



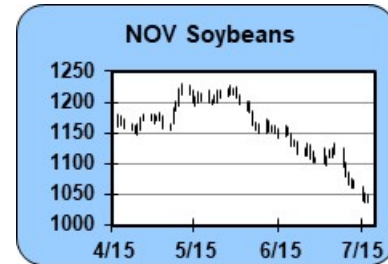
DAILY GRAINS COMMENTARY Friday July 19, 2024

DAILY SOY COMPLEX COMMENTARY 7/19/2024

US Gulf basis stronger on signs of improved demand

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 up 1; Soymeal (DEC 24) up 0.70; and Soyoil (DEC 24) up 0.13. Soybean open interest as of July 18 was down 852 contracts, soymeal up 2,941 contracts, and soybean oil up 3,757. Chinese Dalian (SEP 24) Soybeans down 0.13%, Soymeal up 0.64%, Soyoil up 0.81%, Palm oil down 0.51%. Malaysian Palm was up 0.58%.



NEAR-TERM MARKET FUNDAMENTALS: Prices are stronger this morning to finish out the week and we give the slight edge to the bull camp today on better demand prospects. The large morning flash sale to Unknown yesterday was the 1st large new crop purchase in quite some time and rumors are still swirling that China is looking for more US beans for fall shipment. China is likely to import a record amount of beans in July, primarily from Brazil, but crush margins have been weakening. The million-dollar question is whether China will ramp up purchases before the election on trade war fears. US Gulf basis bids were strong yesterday on the signs of improving demand. Yesterday's latest Drought Monitor showed the heart of the Midwest is free of drought and the dry areas are limited to the southern Plains, far Eastern bean belt and the southeast US. However, moderate to heavy rains are expected to greatly improve soil moisture in the southeast over the next 10 days. US bean area under drought dropped 3% to 5%, compared to 50% at this time last year. Egypt's GASC bought 20,000 tonnes of sunflower oil in their international tender. Last night's Republican National Convention speech, Trump did not specifically talk about China tariffs or trade war, which may be a relief to the bull camp. Having fallen nearly \$2 a bushel since late May, November beans did see a minor turn higher yesterday and a higher close to finish the week may be enough to start a short covering bounce early next week. August precipitation will be the key to finishing the crop. If the crop does finish well, demand must improve to avoid burdensome US ending stocks.

The Export Sales Report showed that for the week ending July 11, net soybean sales came in at 360,111 tonnes for the current marketing year and 375,025 for the next marketing year for a total of 735,136. Cumulative soybean sales have reached 98.0% of the USDA forecast for the 2023/2024 marketing year versus a 5 year average of 100.3%. Sales need to average 125,000 tonnes per week to reach the USDA forecast.

Net meal sales came in at 209,292 tonnes for the current marketing year and 99,407 for the next marketing year for a total of 308,699. Cumulative meal sales have reached 91.9% of the USDA forecast for the 2023/2024 marketing year versus a 5 year average of 92.3%. Sales need to average 101,000 tonnes per week to reach the USDA forecast.

Net oil sales came in at 3,276 tonnes for the current marketing year and 14,900 for the next marketing year for a total of 18,176. Cumulative oil sales have reached 80.6% of the USDA forecast for the 2023/2024 marketing year versus a 5 year average of 86.6%. Sales need to average 4,200 tonnes per week to reach the USDA forecast.

TODAY'S MARKET IDEAS:

US crop weather looks ideal for most areas, but some heat/dryness will begin to move into the northwest and northern bean belt next week. November beans had a very minor reversal higher yesterday but a higher close today could signal the start of at least a minor short covering rally, after prices held 1031 support yesterday. 1st retracement resistance is now at 1070.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None

SOYBEAN COMPLEX TECHNICAL OUTLOOK:

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SOYBEANS (AUG) 07/19/2024: Rising from oversold levels, daily momentum studies would support higher prices, especially on a close above resistance. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The daily closing price reversal up on the daily chart is somewhat positive. The market has a slightly positive tilt with the close over the swing pivot. The near-term upside target is at 1108 3/4. The next area of resistance is around 1104 1/2 and 1108 3/4, while 1st support hits today at 1092 1/2 and below there at 1084 3/4.

SOYBEAN OIL (DEC) 07/19/2024: 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 upside daily closing price reversal gives the market a bullish tilt. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The next downside target is now at 43.36. The next area of resistance is around 44.77 and 45.13, while 1st support hits today at 43.89 and below there at 43.36.

SOYMEAL (DEC) 07/19/2024: The stochastics indicators are rising from oversold levels, which is bullish and should support higher prices. The close below the 9-day moving average is a negative short-term indicator for trend. The daily closing price reversal down puts the market on the defensive. The close over the pivot swing is a somewhat positive setup. The next upside target is 317.3. The market is approaching oversold levels on an RSI reading under 30. The next area of resistance is around 314.6 and 317.3, while 1st support hits today at 308.4 and below there at 304.9.

