



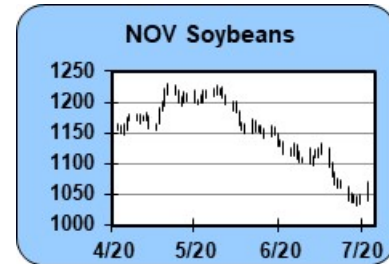
DAILY GRAINS COMMENTARY Wednesday July 24, 2024

DAILY SOY COMPLEX COMMENTARY 7/24/2024

More upside potential, hot/dry for western belt on the way

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

OVERNIGHT DEVELOPMENTS: Soybeans (NOV 24) prices overnight are down -3; Soymeal (DEC 24) unchanged; and Soyoil (DEC 24) down -0.41. Soybean open interest as of July 23 was down 2,466 contracts, soymeal down 3,978 contracts, and soybean oil up 1,415. Chinese Dalian (SEP 24) Soybeans up 0.22%, Soymeal down 0.13%, Soyoil down 0.38%, Palm oil down 1.26%. Malaysian Palm was down 1.08%.



NEAR-TERM MARKET FUNDAMENTALS: Bullish weather momentum has stalled for the time being but the bull camp retains the edge as forecasts still show adverse conditions, especially for the Western belt, starting next week. Over the next 5 days the Western belt will be dry with some light scattered showers in the eastern belt and more rain in the southeast US states. The 6 to 10 and 8 to 14 day show below normal precipitation for the Western belt and above normal temperatures. Midwest bean basis eased yesterday as farmer selling increased on the higher prices. China says their soybean self-sufficiency percentage rose 4% in the last 2 years. We are still hearing of Chinese interest in US beans but with this week's rally, China may be waiting for a pullback before making additional purchases. India's edible oil imports are expected to surge to a record for July with soyoil imports anticipated to rise 45% from June and the highest monthly import total in 13 months. Indonesia is expected to continue trials of 40% biodiesel blend, commonly known as B40, and ramp up use in agriculture, mining and powerplant sectors in 2025. ANEC says Brazil's July soybean exports may reach 10.43 million tonnes, down from 10.71 forecasted last week and meal exports could reach 2.40 million tonnes, compared to 2.23 million projected last week. After 2 days of gains, November beans had a minor setback overnight, but we think strong support will be seen on any breaks below 1060 with the current weather forecast. First retracement resistance to the late May highs is 1106. Look for further upside gains.

TODAY'S MARKET IDEAS:

Open interest for beans has not declined significantly enough this week to indicate major short covering by the record Managed Money shorts but certainly that has been a factor on this week's rally. With adverse hot/dry conditions heading into the Western belt next week, the market is likely to have a supportive tone on breaks below 1060 on November futures. Look for next resistance at 1096 and retracement resistance at 1106.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None

SOYBEAN COMPLEX TECHNICAL OUTLOOK:

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SOYBEANS (AUG) 07/24/2024: Stochastics are at mid-range but trending higher, which should reinforce a move higher if resistance levels are taken out. The market's close above the 9-day moving average suggests the short-term trend remains positive. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The next upside target is 1136 3/4. The next area of resistance is around 1126 1/2 and 1136 3/4, while 1st support hits today at 1108 1/2 and below there at 1100 3/4.

SOYBEAN OIL (DEC) 07/24/2024: The market now above the 60-day moving average suggests the longer-term trend has turned up. Daily stochastics declining into oversold territory suggest the selling may be drying up soon. The market's short-term trend is positive on the close above the 9-day moving average. The market has a slightly positive tilt with the close over the swing pivot. The next downside objective is now at 44.24. The next area of resistance is around 45.58 and 46.07, while 1st support hits today at 44.67 and below there at 44.24.

SOYMEAL (DEC) 07/24/2024: Daily stochastics are showing positive momentum from oversold levels, which should reinforce a move higher if near term resistance is taken out. A positive signal for trend short-term was given on a close over the 9-bar moving average. The market could take on a defensive posture with the daily closing price reversal down. The market has a slightly positive tilt with the close over the swing pivot. The near-term upside target is at 325.5. The next area of resistance is around 322.2 and 325.5, while 1st support hits today at 316.0 and below there at 313.1.

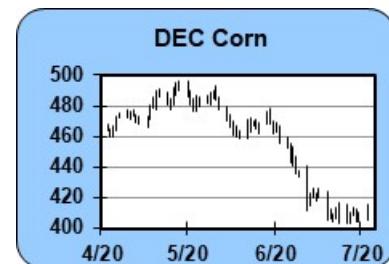
DAILY CORN COMMENTARY

7/24/2024

2-week outlook hot/dry for western corn belt

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):
CORN +0.1

OVERNIGHT DEVELOPMENTS: Corn (DEC 24) prices overnight are up 1/2. Corn open interest as of July 23 was up 9,463 contracts. Chinese Dalian (SEP 24) Corn was down 0.83%.



