



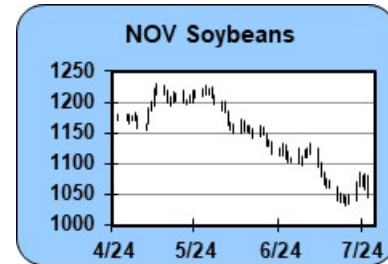
DAILY GRAINS COMMENTARY Friday August 02, 2024

DAILY SOY COMPLEX COMMENTARY 8/2/2024

China demand rumors supportive

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):
SOY BEANS +0.1, BEAN OIL +0.0, SOYMEAL +0.3

OVERNIGHT DEVELOPMENTS: Soybeans (NOV 24) prices overnight are up 11 1/2; Soymeal (DEC 24) up 2.80; and Soyoil (DEC 24) up 0.42. Soybean open interest as of August 1 was up 5,280 contracts, soymeal up 7,334 contracts, and soybean oil down 7,620. Chinese Dalian (SEP 24) Soybeans up 1.14%, Soymeal unchanged, Soyoil up 0.03%, Palm oil up 0.90%. Malaysian Palm was up 1.21%.



NEAR-TERM MARKET FUNDAMENTALS: Bean prices are bouncing this morning on talk of additional Chinese demand after Thursday morning's flash new crop sale of 132,000 tonnes. Exporter sources say China has bought several more cargoes and we may see another flash sale announcement this morning at 8 AM. With supply-side ideas increasing, additional export demand is needed. Over the last 24 hours, some scattered showers have been seen in the eastern belt, but the Western belt remained dry. Over the next 5 days precipitation will favor Minnesota, Wisconsin, Michigan and Ohio, along with the southeast US coastal states. Cooler temperatures will be moving into the Midwest early next week. US bean area under drought was up 1% to 5%, compared to 51% at this time last year. There were 37 deliveries and beans overnight and 4 bean oil. StoneX estimated US bean yield at 52.6 and production 4.483 billion bushels. This compares with USDA at 52.0 and 4.435 production estimate. In their 1st forecast of the new season for Brazil, StoneX forecast Brazil's 24/25 bean crop at 165.04 million tonnes, compared to 149.01 forecast for the 23/24 crop. Brazil bean exports are expected at 102 million tonnes, compared to 92 million in the previous season. NASS crush came in at 183.7 million bushels, a new monthly record for June, and slightly below guesses of 184.6. Bean oil stocks were 2.125 billion pounds, above guesses of 2.081 and a five-month low. Meal stocks were 432,648 tons, a 3-month high. November beans may have a strong day to end the week with rumors of additional China demand circulating around the market. A run to gap resistance at 1045 is certainly possible.

US soybean crush hit a new record high for the month of June at 183.68 million bushels versus the previous record of 177.28 million in 2020. This was below the low-end of pre-report estimates. The June average is 169.14 million bushels. US soybean crush pace hit a new record high for the month of June at 6.12 million bushels versus the previous record of 5.91 million in 2020. The June average crush pace is 5.64 million bushels per day. The cumulative crush for the marketing year has reached 1.93 billion bushels 84.1% of the USDA's current estimate for the marketing year. As of June last year, the cumulative crush had reached 87.6% of the USDA forecast of 1.86 billion bushels.

US soybean oil stocks in June came in at 2.125 billion pounds versus 2.188 last month and 2.203 last year. The average stock level for this time of year is 2.202 billion pounds. The largest stock level for this month was 2.316 (2022) and lowest was 2.101 (2021). Current stock levels are running at 0.13% of USDA ending stocks estimates for the year.

The Export Sales Report showed that for the week ending July 25, net soybean sales came in at 376,398 tonnes for the current marketing year and 632,134 for the next marketing year for a total of 1,008,532. Cumulative soybean sales have reached 98.4% of the USDA forecast for the 2023/2024 marketing year versus a 5-year average of 100.7%. Sales need to average 143,000 tonnes per week to reach the USDA forecast.

