



DAILY GRAINS COMMENTARY Wednesday August 07, 2024

DAILY SOY COMPLEX COMMENTARY

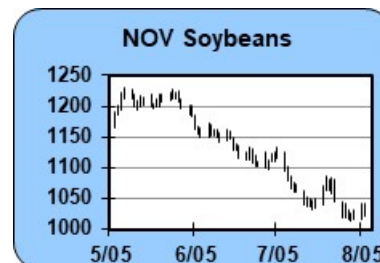
8/7/2024

Argentine crush workers strike fails to offer support

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):

SOY BEANS -0.1, BEAN OIL +0.0, SOYMEAL -0.5

OVERNIGHT DEVELOPMENTS: Soybeans (NOV 24) prices overnight are down -10 1/2; Soymeal (DEC 24) down -4.10; and Soyoil (DEC 24) down -0.01. Soybean open interest as of August 6 was down 1,009 contracts, soymeal down 3,384 contracts, and soybean oil down 543. Chinese Dalian (SEP 24) Soybeans up 0.02%, Soymeal down 1.35%, Soyoil down 1.15%, Palm oil down 1.48%. Malaysian Palm was down 0.24%.



NEAR-TERM MARKET FUNDAMENTALS: Weak market action overnight as November futures prices are testing the 4-year low made last week at 1013. Yesterday, prices were unable to generate any follow-through from Monday's strong close and the bear camp remains in control. Rumors of additional Chinese purchases of US beans have not been confirmed by USDA and the lack of a morning flash sale announcement may have been disappointing to the bull camp. Argentine oilseed workers went on strike yesterday and the strike continues today affecting 70% of Argentine soy shipments. So far, the market has ignored the strike news but the longer it goes, the friendlier it is for meal. The EPA says their auditing some renewable fuel producers to see if they are using fraudulent feedstock, like palm oil, to gain government subsidies. S&P global, formerly Informa, raised their US bean yield to 53.1 BPA and production of 4.530 billion bushels, and this compares to USDA at 52.0 and 4.435. There were no bean deliveries overnight but 115 bean oil. The US crop weather forecast is slightly wetter for the western plains and the 6 to 10 day shows normal precipitation and temperatures across the Midwest. The lack of threats to the crop is resulting in increased farmer selling to create bin space for the fall harvest. Brazil's July bean exports were up 16% year over year to 11.250 million tonnes and meal exports were 2.055 million tonnes, down from 2.219 in July of last year. June US bean exports were 1.339 million tonnes down from 1.410 in May and up from 824,000 in June 2023. Top destinations were Germany, Mexico, Egypt and Indonesia. China has fallen way down the list. The macro market recovery has not given beans any support and the technical outlook remains weak. November support at 1013 may be taken out today and next support would be 998. The path of least resistance looks lower into next Monday's USDA supply/demand report.

TODAY'S MARKET IDEAS:

The strong close Monday looks like an aberration and prices are back testing recent lows on a slightly wetter forecast for the Plains and Midwest and a lack of confirmation of rumored China purchases. The July 29th gap lower at 1045 is pivot point resistance on November. However, last week's lows of 1013 look vulnerable and sell stops may be triggered on a drop below that level.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None

SOYBEAN COMPLEX TECHNICAL OUTLOOK:

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SOYBEANS (SEP) 08/07/2024: The daily stochastics have crossed over down which is a bearish indication. Daily stochastics are trending lower but have declined into oversold territory. The market's short-term trend is negative as the close remains below the 9-day moving average. The market's close below the 1st swing support number suggests a moderately negative setup for today. The next downside target is now at 997 1/2. The next area of resistance is around 1024 1/4 and 1038 1/2, while 1st support hits today at 1003 3/4 and below there at 997 1/2.

