



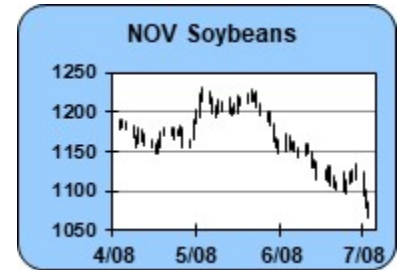
## DAILY GRAINS COMMENTARY Thursday July 11, 2024

### DAILY SOY COMPLEX COMMENTARY 7/11/2024

**Minor short covering expected before Friday USDA data**

**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 up 4; Soymeal (DEC 24) down -0.20; and Soyoil (DEC 24) up 0.69. Soybean open interest as of July 10 was down 1,307 contracts, soymeal up 1,174 contracts, and soybean oil down 5,039. Chinese Dalian (SEP 24) Soybeans down 0.22%, Soymeal down 0.53%, Soyoil down 0.52%, Palm oil up 0.08%. Malaysian Palm was up 0.43%.



**NEAR-TERM MARKET FUNDAMENTALS:** After dropping \$0.67 in the last 5 trading days and \$1.62 since late May, November beans may be ready for at least a minor short covering rally before tomorrow morning's July USDA supply/demand report. Longer-term fundamentals have not changed and remain with the bear camp. The Western bean belt will see temperatures up to 100 degrees this weekend, but a cooldown is expected by midweek next week. Precipitation chances look limited for the Midwest for the next 10 days. The USDA report is expected to show 2023/24 bean ending stocks at 355 million bushels, slightly above the 350 in the June report and 2424/25 stocks are expected at 449 million bushels, slightly down from 455 in the June report. Yield is not expected to be changed as critical podsetting weather is still ahead. Brazil beans are expected to be down 1 million tonnes to 152 million and Argentine beans are expected unchanged at 50 million. A bullish report surprise is not expected, and the recent sharp price break has priced in some bearishness already. The US finally got its first new crop China purchase yesterday of 132,000 tonnes of beans. Prior to yesterday, there were 970,000 tonnes of US bean new crop sales on the books to Unknown destinations, some of which could possibly be China. Last year at this time, China had already purchased 1.72 million tonnes of new crop US beans. The recent sharp drop in futures prices is likely to encourage additional Chinese purchase. There were 43 deliveries of bean oil overnight and 20 beans. There is a large amount of South American beans in route to China currently, which will arrive in later July and August. June bean arrivals in China were 10% higher than May. Weekly export sales are expected in a range of 200,000-600,000 tonnes for old crop and 50,000-300,000 for new crop. Meal estimated ranges are 150,000-400,000 for old crop and 50,000-400,000 for new crop and the bean oil range is 0-15,000 tonnes. NOPA June crush will be released Monday, July 15. The month of August could see record processor maintenance downtime. CONAB numbers were just released this morning and Brazil bean production was estimated at 147.336, essentially unchanged from the 147.353 in June. Clearly, the technical outlook is bearish, but expect a relief rally into tomorrow morning's report. Upside resistance for November beans is 1091 and 1099.

Ethanol average daily production for the week ending July 5 averaged 1.054 million barrels. This was down 0.9% from last week and up 2.1% from last year. The 5-year average for this week is 1.013 million barrels per day. Ethanol production for the week was 7.378 million barrels. Ethanol stocks were 23.603 million barrels. This was up 0.0% from last week and up 4.2% from last year. The 5-year average stocks for this week is 22.208 million barrels. The amount of corn used for the week is estimated at 104.62 million bushels. Cumulative corn use for the crop year has reached 4.528 billion bushels. Corn use needs to average 113.28 million bushels per week to meet the USDA's marketing year forecast of 5.450 billion bushels.

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

the Western belt will see a brief bout of heat this weekend into early next week but temperatures moderate midweek, although Midwest precipitation chances are expected to be limited for the next 10 days. Tomorrow morning's USDA report is not expected to offer any major bullish surprise, but the current price decline has traders leaning very bearish going into the report, which may mean a neutral report gives the market a chance to

bounce. Next major support for November beans is 1051. Retracement resistance starts at 1091.

**NEW RECOMMENDATIONS:**

None.

