



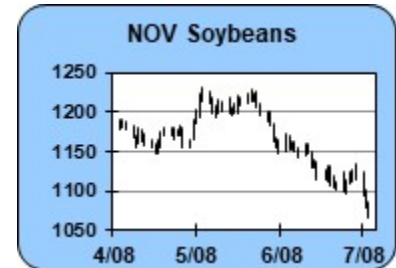
DAILY GRAINS COMMENTARY Friday July 12, 2024

DAILY SOY COMPLEX COMMENTARY 7/12/2024

Traders lean heavily bearish into USDA report

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):
SOY BEANS -0.0, BEAN OIL +0.0, SOYMEAL -0.1

OVERNIGHT DEVELOPMENTS: Soybeans (NOV 24) prices overnight are down -2 3/4; Soymeal (DEC 24) down -0.80; and Soyoil (DEC 24) down -0.08. Soybean open interest as of July 11 was up 5,329 contracts, soymeal up 3,330 contracts, and soybean oil down 565. Chinese Dalian (SEP 24) Soybeans down 0.04%, Soymeal down 0.78%, Soyoil up 0.71%, Palm oil up 1.31%. Malaysian Palm was down 0.51%.



NEAR-TERM MARKET FUNDAMENTALS: A slightly weaker start to the day and traders appear comfortable heading into the USDA report leaning heavily to the bear side. Barring a big rally today, prices are on track for their largest weekly loss in over a year. USDA's July monthly supply and demand report will be released at 11 AM Chicago time this morning and although no major surprises are expected, USDA often throws a curveball or 2 and traders need to be ready for volatility today. The report is expected to show 2023/24 bean ending stocks at 355 million bushels, slightly above the 350 in the June report and 2024/25 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 and USDA is only changed yield in this report one time in the last 11 years. Few revisions to the old crop balance sheet are expected and since US crush was lowered last month, we don't expect any changes there as USDA will likely want to first see NOPA's June numbers next week. New crop acreage will be down 400,000 acres as USDA incorporates the June acreage report data. Brazil beans are expected to be down 1 million tonnes to 152 million and Argentine beans are expected unchanged at 50 million. China's June customs import data showed 11.114 million tonnes of beans imported, down 2.2% year-to-date. The eastern bean belt and the far northern Midwest will see a few showers over the next 5 days and the 6 to 10 day outlook has below normal precipitation for the northern Midwest and above for the southern. Temperatures will be below normal in the central Midwest and remain below normal in the eastern belt in the 8 to 14 day timeframe, while the Northwest Midwest sees the heat return. The US Climate Prediction Center says La Nina has a 70% chance of emerging during the August - October timeframe and persist through at least January. For the US Midwest, this means La Nina will form too late to significantly affect this US growing season. There were 137 bean deliveries overnight and 126 bean oil. NOPA crush will be released Monday and the pre-report estimate is 177.936 million bushels, well above the previous June record in 2020 at 167.26. Our friends at Crushtraders.com are estimating crush at 173.280. November beans are leaning heavily bearish heading into the report but have fallen \$1.66 a bushel since late May, factoring in some report bearishness. Prices have not seen any significant short covering before the report, which is an indication shorts are very comfortable that USDA will not offer any major bullish surprise. We agree, but with prices deeply oversold, a neutral report would likely offer a bounce higher. November contract support is 1051 and look for 1st resistance at 1089.

The Export Sales Report showed that for the week ending July 4, net soybean sales came in at 207,952 tonnes for the current marketing year and 191,255 for the next marketing year for a total of 399,207. Cumulative soybean sales have reached 97.2% of the USDA forecast for the 2023/2024 marketing year versus a 5 year average of 100.2%. Sales need to average 154,000 tonnes per week to reach the USDA forecast.

Net meal sales came in at 53,118 tonnes for the current marketing year and 22,770 for the next marketing year for a total of 75,888. Cumulative meal sales have reached 90.5% of the USDA forecast for the 2023/2024 marketing year versus a 5 year average of 91.2%. Sales need to average 110,000 tonnes per week to reach the USDA forecast.

