



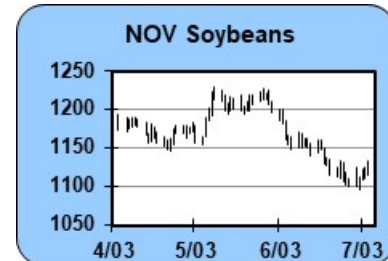
## DAILY GRAINS COMMENTARY Monday July 08, 2024

### DAILY SOY COMPLEX COMMENTARY 7/8/2024

#### Tropical moisture now forecast into eastern bean belt

**OVERNIGHT CHANGES THROUGH 6:06 AM (CT):**  
SOY BEANS -0.2, BEAN OIL -0.0, SOYMEAL -0.6

**OVERNIGHT DEVELOPMENTS:** Soybeans (NOV 24) prices overnight are down -17 1/4; Soymeal (DEC 24) down -5.70; and Soyoil (DEC 24) down -0.48. Soybean open interest as of July 5 was up 8,078 contracts, soymeal up 4,405 contracts, and soybean oil down 1,176. Chinese Dalian (SEP 24) Soybeans down 0.34%, Soymeal up 0.15%, Soyoil down 0.68%, Palm oil down 0.95%. Malaysian markets are closed for holiday.



**NEAR-TERM MARKET FUNDAMENTALS:** Hurricane Beryl's remnants are expected to move north out of Texas this week into Arkansas, Missouri, the southern half of Illinois and Indiana and that has added moisture chances to the drier eastern belt areas that have been showing up on the latest Drought Monitor. This has pressured markets this morning to start the week. The hottest temperatures are expected to stay in the eastern and western US with the 8 to 14 day showing slightly above normal temperatures across the Midwest and above normal precipitation in the eastern bean belt. US bean area under drought increased 2% to 9% last week, compared to 60% year ago. Eight locks and dams are closed in Iowa and Missouri along the Mississippi River making grain loading an issue but the lack of a major export program at the US Gulf means there is no urgency to get grain downriver to fill boats. The US attache to China says 2024/25 China bean imports should be unchanged from last year at 103 million tonnes. Weekly export sales Friday were at the low end of expectations and near the same as last week. SAFRAS says Brazil farmer sales have reached 72% of the 2023/24 crop compared to 66% at this time last year. 2024/25 sales have reached 14.6%, up from 11.1% a year ago. ADM says they are ready to provide fully verified, traceable soybean meal and oil to the EU to satisfy the EU's deforestation regulations that will take effect at year-end. Brazil is also working on their plans to meet the regulations. There were 23 bean oil deliveries overnight. The tropical system moving north this week into the eastern bean belt is a new bearish market force and threatens to erase last week's gains. Crop stressing heat will also be lacking across the Midwest over the next 10 days. Key support for November beans stands up last week's low of 1097 and if that level fails to hold, a new leg down could begin.

The Export Sales Report showed that for the week ending June 27, net soybean sales came in at 228,379 tonnes for the current marketing year and 150,310 for the next marketing year for a total of 378,689. Cumulative soybean sales have reached 96.8% of the USDA forecast for the 2023/2024 marketing year versus a 5-year average of 99.8%. Sales need to average 160,000 tonnes per week to reach the USDA forecast.

Net meal sales came in at 212,946 tonnes for the current marketing year and 288,572 for the next marketing year for a total of 501,518. Cumulative meal sales have reached 90.1% of the USDA forecast for the 2023/2024 marketing year versus a 5-year average of 90.5%. Sales need to average 105,000 tonnes per week to reach the USDA forecast.

Net oil sales came in at 16,473 tonnes for the current marketing year and -4,778 for the next marketing year for a total of 11,695. Cumulative oil sales have reached 94.3% of the USDA forecast for the 2023/2024 marketing year versus a 5-year average of 85.5%. Sales need to average 800 tonnes per week to reach the USDA forecast.

#### TODAY'S MARKET IDEAS:

Last week's upside correction will be put to the test now that tropical moisture from the Gulf is expected to move into the drier areas of the Eastern bean belt later this week. This is a bearish weather forecast and how prices react will be key to whether the upside correction from last week can continue or does the recent downtrend resume. 1097 on November is the key support that must hold to avoid a new leg lower.

**NEW RECOMMENDATIONS:**

None.

**PREVIOUS RECOMMENDATIONS:**

None

**SOYBEAN COMPLEX TECHNICAL OUTLOOK:**

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SOYBEANS (AUG) 07/08/2024: Momentum studies are trending higher from mid-range, which should support a move higher if resistance levels are penetrated. The market's close above the 9-day moving average suggests the short-term trend remains positive. Market positioning is positive with the close over the 1st swing resistance. The near-term upside objective is at 1182 1/4. The next area of resistance is around 1175 3/4 and 1182 1/4, while 1st support hits today at 1156 3/4 and below there at 1144.