**PREVIOUS RECOMMENDATIONS:**

None

**SOYBEAN COMPLEX TECHNICAL OUTLOOK:**

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SOYBEANS (AUG) 07/11/2024: 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 setup is somewhat negative with the close under the 1st swing support. The next downside objective is now at 1093 1/4. The next area of resistance is around 1126 1/4 and 1145, while 1st support hits today at 1100 1/4 and below there at 1093 1/4.

SOYBEAN OIL (DEC) 07/11/2024: A crossover down in the daily stochastics is a bearish signal. Momentum studies trending lower at mid-range should accelerate a move lower 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 pivot swing number is a mildly negative setup. The next downside objective is now at 44.68. The next area of resistance is around 46.15 and 46.96, while 1st support hits today at 45.01 and below there at 44.68.

SOYMEAL (DEC) 07/11/2024: 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 tilt is slightly negative with the close under the pivot. The next downside objective is 312.9. The 9-day RSI under 20 suggests the market is extremely oversold. The next area of resistance is around 318.6 and 321.8, while 1st support hits today at 314.2 and below there at 312.9.

**DAILY CORN COMMENTARY**

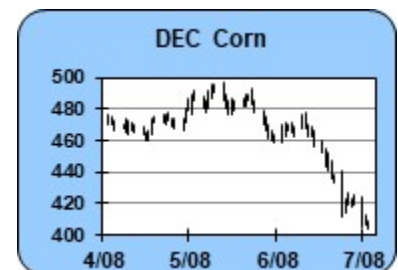
7/11/2024

**Short covering possible as funds are likely record net short**

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

**CORN +0.3**

**OVERNIGHT DEVELOPMENTS:** Corn (DEC 24) prices overnight are up 3. Corn open interest as of July 10 was up 18,720 contracts. Chinese Dalian (SEP 24) Corn was down 0.25%.



**NEAR-TERM MARKET FUNDAMENTALS:** After a couple of stagnant trading days, December corn may be ready for a rebound ahead of tomorrow's USDA report. CFTC data tomorrow afternoon is likely to show funds at a new all-time record short near 350,000 contracts. So far, fund shorts have been very comfortable staying with her position despite crop weather risks at this time of year. Tomorrow's July supply/demand report is expected to show 2023/24 US ending stocks at 2.049 billion bushels up from 2.022 in June. New crop carryout is expected at 2.312 million bushels, up from 2.102 in June. Yield is expected to stay unchanged from June at 181 BPA. Argentina's corn crop is expected to be down 2 million tonnes to 51 million and Brazil corn expected down 500,000 tonnes to 121.5. CONAB numbers released this morning with Brazil total corn estimated at 115.859, up from 114.144 last month and 2nd crop corn was raised to 90.007 million tonnes, up from 88.116 in June. The

downtrend over the last several weeks has likely at least partly priced in a bearish report. Ethanol production was slightly higher than pre-report estimates but down from last week. Ethanol stocks came in right on the pre-report guesses and slightly higher from last week. Ethanol profit margins continue to be very strong. Weekly export sales this morning are estimated in a range of 300,000-850,000 tonnes for old crop and 300,000-700,000 from new crop. There were 25 July corn deliveries overnight. The 6 to 10 day forecast shows above normal temperatures for the southeast US and the Northwest US but below normal temperatures surrounding the Great Lakes states. Midwest precipitation will be limited for the next 10 days. EU farm group says 2024 EU corn production is expected at 62.4 million tonnes down.5% from a year ago and EU cereal production is expected down 4.7% year-over-year. The recent sharp price break has pushed technical indicators deep into oversold territory and a corrective bounce is due before tomorrow morning's report. Look for nearby December resistance at 419 and long-term support remains at the contract low of 395 1/2.

Ethanol average daily production for the week ending July 5 averaged 1.054 million barrels. This was down 0.9% from last week and up 2.1% from last year. The 5-year average for this week is 1.013 million barrels per day. Ethanol production for the week was 7.378 million barrels. Ethanol stocks were 23.603 million barrels. This was up 0.0% from last week and up 4.2% from last year. The 5-year average stocks for this week is 22.208 million barrels. The amount of corn used for the week is estimated at 104.62 million bushels. Cumulative corn use for the crop year has reached 4.528 billion bushels. Corn use needs to average 113.28 million bushels per week to meet the USDA's marketing year forecast of 5.450 billion bushels.