Net oil sales came in at 9,695 tonnes for the current marketing year and -3,500 for the next marketing year for a total of 6,195. Cumulative oil sales have reached 99.2% of the USDA forecast for the 2023/2024 marketing year versus a 5 year average of 86.3%. Sales need to average 100 tonnes per week to reach the USDA forecast.

TODAY'S MARKET IDEAS:

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. US weather forecasts do not indicate significant crop stress over the next 2 weeks. 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) 07/12/2024: Daily stochastics are trending lower but have declined into oversold territory. A negative signal for trend short-term was given on a close under the 9-bar moving average. The daily closing price reversal up is a positive indicator that could support higher prices. The market tilt is slightly negative with the close under the pivot. The next downside objective is 1100. The next area of resistance is around 1125 1/4 and 1133 1/4, while 1st support hits today at 1108 3/4 and below there at 1100.

SOYBEAN OIL (DEC) 07/12/2024: 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. It is a mildly bullish indicator that the market closed over the pivot swing number. The next downside objective is 45.03. The next area of resistance is around 46.72 and 47.30, while 1st support hits today at 45.58 and below there at 45.03.

SOYMEAL (DEC) 07/12/2024: 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. The market's close below the pivot swing number is a mildly negative setup. The next downside objective is 310.1. Selling may soon dry up since the RSI is under 20 indicating the market is extremely oversold. The next area of resistance is around 318.2 and 321.2, while 1st support hits today at 312.7 and below there at 310.1.

DAILY CORN COMMENTARY

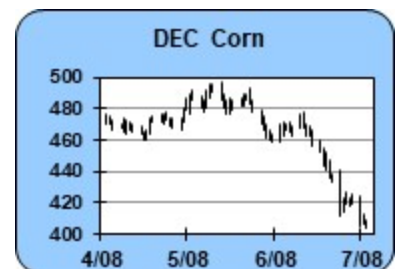
7/12/2024

Black Sea stress peaks next week

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):

CORN -0.4

OVERNIGHT DEVELOPMENTS: Corn (DEC 24) prices overnight are down -3 1/2. Corn open interest as of July 11 was down 7,668 contracts. Chinese Dalian (SEP 24) Corn was down 0.12%.



NEAR-TERM MARKET FUNDAMENTALS: It's USDA report day and December corn is sitting at 3-year lows heading into the report as US crop weather still lacks any significant threat. The July supply/demand report this morning 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 billion bushels, up from 2.102 in June. Yield is expected to stay unchanged from June at 181 BPA, although USDA did lower yield in this report last year due to poor early crop conditions, but that is not the case this year. New crop acreage to be increased from the June acreage report and the higher June quarterly stocks will also be added to old crop ending stocks. Other new crop changes are likely to be minimal. 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. Yesterday's CONAB number for Brazil's total corn production was 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 difference between USDA's June number and the latest CONAB is 6 million tonnes, but that is down from 13 million tonne difference back in April. The Buenos Aires Grain Exchange says Argentine harvest is 70.2% complete and yields have been somewhat disappointing. Crop stress in the Black Sea region will continue with heat peaking next week in the upper 90s to 105. The lack of any short covering rally before the report has to disappoint the bull camp but oftentimes, when traders are leaning heavily one direction going into the report, the report reaction is the opposite. While we don't expect any major bullish surprise, the recent price drop may mitigate any downside reaction from a bearish report. Long-term December support remains at the contract low of 395 1/2. 1st resistance is 419.

The Export Sales Report showed that for the week ending July 4, net corn sales came in at 538,331 tonnes for the current marketing year and 116,496 for the next marketing year for a total of 654,827. Cumulative sales have reached 99.4% of the USDA forecast for the 2023/2024 marketing year versus a 5-year average of 95.4%. Sales need to average 41,000 tonnes per week to reach the USDA forecast.

