



DAILY GRAINS COMMENTARY Wednesday June 12, 2024

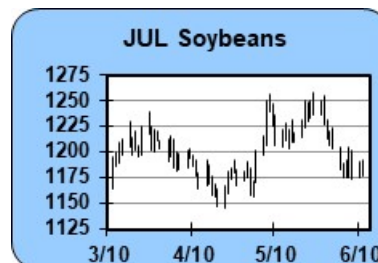
DAILY SOY COMPLEX COMMENTARY

6/12/2024

Expected bearish USDA report may find support from rising Midwest temps

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

OVERNIGHT DEVELOPMENTS: Soybeans (JUL 24) prices overnight are up 5 3/4; Soymeal (JUL 24) up 0.40; and Soyoil (JUL 24) up 0.37. Soybean open interest as of June 11 was down 16,732 contracts, soymeal up 2,976 contracts, and soybean oil down 8,865. Chinese Dalian (SEP 24) Soybeans up 0.04%, Soymeal down 0.46%, Soyoil down 0.43%, Palm oil down 0.03%. Malaysian Palm was up 0.76%.



NEAR-TERM MARKET FUNDAMENTALS: It's USDA supply and demand report day and volatility will no doubt increase today after mostly sideways action so far this week. Disregarding weather, we would give the edge to the bear camp as the report is expected to show higher US ending stocks for both old and new crop. However, rising temperatures across the Midwest over the next 2 weeks, while ideal in the short-term, will finally begin to draw down some of the moisture reserves and that is likely keep the bear camp on edge. Over the next week, showers are expected in Nebraska, Iowa, Minnesota and northern Illinois but areas outside that region will remain warm/dry. The 6 - 10 day forecast has above normal temperatures centered on the Eastern bean belt. The June supply and demand report typically does not include any major US production changes at this stage of the growing season, unless there were major planting problems, which was not the case this year. Reuters pre-report estimates for 2023/24 US ending stocks are 346 million bushels, up from 340 in May and 2024/25 is expected at 448 million bushels up from 445 in May. World ending stocks are expected slightly lower from last month. Brazil beans are expected to be cut to 152 million, down 2 million tonnes from May and Argentina's crop is expected to stay near May's 50 million tonne number. CONAB and the Buenos Aires Grain Exchange will be releasing new estimates tomorrow morning. Since the surprise Brazil tax measure last week, China has bought 208,000 tonnes of US beans. However, the tax measure appears to be dead in the water as the Argentine Congress sent the measure back to the government, effectively canceling the Executive Order. The government says they do not have a Plan B in place yet but are expected to water down the measure and try again. Whether or not China will continue to buy US beans now that the order is canceled remains to be seen. July beans have tested and held support in the 1175 area for 7 straight trading sessions and rallies during that time have stalled at the 100-day moving average resistance, which today stands at 1198 3/4. A close above that level is needed to spark a rebound in prices. With warmer weather for the Midwest on the way, a bearish reaction to today's report is likely to find buyers.

TODAY'S MARKET IDEAS:

While USDA is not expected to provide much of a bullish surprise in today's supply and demand numbers, above normal temperatures moving into the Midwest for the 2nd half of June is likely to result in traders buying any report break today. The range-bound trade of the last week is bounded by 1204 1/2 on the upside and 1174 on the lower boundary on July futures. Technical indicators are in oversold territory and a strong close today could give a short-term buy signal.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None

SOYBEAN COMPLEX TECHNICAL OUTLOOK:

Note: Data is collected using the closing values of the previous session and calculations and analysis are run at the same time. Technical commentary is based solely on statistical indicators and does not necessarily correspond to any fundamental analysis that may appear elsewhere in this report. Data sources can and do produce bad ticks that can cause computation errors. Please verify before use.

SOYBEANS (JUL) 06/12/2024: 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. The daily closing price reversal down puts the market on the defensive. The market setup is somewhat negative with the close under the 1st swing support. The next downside objective is now at 1165 1/2. The next area of resistance is around 1186 and 1197 1/2, while 1st support hits today at 1170 and below there at 1165 1/2.

SOYBEAN OIL (JUL) 06/12/2024: 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 upside closing price reversal on the daily chart is somewhat bullish. The close over the pivot swing is a somewhat positive setup. The next downside target is now at 42.63. The next area of resistance is around 44.16 and 44.60, while 1st support hits today at 43.18 and below there at 42.63.