SOYBEAN OIL (DEC) 07/08/2024: Daily stochastics have risen into overbought territory which will tend to support reversal action if it occurs. The close above the 9-day moving average is a positive short-term indicator for trend. It is a mildly bullish indicator that the market closed over the pivot swing number. The next upside objective is 50.07. The market is becoming somewhat overbought now that the RSI is over 70. The next area of resistance is around 49.55 and 50.07, while 1st support hits today at 47.85 and below there at 46.67.

SOYMEAL (DEC) 07/08/2024: The daily stochastics gave a bullish indicator with a crossover up. The stochastics indicators are rising from oversold levels, which is bullish and should support higher prices. The market's short-term trend is negative as the close remains below the 9-day moving average. Market positioning is positive with the close over the 1st swing resistance. The near-term upside objective is at 338.2. The next area of resistance is around 335.6 and 338.2, while 1st support hits today at 329.4 and below there at 325.9.

**DAILY CORN COMMENTARY**

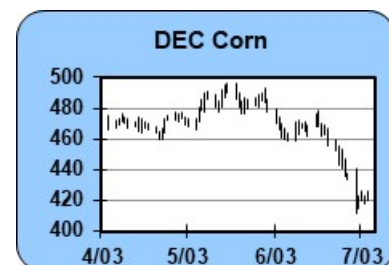
7/8/2024

**Tropical moisture now slated for eastern belt**

**OVERNIGHT CHANGES THROUGH 6:06 AM (CT):**

**CORN** -0.5

**OVERNIGHT DEVELOPMENTS:** Corn (DEC 24) prices overnight are down -4 3/4. Corn open interest as of July 5 was up 4,564 contracts. Chinese Dalian (SEP 24) Corn was down 0.28%.



**NEAR-TERM MARKET FUNDAMENTALS:** The short covering gains seen Friday on December corn have disappeared as the forecasts now show tropical storm moisture from the remnants of hurricane Beryl moving into the dry areas of the Eastern corn belt. Furthermore, the new path of the tropical moisture keeps any extreme heat out of the Midwest for the next 10 days, which is bearish as it will benefit early pollinating corn. US corn area under drought was up 1% last week to 7% but compares to last year at this time at 67%. Mato Grosso harvest is speeding along and now 76.28%

complete, way above the 5-year average of 59.34%. Weekly export sales were at the low end of expectations and a 3-month low. Black Sea crop stress is expected to cover two thirds of the crop area over the next 2 weeks, according to private weather analysts. French wheat conditions were up 1% last week to 82% good/excellent and planting has just finished. FAO-AMIS says global cereals production stands at 2.854 billion tonnes, compared to 2.846 in their previous forecast. December corn is right back in the sideways range seen last week and the path of the tropical moisture will keep crop stress minimal over the next 10 days across the Midwest. Key support stands at 412 on December and that level must hold to avoid another leg lower.

The Export Sales Report showed that for the week ending June 27, net corn sales came in at 357,152 tonnes for the current marketing year and 311,538 for the next marketing year for a total of 668,690. Cumulative sales have reached 98.4% of the USDA forecast for the 2023/2024 marketing year versus a 5 year average of 94.9%. Sales need to average 94,000 tonnes per week to reach the USDA forecast.

**TODAY'S MARKET IDEAS:**

US crop stress is expected to be very low over the next 2 weeks now that tropical remnants will be moving into the Eastern corn belt later this week and any extreme heat will stay out of the Midwest. Black Sea stress will be rising significantly over the next 2 weeks but whether that can offset the expected ideal conditions in the US is the million \$ question. Seasonals are weak for corn at this timing and prices are likely to test last week's 412 low on December. If that is taken out, next support would be 399.

**NEW RECOMMENDATIONS:**

None.

**PREVIOUS RECOMMENDATIONS:**

None.

**CORN TECHNICAL OUTLOOK:**

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CORN (SEP) 07/08/2024: The daily stochastics have crossed over up which is a bullish indication. The stochastics indicators are rising from oversold levels, which is bullish and should support higher prices. The market's short-term trend is negative as the close remains below the 9-day moving average. The market setup is supportive for early gains with the close over the 1st swing resistance. The near-term upside objective is at 416 3/4. With a reading under 30, the 9-day RSI is approaching oversold levels. The next area of resistance is around 414 and 416 3/4, while 1st support hits today at 407 and below there at 402 1/2.

CORN (DEC) 07/08/2024: A bullish signal was given with an upside crossover of the daily stochastics. Rising from oversold levels, daily momentum studies would support higher prices, especially on a close above resistance. 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 near-term upside target is at 429 1/2. With a reading under 30, the 9-day RSI is approaching oversold levels. The next area of resistance is around 427 and 429 1/2, while 1st support hits today at 421 and below there at 417 1/4.

