



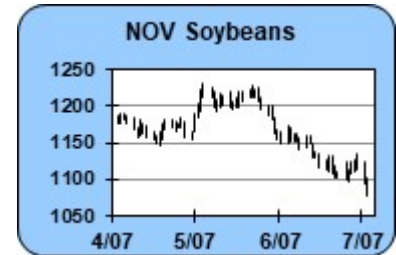
## DAILY GRAINS COMMENTARY Wednesday July 10, 2024

### DAILY SOY COMPLEX COMMENTARY 7/10/2024

**Midwest dries out after Beryl remnants drop eastern belt rains**

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

**OVERNIGHT DEVELOPMENTS:** Soybeans (NOV 24) prices overnight are down -2 1/2; Soymeal (DEC 24) up 0.80; and Soyoil (DEC 24) down -0.13. Soybean open interest as of July 9 was up 6,410 contracts, soymeal up 5,588 contracts, and soybean oil down 12,224. Chinese Dalian (SEP 24) Soybeans down 0.75%, Soymeal down 1.10%, Soyoil down 2.28%, Palm oil down 2.25%. Malaysian Palm was down 1.04%.



**NEAR-TERM MARKET FUNDAMENTALS:** Another new 3 1/2 year low overnight for November beans as the bear camp is pressing prices lower on favorable US weather. August futures made new contract low overnight. The remnants of Beryl dropped beneficial rains in eastern Illinois, northern Indiana and southern Michigan. Once the remnants exit the Great Lakes region, a drying trend develops across most of the Midwest. Temperatures are expected to be slightly above normal but not extreme in the Midwest over the next 2 weeks and that will keep crop condition ratings from dramatically declining. Podsetting in August will be the next important hurdle for bean crop development. June US bean exports were 1.3 million tonnes, compared to 1.29 in May. September-June US exports were 41.65 million tonnes down 16% year-over-year. On the contrary, Brazil's exports for the February-June timeframe are 62.11 million tonnes, above last year and a record high. LSEG expects final Brazil production of 150.1 million tonnes, compared to USDA at 153, and Argentine production 49.8 million tonnes, compared to USDA at 50 million. China has begun a probe into whether fuel tanker trucks are also carrying cooking oil without cleaning the tanks in between shipments. Open interest has risen on the sharp break this week indicating new short position, and that favors the bear camp. The technical picture looks very weak, but we do expect some sort of short covering rally before Friday morning's July supply/demand report. November prices penetrated 1077 support overnight and next major support is 25 cents lower.

#### **TODAY'S MARKET IDEAS:**

Beneficial rains over the Eastern belt and a lack of extreme heat in the Midwest are the current bearish forces. The Midwest dries out over the next 10 days but crops are expected be able to withstand a drier/warmer period. While the bear camp remains clearly in control, the market will likely make some sort of short-term low before Friday's report. Next major support for November beans is 1051.

#### **NEW RECOMMENDATIONS:**

None.

#### **PREVIOUS RECOMMENDATIONS:**

None

#### **SOYBEAN COMPLEX TECHNICAL OUTLOOK:**

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SOYBEANS (AUG) 07/10/2024: The daily stochastics have crossed over down which is a bearish indication. Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. The close below the 9-day moving average is a negative short-term indicator for trend. The market's close below the 1st swing support number suggests a moderately negative setup for today. The next downside target is 1111 1/2. The next area of resistance is around 1143 1/2 and 1160 1/2, while 1st support hits today at 1119 and below there at 1111 1/2.

SOYBEAN OIL (DEC) 07/10/2024: Daily stochastics have risen into overbought territory which will tend to support reversal action if it occurs. The market's close above the 9-day moving average suggests the short-term trend remains positive. The defensive setup, with the close under the 2nd swing support, could cause some early weakness. The near-term upside target is at 48.79. The next area of resistance is around 47.32 and 48.79, while 1st support hits today at 45.30 and below there at 44.74.

SOYMEAL (DEC) 07/10/2024: 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. The market's close below the pivot swing number is a mildly negative setup. The next downside objective is now at 314.6. The market is approaching oversold levels on an RSI reading under 30. The next area of resistance is around 321.1 and 324.3, while 1st support hits today at 316.3 and below there at 314.6.

## DAILY CORN COMMENTARY

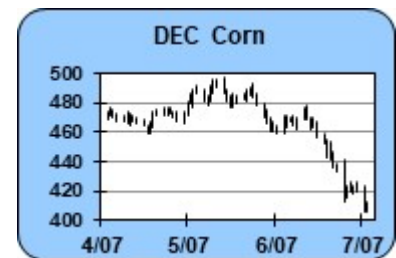
7/10/2024

**Rains in US eastern belt, EU/Black Sea stress rising**

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

**CORN -0.2**

**OVERNIGHT DEVELOPMENTS:** Corn (DEC 24) prices overnight are down -2. Corn open interest as of July 9 was up 12,744 contracts. Chinese Dalian (SEP 24) Corn was down 0.82%.



