



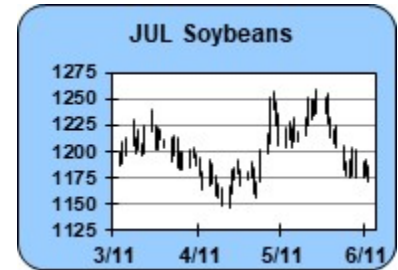
DAILY GRAINS COMMENTARY Thursday June 13, 2024

DAILY SOY COMPLEX COMMENTARY 6/13/2024

USDA report dull, rising Midwest temps back in focus

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

OVERNIGHT DEVELOPMENTS: Soybeans (NOV 24) prices overnight are down -3/4; Soymeal (DEC 24) up 0.80; and Soyoil (JUL 24) down -0.26. Soybean open interest as of June 12 was down 3,269 contracts, soymeal up 356 contracts, and soybean oil up 57. Chinese Dalian (SEP 24) Soybeans down 0.19%, Soymeal down 0.40%, Soyoil up 0.28%, Palm oil up 0.63%. Malaysian Palm was down 0.56%.



NEAR-TERM MARKET FUNDAMENTALS: Traders quickly discounted yesterday's uneventful crop report and focus will return to US growing weather and this morning's CONAB numbers. CONAB came in at 147.35 million tonnes, down from 147.685 last month. USDA did not offer any major surprises in Wednesday's supply/demand report making only one change to the old crop balance sheet lowering crush 10 million bushels, resulting in a like increase in new crop beginning stocks, which were otherwise left unchanged. In the world outlook, changes were minimal as well. Perhaps the one lone surprise in the report was the fact USDA only lowered Brazil beans 1 million tonnes to 153 million. Argentina was left unchanged. Argentine oilseed workers called off their strike after receiving a letter from the government not to go through with any work stoppage. This morning's weekly export sales is expected in a range of 225,000 - 700,000 tonnes for beans, meal is expected at 200,000 - 450,000 and bean oil 0 - 15,000. There are a few storms across eastern South Dakota and southern Wisconsin this morning and the one to 5 day shows precipitation chances in the center of the Midwest bean belt. Temperatures are still expected to climb to above normal levels, 1st in the eastern belt than spreading to the West over the next 2 weeks. India's May soyoil imports dropped to 324,016 tonnes, compared to 385,514 in April. USDA did not give traders much to spark any aggressive positioning, but we doubt prices will drop significantly in the short-term with rising temperatures heading into the Midwest. We look for at least a minor bounce by weeks end.

TODAY'S MARKET IDEAS:

Now that the uneventful USDA report is behind us, above normal temperatures moving into the Midwest for the 2nd half of June will begin to drawdown surplus moisture reserves across the Midwest. While there is no drought worry currently, traders will be watching the extended forecast for how long the heat will be a place. July prices dipped down below 1174 support by a few cents but with technicals in oversold conditions, prices could see an upside rebound before the weekend. Strong moving average resistance remains at 1198 and close in support today is 1169.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None

SOYBEAN COMPLEX TECHNICAL OUTLOOK:

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SOYBEANS (JUL) 06/13/2024: 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. The market's close below the pivot swing number is a mildly negative setup. The next downside objective is 1162 1/2. The next area of resistance is around 1185 and 1193 1/2, while 1st support hits today at 1169 1/2 and below there at 1162 1/2.

SOYBEAN OIL (JUL) 06/13/2024: Momentum studies are declining, but have fallen to oversold levels. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The close over the pivot swing is a somewhat positive setup. The next downside target is now at 43.11. The next area of resistance is around 44.14 and 44.50, while 1st support hits today at 43.44 and below there at 43.11.

SOYMEAL (JUL) 06/13/2024: The daily stochastics gave a bearish indicator with a crossover down. 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 daily closing price reversal up on the daily chart is somewhat positive. The market's close below the pivot swing number is a mildly negative setup. The next downside target is 353.9. The next area of resistance is around 363.7 and 367.8, while 1st support hits today at 356.7 and below there at 353.9.

DAILY CORN COMMENTARY

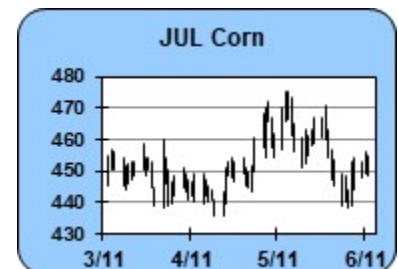
6/13/2024

No changes on US balance sheet, but rising temps worrisome

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):

CORN +0.3

OVERNIGHT DEVELOPMENTS: Corn (JUL 24) prices overnight are up 3. Corn open interest as of June 12 was down 12,370 contracts. Chinese Dalian (SEP 24) Corn was down 0.16%.



