



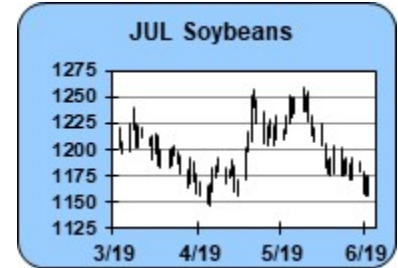
DAILY GRAINS COMMENTARY Friday June 21, 2024

DAILY SOY COMPLEX COMMENTARY 6/21/2024

EU and GFS differ on eastern belt precip chances

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):
SOY BEANS +0.0, BEAN OIL +0.0, SOYMEAL +0.4

OVERNIGHT DEVELOPMENTS: Soybeans (NOV 24) prices overnight are up 1 3/4; Soymeal (DEC 24) up 0.80; and Soyoil (DEC 24) down -0.16. Soybean open interest as of June 20 was down 12,220 contracts, soymeal up 2,128 contracts, and soybean oil down 728. Chinese Dalian (SEP 24) Soybeans up 0.64%, Soymeal down 0.71%, Soyoil down 0.58%, Palm oil down 0.18%. Malaysian Palm was down 1.52%.



NEAR-TERM MARKET FUNDAMENTALS: Prices are seeing some short covering before the end of the week and weather models continue to differ on precipitation chances for the eastern belt next week with the GFS wetter and the EU model drier. NOAA released their seasonal drought outlook yesterday for the period June 20 through the end of September showing likely drought development in the eastern belt and persistent drought in the southern Plains with no drought expected in the northern Midwest. The eastern belt appears to be the area most vulnerable to crop stress as yesterday's drought Monitor showed abnormal dryness now creeping into Indiana. However, as we mentioned before, the surplus moisture from spring rains means dryness may need to be more significant to do crop damage. Weekly export sales will be released this morning with estimates for beans at 400,000-900,000 tonnes, meal 150,000-400,000 tonnes and bean oil 0-20,000 tonnes. Jan through May bean shipments from Brazil to China were 24.71 million tonnes, up 23% from the same period the previous year. In contrast, US bean shipments to China during the same timeframe have been 10.85 million tonnes, down 34% from the previous year. China's customs data for May shows 10.22 million tonnes of total bean imports of which 1.27 million tonnes was from the US. Brazil says the US has opened the door to Brazilian Used Cooking Oil imports after the Biden administration recognized Brazil's compliance with some sanitary and technical standards on traceability and origin. Some US soy processors are still calling for a tariff on Used Cooking Oil imports. The Brazilian Real has been very weak lately but did reach technical objectives this week and has bounced. The falling currency has added to Brazilian farmer profits and encouraged cash movement. Rains are moving across southern Minnesota this morning and precipitation remain heaviest over the next 10 days in Iowa, Minnesota and Wisconsin. With GFS and EU models differing on precipitation for the eastern belt, some short covering can be expected before the weekend in case forecasts turn more adverse early next week. July bean futures are holding trendline support at 1151 and a close below that level could start a new leg lower. Close-in resistance remains at 1174 and longer-term resistance at 1196.

TODAY'S MARKET IDEAS:

Some minor short covering this morning before the weekend and prices for the week are down \$0.15 on July beans. Trading volume yesterday was the highest since January and although the market did hold key trendline support at 1151 on July, a move below that level would be a significant bearish technical development. Forecast for the Eastern belt will need to be watched closely to see which of the 2 differing weather models and up verifying. July trendline support stands at 1151 and then the April low of 1145 3/4 on July futures. 1st resistance is 1174 and then 1186.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None

SOYBEAN COMPLEX TECHNICAL OUTLOOK:

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SOYBEANS (JUL) 06/21/2024: A crossover down in the daily stochastics is a bearish signal. 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 close below the 1st swing support could weigh on the market. The next downside target is now at 1139 3/4. The next area of resistance is around 1165 1/2 and 1181, while 1st support hits today at 1145 and below there at 1139 3/4.

