



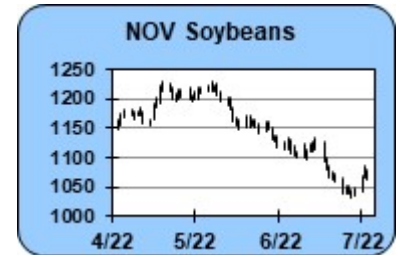
DAILY GRAINS COMMENTARY Friday July 26, 2024

DAILY SOY COMPLEX COMMENTARY 7/26/2024

Dry/hot western belt offset by better eastern belt conditions

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):
SOY BEANS -0.1, BEAN OIL +0.0, SOYMEAL -0.2

OVERNIGHT DEVELOPMENTS: Soybeans (NOV 24) prices overnight are down -6 1/4; Soymeal (DEC 24) down -2.20; and Soyoil (DEC 24) down -0.23. Soybean open interest as of July 25 was down 16,766 contracts, soymeal down 4,202 contracts, and soybean oil down 7,862. Chinese Dalian (SEP 24) Soybeans up 0.51%, Soymeal up 0.67%, Soyoil up 0.80%, Palm oil up 1.16%. Malaysian Palm was up 0.59%.



NEAR-TERM MARKET FUNDAMENTALS: The latest forecast shows additional scattered showers chances for the Eastern belt, which is causing some profit-taking as the week wraps up. Yesterday's new Drought Monitor did not indicate any drought conditions across the Midwest, except for Kansas and Ohio. Crop area under drought fell 1% this week to 4%, compared to 53% a year ago. The 6 to 10 day forecast shows below normal precipitation and temperatures for the Western bean belt and above normal for the far eastern belt. The 8 - 14 day has below normal precipitation for the central and Western belt, and the above normal temperatures linger in the Western belt. Trader talk will be centered on whether the stressful conditions in the west will be offset by better conditions in the east.

USDA announced a new morning flash sale of 264,000 tonnes of new crop beans to Unknown yesterday. Canada's canola crush was up 8.3% in June from June year ago, according to Stats Canada. November Bean prices pulled back 50% of this week's rally before turning higher Thursday morning. If November prices can move above 1087, next resistance would be 1096. Current bearish fundamentals suggest a sustained move over 1096 would require additional bullish news.

The Export Sales Report showed that for the week ending July 18, net soybean sales came in at 88,649 tonnes for the current marketing year and 829,675 for the next marketing year for a total of 918,324. Cumulative soybean sales have reached 97.9% of the USDA forecast for the 2023/2024 marketing year versus a 5-year average of 100.5%. Sales need to average 152,000 tonnes per week to reach the USDA forecast.

Net meal sales came in at 258,117 tonnes for the current marketing year and 520,886 for the next marketing year for a total of 779,003. Cumulative meal sales have reached 93.7% of the USDA forecast for the 2023/2024 marketing year versus a 5-year average of 92.9%. Sales need to average 87,000 tonnes per week to reach the USDA forecast.

Net oil sales came in at 6,870 tonnes for the current marketing year and -3,066 for the next marketing year for a total of 3,804. Cumulative oil sales have reached 83.4% of the USDA forecast for the 2023/2024 marketing year versus a 5-year average of 87.4%. Sales need to average 3,900 tonnes per week to reach the USDA forecast.

TODAY'S MARKET IDEAS:

Conditions in the Western and Eastern bean belt will be diverging next week as a hot/dry pattern moves into the West, while the east has some scattered showers chances. Open interest in beans dropped nearly 17,000 contracts yesterday, finally an indication that funds are exiting short positions. Yesterday's pullback on November beans to retracement support and subsequent rally, is an indication buyers were willing to step up on the break and suggests further upside gains. Strong resistance is expected at 1096.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None

SOYBEAN COMPLEX TECHNICAL OUTLOOK:

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SOYBEANS (AUG) 07/26/2024: Stochastics are at mid-range but trending higher, which should reinforce a move higher if resistance levels are taken out. The close above the 9-day moving average is a positive short-term indicator for trend. The daily closing price reversal up is a positive indicator that could support higher prices. The close over the pivot swing is a somewhat positive setup. The next upside target is 1131. The next area of resistance is around 1124 1/2 and 1131, while 1st support hits today at 1107 1/2 and below there at 1097.

SOYBEAN OIL (DEC) 07/26/2024: 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 upside closing price reversal on the daily chart is somewhat bullish. It is a slightly negative indicator that the close was lower than the pivot swing number. The next downside target is now at 43.23. The next area of resistance is around 44.60 and 44.94, while 1st support hits today at 43.74 and below there at 43.23.

SOYMEAL (DEC) 07/26/2024: Positive momentum studies in the neutral zone will tend to reinforce higher price action. The market's close above the 9-day moving average suggests the short-term trend remains positive. With the close over the 1st swing resistance number, the market is in a moderately positive position. The next upside target is 338.1. The next area of resistance is around 334.9 and 338.1, while 1st support hits today at 323.5 and below there at 315.2.