**DAILY WHEAT COMMENTARY**

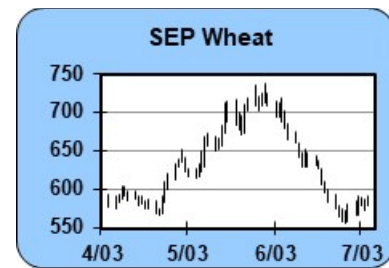
**7/8/2024**

## Weak on spillover selling from corn and beans

### OVERNIGHT CHANGES THROUGH 6:06 AM (CT):

WHEAT -0.93

**OVERNIGHT DEVELOPMENTS:** Chicago wheat (SEP 24) prices overnight are down -7 1/2; Kansas City (SEP 24) down -10 3/4; and Minneapolis (SEP 24) down -6 3/4. MATIF Milling Wheat(DEC 24) was down -1.2%. Chicago wheat open interest as of July 5 was up 1,030 contracts and Minneapolis wheat was up 1,123 contracts.



**NEAR-TERM MARKET FUNDAMENTALS:** EU markets were stronger on Thursday when the US was closed and that gave a boost to US prices Friday. However, the market is again pulling back this morning, on spillover weakness from corn and beans and higher Russian production from SovEcon. There were 31 deliveries of SRW wheat overnight. Winter wheat area in the US under drought dropped 2% to 19%, compared to 54% at this time a year ago. HRS area under drought was 6% compared to 19% last year. French wheat yields are expected at an 8-year low of 6.4 million tonnes per hectare and that is down 13% from last season. While early yields in S Russia are exceeding expectations somewhat, quality has been poor. The Buenos Aires Grain Exchange says Argentine wheat seeding is 85% complete. Weekly export sales were above the highest guess and puts the total commitments at 254 million bushels, compared to 170 million at this time last year. SovEcon raised their Russian production estimate to 84.1 million tonnes up from 80.7 previously on better early yields. Tunisia says they are looking to make a fixed-price purchase deal with Russia and the Jordan and Algeria are tendering for wheat. Chicago December prices have made a higher daily low for 6 out of the last 7 sessions. The bull camp may be encouraged if prices can recover today in the face of the weakness in corn and beans. The short-term trend since late June has been higher but price momentum has stalled around 615 and that is now key resistance. A move above that level could carry prices to moving average resistance at 635. Close in support is 598.

The Export Sales Report showed that for the week ending June 27, net wheat sales came in at 805,318 tonnes for the current marketing year and none for the next marketing year. Cumulative sales have reached 31.7% of the USDA forecast for the 2024/2025 marketing year versus a 5 year average of 26.5%. Sales need to average 242,000 tonnes per week to reach the USDA forecast.

### TODAY'S MARKET IDEAS:

The recent upside correction will be put to the test today as weakness in other grains adds pressure to start the week. Nearby support on December Chicago is 598 and 592. Last week's highs of 6 15 1/4 will be key resistance. Short-term technicals still point to a further recovery to the upside but whether or not prices can recover later in the session today will be important for this week's market direction.

### NEW RECOMMENDATIONS:

None.

### PREVIOUS RECOMMENDATIONS:

None.

### WHEAT TECHNICAL OUTLOOK:

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WHEAT (SEP) 07/08/2024: The stochastics indicators are rising from oversold levels, which is bullish and should support higher prices. The close above the 9-day moving average is a positive short-term indicator for trend. A positive setup occurred with the close over the 1st swing resistance. The next upside target is 601 1/2. Short-term indicators suggest buying dips today. The next area of resistance is around 597 1/4 and 601 1/2, while 1st support hits today at 583 3/4 and below there at 574 1/4.

KC WHEAT (SEP) 07/08/2024: The stochastics indicators are rising from oversold levels, which is bullish and should support higher prices. A positive signal for trend short-term was given on a close over the 9-bar moving average. The market setup is supportive for early gains with the close over the 1st swing resistance. The near-term upside objective is at 610 3/4. Daily studies suggest buying dips today. The next area of resistance is around 607 and 610 3/4, while 1st support hits today at 593 and below there at 582 1/2.

MINN WHEAT (SEP) 07/08/2024: 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 close above the 9-day moving average suggests the short-term trend remains positive. A positive setup occurred with the close over the 1st swing resistance. The near-term upside target is at 642 3/4. Short-term indicators suggest buying dips today. The next area of resistance is around 639 and 642 3/4, while 1st support hits today at 627 1/2 and below there at 619 1/2.

RICE (SEP) 07/08/2024: Momentum studies are declining, but have fallen to oversold levels. The market's short-term trend is negative as the close remains below the 9-day moving average. 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 14.148. With a reading under 20, the 9-day RSI indicates the market is extremely oversold. The next area of resistance is around 14.830 and 15.227, while 1st support hits today at 14.290 and below there at 14.148.