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

Beryl's remnants have moved out of the US crop areas and a much drier pattern moves in for the next 10 days with only limited scattered chances for precipitation across the Midwest. Heat will peak this weekend in the central Plains, but a cooldown is expected by midweek to keep crop stress from becoming significant. Tomorrow's USDA report is likely to encourage some short covering today and we look for December prices to move up toward 1st resistance at 419. 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) 07/11/2024: Daily stochastics declining into oversold territory suggest the selling may be drying up soon. The close below the 9-day moving average is a negative short-term indicator for trend. 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 objective is 388. The 9-day RSI under 30 indicates the market is approaching oversold levels. The next area of resistance is around 399 1/4 and 402 1/4, while 1st support hits today at 392 1/4 and below there at 388.

CORN (DEC) 07/11/2024: 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. It is a slightly negative indicator that the close was under the swing pivot. The next downside objective is 401 3/4. With a reading under 20, the 9-day RSI indicates the market is extremely oversold. The next area of resistance is around 409 3/4 and 412, while 1st support hits today at 404 3/4 and below there at 401 3/4.

#### **DAILY WHEAT COMMENTARY**

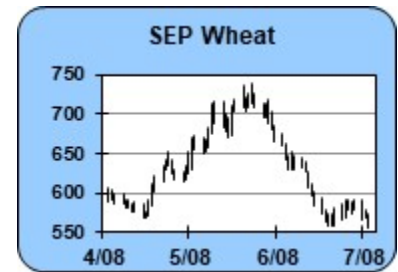
**7/11/2024**

## Ukraine seizes grain ship

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

**WHEAT** +0.78

**OVERNIGHT DEVELOPMENTS:** Chicago wheat (SEP 24) prices overnight are up 7 1/2; Kansas City (SEP 24) up 9; and Minneapolis (SEP 24) up 5. MATIF Milling Wheat(SEP 24) was up 1.1%. Chicago wheat open interest as of July 10 was down 2,398 contracts and Minneapolis wheat was up 1,159 contracts.



**NEAR-TERM MARKET FUNDAMENTALS:** Wheat prices are quickly recovering yesterday's losses this morning after Chicago December fell to test 4-month lows yesterday at 580. Part of this morning's strength may be coming from reports Ukraine has seized a cargo ship that left a Crimean port with looted Ukrainian grain, according to Ukraine authorities. CONAB updated their Brazil 2024 wheat production forecast to 8.956 million tonnes, down from 9.065 last month but up from 8.097 million last year. StoneX raised their 2024/25 Brazil wheat production forecast to 8.22 million tonnes, up 6% from last month. Tomorrow morning's USDA supply/demand report is expected to show 2024/25 ending stocks at 788 million bushels, up from 758 in the June report. All wheat production is expected at 1.909 billion bushels, up from 1.875 in June. Weekly export sales morning are expected in a range of 300,000 - 700,000 tonnes and the recent sharp price break may have encouraged additional purchases. One of the major bearish issues over the last year has been the weak export pace and that is highlighted by the fact that 20 years ago the US global wheat export share was 29%. That share has now fallen in the 2023/24 season to just 9%. There were 102 Chicago July deliveries overnight. An EU farm group says common wheat EU production is expected at 117.5 million tonnes down 6.4% from a year ago. Russia's early harvest reports are indicating quality and protein levels are lower than expected, which means there may be less wheat available for export that meets the 12.5% protein level. The bearish news appears to be digested and the market looks ready for a bounce with 1st resistance on December Chicago at 615.

### TODAY'S MARKET IDEAS:

Reports Ukraine has seized a cargo ship to recover looted grain is sparking a bullish reaction this morning along with cuts to the Canadian, French and EU crops. US harvest will make rapid progress through this weekend with hot/dry conditions expected in the Plains. We think the market has digested the worst of the bearish news and look for a rebound into tomorrow 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) 07/11/2024:** The daily stochastics have crossed over down which is a bearish indication. Momentum studies are still bearish but are now at oversold levels and will tend to support reversal action if it occurs. 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 now at 547. The next area of resistance is around 569 1/2 and 578 3/4, while 1st support hits today at 553 1/2 and below there at 547.

**KC WHEAT (SEP) 07/11/2024:** 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 target is now at 551 3/4. Some caution in pressing the downside is warranted with the RSI under 30. The next area of resistance is around 572 3/4 and 583, while 1st support hits today at 557 1/4 and below there at 551 3/4.