DAILY CORN COMMENTARY

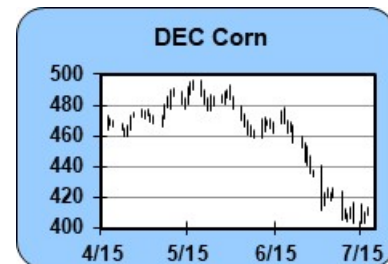
7/19/2024

Some relief for Black Sea stress next week

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):

CORN +0.2

OVERNIGHT DEVELOPMENTS: Corn (DEC 24) prices overnight are up 1 1/2. Corn open interest as of July 18 was down 4,302 contracts. Chinese Dalian (SEP 24) Corn was up 0.21%.



NEAR-TERM MARKET FUNDAMENTALS: December corn prices remain in the 2-week range and a lack of fresh market moving news is likely to keep prices sideways again today to finish the week. Over the next 5 days, precipitation chances will be highest in eastern Nebraska and western Iowa, also from Texas through the southeast US states and temperatures will remain below normal except for the northern Plains and southern Canadian Prairies. US crop area under drought fell 2% last week to 5%, compared to 55% a year ago. All locks on the Mississippi River have been reopened and barge traffic should begin to normalize. Central and southern Russia, Ukraine, Bulgaria and

Romania are experiencing heat/dryness which is expected to cut yields. However, some showers will be seen in those areas next week with cooler temperatures offering a bit of relief. But no soaking rain is in the forecast. Reports of mass poultry deaths in southern Brazil, which may be from Newcastle disease, according to the Brazil Ag Minister, could affect feed demand. Brazil, the world's largest chicken exporter, has halted exports to the EU and Argentina due to the Newcastle outbreak. New NOAA 3-month outlook calls for warmer temperatures across the Midwest starting in August and a dry pattern for the western corn belt and the Plains. The Buenos Aires Grain Exchange says Argentine corn harvest is 79.2% complete. Hard to have much bullish or bearish conviction right now until prices breakout of the 403-416 range on December corn. Keep the powder dry is probably the best advice at this point.

The Export Sales Report showed that for the week ending July 11, net corn sales came in at 437,840 tonnes for the current marketing year and 485,681 for the next marketing year for a total of 923,521. Cumulative sales have reached 96.8% of the USDA forecast for the 2023/2024 marketing year versus a 5-year average of 96.2%. Sales need to average 248,000 tonnes per week to reach the USDA forecast.

TODAY'S MARKET IDEAS:

Trading volume was once again fairly weak yesterday as prices remain in the sideways range. US weather remains ideal, except for indications of heat/dryness in the northern Plains over the next 2 weeks and Black Sea areas will see cooler temperatures and a few showers next week. This afternoon's CFTC data is likely to show funds are still holding an all-time record short position. If December corn can get above 416, look for a run to moving average resistance at 424.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

CORN TECHNICAL OUTLOOK:

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CORN (SEP) 07/19/2024: The daily stochastics have crossed over down which is a bearish indication. Daily stochastics are trending lower but have declined into oversold territory. The 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 384. The next area of resistance is around 395 3/4 and 401 3/4, while 1st support hits today at 386 3/4 and below there at 384.

CORN (DEC) 07/19/2024: 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 market's short-term trend is negative as the close remains below the 9-day moving average. The market is in a bearish position with the close below the 2nd swing support number. The next downside objective is now at 398 1/4. The next area of resistance is around 409 1/4 and 415 1/2, while 1st support hits today at 400 3/4 and below there at 398 1/4.

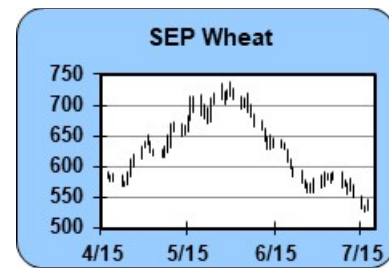
DAILY WHEAT COMMENTARY

7/19/2024

Northern Plains spring wheat crop stress expected to rise

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):
WHEAT +0.6

OVERNIGHT DEVELOPMENTS: Chicago wheat (SEP 24) prices overnight are up 2 1/4; Kansas City (SEP 24) up 1/2; and Minneapolis (SEP 24) up 3 3/4. MATIF Milling Wheat(SEP 24) was up 1.3%. Chicago wheat open interest as of July 18 was up 1,983 contracts and Minneapolis wheat was down 573 contracts.



NEAR-TERM MARKET FUNDAMENTALS: An extended hot/dry pattern for the northern Plains and Canadian Prairies is getting some market attention and prices look to finish the week on a strong note, despite the bearish US balance sheet. HRS area under drought in the US expanded 5% last week to 12% and is expected to expand further over the next 2 weeks as the 6 to 10 day shows below normal precipitation. Winter wheat area under drought was up 4% at 24%, compared to 50% at this time last year. The Buenos Aries Grain Exchange says Argentine wheat seeding is 95% done. Cold temperatures have slowed planting. French SRW conditions were down 5% last week to 52%, compared to 80% a year ago and the lowest since 2016. Harvest is the slowest since 2021 at 14% complete. Reports of poor-quality wheat coming out of the French and German harvests is expected to support higher protein wheat, like Kansas City and Minneapolis and that means HRS weather takes on increased importance. On the surface, the International Grains Council increasing world 2024/25 wheat production by 8 million tonnes to 801 million tonnes looks bearish. However, consumption is expected to rise more than production and world ending stocks are expected to hit a 10-year low at 586 million tonnes. Global exporter supplies are expected to tighten over the next year. The bearish US supply/demand balance sheet is in the rearview mirror and traders are looking ahead to hot/dry conditions in the northern Plains and yesterday's strong weekly export sales. The path of least resistance, at least for the short-term, points higher.