SOYBEAN OIL (JUL) 06/21/2024: 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 downside closing price reversal on the daily chart is somewhat negative. The market tilt is slightly negative with the close under the pivot. The near-term upside objective is at 45.21. The next area of resistance is around 44.48 and 45.21, while 1st support hits today at 43.46 and below there at 43.16.

SOYMEAL (JUL) 06/21/2024: The stochastics indicators are rising from oversold levels, which is bullish and should support higher prices. A negative signal for trend short-term was given on a close under the 9-bar moving average. A negative signal was given by the outside day down. The defensive setup, with the close under the 2nd swing support, could cause some early weakness. The near-term upside target is at 369.7. The next area of resistance is around 362.5 and 369.7, while 1st support hits today at 352.7 and below there at 350.0.

DAILY CORN COMMENTARY

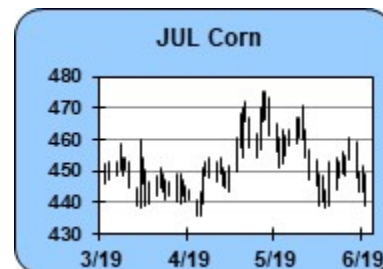
6/21/2024

Mexican President-elect expected to maintain ban on GMO corn

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):

CORN +0.2

OVERNIGHT DEVELOPMENTS: Corn (DEC 24) prices overnight are up 1. Corn open interest as of June 20 was up 5,772 contracts. Chinese Dalian (SEP 24) Corn was up 0.12%.



NEAR-TERM MARKET FUNDAMENTALS: Very weak action Thursday may be partly attributed to reports the new female Mexican president has tapped a former economic chief who was in office during the Trump administration to be her new Economy Minister and he is expected to maintain Mexico's stance on banning genetically modified corn for human consumption. In addition, the GFS model added rains for the eastern corn belt later next week, however the EU model is drier. With yesterday's drought Monitor showing abnormal dryness now in Indiana, the eastern belt will need rain soon to keep crop conditions high after this week's warm temperatures. Weekly export sales this morning are expected in a range of 700,000 - 1,300,000 tonnes. Brazil says they are extending the 18% tariff on ethanol imports from the US. China dryness in the eastern part of the country is reportedly delaying planting. Weekly ethanol production rose compared to estimates for a moderate drop and ethanol stocks hit 1-month high. NOAA says La Nina has been slow to develop and may hold off until late summer, lessening the impact on US crop areas this season. Price action this week has been poor although July corn has held the lows of the last 2 months at 435 3/4. However, yesterday, December corn took out those lows, weakening the technical picture, and leaving only the contract low in late February at 446 as the next long-term support. Minor short covering expected today to finish out the week but if eastern belt rains do materialize as the GFS model suggests next week, prices may head lower for a test of the contract lows.

Ethanol average daily production for the week ending June 14 averaged 1.057 million barrels. This was up 3.3%

from last week and up 0.5% from last year. The 5-year average for this week is 1.011 million barrels per day. Ethanol production for the week was 7.399 million barrels. Ethanol stocks were 23.617 million barrels. This was a new high stocks level for this week of the year. The previous high was 23.476 million barrels in 2022. This was up 1.7% from last week and up 3.6% from last year. The 5-year average stocks for this week is 21.968 million barrels. The amount of corn used for the week is estimated at 104.91 million bushels. Cumulative corn use for the crop year has reached 4.214 billion bushels. Corn use needs to average 110.94 million bushels per week to meet the USDA's marketing year forecast of 5.450 billion bushels.