SOYBEAN OIL (DEC) 08/07/2024: Momentum studies are declining, but have fallen to oversold levels. The market's short-term trend is negative as the close remains below the 9-day moving average. It is a slightly negative indicator that the close was under the swing pivot. The next downside objective is 38.23. With a reading under 30, the 9-day RSI is approaching oversold levels. The next area of resistance is around 40.75 and 41.40, while 1st support hits today at 39.17 and below there at 38.23.

SOYMEAL (DEC) 08/07/2024: 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. The market's close above the 9-day moving average suggests the short-term trend remains positive. The downside closing price reversal on the daily chart is somewhat negative. The market's close below the pivot swing number is a mildly negative setup. The near-term upside objective is at 337.9. The next area of resistance is around 331.3 and 337.9, while 1st support hits today at 321.9 and below there at 319.0.

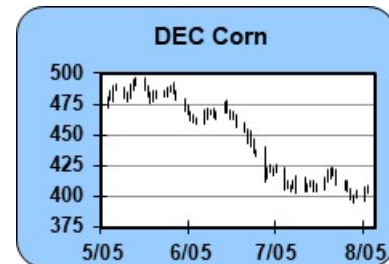
DAILY CORN COMMENTARY

8/7/2024

Crop threats minimal next 2 weeks

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):
CORN -0.4

OVERNIGHT DEVELOPMENTS: Corn (DEC 24) prices overnight are down -3. Corn open interest as of August 6 was down 5,119 contracts. Chinese Dalian (SEP 24) Corn was down 0.53%.



NEAR-TERM MARKET FUNDAMENTALS: December futures stalled yesterday at 409 moving average resistance and the market was unable to confirm Monday's reversal higher, certainly a blow to the bull camp. Weakness is likely coming from private analyst estimates beginning to come in higher than USDA's trendline yields and S&P global, formerly Informa, upped their US corn yield to 183.1 BPA with production at 15.273 billion bushels and that compares to USDA at 181 and 15.10. Crop scout, Dr. Cordonnier, raise his yield estimate.5 to 182 BPA and production of 15.02 billion bushels. The 1 to 5 day forecast has shower chances for Kansas and Western Nebraska along with the far northern Great Lakes. Flooding along the southeast coast and eastern seaboard will continue to be an issue. Crop threats are lacking over the next 2 weeks. Today's ethanol production is expected at 1.091 million barrels per day down from 1.109 last week. Stocks are expected at 24.054 million barrels, down from 23.693 last week. Brazil's July corn exports were 3.554 million tonnes, down from 4.231 last year. Today's news isn't all bearish, SovEcon lowered Ukraine's corn production to 25.6 million tonnes, down from 27.6 last month due to dryness. US Census Bureau data showed June US corn exports were 216 million bushels, up 10% from inspections data. Recently, USDA said they will look at the difference between Census Bureau data and inspections data, rather than relying on China to provide export numbers. This may prompt an increase in US exports in next week's USDA supply/demand report. Sideways trade is likely continue on December corn until prices can breakout above resistance of 409 or below 395. With expected better US corn exports on the horizon and funds heavily short, we don't look for a sharp downside move from here.

TODAY'S MARKET IDEAS:

Yesterday's inability to close higher and confirm Monday's reversal was disappointing as December prices stalled at 20-day moving average resistance 409. If December can move above 409, next resistance would be 420. Support remains at the contract low of 395 1/2. It's unlikely the market can get much going to the upside until after next Monday's USDA supply/demand report.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

CORN TECHNICAL OUTLOOK:

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CORN (SEP) 08/07/2024: Positive momentum studies in the neutral zone will tend to reinforce higher price action. The market's short-term trend is negative as the close remains below the 9-day 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 objective is at 396 1/4. The next area of resistance is around 392 1/4 and 396 1/4, while 1st support hits today at 385 1/4 and below there at 382.

CORN (DEC) 08/07/2024: Momentum studies are trending higher from mid-range, which should support a move higher if resistance levels are penetrated. The close below the 9-day moving average is a negative short-term indicator for trend. The downside closing price reversal on the daily chart is somewhat negative. 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 408 3/4 and 412 1/4, while 1st support hits today at 401 3/4 and below there at 398 1/2.

