in pressing the downside is warranted with the RSI under 30. The next area of resistance is around 461 3/4 and 465 3/4, while 1st support hits today at 456 1/4 and below there at 454 1/2.

DAILY WHEAT COMMENTARY

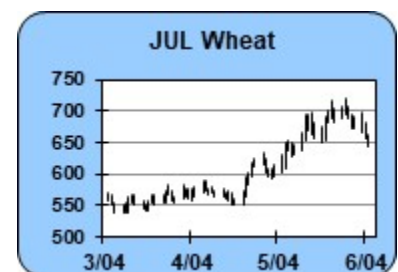
6/6/2024

Ukraine/S Russia precip chances limited

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):

WHEAT +0.05

OVERNIGHT DEVELOPMENTS: Chicago wheat (JUL 24) prices overnight are down -1; Kansas City (JUL 24) unchanged; and Minneapolis (JUL 24) up 1 3/4. MATIF Milling Wheat(SEP 24) was down -0.1%. Chicago wheat open interest as of June 5 was down 4,394 contracts and Minneapolis wheat was up 675 contracts.



NEAR-TERM MARKET FUNDAMENTALS: Despite another Russian crop cut, prices continued the pullback

Wednesday, keeping the edge with the bear camp. Over the next 5 days, there will be a few scattered showers across the southern Plains, but harvest should progress North and warming temperatures next week will speed the crop toward maturity. SovEcon lowered their Russian production number to 80.7 million tonnes, down from their cut 2 weeks ago to 82.1. They cited hot/dry conditions after the frost as the reason for the further cuts. Additionally, they said the crop may need to be further cut below 80 million tonnes if the dry forecast continues and for the next 10 days models are showing limited precipitation chances. Interestingly, Russian prices now have risen to match the US Gulf, for the 1st time since September of last year. Ukraine reported May was the driest in 30 years in much of the crop area, but they do not expect a crop disaster as it is early in the growing season with plenty of time for improvement and they left their total grain forecast unchanged at 52.4 million tonnes. Australia's USDA equivalent, ABARES, estimated winter wheat seeded area up 3% at 12.7 million hectares. Weekly export sales this morning is expected in a range of 200,000-550,000 tonnes. Overnight, July Chicago fell to 642, the 618 retracement support of the May rally. Prices may have fallen enough on this break after 6 consecutive days of lower closes. Although significant moving average support is under 630, a strong close today would suggest prices are ready to bounce back higher.

TODAY'S MARKET IDEAS:

No change to the Black Sea forecast and conditions will remain stressful at least for the next 10 days. Retracement support at 642 was reached overnight and a high range close today would suggest the market is ready to rebound. Speculative buyers can put protective stops under 640 on July Chicago. Look for resistance at 671 and 680.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

WHEAT TECHNICAL OUTLOOK:

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WHEAT (JUL) 06/06/2024: Momentum studies are still bearish but are now at oversold levels and will tend to support reversal action if it occurs. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The market's close below the pivot swing number is a mildly negative setup. The next downside target is now at 628 3/4. The next area of resistance is around 657 1/2 and 671 1/2, while 1st support hits today at 636 and below there at 628 3/4.

KC WHEAT (JUL) 06/06/2024: 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 swing indicator gave a moderately negative reading with the close below the 1st support number. The next downside objective is 658 1/4. The next area of resistance is around 685 1/2 and 700, while 1st support hits today at 664 1/2 and below there at 658 1/4.

MINN WHEAT (JUL) 06/06/2024: 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 1st swing support number suggests a moderately negative setup for today. The next downside target is 697 3/4. The next area of resistance is around 721 3/4 and 735, while 1st support hits today at 703 1/4 and below there at 697 3/4.

RICE (JUL) 06/06/2024: Daily stochastics declining into oversold territory suggest the selling may be drying up soon. The market's short-term trend is negative as the close remains below the 9-day moving average. The market setup is somewhat negative with the close under the 1st swing support. The next downside objective is now at 17.173. The market is approaching oversold levels on an RSI reading under 30. The next area of

resistance is around 17.575 and 17.812, while 1st support hits today at 17.255 and below there at 17.173.

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	439 1/4	27.75	36.01	18.25	10.04	442.88	451.86	457.13	452.65	451.85
CNAZ24	459	24.55	33.05	15.63	6.71	462.69	473.39	479.57	475.81	474.87
SSAN24	1177 1/4	29.65	37.80	22.42	8.72	1186.44	1209.58	1218.19	1199.99	1202.18
SSAX24	1150 1/2	21.71	31.32	19.52	6.99	1163.69	1187.50	1197.88	1186.83	1187.18
SMAN24	359.5	41.23	45.72	19.99	11.37	359.70	367.92	369.77	357.79	353.63
BOAN24	43.13	33.19	38.71	49.12	29.84	44.10	44.85	44.89	45.32	46.23
WHAN24	646 3/4	35.57	45.67	47.33	28.40	664.06	680.61	678.22	627.72	611.29
WHAZ24	695	36.99	47.27	49.95	31.21	710.69	724.94	721.88	670.69	652.80
RCAN24	17.415	26.97	35.01	6.70	3.07	17.54	17.86	18.38	18.30	18.10
KWAN24	675	41.35	49.40	56.59	40.88	693.06	707.19	696.06	645.22	627.48
MWAN24	712 1/2	36.39	45.29	52.11	33.11	727.38	739.75	734.61	699.73	689.38
OTAN24	352 1/2	30.45	37.50	20.94	14.98	370.06	374.75	381.94	366.96	364.05

Calculations based on previous session. Data collected 06/05/2024

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	434 1/4	436 1/4	440 1/4	442 1/4	446 1/4
CNAZ24	Corn	454 1/2	456	460 1/4	462	466
SSAN24	Soybeans	1164	1169	1180 1/2	1185 1/2	1197
SSAX24	Soybeans	1137	1142 1/4	1153 1/2	1158 3/4	1170
SMAN24	Soymeal	349.3	354.2	359.8	364.7	370.3
BOAN24	Soybean Oil	42.40	42.68	43.30	43.58	44.20
WHAN24	Wheat	628 1/2	636	650	657 1/2	671 1/2
WHAZ24	Wheat	678	685	698	705	718
RCAN24	Rice	17.172	17.255	17.492	17.575	17.812
KWAN24	KC Wheat	658	664 1/2	679	685 1/2	700
MWAN24	MINN Wheat	697 1/2	703	716 1/4	722	735
OTAN24	Oats	336 3/4	342	357 1/2	363	378 1/4

Calculations based on previous session. Data collected 06/05/2024

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