### DAILY TECHNICAL STATISTICS

|                      | CLOSE    | 9 DAY<br>RSI | 14 DAY<br>RSI | 14 DAY<br>SLOW<br>STOCH D | 14 DAY<br>SLOW<br>STOCH K | 4 DAY<br>M AVG | 9 DAY<br>M AVG | 18 DAY<br>M AVG | 45 DAY<br>M AVG | 60 DAY<br>M AVG |
|----------------------|----------|--------------|---------------|---------------------------|---------------------------|----------------|----------------|-----------------|-----------------|-----------------|
| <b>GRAIN COMPLEX</b> |          |              |               |                           |                           |                |                |                 |                 |                 |
| CNAU24               | 410 1/2  | 26.66        | 28.93         | 11.75                     | 12.69                     | 407.75         | 417.53         | 435.33          | 453.88          | 454.18          |
| CNAZ24               | 424      | 25.95        | 28.18         | 12.63                     | 14.09                     | 421.31         | 430.11         | 447.79          | 466.72          | 467.50          |
| SSAQ24               | 1166 1/4 | 55.56        | 49.89         | 29.28                     | 46.03                     | 1155.06        | 1148.69        | 1155.26         | 1190.96         | 1186.71         |
| SSAX24               | 1129 3/4 | 51.11        | 45.07         | 21.50                     | 32.75                     | 1118.81        | 1114.78        | 1127.75         | 1168.91         | 1168.60         |
| SMAZ24               | 332.5    | 33.44        | 34.58         | 8.96                      | 9.77                      | 330.65         | 336.09         | 342.89          | 357.46          | 354.85          |
| BOAZ24               | 48.70    | 80.17        | 71.60         | 71.28                     | 90.16                     | 47.27          | 45.19          | 44.67           | 45.03           | 45.29           |
| WHAU24               | 590 1/2  | 45.91        | 42.32         | 19.63                     | 26.56                     | 583.94         | 575.64         | 596.07          | 647.74          | 636.41          |
| WHAZ24               | 613 1/2  | 45.42        | 41.68         | 19.96                     | 27.26                     | 607.19         | 598.58         | 619.60          | 671.58          | 660.25          |
| RCAU24               | 14.560   | 15.77        | 24.42         | 19.47                     | 6.75                      | 14.93          | 15.23          | 15.40           | 15.45           | 15.34           |
| KWAU24               | 600      | 42.49        | 40.00         | 13.97                     | 18.27                     | 593.56         | 590.08         | 609.88          | 661.49          | 650.22          |
| MWAU24               | 633 1/4  | 44.10        | 39.50         | 18.75                     | 26.84                     | 629.81         | 618.94         | 638.69          | 696.02          | 691.06          |
| OTAZ24               | 322 1/2  | 42.44        | 39.47         | 20.84                     | 25.10                     | 319.19         | 318.00         | 328.53          | 357.03          | 355.63          |

Calculations based on previous session. Data collected 07/05/2024

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

### DAILY SWING STATISTICS

| Contract             |             | Support 2 | Support 1 | Pivot    | Resist 1 | Resist 2 |
|----------------------|-------------|-----------|-----------|----------|----------|----------|
| <b>GRAIN COMPLEX</b> |             |           |           |          |          |          |
| CNAU24               | Corn        | 402 1/4   | 407       | 409 1/2  | 414      | 416 3/4  |
| CNAZ24               | Corn        | 417       | 421       | 423 1/4  | 427      | 429 1/2  |
| SSAQ24               | Soybeans    | 1144      | 1156 1/2  | 1163 1/4 | 1176     | 1182 1/2 |
| SSAX24               | Soybeans    | 1107      | 1120      | 1126 3/4 | 1139 1/2 | 1146 1/2 |
| SMAZ24               | Soymeal     | 325.8     | 329.4     | 332.0    | 335.6    | 338.2    |
| BOAZ24               | Soybean Oil | 46.67     | 47.85     | 48.37    | 49.55    | 50.07    |
| WHAU24               | Wheat       | 574 1/4   | 583 1/2   | 588      | 597 1/2  | 601 3/4  |
| WHAZ24               | Wheat       | 597 3/4   | 607       | 611      | 620      | 624 1/4  |
| RCAU24               | Rice        | 14.147    | 14.290    | 14.687   | 14.830   | 15.227   |
| KWAU24               | KC Wheat    | 582 1/2   | 593       | 596 3/4  | 607      | 611      |
| MWAU24               | MINN Wheat  | 619 1/4   | 627 1/2   | 631      | 639      | 642 3/4  |
| OTAZ24               | Oats        | 305 1/2   | 315 1/2   | 319 3/4  | 329 1/2  | 334      |

Calculations based on previous session. Data collected 07/05/2024

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