MINN WHEAT (SEP) 07/11/2024: 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 close below the 1st swing support could weigh on the market. The next upside target is 623 3/4. The next area of resistance is around 617 and 623 3/4, while 1st support hits today at 605 and below there at 599 3/4.

RICE (SEP) 07/11/2024: 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 target is now at 14.344. The 9-day RSI under 30 indicates the market is approaching oversold levels. The next area of resistance is around 14.657 and 14.833, while 1st support hits today at 14.413 and below there at 14.344.

## 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               | 395 3/4  | 22.65        | 25.33         | 9.10                      | 7.66                      | 398.38         | 404.89         | 425.13          | 449.17          | 451.19          |
| CNAZ24               | 407 1/4  | 18.59        | 22.48         | 9.56                      | 7.28                      | 411.88         | 418.14         | 437.86          | 462.02          | 464.43          |
| SSAQ24               | 1113 1/4 | 30.32        | 34.04         | 30.63                     | 22.07                     | 1139.94        | 1142.61        | 1148.17         | 1186.66         | 1184.39         |
| SSAX24               | 1067     | 23.63        | 27.14         | 18.43                     | 12.34                     | 1094.06        | 1103.39        | 1116.03         | 1162.08         | 1164.21         |
| SMAZ24               | 316.4    | 19.93        | 24.77         | 6.35                      | 4.08                      | 322.25         | 328.12         | 336.87          | 354.43          | 353.68          |
| BOAZ24               | 45.58    | 48.85        | 50.56         | 74.10                     | 66.80                     | 47.21          | 46.29          | 45.12           | 45.20           | 45.25           |
| WHAU24               | 561 1/2  | 34.03        | 34.88         | 22.58                     | 22.37                     | 573.63         | 576.97         | 584.43          | 643.69          | 635.48          |
| WHAZ24               | 585      | 33.16        | 34.03         | 23.63                     | 23.68                     | 597.13         | 600.25         | 607.61          | 667.36          | 659.35          |
| RCAU24               | 14.535   | 25.03        | 29.57         | 11.61                     | 6.23                      | 14.62          | 14.94          | 15.27           | 15.42           | 15.33           |
| KWAU24               | 565      | 29.41        | 31.67         | 13.70                     | 12.41                     | 579.88         | 586.42         | 595.86          | 656.37          | 649.13          |
| MWAU24               | 611      | 32.96        | 32.80         | 24.38                     | 26.46                     | 619.81         | 621.81         | 627.22          | 689.44          | 688.77          |
| OTAZ24               | 303 1/4  | 27.71        | 30.26         | 21.30                     | 17.76                     | 313.31         | 316.83         | 321.07          | 353.14          | 354.02          |

Calculations based on previous session. Data collected 07/10/2024

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 3/4   | 392       | 395      | 399 1/2  | 402 1/4  |
| CNAZ24               | Corn        | 401 3/4   | 404 1/2   | 407      | 410      | 412 1/4  |
| SSAQ24               | Soybeans    | 1093      | 1100 1/4  | 1119     | 1126 1/4 | 1145     |
| SSAX24               | Soybeans    | 1052      | 1057 1/4  | 1071 1/2 | 1076 3/4 | 1091     |
| SMAZ24               | Soymeal     | 312.8     | 314.1     | 317.3    | 318.6    | 321.8    |
| BOAZ24               | Soybean Oil | 44.68     | 45.01     | 45.82    | 46.15    | 46.96    |
| WHAU24               | Wheat       | 547       | 553 1/2   | 563      | 569 1/2  | 579      |
| WHAZ24               | Wheat       | 571       | 577 1/4   | 586 1/2  | 592 3/4  | 602      |
| RCAU24               | Rice        | 14.343    | 14.412    | 14.588   | 14.657   | 14.833   |
| KWAU24               | KC Wheat    | 551 1/2   | 557       | 567 1/4  | 573      | 583      |
| MWAU24               | MINN Wheat  | 599 3/4   | 605       | 611 3/4  | 617      | 623 3/4  |
| OTAZ24               | Oats        | 297       | 299       | 305 1/4  | 307 1/2  | 313 1/2  |

Calculations based on previous session. Data collected 07/10/2024

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