DAILY CORN COMMENTARY

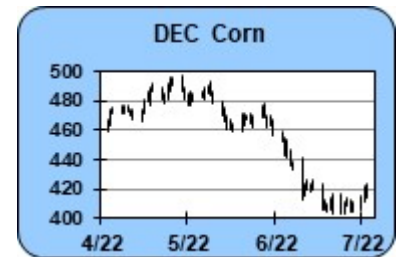
7/26/2024

Crop stress set to rise in west, shower chances in east

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):

CORN -0.2

OVERNIGHT DEVELOPMENTS: Corn (DEC 24) prices overnight are down -1 1/2. Corn open interest as of July 25 was down 14,227 contracts. Chinese Dalian (SEP 24) Corn was down 0.13%.



NEAR-TERM MARKET FUNDAMENTALS: Prices are slightly lower this morning on the addition of precipitation chances in the eastern belt, although the forecast for the Western belt remains hot/dry. Since most areas of the Midwest have had good subsoil moisture, the crop has a cushion to endure some crop stress and that is limiting any aggressive buying by weather traders. US crop area under drought dropped 1% this week to 4%, compared to 59% last year. A private weather forecaster says 20% of Midwest crops will be under stress next week. The US Attache to Argentina lowered corn production in the country to 49 million tonnes, down from USDA at 51 million. Argentine corn harvest is 86.6% complete. French corn conditions improved 1% to 82% good/excellent. Yesterday's weekly export sales were at the lower end for old crop but well above the high guess for new crop. US exports are competitive, and we expect new crop sales will continue to be strong. Although temperatures in the Black Sea have moderated this week, SovEcon says damage has already been done and the crop size is shrinking. This week's rally on December corn has been a slow grind higher but prices have made higher lows for the last 5 consecutive sessions. The path of least resistance looks higher and next key resistance is 430.

The Export Sales Report showed that for the week ending July 18, net corn sales came in at 331,380 tonnes for the current marketing year and 745,193 for the next marketing year for a total of 1,076,573. Cumulative sales have reached 97.4% of the USDA forecast for the 2023/2024 marketing year versus a 5-year average of 96.4%. Sales need to average 235,000 tonnes per week to reach the USDA forecast.

TODAY'S MARKET IDEAS:

Open interest dropped over 14,000 contracts yesterday, an indication funds are paring down some of their huge net short positions. The downside may be limited for the near-term, as long as the stressful conditions remain in the Western belt. Technical indicators point to further upside gains. Look for buying to surface on December corn below 415.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

CORN TECHNICAL OUTLOOK:

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CORN (SEP) 07/26/2024: 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. It is a mildly bullish indicator that the market closed over the pivot swing number. The near-term upside target is at 412 1/4. The next area of resistance is around 409 1/4 and 412 1/4, while 1st support hits today at 402 3/4 and below there at 399.

CORN (DEC) 07/26/2024: Positive momentum studies in the neutral zone will tend to reinforce higher price action. 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 near-term upside objective is at 427 1/2. The next area of resistance is around 424 1/4 and 427 1/2, while 1st support hits today at 417 1/4 and below there at 413 1/4.

DAILY WHEAT COMMENTARY

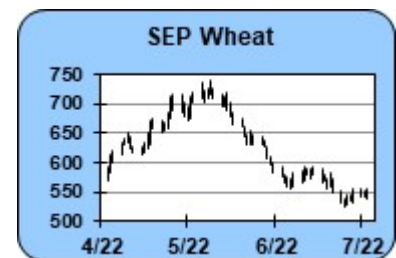
7/26/2024

HRS tour yields highest since 1992

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):

WHEAT +0.08

OVERNIGHT DEVELOPMENTS: Chicago wheat (SEP 24) prices overnight are up 2; Kansas City (SEP 24) up 3 3/4; and Minneapolis (SEP 24) up 8. MATIF Milling Wheat(DEC 24) was up 1.1%. Chicago wheat open interest as of July 25 was up 453 contracts and Minneapolis wheat was down 114 contracts.



NEAR-TERM MARKET FUNDAMENTALS: Very strong yield reports from the Hard Red Spring wheat tour in the Dakotas has stymied any wheat rallies this week. Final results from the tour were 54.5 BPA, compared to 47.4 last year and the highest since 1992. The 5-year average tour result is 42.0 BPA. The tour results are not a major surprise as USDA already has North Dakota's state yield at 56 BPA. Winter wheat area under drought was unchanged this week at 24%, compared to 47% last year. HRS was 15% under drought, up 3% from last week and compared to 43% last year. Recent rains have helped Argentine farmers finish wheat planting. Deral lowered their Parana wheat crop for Brazil to 3.6 million tonnes, down from 3.8 million last month. As mentioned earlier

this week, the bearish US wheat balance sheet is resulting in traders using wheat as the short leg of inter-commodity spreads, such as long corn/short wheat. Wildfires in Canada are disrupting rail traffic to western Canadian ports. The EU commission says SRW harvest is now seen at 120.8 million tonnes, down from 121.9 million forecast last month. EU total grains production was lowered to 271.6 million tonnes, down from 274.7 last month. French harvest is now 41% complete, still very slow and well behind the 76% this week last year. Conditions dropped 2% to 50% good excellent and remain at 8-year low. Hot/dry weather over the Plains for the next 2 weeks will allow HRW harvest to finish up. Price action has been sideways to lower this week and December Chicago would need a rally above 581 to open the door for further upside gains. Until then, prices are drifting without a clear technical direction. Key support stands at 550.