Net meal sales came in at 43,722 tonnes for the current marketing year and 232,391 for the next marketing year for a total of 276,113. Cumulative meal sales have reached 94.0% of the USDA forecast for the 2023/2024 marketing year versus a 5-year average of 94.2%. Sales need to average 92,000 tonnes per week to reach the USDA forecast.

Net oil sales came in at 517 tonnes for the current marketing year and -3,473 for the next marketing year for a total of -2,956. Cumulative oil sales have reached 83.6% of the USDA forecast for the 2023/2024 marketing year versus a 5-year average of 88.1%. Sales need to average 4,300 tonnes per week to reach the USDA forecast.

TODAY'S MARKET IDEAS:

The US growing weather forecast is little changed but China's new crop purchase yesterday and rumors of interest in additional cargoes is supportive and prices have a chance to recover some of this week's losses today. November beans have not traded below \$10.00 since late 2020. Gap resistance is at 1045. Look for 1st support at 1014 1/2.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None

SOYBEAN COMPLEX TECHNICAL OUTLOOK:

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SOYBEANS (SEP) 08/02/2024: 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 998. The 9-day RSI under 30 indicates the market is approaching oversold levels. The next area of resistance is around 1015 1/4 and 1023 1/4, while 1st support hits today at 1002 3/4 and below there at 998.

SOYBEAN OIL (DEC) 08/02/2024: 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. A negative signal was given by the outside day down. The market is in a bearish position with the close below the 2nd swing support number. The near-term upside objective is at 43.11. The 9-day RSI under 30 indicates the market is approaching oversold levels. The next area of resistance is around 42.18 and 43.11, while 1st support hits today at 40.72 and below there at 40.18.

SOYMEAL (DEC) 08/02/2024: A crossover down in the daily stochastics is a bearish signal. Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. 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. It is a slightly negative indicator that the close was lower than the pivot swing number. The next downside target is now at 311.4. The next area of resistance is around 318.6 and 321.1, while 1st support hits today at 313.8 and below there at 311.4.

DAILY CORN COMMENTARY

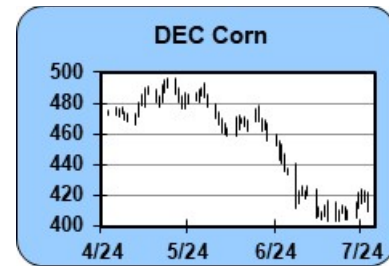
8/2/2024

December sets new contract low

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):

CORN +0.2

OVERNIGHT DEVELOPMENTS: Corn (DEC 24) prices overnight are up 1 3/4. Corn open interest as of August 1 was down 2,588 contracts. Chinese Dalian (SEP 24) Corn was down 0.98%.



NEAR-TERM MARKET FUNDAMENTALS: Yesterday's new contract low on December corn right in the middle of summer is an indication weather traders see little threat to US crops as pollination was generally favorable across the Midwest. Some dryland crops in the Western belt may be suffering from the heat but overall, the historically high crop conditions look to remain stable. StoneX estimated US yield at 182.3 BPA and production of 15.207 billion bushels. This compares with USDA at 181 and 15.10 billion. StoneX also estimated Brazil's 2024/25 total corn production at 123.14 million tonnes, up from 121.8 in 23/24. First crop corn, accounting for less than 25% of the total production, is expected at 24.96 million tonnes, down from 26.06 this season. Brazil corn exports are expected at 37.5 million tonnes, down from 40 million this season. French corn conditions were down 3% to 79% good/excellent. DDG's production in June was 1.794 million tonnes, up from 1.788 in May. Corn used for ethanol in June reached 442.3 million tonnes, up from 442.1 June of last year. The US weather forecast is unchanged with heat in the Plains but cooler temperatures moving into the Midwest from the north early next week. The 1 - 5 day precipitation favors the Great Lakes states and the southeast US coast. Yesterday, December corn briefly took out the contract low from late 2021 and there is no technical indication that prices are ready to reverse higher. A sustained move below 395 would be a significant negative technical development and next long-term support would be 380.