TODAY'S MARKET IDEAS:

While the weather models differ on eastern belt precipitation chances, the December corn chart took a decidedly bearish turn yesterday taking out the lows of the last 2 months. July corn has held the 2-month low at 435 3/4 so far, but next week's forecasts for the eastern belt may be critical to whether crop conditions can stay historically high. Technical indicators are not in extreme oversold territory, leaving room for the market to probe lower if next week's rains materialize in the east.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

CORN TECHNICAL OUTLOOK:

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CORN (JUL) 06/21/2024: The daily stochastics gave a bearish indicator with a crossover down. Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. The close below the 9-day moving average is a negative short-term indicator for trend. The close below the 2nd swing support number puts the market on the defensive. The next downside objective is now at 432. The next area of resistance is around 444 3/4 and 452 1/4, while 1st support hits today at 434 3/4 and below there at 432.

CORN (DEC) 06/21/2024: The daily stochastics have crossed over down which is a bearish indication. 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 market is in a bearish position with the close below the 2nd swing support number. The next downside objective is 448. The next area of resistance is around 462 1/4 and 470 1/4, while 1st support hits today at 451 1/4 and below there at 448.

DAILY WHEAT COMMENTARY

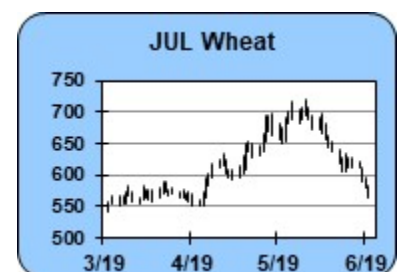
6/21/2024

Chicago prices expected to see 4th consecutive weekly loss

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):

WHEAT +0.3

OVERNIGHT DEVELOPMENTS: Chicago wheat (SEP 24) prices overnight are up 3 1/4; Kansas City (SEP 24) up 1 1/4; and Minneapolis (SEP 24) up 5 1/2. MATIF Milling Wheat(SEP 24) was up 0.1%. Chicago wheat open interest as of June 20 was up 9,243 contracts and Minneapolis wheat was down 7,543 contracts.



NEAR-TERM MARKET FUNDAMENTALS: Wheat has had a very tough week, starting out with a gap lower Sunday night that resulted in aggressive selling all week long. Some of this week's weakness is likely due to

stabilization of Black Sea crop estimates and Russia's Ag Minister saying most of the frost affected areas in Russia were able to reseed damaged crops. In addition, US harvest is moving quickly forward and is approximately one third complete. Harvest is moving through central Kansas about 10 days earlier than normal. Weekly export sales this morning are expected in a range of 200,000 - 500,000 tonnes. Germany's farmer co-op estimated the German wheat crop at 20.34 million tonnes, down 5.5% from last year due to lower seeded area. Winter wheat area under drought rose 1% last week to 17% and compares to 50% this time last year. HRS area under drought is 3%, unchanged from last week and compares to 15% under drought this time last year. Chicago July prices are getting some minor short covering this morning and technical indicators hit their most oversold level since late March of 2023. Certainly, the market is due at least a technical bounce, but US harvest pressure will likely continue to be heavy next week and that may limit rallies until harvest reaches the halfway mark, when harvest pressure typically begins to fade.

TODAY'S MARKET IDEAS:

Extreme oversold conditions are likely to encourage some short covering today before the weekend, but without a clear bullish technical signal, a recovery higher may run into hedge selling again next week. Next significant support is 550 on July Chicago. Moving average resistance stands at 602. Look for a short-term bounce but a sustained rally is unlikely unless Black Sea crop stress returns and/or US harvest pressure ends.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

WHEAT TECHNICAL OUTLOOK:

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WHEAT (JUL) 06/21/2024: Daily stochastics declining into oversold territory suggest the selling may be drying up soon. A negative signal for trend short-term was given on a close under the 9-bar moving average. The market setup is somewhat negative with the close under the 1st swing support. The next downside target is 556 1/4. With a reading under 30, the 9-day RSI is approaching oversold levels. The next area of resistance is around 581 1/4 and 590 1/2, while 1st support hits today at 564 1/4 and below there at 556 1/4.