TODAY'S MARKET IDEAS:

Heading into today's USDA report, US weather forecasts do not show a significant crop threat over the next 2 weeks. On the contrary, Black Sea corn growing areas will see temperatures over 100 next week. The lack of any short covering rally before the report is a sign of the aggressive bearish attitude and December prices may jab down below 400 on a bearish report, although we would expect to see some profit-taking post-report if that happens. The bottom line is fundamentals are bearish, weather is bearish, except in the Black Sea, and rallies are likely to be selling opportunities for the near-term. Long-term December support is 395 1/2.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

CORN TECHNICAL OUTLOOK:

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CORN (SEP) 07/12/2024: The daily stochastics have crossed over up which is a bullish indication. Daily stochastics are showing positive momentum from oversold levels, which should reinforce a move higher if near term resistance is taken out. A negative signal for trend short-term was given on a close under the 9-bar moving average. A positive setup occurred with the close over the 1st swing resistance. The next upside target is 407 3/4. The next area of resistance is around 404 1/4 and 407 3/4, while 1st support hits today at 396 1/4 and below there at 391 1/2.

CORN (DEC) 07/12/2024: 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 supportive for early gains with the close over the 1st swing resistance. The next downside objective is 403 1/4. With a reading under 30, the 9-day RSI is approaching oversold levels. The next area of resistance is around 414 1/4 and 417 1/4, while 1st support hits today at 407 1/4 and below there at 403 1/4.

DAILY WHEAT COMMENTARY

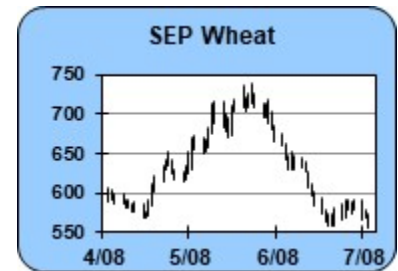
7/12/2024

USDA report to likely show larger US HRW crop

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):

WHEAT -0.83

OVERNIGHT DEVELOPMENTS: Chicago wheat (SEP 24) prices overnight are down -8; Kansas City (SEP 24) down -12 3/4; and Minneapolis (SEP 24) down -9 1/2. MATIF Milling Wheat(DEC 24) was down -1.0%. Chicago wheat open interest as of July 11 was down 6,373 contracts and Minneapolis wheat was up 2,045 contracts.



NEAR-TERM MARKET FUNDAMENTALS: Today's USDA report will feature an increase in planted area from the June acreage report and higher ending stocks from the June stocks report. HRW yields will likely be increased as harvest reports have indicated better-than-expected results and less abandonment, while SRW balance sheet is expected to remain the tightest of the wheat classes. 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. Yesterday's Ukraine seizure of a cargo ship reportedly carrying looted Ukrainian grain is an underlying supportive factor but not enough on its own to encourage a sustained rally. US winter wheat area under drought was unchanged at 20% and compares to 52% at this time last year. The Buenos Aries Grain Exchange says Argentine seeding is 93% complete and the crop is expected to be harvested in November/December. The Rosario Grain Exchange lowered their Argentine production estimate to 20.5 million tonnes, down from 21 last month. There were 28 deliveries of SRW overnight. The growing season in France continues to be a challenge and SRW conditions fell 1% to 57% good/excellent and ending stocks are expected to drop to 3.04 million tonnes down from 3.89 last year. Harvest is just beginning at 4% complete but well below last year's 26% and the 5-year average of 19%. It may be difficult for USDA to offer any bullish surprise today with farmers reporting the HRW crop is larger than thought. However, the significant break since late May is likely to reduce the effect of a bearish report. Key support for December Chicago wheat is 579 and then the contract low from early March at 565 3/4. Look for resistance at last week's high of 615 1/4.

The Export Sales Report showed that for the week ending July 4, net wheat sales came in at 240,351 tonnes for the current marketing year and none for the next marketing year. Cumulative sales have reached 32.8% of the USDA forecast for the 2024/2025 marketing year versus a 5-year average of 27.9%. Sales need to average 242,000 tonnes per week to reach the USDA forecast.