NEAR-TERM MARKET FUNDAMENTALS: No surprises yesterday from USDA means US weather returns to the forefront and upcoming rising temperatures in the Midwest has us giving the edge to the bull camp. CONAB this morning estimated Brazil's total corn crop at 114.144 million tonnes, up from 111.636 in their previous forecast. Safrinha corn was estimated at 88.116 million tonnes, higher than their previous forecast of 86.155. Wednesday's USDA report was expected to show slightly lower US carryouts but USDA opted to leave both old and new crop balance sheets completely unchanged from last month. They also left South American crops unchanged from the previous month. The quarterly stocks and acreage report at the end of June is likely to create much more volatility. Weekly export sales this morning are expected in a range of 800,000 to 1,500,000 tonnes. Over the next 5 days, some rains are expected in the heart of the central corn belt, Iowa, Minnesota and eastern Nebraska. However, the 6 to 10 and 8 to 14 day forecasts show above normal temperatures moving into the Eastern corn belt and spreading west. There is a pocket of above normal precipitation expected in the 6 to 10 day in the northern Midwest. Mexican government officials say the drought in Sinaloa and Jalisco states, where 20% of the country's corn is grown, shows no end in sight and that is likely to keep Mexico as a strong buyer of US corn. A dairy herd in Sioux City Iowa tested positive for bird flu, near where last week USDA confirmed bird flu in an egg laying facility. Strategie Grains lowered their EU corn production to 62.6 million tonnes, down from 63.3 million in May. July corn is moving higher and close in resistance stands at 462 but prices may ultimately challenge the 200-day moving average resistance if prices can hold their early-morning gains, which is slightly above the May high at 475 1/2. The US corn balance sheet has less tolerance for adverse weather than beans.

Ethanol average daily production for the week ending June 7 averaged 1.023 million barrels. This was down 4.6% from last week and up 0.5% from last year. The 5-year average for this week is 1.016 million barrels per day. Ethanol production for the week was 7.161 million barrels. Ethanol stocks were 23.222 million barrels. This was a new high stocks level for this week of the year. The previous high was 23.197 million barrels in 2022. This was up 0.7% from last week and up 4.5% from last year. The 5-year average stocks for this week is 21.797 million

barrels. The amount of corn used for the week is estimated at 101.54 million bushels. Cumulative corn use for the crop year has reached 4.109 billion bushels. Corn use needs to average 110.44 million bushels per week to meet the USDA's marketing year forecast of 5.450 billion bushels.

TODAY'S MARKET IDEAS:

USDA's fundamental update was a dud with no changes to US balance sheets. Traders are eyeing the weather forecast over the next couple weeks which features rising temperatures but there will be some rains in the central heart of the Midwest over the next week. It's the extended forecasts that must be watched closely for a continuation of the hot temperatures into early July, which could begin to stress crops in the surrounding areas where moisture surpluses are not as high. If July corn prices can move above 462 resistance, a run to the May high at 475 is possible. Short-term technical indicators are still pointing towards further gains.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

CORN TECHNICAL OUTLOOK:

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CORN (JUL) 06/13/2024: The market now above the 60-day moving average suggests the longer-term trend has turned up. Positive momentum studies in the neutral zone will tend to reinforce higher price action. The intermediate trend could be turning up with the close back above the 18-day moving average. The daily closing price reversal up on the daily chart is somewhat positive. Market positioning is positive with the close over the 1st swing resistance. The near-term upside objective is at 459 1/2. The next area of resistance is around 457 1/2 and 459 1/2, while 1st support hits today at 451 and below there at 446 1/2.

CORN (DEC) 06/13/2024: 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 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. A positive setup occurred with the close over the 1st swing resistance. The near-term upside target is at 474 1/4. Short-term indicators suggest buying dips today. The next area of resistance is around 472 1/4 and 474 1/4, while 1st support hits today at 465 1/4 and below there at 460 1/4.

DAILY WHEAT COMMENTARY

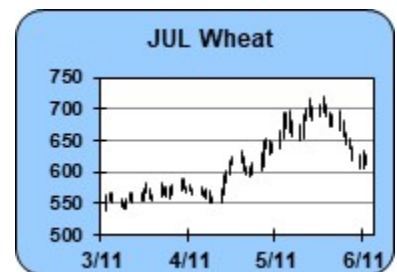
6/13/2024

USDA cuts Russian, Ukraine and EU crops

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):

WHEAT +0.48

OVERNIGHT DEVELOPMENTS: Chicago wheat (JUL 24) prices overnight are up 4 1/4; Kansas City (SEP 24) down -3/4; and Minneapolis (SEP 24) up 4 1/4. MATIF Milling Wheat(SEP 24) was up 0.3%. Chicago wheat open interest as of June 12 was down 2,652 contracts and Minneapolis wheat was down 947 contracts.