KC WHEAT (JUL) 06/21/2024: Daily stochastics declining into oversold territory suggest the selling may be drying up soon. The market's close below the 9-day moving average is an indication the short-term trend remains negative. 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 575 1/2. More downside action may be limited by the RSI under 20 putting the market in extremely oversold territory. The next area of resistance is around 599 1/2 and 609 3/4, while 1st support hits today at 582 1/2 and below there at 575 1/2.

MINN WHEAT (JUL) 06/21/2024: Momentum studies are still bearish but are now at oversold levels and will tend to support reversal action if it occurs. The close below the 9-day moving average is a negative short-term indicator for trend. The close below the 2nd swing support number puts the market on the defensive. The next downside objective is now at 607 1/4. With a reading under 20, the 9-day RSI indicates the market is extremely oversold. The next area of resistance is around 626 1/4 and 637 1/2, while 1st support hits today at 611 1/4 and below there at 607 1/4.

RICE (JUL) 06/21/2024: The close below the 60-day moving average is an indication the longer-term trend has turned down. Momentum studies are trending higher from mid-range, which should support a move higher if resistance levels are penetrated. 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 upside objective is 18.223. The next area of resistance is around 18.092 and 18.223, while 1st support hits today at

17.898 and below there at 17.834.

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 3/4	38.54	41.40	36.14	31.21	445.88	449.58	450.06	453.72	451.61
CNAZ24	456 3/4	35.85	38.75	28.31	24.99	464.44	467.03	469.26	475.14	473.92
SSAN24	1155 1/4	35.71	38.63	11.49	9.70	1166.69	1175.44	1190.33	1198.74	1196.50
SSAX24	1116 3/4	24.10	29.23	8.52	5.58	1132.19	1144.92	1163.49	1180.61	1179.98
SMAN24	357.6	42.26	45.18	27.83	28.78	362.73	363.04	364.71	363.41	357.12
BOAN24	43.97	47.24	46.58	24.58	26.19	43.92	43.81	44.28	44.47	45.36
WHAN24	572 3/4	20.92	29.21	8.02	5.30	589.75	606.39	640.25	636.08	619.61
WHAZ24	609 3/4	16.26	25.65	5.38	2.66	628.56	649.17	684.25	679.74	662.36
RCAN24	17.995	48.61	48.18	42.93	45.83	18.01	18.03	17.93	18.53	18.13
KWAN24	591	18.87	28.82	7.04	3.89	606.44	629.36	666.46	657.27	637.23
MWAN24	618 3/4	11.31	20.43	4.91	2.11	636.38	658.81	697.21	702.33	689.49
OTAN24	319 1/4	28.56	31.96	9.52	12.20	323.25	329.75	351.67	366.52	359.89

Calculations based on previous session. Data collected 06/20/2024

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DAILY SWING STATISTICS

Contract		Support 2	Support 1	Pivot	Resist 1	Resist 2
GRAIN COMPLEX						
CNAN24	Corn	431 3/4	434 1/2	442	445	452 1/4
CNAZ24	Corn	447 3/4	451	459	462 1/2	470 1/4
SSAN24	Soybeans	1139 1/2	1145	1160 1/4	1165 1/2	1181
SSAX24	Soybeans	1100	1106 1/4	1121	1127 1/4	1142
SMAN24	Soymeal	349.9	352.6	359.8	362.5	369.7
BOAN24	Soybean Oil	43.15	43.45	44.18	44.48	45.21
WHAN24	Wheat	556 1/4	564	573 1/2	581 1/2	590 3/4
WHAZ24	Wheat	595	601	612 3/4	618 1/2	630 1/2
RCAN24	Rice	17.833	17.897	18.028	18.092	18.223
KWAN24	KC Wheat	575 1/2	582 1/2	592 3/4	599 1/2	610
MWAN24	MINN Wheat	607	611	622 1/4	626 1/2	637 1/2
OTAN24	Oats	311 1/2	314 1/4	321 1/2	324 1/4	331 1/2

Calculations based on previous session. Data collected 06/20/2024

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