The Export Sales Report showed that for the week ending July 25, net corn sales came in at 167,864 tonnes for the current marketing year and 710,888 for the next marketing year for a total of 878,752. Cumulative sales have reached 97.7% of the USDA forecast for the 2023/2024 marketing year versus a 5 year average of 96.6%. Sales need to average 248,000 tonnes per week to reach the USDA forecast.

TODAY'S MARKET IDEAS:

December corn tested key long-term support yesterday at the contract low made back in 2021 at 395 1/2. The market needs some sort of bullish reversal or other technical formation to get a corrective rally started in the face of the current bearish fundamentals. Look for nearby resistance at 404 and 409. With Managed Money traders likely record short again, a slow grind lower is possible until prices uncover additional demand or crop size ideas begin to plateau.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

CORN TECHNICAL OUTLOOK:

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CORN (SEP) 08/02/2024: The moving average crossover down (9 below 18) indicates a possible developing short-term downtrend. 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. The market tilt is slightly negative with the close under the pivot. The next downside target is now at 375 1/2. With a reading under 30, the 9-day RSI is approaching oversold levels. The next area of resistance is around 385 and 387 1/2, while 1st support hits today at 379 and below there at 375 1/2.

CORN (DEC) 08/02/2024: 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. The market's close below the pivot swing number is a mildly negative setup. The next downside objective is 392 1/2. The next area of resistance is around 401 1/4 and 403 3/4, while 1st support hits today at 395 3/4 and below there at 392 1/2.

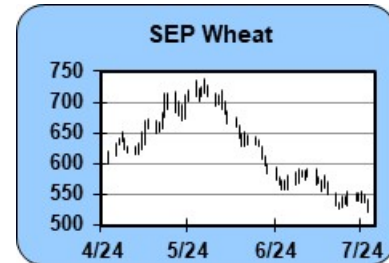
DAILY WHEAT COMMENTARY

8/2/2024

Argentine wheat to get beneficial rains

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):
WHEAT -0.13

OVERNIGHT DEVELOPMENTS: Chicago wheat (SEP 24) prices overnight are down -1 1/4; Kansas City (SEP 24) down -1 3/4; and Minneapolis (SEP 24) down -1/2. MATIF Milling Wheat(DEC 24) was unchanged. Chicago wheat open interest as of August 1 was up 4,809 contracts and Minneapolis wheat was up 3,951 contracts.



NEAR-TERM MARKET FUNDAMENTALS: Wheat prices have held their own this week in the face of the weakness in corn and beans. Several global demand tenders were seen earlier this week, which indicated prices had fallen enough to entice buyers. However, US demand has yet to pick up to any significant degree, despite US SRW prices being competitive. Furthermore, rising tensions in the Middle East is a supportive factor. French wheat harvest is now 67% complete, well behind last year's 86% and the 5-year average of 84%. Crop conditions were unchanged at 50% good/excellent. Argentina's wheat crop has been suffering from dryness, but some beneficial rains are on tap for this weekend. US HRS area under drought rose 1% to 16%, compared to 44% at this time last year. The UN's World Food Price Index dropped slightly in July to 120.8 from 121.0 in June. The Russian Ag Ministry left their total grains harvest unchanged at 132 million tonnes, down from 145 last year and 158 million in 2022. With prices at a level where global buyers are showing interest, breaks should find buying support. Support for December Chicago is 543 1/4 but we would expect to see buyers step up on a break below 550 today. Look for 1st resistance at 570.

The Export Sales Report showed that for the week ending July 25, net wheat sales came in at 286,598 tonnes for the current marketing year and none for the next marketing year. Cumulative sales have reached 37.0% of the USDA forecast for the 2024/2025 marketing year versus a 5 year average of 34.6%. Sales need to average 246,000 tonnes per week to reach the USDA forecast.

TODAY'S MARKET IDEAS:

Although prices are starting the day near unchanged, Middle East tensions and a few global weather issues should provide support on a break today. December Chicago support is 543 1/4 and 533 1/2 and resistance is 570. A minor rally is expected into the weekend, but the burdensome US balance sheet remains a long-term headwind.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

WHEAT TECHNICAL OUTLOOK:

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WHEAT (SEP) 08/02/2024: 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 close below the 9-day moving average is an indication the short-term trend remains negative. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The near-term upside objective is at 544 1/2. The next area of resistance is around 539 1/2 and 544 1/2, while 1st support hits today at 524 1/2 and below there at 514 3/4.