NEAR-TERM MARKET FUNDAMENTALS: As expected, USDA offered no major surprises and Black Sea weather and US harvest will return to center stage. The new crop US balance sheet featured an increase in exports as the only change, which is understandable as competition from the Black Sea may weaken due to the

weather problems there. US did show a major 5 million tonne cut to the Russian crop as well as smaller cuts to Ukraine and the EU. US HRW was above expectations while SRW was below. This was not a surprise as recent harvest reports from the southern Plains show strong yields and good test weights across Oklahoma and Kansas. Harvest should move quickly through Kansas as temperatures warm and precipitation chances are limited. Strategie Grains lowered their Russian crop estimate to 78 - 80 million tonnes, down from 89.9 last month and down from USDA's number of 83 million yesterday. They also lowered EU SRW production to 121.8 million tonnes down from 123.5. Global exporter supplies are expected to be tight, especially if the Black Sea weather issues continue, and that should keep a measure of support under the market. Key support for Chicago July is the 100-day moving average at 604. Short covering rally is possible to end the week.

TODAY'S MARKET IDEAS:

The biggest change in yesterday's USDA report was the major cut to the Russian crop to 83 million tonnes, down 5 million from last month. Southern Plains weather forecasts are warm/dry and support a speedy harvest through Kansas, where yield reports continue to come in better-than-expected. Key support stands at yesterday's low of 604. First retracement resistance is 648 and 50% retracement to the late May high is 661. Prices may be ready for a short covering bounce into the weekend.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

WHEAT TECHNICAL OUTLOOK:

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WHEAT (JUL) 06/13/2024: The market back below the 60-day moving average suggests the longer-term trend could be turning down. 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 pivot swing number is a mildly negative setup. The next downside target is 601. The next area of resistance is around 625 1/2 and 635 1/4, while 1st support hits today at 608 1/2 and below there at 601.

KC WHEAT (JUL) 06/13/2024: The major trend has turned down with the cross over back below the 60-day moving average. Daily stochastics are trending lower but have declined into oversold territory. 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 target is now at 619. The next area of resistance is around 644 and 659, while 1st support hits today at 624 and below there at 619.

MINN WHEAT (JUL) 06/13/2024: 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. There could be some early pressure today given the market's negative setup with the close below the 2nd swing support. The next downside objective is now at 653. The market is approaching oversold levels on an RSI reading under 30. The next area of resistance is around 676 1/2 and 685 3/4, while 1st support hits today at 660 and below there at 653.

RICE (JUL) 06/13/2024: The market now above the 60-day moving average suggests the longer-term trend has turned up. Positive momentum studies in the neutral zone will tend to reinforce higher price action. The cross over and close above the 18-day moving average is an indication the intermediate-term trend has turned positive. The market's close above the 2nd swing resistance number is a bullish indication. The near-term upside objective is at 18.923. The next area of resistance is around 18.637 and 18.923, while 1st support hits today at 17.813 and below there at 17.274.

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	454 1/4	53.29	51.21	30.15	37.36	451.06	447.53	453.07	453.25	451.94
CNAZ24	468 3/4	45.59	45.41	21.28	24.52	467.38	465.53	473.69	475.38	474.60
SSAN24	1177 1/4	37.91	41.32	12.92	9.52	1180.69	1185.39	1209.31	1199.03	1200.18
SSAX24	1147 1/4	28.82	34.28	11.77	8.89	1153.81	1159.67	1184.50	1183.87	1184.69
SMAN24	360.2	44.36	46.89	18.75	17.83	362.05	361.09	367.54	360.60	355.48
BOAN24	43.79	43.30	44.41	26.60	21.51	43.69	43.95	44.78	44.76	45.79
WHAN24	617	32.90	39.44	17.19	11.83	619.63	641.58	665.22	633.06	617.13
WHAZ24	660 1/4	29.48	37.71	16.56	8.99	666.88	688.69	710.10	676.73	659.67
RCAN24	18.225	53.59	50.88	22.97	30.02	17.92	17.79	18.09	18.47	18.09
KWAN24	634	30.61	39.00	22.22	11.34	650.44	672.44	689.11	654.03	634.43
MWAN24	668 1/4	21.75	31.28	15.51	7.19	679.19	703.67	722.63	703.02	691.20
OTAN24	330 3/4	24.65	31.42	8.90	4.25	336.56	353.94	363.17	368.13	362.30

Calculations based on previous session. Data collected 06/12/2024

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	446 1/2	451	453	457 1/2	459 1/2
CNAZ24	Corn	460 1/4	465 1/4	467 1/4	472 1/4	474 1/4
SSAN24	Soybeans	1162 1/2	1169 1/2	1178	1185	1193 1/2
SSAX24	Soybeans	1133	1139 3/4	1148	1154 3/4	1163
SMAN24	Soymeal	353.8	356.7	360.8	363.7	367.8
BOAN24	Soybean Oil	43.10	43.44	43.80	44.14	44.50
WHAN24	Wheat	600 3/4	608 1/2	618	625 1/2	635 1/4
WHAZ24	Wheat	646	652 1/4	662	668 1/4	678
RCAN24	Rice	17.273	17.812	18.098	18.637	18.923
KWAN24	KC Wheat	619	624	639	644	659
MWAN24	MINN Wheat	653	660	669 1/2	676 1/2	686
OTAN24	Oats	325	327	332 1/4	334 1/2	339 1/2

Calculations based on previous session. Data collected 06/12/2024

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