**NEAR-TERM MARKET FUNDAMENTALS:** December prices are sitting at their lowest in 3-years and have yet to show any sign of a tradable low. While US weather looks mostly favorable over the next 2 weeks, there will be some pockets of heat in the Western belt that could be an issue for some pollinating corn. As tropical storm remnants move north through the Great Lakes states and out of the US, a drier pattern sets in for the next 10 days across the Midwest. The hottest temps over the next 10 days will be in the central Plains. The 6 to 10 day forecast shows above normal temperatures in the southeast US growing regions. There is some bullish news around in global weather as the EU and Black Sea areas see crop stress expanding over the next 10 days. Today's ethanol production is expected at 1.049 million barrels per day, compared to 1.064 last week, and stocks are expected 23.604 million barrels, very close to last week's 23.594. Corn open interest rose nearly 13,000 contracts yesterday despite the market not moving much. It appears new shorts are comfortable entering positions at these price levels. EU corn exports through June 30 were 19.37 million tonnes, well below last year at 26.45 million tonnes, mainly due to export competition from the Black Sea. AgRural says center-south Brazil corn harvest is 63% complete, way above a year ago at 26%. December corn shows no sign of a technical low at this time but with funds likely record short and prices on a nearly \$1 slide over the last month and half, a short covering bounce is due before Friday morning's July supply/demand report. Major support is just below 400 at the contract low of 395 1/2.

### TODAY'S MARKET IDEAS:

The US eastern belt did see beneficial moisture over the last 24 hours, but the rains will be moving out of the region quickly and a much drier pattern sets in across the Midwest. Pockets of heat could affect pollination in the central Plains, but crop stress is not expected to be dramatic. However, Black Sea and EU stress will be increasing over the next 2 weeks, which may be supportive once Friday's July supply/demand report is out-of-the-way. In the meantime, December prices may need to dip below 400 to probe for sell stops. Look for support at the December contract low of 395 1/2.

### **NEW RECOMMENDATIONS:**

None.

### **PREVIOUS RECOMMENDATIONS:**

None.

### **CORN TECHNICAL OUTLOOK:**

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CORN (SEP) 07/10/2024: 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 market's close below the pivot swing number is a mildly negative setup. The next downside objective is 387 3/4. Selling may soon dry up since the RSI is under 20 indicating the market is extremely oversold. The next area of resistance is around 397 1/2 and 401 1/2, while 1st support hits today at 390 1/2 and below there at 387 3/4.

CORN (DEC) 07/10/2024: 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. It is a slightly negative indicator that the close was lower than the pivot swing number. The next downside objective is 402 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 411 3/4 and 415 1/2, while 1st support hits today at 405 1/4 and below there at 402 1/2.

### **DAILY WHEAT COMMENTARY**

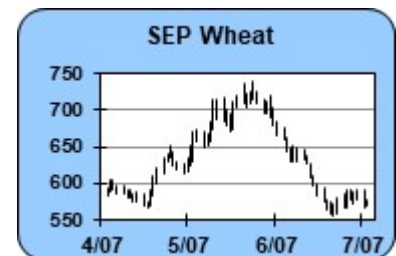
7/10/2024

#### **EU/Black Sea stress rising next 10 days**

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

**WHEAT** -0.28

**OVERNIGHT DEVELOPMENTS:** Chicago wheat (SEP 24) prices overnight are down -3 1/2; Kansas City (SEP 24) down -4 3/4; and Minneapolis (SEP 24) down -1. MATIF Milling Wheat(SEP 24) was down -1.5%. Chicago wheat open interest as of July 9 was up 340 contracts and Minneapolis wheat was up 415 contracts.



**NEAR-TERM MARKET FUNDAMENTALS:** Wheat prices are down for the week and most of the pressure has been spillover weakness from corn and beans and weaker Russian export prices. Russia's spring wheat crop stress and EU SRW crop weather issues are supportive. SovEcon says Russian exports are expected to decline sharply in July. In addition, Ukraine's Ag Ministry says their early wheat harvest yields are 5 - 7% below last year. French soft wheat production is expected to drop to 29.65 million tonnes, down from 35.1 last year. LSEG estimated EU 27+ UK production at 140.1 million tonnes down .5% from their last update but increased their Russian production .9% to 82.9 million tonnes. India says they will sell reserve wheat to millers and bakers to tamp down domestic prices. There were 10 deliveries overnight of Chicago wheat. Jordan is tendering for 120,000 tonnes of wheat and Algeria reportedly bought milling wheat, but no quantity has been announced. Hot/dry weather in the US Plains is expected this weekend and will keep the combines moving quickly and we should see US winter wheat harvest nearing 75% complete by next week. EU and Black Sea crop stress will become more of a focus now that US harvest is nearing its final quarter. Chicago December has been hovering around retracement support at 592 and we can't rule out a test of the June low at 579 if corn and bean prices continue to slip. However, longer-term, wheat has value at these prices and the downside looks limited from here.