KC WHEAT (SEP) 08/02/2024: A bullish signal was given with an upside crossover of the daily stochastics. Positive momentum studies in the neutral zone will tend to reinforce higher price action. The close below the 9-day moving average is a negative short-term indicator for trend. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The next upside target is 567 3/4. The next area of resistance is around 563 3/4 and 567 3/4, while 1st support hits today at 549 1/4 and below there at 539.

MINN WHEAT (SEP) 08/02/2024: 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 setup is supportive for early gains with the close over the 1st swing resistance. The next downside target is now at 574 1/4. The next area of resistance is around 594 1/2 and 598 1/2, while 1st support hits today at 582 1/2 and below there at 574 1/4.

RICE (SEP) 08/02/2024: The major trend has turned down with the cross over back below the 40-day moving average. Rising stochastics at overbought levels warrant some caution for bulls. A positive signal for trend short-term was given on a close over the 9-bar moving average. The downside closing price reversal on the daily chart is somewhat negative. The swing indicator gave a moderately negative reading with the close below the 1st support number. The next upside target is 15.656. The next area of resistance is around 15.357 and 15.656, while 1st support hits today at 14.783 and below there at 14.507.

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	382	29.75	31.80	25.41	17.10	387.44	395.19	395.26	421.70	434.35
CNAZ24	398 1/2	31.55	33.08	29.84	20.03	403.88	410.72	409.57	435.06	447.65
SSAU24	1009	29.17	30.82	19.84	13.86	1016.13	1041.97	1046.03	1100.92	1128.87
SSAX24	1016 1/2	29.69	31.27	21.39	14.77	1024.94	1048.44	1051.07	1104.10	1130.77
SMAZ24	316.2	41.98	40.67	50.47	48.41	318.35	320.71	316.70	334.52	343.89
BOAZ24	41.45	29.63	34.50	17.09	17.16	41.91	43.08	44.08	44.59	44.85
WHAU24	532	41.08	38.84	21.86	25.39	528.56	534.81	541.63	589.29	615.23
WHAZ24	556 3/4	40.81	38.47	21.97	25.39	553.25	559.53	566.14	613.49	639.13
RCAU24	15.070	56.20	53.03	77.67	83.96	15.19	15.01	14.76	15.15	15.25
KWAU24	556 1/2	41.27	39.36	29.17	31.90	551.81	557.81	561.92	607.26	630.36
MWAU24	588 1/2	40.33	39.29	33.02	26.00	586.50	598.58	599.47	639.68	664.27
OTAZ24	316 3/4	45.28	44.92	45.61	38.99	317.19	322.31	318.69	332.81	344.04

Calculations based on previous session. Data collected 08/01/2024

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	375 1/2	379	381 1/2	385	387 1/2
CNAZ24	Corn	392 1/2	395 1/2	398 1/4	401 1/2	404
SSAU24	Soybeans	997 3/4	1002 1/2	1010 1/2	1015 1/2	1023 1/4
SSAX24	Soybeans	1004 3/4	1010	1018	1023	1031 1/4
SMAZ24	Soymeal	311.3	313.7	316.2	318.6	321.1
BOAZ24	Soybean Oil	40.17	40.71	41.64	42.18	43.11
WHAU24	Wheat	514 1/2	524 1/2	529 1/2	539 1/2	544 1/2
WHAZ24	Wheat	540 3/4	550	554 1/2	563 1/2	568 1/4

RCAU24	Rice	14.506	14.782	15.081	15.357	15.656
KWAU24	KC Wheat	539	549 1/4	553 1/2	563 3/4	568
MWAU24	MINN Wheat	574	582 1/2	586 1/4	594 1/2	598 1/2
OTAZ24	Oats	311 1/4	313 1/2	317 3/4	320	324 1/4

Calculations based on previous session. Data collected 08/01/2024

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