SOYMEAL (JUL) 06/12/2024: The close below the 40-day moving average is an indication the longer-term trend has turned down. Daily momentum studies are on the rise from low levels and should accelerate a move higher on a push through the 1st swing resistance. The close below the 9-day moving average is a negative short-term indicator for trend. The outside day down is a negative signal. The market setup is somewhat negative with the close under the 1st swing support. The next upside objective is 375.2. The next area of resistance is around 365.9 and 375.2, while 1st support hits today at 352.7 and below there at 348.9.

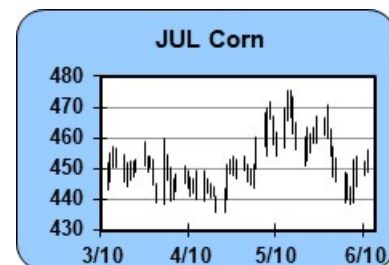
DAILY CORN COMMENTARY

6/12/2024

USDA report today then focus turns to hotter Midwest

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 June 11 was down 13,186 contracts. Chinese Dalian (SEP 24) Corn was up 0.04%.



NEAR-TERM MARKET FUNDAMENTALS: USDA's June supply and demand report is the major price driver today, although rising temperatures across the Midwest for the 2nd half of June will take center-stage once the report is behind us and we give the edge to the bull camp. July corn's 50-day moving average has been like a magnet for prices this week, but the market has not been able to close above it. Since this year has not had any major planting problems, USDA is unlikely to change US production or yield in this report and both old and new crop carryouts are expected to decline slightly. Reuters average pre-report guess for 2023/24 ending stocks is 2.009 billion bushels, down from 2.022 in May and 2024/25 is expected 2.079 billion, down from 2.102 billion last month. World ending stocks are expected to increase slightly. The leafhopper issues in Argentina have traders thinking USDA will cut the Argentine crop to 51 million tonnes from 53 in May and Brazil corn is also expected to be cut 1 million tonnes from May to 121 million due to late season safrinha dryness. Over the next 5 days, showers are expected in Nebraska, Iowa Minnesota and northern Illinois with above normal temperatures in the 6 - 10 day forecast centered on the Eastern corn belt. Crops will be able to easily endure a short-term bout of heat and dryness, but crop conditions will begin to deteriorate if the pattern remains in place through the end June and that risk may

cause some short covering. July corn is sitting right on the 100-day moving average and a close 452 today would suggest a rally to 462 resistance and possibly 469. A bearish report reaction should find solid buying.

TODAY'S MARKET IDEAS:

Open interest fell another 13,000 contracts yesterday and over the last 3 days open interest has fallen more than 55,000 contracts, indicating shorts are likely exiting as Midwest heat moves in over the next 2 weeks. If today's USDA report sparks a bearish reaction, speculators can look to buy a pullback between 440-445 on July futures. Protective stops can be placed below 435 3/4.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

CORN TECHNICAL OUTLOOK:

Note: Data is collected using the closing values of the previous session and calculations and analysis are run at the same time. Technical commentary is based solely on statistical indicators and does not necessarily correspond to any fundamental analysis that may appear elsewhere in this report. Data sources can and do produce bad ticks that can cause computation errors. Please verify before use.

CORN (JUL) 06/12/2024: Momentum studies are trending higher from mid-range, which should support a move higher if resistance levels are penetrated. A positive signal for trend short-term was given on a close over the 9-bar moving average. The daily closing price reversal down puts the market on the defensive. It is a slightly negative indicator that the close was lower than the pivot swing number. The next upside objective is 458 1/4. The next area of resistance is around 453 and 458 1/4, while 1st support hits today at 446 and below there at 444.

CORN (DEC) 06/12/2024: Daily momentum studies are on the rise from low levels and should accelerate a move higher on a push through the 1st swing resistance. The close below the 9-day moving average is a negative short-term indicator for trend. The outside day down is a negative signal. The market setup is somewhat negative with the close under the 1st swing support. The next upside target is 473 1/4. The next area of resistance is around 468 1/2 and 473 1/4, while 1st support hits today at 462 and below there at 460.

DAILY WHEAT COMMENTARY

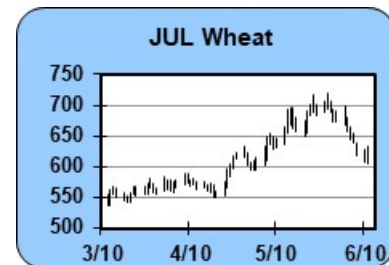
6/12/2024

Kansas test weights/yield good, Black Sea stress continues

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):

WHEAT -0.8

OVERNIGHT DEVELOPMENTS: Chicago wheat (JUL 24) prices overnight are down -7; Kansas City (JUL 24) down -9; and Minneapolis (JUL 24) down -6 1/4. MATIF Milling Wheat(SEP 24) was down -1.9%. Chicago wheat open interest as of June 11 was down 25,234 contracts and Minneapolis wheat was down 8,036 contracts.