TODAY'S MARKET IDEAS:

Farmer reports of better-than-expected yields in HRW crop areas will likely prompt USDA to raise production, while SRW production is likely to remain near unchanged from last month. Last week's highs of 615 1/4 will be key resistance for December Chicago and look for support at 579. The recent sharp price drop may mitigate a bearish report reaction.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

WHEAT TECHNICAL OUTLOOK:

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WHEAT (SEP) 07/12/2024: The daily stochastics have crossed over up which is a bullish indication. 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 objective is at 591 3/4. The next area of resistance is around 581 3/4 and 591 3/4, while 1st support hits today at 560 3/4 and below there at 549 1/2.

KC WHEAT (SEP) 07/12/2024: The daily stochastics gave a bullish indicator with a crossover up. Rising from oversold levels, daily momentum studies would support higher prices, especially on a close above resistance. The market's short-term trend is negative as the close remains below the 9-day moving average. With the close over the 1st swing resistance number, the market is in a moderately positive position. The next upside target is 606 1/4. The next area of resistance is around 596 1/2 and 606 1/4, while 1st support hits today at 570 and below there at 553 1/2.

MINN WHEAT (SEP) 07/12/2024: 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. Market positioning is positive with the close over the 1st swing resistance. The next upside target is 637 1/4. The next area of resistance is around 628 and 637 1/4, while 1st support hits today at 609 1/2 and below there at 600 1/4.

RICE (SEP) 07/12/2024: 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. With the close over the 1st swing resistance number, the market is in a moderately positive position. The next downside target is 14.457. The next area of resistance is around 14.757 and 14.846, while 1st support hits today at 14.563 and below there at 14.457.

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										
CNAU24	400 1/4	30.26	30.09	9.54	10.44	395.81	402.42	421.61	447.47	450.30
CNAZ24	410 3/4	25.42	26.63	9.30	8.77	408.56	415.58	434.24	460.29	463.45
SSAQ24	1117	33.03	35.71	26.82	19.20	1127.63	1140.47	1144.76	1183.79	1183.48
SSAX24	1067 3/4	24.26	27.55	15.96	11.01	1078.56	1099.28	1110.89	1158.71	1162.55
SMAZ24	315.5	19.34	24.31	5.96	5.19	318.00	325.57	334.55	352.97	353.22
BOAZ24	46.15	53.04	53.44	70.37	62.93	46.58	46.57	45.23	45.23	45.24
WHAU24	571 1/4	40.82	39.22	23.83	26.34	568.81	576.06	580.74	641.53	635.28
WHAZ24	595	40.54	38.76	25.05	27.88	592.50	599.53	603.96	665.18	659.14
RCAU24	14.660	32.59	34.56	10.44	8.11	14.65	14.86	15.22	15.40	15.33
KWAU24	583 1/4	42.10	39.80	16.73	22.79	576.06	584.97	592.32	654.09	649.00
MWAU24	618 3/4	39.94	37.22	26.74	31.45	616.19	621.89	624.00	686.96	688.19
OTAZ24	318 1/4	45.94	42.33	23.54	28.01	312.25	316.56	319.53	351.93	353.55

Calculations based on previous session. Data collected 07/11/2024

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						
CNAU24	Corn	391 1/4	396	399 1/2	404 1/2	407 3/4
CNAZ24	Corn	403 1/4	407 1/4	410 1/4	414 1/4	417 1/4
SSAQ24	Soybeans	1100	1108 1/2	1116 3/4	1125 1/2	1133 1/2
SSAX24	Soybeans	1053 3/4	1060 1/2	1068 1/4	1075	1082 3/4
SMAZ24	Soymeal	310.0	312.6	315.6	318.2	321.2
BOAZ24	Soybean Oil	45.02	45.58	46.16	46.72	47.30
WHAU24	Wheat	549 1/2	560 1/2	570 3/4	582	592
WHAZ24	Wheat	573	584 1/2	594	605 1/2	615
RCAU24	Rice	14.456	14.562	14.651	14.757	14.846

KWAU24	KC Wheat	553 1/2	570	580	596 1/2	606 1/2
MWAU24	MINN Wheat	600 1/4	609 1/2	618 3/4	628	637 1/4
OTAZ24	Oats	297 1/2	309 1/2	315	327	332 1/2

Calculations based on previous session. Data collected 07/11/2024

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