The Export Sales Report showed that for the week ending July 18, net wheat sales came in at 309,319 tonnes for the current marketing year and none for the next marketing year. Cumulative sales have reached 35.8% of the USDA forecast for the 2024/2025 marketing year versus a 5-year average of 32.7%. Sales need to average 247,000 tonnes per week to reach the USDA forecast.

TODAY'S MARKET IDEAS:

HRS crop tour final yield results were very strong but remain slightly under USDA's North Dakota state yield estimate, so not a major surprise. The problem for the bull camp is a strong HRS crop may add to the burdensome supplies following a very good HRW harvest. US SRW prices are competitive and US exports will need to increase to offset the growing supply. Chicago December nearby retracement resistance is 582 3/4 and the market will need a close over that level to open the door to further upside potential. Look for support at 558.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

WHEAT TECHNICAL OUTLOOK:

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WHEAT (SEP) 07/26/2024: 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. The market setup is somewhat negative with the close under the 1st swing support. The near-term upside target is at 553 3/4. The next area of resistance is around 544 1/2 and 553 3/4, while 1st support hits today at 531 and below there at 527.

KC WHEAT (SEP) 07/26/2024: Stochastics are at mid-range but trending higher, which should reinforce a move higher if resistance levels are taken out. The market's close 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 near-term upside target is at 575 3/4. The next area of resistance is around 567 3/4 and 575 3/4, while 1st support hits today at 553 3/4 and below there at 547 1/2.

MINN WHEAT (SEP) 07/26/2024: Positive momentum studies in the neutral zone will tend to reinforce higher price action. The close above the 9-day moving average is a positive short-term indicator for trend. The market setup is somewhat negative with the close under the 1st swing support. The near-term upside target is at 614 3/4. The next area of resistance is around 608 1/2 and 614 3/4, while 1st support hits today at 599 and below there at 595 3/4.

RICE (SEP) 07/26/2024: Positive momentum studies in the neutral zone will tend to reinforce higher price action. A positive signal for trend short-term was given on a close over the 9-bar moving average. The market setup is supportive for early gains with the close over the 1st swing resistance. The near-term upside target is at 15.267. The next area of resistance is around 15.170 and 15.267, while 1st support hits today at 14.850 and below there

at 14.628.

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	406	52.26	45.02	32.79	49.12	403.13	397.61	399.71	430.89	440.74
CNAZ24	420 3/4	53.84	46.00	35.75	53.31	417.75	411.72	413.32	443.96	453.78
SSAQ24	1116	48.36	44.59	32.13	38.77	1115.56	1102.64	1119.97	1156.73	1171.63
SSAX24	1079 1/2	52.80	46.46	24.80	35.13	1071.94	1054.56	1074.76	1124.74	1143.85
SMAZ24	329.2	62.03	52.44	31.63	50.18	322.08	315.31	319.25	340.46	347.74
BOAZ24	44.17	42.24	44.62	22.24	16.34	44.56	44.49	45.63	45.08	45.04
WHAU24	537 3/4	37.11	36.61	23.57	24.58	543.88	539.56	556.54	610.37	624.21
WHAZ24	562 1/2	36.79	36.21	23.99	24.85	568.56	564.19	580.68	634.21	648.22
RCAU24	15.010	61.06	53.86	34.77	56.46	14.78	14.58	14.67	15.20	15.25
KWAU24	560 3/4	38.87	38.15	33.71	35.36	566.88	563.00	572.96	626.86	639.24
MWAU24	603 3/4	44.03	41.74	49.51	55.01	613.19	601.25	610.71	658.42	675.07
OTAZ24	322 3/4	49.00	47.22	66.43	66.69	329.94	322.89	319.44	338.40	348.39

Calculations based on previous session. Data collected 07/25/2024

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	399	402 1/2	405 3/4	409 1/2	412 1/2
CNAZ24	Corn	413	417	420 1/4	424 1/2	427 1/2
SSAQ24	Soybeans	1097	1107 1/2	1114	1124 1/2	1131
SSAX24	Soybeans	1050	1067	1074 3/4	1092	1099 1/2
SMAZ24	Soymeal	315.1	323.4	326.6	334.9	338.1
BOAZ24	Soybean Oil	43.22	43.74	44.08	44.60	44.94
WHAU24	Wheat	527	531	540 1/2	544 1/2	554
WHAZ24	Wheat	552 1/2	556 1/4	565	568 3/4	577 1/2
RCAU24	Rice	14.627	14.850	14.947	15.170	15.267
KWAU24	KC Wheat	547 1/2	553 1/2	561 3/4	568	576
MWAU24	MINN Wheat	595 3/4	599	605 1/4	608 1/2	614 3/4
OTAZ24	Oats	311 1/4	317 1/2	321 3/4	328	332 1/4

Calculations based on previous session. Data collected 07/25/2024

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