DAILY WHEAT COMMENTARY

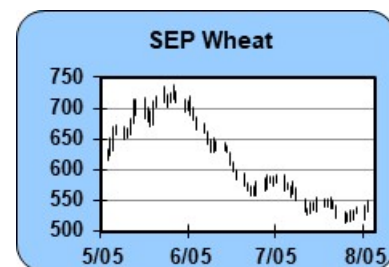
8/7/2024

Egypt announced largest purchase tender on record

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):

WHEAT +0.45

OVERNIGHT DEVELOPMENTS: Chicago wheat (SEP 24) prices overnight are up 4 1/2; Kansas City (SEP 24) up 4 1/4; and Minneapolis (SEP 24) up 3 3/4. MATIF Milling Wheat(DEC 24) was up 1.8%. Chicago wheat open interest as of August 6 was down 3,719 contracts and Minneapolis wheat was up 3,295 contracts.



NEAR-TERM MARKET FUNDAMENTALS: Global demand has increased this week as Egypt announced their largest tender in history yesterday for 3.8 million tonnes of wheat for October through April shipment. This is very unusual and we assume they may want additional stockpiles in case a wider war breaks out in the Middle East. Additionally, Jordan is back tendering for 120,000 tonnes of wheat and Algeria as well. Some of Brazil's earlier planted wheat may be at risk from frost potential later this week. The US foreign Ag service says total EU grain production is expected at 267 million tonnes, down 8.3 million from the current USDA forecast. Argus says they expect the French SRW harvest at 25.2 million tonnes, down 27% from the 5-year average and the lowest output since 1983. They pegged yields at 5.93 tonnes per hectare, down 19% from the average of the last 5 years. SovEcon lowered Ukraine's wheat production to 19.7 million tonnes, down from 20.4 last month. However, LSEG raised the Russian spring wheat crop 1% from their previous forecast to 82.1 million tonnes. June US wheat

exports were 1.466 million tonnes, down from May at 1.589 and up from June 2023 at 1.117 million. Top destinations were Mexico, Japan and South Korea. December Chicago closed above 20-day moving average resistance at 564 yesterday for the 1st time since June 3rd. short-term technical indicators are pointing higher and next resistance for December Chicago is 577 and then 586. The market looks to have priced in the negative news and is ready for a further rally.

TODAY'S MARKET IDEAS:

The huge Egyptian tender and the possibility of frost in Brazil later this week is likely to keep a bid under prices as global demand picks up. December Chicago closed above moving average resistance at 564 and may run up to next retracement resistance of 577. Look for support at 545 and 539 1/2.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

WHEAT TECHNICAL OUTLOOK:

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WHEAT (SEP) 08/07/2024: Momentum studies are rising from mid-range, which could accelerate 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 has a slightly positive tilt with the close over the swing pivot. The near-term upside target is at 558 3/4. The next area of resistance is around 551 3/4 and 558 3/4, while 1st support hits today at 534 3/4 and below there at 524 1/2.

KC WHEAT (SEP) 08/07/2024: Stochastics are at mid-range but trending higher, which should reinforce a move higher if resistance levels are taken out. The intermediate trend could be turning up with the close back above the 18-day moving average. The close over the pivot swing is a somewhat positive setup. The near-term upside target is at 575. The next area of resistance is around 570 and 575, while 1st support hits today at 556 and below there at 547.

MINN WHEAT (SEP) 08/07/2024: Daily stochastics are trending lower but have declined into oversold territory. A positive signal for trend short-term was given on a close over 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 objective is now at 577 1/2. The next area of resistance is around 598 3/4 and 602 1/4, while 1st support hits today at 586 1/4 and below there at 577 1/2.