NEAR-TERM MARKET FUNDAMENTALS: Wheat prices shot higher yesterday on a drier forecast for the Black Sea crop areas and emergency declarations in Russian crop areas. Today, USDA's June supply and demand report is expected to increase US winter wheat production, which is weighing on the market to start the day. The June report is expected to show unchanged old crop wheat ending stocks and 2024/25 carryout is expected to be raised to 778 million bushels, up from 766 last month. All wheat production is expected to rise to 1.880 billion bushels, up from 1.858 last month. Harvest reports across southern Kansas are coming in with good test weights and better-than-expected yields and USDA could opt to increase hard red winter wheat yield in today's report. While Ukraine will see some relief to the dryness through this weekend, one third of the southern Russian crop

CNAN24	449 1/2	46.62	46.99	26.55	31.58	450.50	446.92	453.22	452.99	451.85
CNAZ24	465 1/4	39.33	41.60	19.66	21.64	467.56	465.78	474.42	475.37	474.63
SSAN24	1178	38.22	41.53	14.62	10.77	1186.38	1189.00	1211.47	1199.26	1200.59
SSAX24	1151 1/2	30.69	35.66	13.21	9.85	1158.75	1164.42	1187.38	1184.56	1185.25
SMAN24	359.3	43.16	46.16	19.21	19.25	362.70	361.47	367.96	360.12	355.08
BOAN24	43.67	41.70	43.50	29.14	21.42	43.83	44.16	44.82	44.86	45.88
WHAN24	626 1/2	36.28	42.07	19.87	12.84	625.25	648.69	667.79	632.06	616.13
WHAZ24	671 1/2	33.60	41.07	20.35	11.52	673.81	695.94	712.69	675.68	658.57
RCAN24	17.545	38.20	40.77	19.44	19.69	17.92	17.74	18.14	18.43	18.09
KWAN24	653 1/4	36.64	43.74	27.66	16.18	660.63	680.47	691.11	652.63	633.27
MWAN24	678 3/4	25.01	34.26	19.67	8.17	688.81	711.86	725.54	702.78	691.02
OTAN24	334	25.97	32.51	11.23	5.87	343.63	360.06	366.24	367.98	362.74

Calculations based on previous session. Data collected 06/11/2024

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	443 3/4	446	451	453	458 1/4
CNAZ24	Corn	459 3/4	462	466 1/2	468 1/2	473 1/4
SSAN24	Soybeans	1165 1/2	1170	1181 1/2	1186	1197 1/2
SSAX24	Soybeans	1141 1/4	1145	1154	1158	1166 3/4
SMAN24	Soymeal	348.8	352.7	362.0	365.9	375.2
BOAN24	Soybean Oil	42.62	43.17	43.61	44.16	44.60
WHAN24	Wheat	595 1/2	612 3/4	623	640 1/4	650 1/2
WHAZ24	Wheat	649 1/2	661 1/2	669 1/4	681 1/2	689
RCAN24	Rice	17.328	17.407	17.603	17.682	17.878
KWAN24	KC Wheat	631 1/4	643	651 1/2	663 1/2	671 3/4
MWAN24	MINN Wheat	669 1/4	673 1/2	679 1/2	684	689 3/4
OTAN24	Oats	327 3/4	330	335 1/2	338	343 1/4

Calculations based on previous session. Data collected 06/11/2024

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

***This report includes information from sources believed to be reliable and accurate as of the date of this publication, but no independent verification has been made and we do not guarantee its accuracy or completeness. Opinions expressed are subject to change without notice. Any information or recommendation contained herein: (i) is not based on, or tailored to, the commodity interest or cash market positions or other circumstances or characterizations of particular investors or traders; (ii) is not customized or personalized for any such investor or trader; and (iii) does not take into consideration, among other things, risk tolerance, net worth, or available risk capital. Any use or reliance upon the information or recommendations is at the sole discretion and election of the subscriber. The risk of loss in trading futures contracts or commodity options can be substantial, and traders should carefully consider the inherent risks of such trading in light of their financial condition. Any reproduction or retransmission of this report without the express written consent of Lakefront Futures is strictly prohibited.