NEAR-TERM MARKET FUNDAMENTALS: December corn broke out of the recent consolidation pattern yesterday and we give the edge to the bull camp. Hot/dry conditions will be moving into the Western belt next week and remain in place through week 2 of the forecast and possibly beyond. Temperatures will be above normal across the entire Midwest by week 2, although the heat will be most intense in the Western belt and the US Plains where precipitation chances are limited. USDA announced a new sale of 200,000 tonnes of corn to Unknown yesterday morning and competitive US export prices are likely to keep exports strong. Argentina is the cheapest, but US prices are not far behind, and the US is cheaper than Ukraine. Today's ethanol production is expected at 1.090 million barrels per day, compared to 1.106 last week and stocks are projected at 23.481 million barrels, compared to 23.160 last week. SovEcon dropped their Russian corn production to 13.4 million tonnes, down from 14.6 last month due to hot weather in the South part of the country. LSEG lowered their EU 27+UK production by .8% to 62.3 million tonnes. EU corn imports since July 1 were 1.42 million tonnes, down from 1.02 million in the same period last year. ANEC says Brazil exports for July may reach 4.56 million tonnes, up from 4.51 forecast last week. December corn yesterday closed above the recent consolidation and that should give the market a chance to run to technical resistance at 430. While US crop conditions are very good, a condition decline is likely to begin next week and that should provide underlying support on breaks.

TODAY'S MARKET IDEAS:

Managed Money shorts are just below the all-time record and open interest so far does not indicate much short covering. If December prices can build on yesterday's short-term breakout, expect further upside gains as funds pare down. Initial retracement resistance on December corn to the June 14 highs is 431 1/2 and yesterday's breakout suggests a run to 430. Breaks under 410 should find good support.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

CORN TECHNICAL OUTLOOK:

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CORN (SEP) 07/24/2024: Rising from oversold levels, daily momentum studies would support higher prices, especially on a close above resistance. The intermediate trend could be turning up with the close back above the 18-day moving average. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The near-term upside target is at 412. The next area of resistance is around 407 1/4 and 412, while 1st support hits today at 397 3/4 and below there at 392 3/4.

CORN (DEC) 07/24/2024: Stochastics are at mid-range but trending higher, which should reinforce a move higher if resistance levels are taken out. The cross over and close above the 18-day moving average indicates the intermediate-term trend has turned up. It is a mildly bullish indicator that the market closed over the pivot swing number. The next upside target is 427 3/4. The next area of resistance is around 422 1/2 and 427 3/4, while 1st support hits today at 412 and below there at 406 1/2.

DAILY WHEAT COMMENTARY

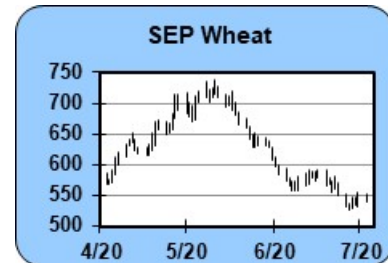
7/24/2024

HRS tour finds yields well above average

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):

WHEAT +0.23

OVERNIGHT DEVELOPMENTS: Chicago wheat (SEP 24) prices overnight are up 1 1/4; Kansas City (SEP 24) down -1; and Minneapolis (SEP 24) down -2 3/4. MATIF Milling Wheat(DEC 24) was down -0.6%. Chicago wheat open interest as of July 23 was up 693 contracts and Minneapolis wheat was down 265 contracts.



NEAR-TERM MARKET FUNDAMENTALS: Wheat prices dipped lower overnight on strong 1st day yield results from the HRS tour in the Dakotas, but prices are rebounding this morning. The spring wheat quality tour came out with a strong 1st day yield of 52.8 BPA, compared to 48.1 last year and 42.2 5-year average. They did note a good bit of fungal disease, known as scab. Final tour results will be out Thursday. A hot/dry pattern will be moving into the spring wheat areas next week and conditions may begin to decline but harvest is just around the corner, which will limit the damage. China says their summer grain harvest has been the best in 9 years, boosted by a bumper wheat crop. However, we have heard reports the quality of the crop has been poor. Ukraine's grain exports since July 1 are up 67% from the same period in July of last year. LSEG dropped their Russian production 2% to 81.2 million tonnes. This compares with SovEcon earlier this week upping their production number to 84.1 million. EU 27+ UK production was unchanged at 140.1 million tonnes, according to LSEG. US SRW prices are competitive and the US could see an uptick in export demand. The HRS tour 1st day results are a bearish headwind today, but if prices can close higher, further upside gains would be possible. Chicago December support is 558. A breakout above 581 would be bullish.