The Export Sales Report showed that for the week ending July 11, net wheat sales came in at 578,502 tonnes for the current marketing year and none for the next marketing year. Cumulative sales have reached 34.4% of the USDA forecast for the 2024/2025 marketing year versus a 5-year average of 30.6%. Sales need to average 248,000 tonnes per week to reach the USDA forecast.

TODAY'S MARKET IDEAS:

Better global demand this week has been supportive and US HRS weather in the northern Plains is expected to turn hot/dry. With the rise in poor quality wheat being harvested around the globe, high-protein spring wheat is likely to remain in high demand and any adverse weather could give prices a boost. Chicago December nearby retracement resistance is 574 1/2 and 50% retracement to the early July highs is 583.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

WHEAT TECHNICAL OUTLOOK:

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WHEAT (SEP) 07/19/2024: 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 now at 524. The next area of resistance is around 542 and 551, while 1st support hits today at 528 1/2 and below there at 524.

KC WHEAT (SEP) 07/19/2024: 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. It is a mildly bullish indicator that the market closed over the pivot swing number. The next upside objective is 575 1/2. The next area of resistance is around 568 1/4 and 575 1/2, while 1st support hits today at 554 3/4 and below there at 548 1/4.

MINN WHEAT (SEP) 07/19/2024: The crossover up in the daily stochastics is a bullish signal. Rising from oversold levels, daily momentum studies would support higher prices, especially on a close above resistance. A negative signal for trend short-term was given on a close under the 9-bar moving average. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The near-term upside objective is at 620. The next area of resistance is around 611 and 620, while 1st support hits today at 590 and below there at 578.

RICE (SEP) 07/19/2024: 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 market's close below the 1st swing support number suggests a moderately negative setup for today. The next downside objective is 14.123. The 9-day RSI under 30 indicates the market is approaching oversold levels. The next area of resistance is around 14.395 and 14.542, while 1st support hits today at 14.185 and below there at 14.123.

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	391 1/4	31.45	31.10	11.67	11.21	393.88	395.64	406.58	438.66	445.66
CNAZ24	405	31.76	30.97	11.58	11.51	407.44	408.75	419.43	451.62	458.68
SSAQ24	1098 1/2	35.84	36.28	16.64	18.74	1091.06	1108.86	1128.78	1169.17	1177.58
SSAX24	1043	22.02	24.94	8.05	7.51	1041.81	1060.75	1087.76	1140.33	1153.07
SMAZ24	311.5	25.21	26.77	7.73	10.29	310.50	314.23	325.16	346.02	350.48
BOAZ24	44.33	40.91	44.36	42.30	29.48	44.54	45.56	45.38	45.21	45.16
WHAU24	535 1/4	31.84	32.93	15.62	14.82	534.44	551.53	563.58	626.49	631.60
WHAZ24	560	31.52	32.47	16.13	14.95	558.88	575.69	587.14	650.19	655.51
RCAU24	14.290	25.52	29.08	6.92	4.47	14.46	14.56	14.89	15.30	15.29
KWAU24	561 1/2	38.75	37.45	19.20	22.96	557.38	566.83	578.46	640.67	646.11
MWAU24	600 1/2	42.32	38.92	20.15	25.36	587.19	601.22	610.08	672.09	682.42
OTAZ24	321 1/2	51.92	47.05	38.16	48.04	315.06	314.17	316.08	344.24	350.84

Calculations based on previous session. Data collected 07/18/2024
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DAILY SWING STATISTICS

Contract		Support 2	Support 1	Pivot	Resist 1	Resist 2
GRAIN COMPLEX						
CNAU24	Corn	384	386 3/4	393	395 3/4	402
CNAZ24	Corn	398	400 1/2	406 3/4	409 1/2	415 1/2
SSAQ24	Soybeans	1084 3/4	1092 1/2	1096 3/4	1104 1/2	1108 3/4
SSAX24	Soybeans	1026 1/2	1035 3/4	1041	1050 1/4	1055 1/2
SMAZ24	Soymeal	304.9	308.4	311.1	314.6	317.3
BOAZ24	Soybean Oil	43.35	43.88	44.24	44.77	45.13
WHAU24	Wheat	524	528 1/2	537 1/2	542	551
WHAZ24	Wheat	549 1/2	553 3/4	562	566 1/4	574 1/2
RCAU24	Rice	14.122	14.184	14.332	14.395	14.542
KWAU24	KC Wheat	548 1/4	554 1/2	562	568 1/2	575 3/4
MWAU24	MINN Wheat	578	590	599	611	620
OTAZ24	Oats	316 3/4	319 1/4	321 1/4	323 3/4	325 3/4

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