RICE (SEP) 08/07/2024: The major trend has turned down with the cross over back below the 60-day moving average. Daily stochastics have risen into overbought territory which will tend to support reversal action if it occurs. 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 15.345. The next area of resistance is around 15.280 and 15.345, while 1st support hits today at 15.120 and below there at 15.025.

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 | 388 3/4 | 41.50 | 39.22 | 26.79 | 30.01 | 387.00 | 390.69 | 393.93 | 417.02 | 430.25 |
| CNAZ24 | 405 1/4 | 42.96 | 40.40 | 29.48 | 31.78 | 403.50 | 406.86 | 408.96 | 430.58 | 443.75 |
| SSAU24 | 1014 | 36.78 | 36.05 | 18.80 | 18.05 | 1018.13 | 1027.17 | 1038.17 | 1089.64 | 1119.21 |

| | | | | | | | | | | |
|--------|----------|-------|-------|-------|-------|---------|---------|---------|---------|---------|
| SSAX24 | 1026 3/4 | 39.28 | 37.91 | 21.20 | 21.78 | 1027.81 | 1035.83 | 1044.40 | 1093.51 | 1121.66 |
| SMAZ24 | 326.6 | 55.64 | 51.38 | 62.98 | 70.84 | 324.80 | 323.37 | 318.50 | 332.24 | 341.46 |
| BOAZ24 | 39.96 | 22.52 | 29.02 | 13.93 | 13.37 | 40.61 | 41.63 | 43.14 | 44.20 | 44.64 |
| WHAU24 | 543 1/4 | 50.86 | 44.82 | 37.67 | 50.23 | 538.44 | 533.03 | 537.01 | 578.32 | 609.31 |
| WHAZ24 | 566 1/2 | 49.96 | 44.02 | 36.50 | 48.03 | 562.19 | 557.33 | 561.50 | 602.53 | 633.14 |
| RCAU24 | 15.200 | 58.70 | 55.56 | 80.44 | 83.22 | 15.12 | 15.16 | 14.85 | 15.12 | 15.24 |
| KWAU24 | 563 | 48.25 | 43.42 | 40.82 | 49.34 | 559.00 | 555.08 | 559.39 | 596.17 | 625.01 |
| MWAU24 | 592 1/2 | 45.26 | 42.55 | 29.86 | 28.72 | 590.88 | 590.36 | 595.46 | 628.84 | 658.13 |
| OTAZ24 | 316 3/4 | 46.31 | 45.45 | 36.77 | 32.07 | 316.06 | 316.81 | 319.60 | 328.32 | 341.01 |

Calculations based on previous session. Data collected 08/06/2024
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 | 381 3/4 | 385 | 389 | 392 1/2 | 396 1/4 |
| CNAZ24 | Corn | 398 1/2 | 401 3/4 | 405 1/2 | 408 3/4 | 412 1/2 |
| SSAU24 | Soybeans | 997 1/2 | 1003 3/4 | 1018 | 1024 1/4 | 1038 1/2 |
| SSAX24 | Soybeans | 1008 1/4 | 1016 1/2 | 1029 | 1037 | 1049 3/4 |
| SMAZ24 | Soymeal | 318.9 | 321.8 | 328.4 | 331.3 | 337.9 |
| BOAZ24 | Soybean Oil | 38.22 | 39.16 | 39.81 | 40.75 | 41.40 |
| WHAU24 | Wheat | 524 1/2 | 534 1/2 | 541 3/4 | 552 | 559 |
| WHAZ24 | Wheat | 548 3/4 | 558 1/2 | 565 | 574 1/2 | 581 1/4 |
| RCAU24 | Rice | 15.025 | 15.120 | 15.185 | 15.280 | 15.345 |
| KWAU24 | KC Wheat | 547 | 556 | 561 | 570 | 575 |
| MWAU24 | MINN Wheat | 577 1/2 | 586 1/4 | 590 | 598 3/4 | 602 1/2 |
| OTAZ24 | Oats | 310 | 313 3/4 | 316 | 319 3/4 | 322 |

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