**TODAY'S MARKET IDEAS:**

Hot/dry conditions should keep US harvest moving rapidly in the Plains but stress in EU and Black Sea region is supportive. This week's very weak action appears to have more to do with corn and bean weakness than specific bearish news for wheat. Yes, US harvest is ongoing but harvest hedge pressure should now be fading. We look for a rebound into Friday morning's supply/demand report. Last week's highs of 615 1/4 will be key resistance for December Chicago.

**NEW RECOMMENDATIONS:**

None.

**PREVIOUS RECOMMENDATIONS:**

None.

**WHEAT TECHNICAL OUTLOOK:**

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WHEAT (SEP) 07/10/2024: Daily stochastics are showing positive momentum from oversold levels, which should reinforce a move higher if near term resistance is taken out. The close below the 9-day moving average is a negative short-term indicator for trend. The market tilt is slightly negative with the close under the pivot. The near-term upside target is at 582 1/2. The next area of resistance is around 576 3/4 and 582 1/2, while 1st support hits today at 567 1/4 and below there at 563 1/2.

KC WHEAT (SEP) 07/10/2024: A crossover down in the daily stochastics is a bearish signal. 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. It is a slightly negative indicator that the close was lower than the pivot swing number. The next downside target is 569 3/4. The next area of resistance is around 582 1/2 and 589 1/2, while 1st support hits today at 572 1/2 and below there at 569 3/4.

MINN WHEAT (SEP) 07/10/2024: 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. The market's close below the pivot swing number is a mildly negative setup. The near-term upside target is at 628 1/4. The next area of resistance is around 622 1/2 and 628 1/4, while 1st support hits today at 612 1/2 and below there at 608.

RICE (SEP) 07/10/2024: 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. It is a slightly negative indicator that the close was under the swing pivot. The next downside objective is now at 14.354. Some caution in pressing the downside is warranted with the RSI under 30. The next area of resistance is around 14.762 and 15.003, while 1st support hits today at 14.438 and below there at 14.354.

**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
<b>GRAIN COMPLEX</b>										
CNAU24	394	19.61	23.45	9.82	7.56	400.81	408.19	428.51	450.80	452.21
CNAZ24	408 1/2	19.15	22.91	10.70	8.34	414.94	421.39	441.28	463.70	465.50
SSAQ24	1131 1/4	36.64	38.50	34.91	34.62	1151.06	1145.83	1151.14	1188.93	1185.58
SSAX24	1080	27.12	29.84	21.47	18.57	1107.69	1107.83	1120.49	1165.06	1166.03
SMAZ24	318.7	21.41	25.95	7.49	5.74	325.45	330.57	338.86	355.69	354.19
BOAZ24	46.31	54.37	54.57	77.74	78.17	47.80	46.07	45.03	45.16	45.27
WHAU24	572	38.23	37.56	22.68	25.45	576.75	576.86	588.57	645.51	635.90
WHAZ24	595 1/2	37.51	36.80	23.60	26.90	600.38	600.03	611.79	669.22	659.76

RCAU24	14.600	26.40	30.70	14.30	9.07	14.74	15.05	15.31	15.43	15.34
KWAU24	577 1/2	33.84	34.58	14.34	14.20	584.38	588.53	600.57	658.54	649.66
MWAU24	617 1/2	36.09	34.70	23.34	27.59	622.75	621.03	630.99	691.86	689.57
OTAZ24	309 3/4	31.85	33.04	23.07	23.85	315.94	317.86	323.67	354.58	354.67

Calculations based on previous session. Data collected 07/09/2024

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	387 1/2	390 1/2	394 1/2	397 1/2	401 1/2
CNAZ24	Corn	402 1/2	405 1/4	409	411 3/4	415 1/2
SSAQ24	Soybeans	1111 1/2	1119	1136	1143 1/2	1160 1/2
SSAX24	Soybeans	1061	1068 1/4	1084 1/2	1091 3/4	1108
SMAZ24	Soymeal	314.5	316.2	319.4	321.1	324.3
BOAZ24	Soybean Oil	44.73	45.29	46.76	47.32	48.79
WHAU24	Wheat	563 1/2	567 1/4	573	576 3/4	582 1/2
WHAZ24	Wheat	587 1/2	591	596 3/4	600	606
RCAU24	Rice	14.353	14.437	14.678	14.762	15.003
KWAU24	KC Wheat	569 1/2	572 1/2	579 1/2	582 1/2	589 1/2
MWAU24	MINN Wheat	607 3/4	612 1/2	618	622 1/2	628 1/4
OTAZ24	Oats	301 3/4	305	311	314 1/2	320 1/4

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