TODAY'S MARKET IDEAS:

Spring wheat crop tour results showed very strong yield potential on the 1st day, but crop stress will be rising in the northern US Plains and southern Canada next week. Harvest is nearing, and conditions are expected to decline somewhat but not likely dramatically.

US SRW prices are competitive and US export potential is showing signs of increasing. Chicago December nearby retracement resistance is 582 3/4 and moving average resistance is 584. Look for support at 558.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

WHEAT TECHNICAL OUTLOOK:

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WHEAT (SEP) 07/24/2024: 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 below the 9-day moving average is an indication the short-term trend remains negative. The market's close below the pivot swing number is a mildly negative setup. The next upside target is 556. The next area of resistance is around 548 1/2 and 556, while 1st support hits today at 537 and below there at 533.

KC WHEAT (SEP) 07/24/2024: Momentum studies are trending higher from mid-range, which should support a move higher if resistance levels are penetrated. The market's short-term trend is positive on the close above the 9-day moving average. The market tilt is slightly negative with the close under the pivot. The next upside target is 582 3/4. The next area of resistance is around 574 1/4 and 582 3/4, while 1st support hits today at 559 3/4 and below there at 553 3/4.

MINN WHEAT (SEP) 07/24/2024: Momentum studies are trending higher from mid-range, which should support a move higher if resistance levels are penetrated. A positive signal for trend short-term was given on a close over the 9-bar moving average. The daily closing price reversal down is a negative indicator for prices. The close below the 1st swing support could weigh on the market. The near-term upside objective is at 635. The next area of resistance is around 623 3/4 and 635, while 1st support hits today at 607 1/4 and below there at 601 3/4.

RICE (SEP) 07/24/2024: The stochastics indicators are rising from oversold levels, which is bullish and should support higher prices. The market's close above the 9-day moving average suggests the short-term trend remains positive. The market has a slightly positive tilt with the close over the swing pivot. The near-term upside objective is at 15.008. The next area of resistance is around 14.892 and 15.008, while 1st support hits today at 14.568 and below there at 14.359.

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	402 1/2	47.73	41.92	18.21	27.92	396.13	396.78	400.83	433.64	442.53
CNAZ24	417 1/4	49.29	42.83	19.97	31.30	410.50	410.25	414.19	446.67	455.57
SSAQ24	1117 1/2	48.67	44.52	25.62	34.02	1107.75	1102.08	1122.35	1162.09	1173.95
SSAX24	1075 1/2	50.23	43.71	15.60	25.68	1055.81	1053.39	1078.39	1130.89	1147.34
SMAZ24	319.1	47.15	41.21	16.60	26.68	314.38	313.07	320.59	342.36	348.70
BOAZ24	45.13	50.22	49.86	28.57	23.71	44.57	44.87	45.58	45.19	45.09
WHAU24	542 3/4	38.79	37.38	20.95	24.68	542.19	543.69	560.33	616.95	627.32
WHAZ24	567 3/4	38.92	37.26	21.55	25.38	567.19	568.33	584.29	640.75	651.34
RCAU24	14.730	50.65	45.99	15.83	28.44	14.47	14.52	14.73	15.23	15.26
KWAU24	567	42.08	39.84	30.43	36.80	567.81	565.50	575.96	632.58	642.58
MWAU24	615 1/2	50.85	45.74	41.35	56.33	612.13	601.44	611.63	664.12	678.56
OTAZ24	334	61.27	54.44	62.70	77.93	329.38	321.42	319.13	340.19	349.63

Calculations based on previous session. Data collected 07/23/2024

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	392 1/2	397 1/2	402 1/4	407 1/2	412
CNAZ24	Corn	406 1/2	412	417 1/4	422 1/2	428
SSAQ24	Soybeans	1100 3/4	1108 1/2	1118 3/4	1126 1/2	1136 3/4
SSAX24	Soybeans	1052 1/2	1064	1075 1/2	1087	1098 1/2
SMAZ24	Soymeal	313.1	316.0	319.3	322.2	325.5
BOAZ24	Soybean Oil	44.24	44.66	45.16	45.58	46.07
WHAU24	Wheat	533	537	544 1/2	548 1/2	556
WHAZ24	Wheat	558 1/4	562	569 3/4	573 1/2	581 1/4
RCAU24	Rice	14.358	14.567	14.683	14.892	15.008
KWAU24	KC Wheat	553 3/4	559 3/4	568 1/4	574 1/4	582 3/4
MWAU24	MINN Wheat	601 1/2	607	618 1/4	624	635
OTAZ24	Oats	325 3/4	329 1/2	334 1/2	338 1/2	343 1/4

Calculations based on previous session. Data collected 07/23/2024

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