



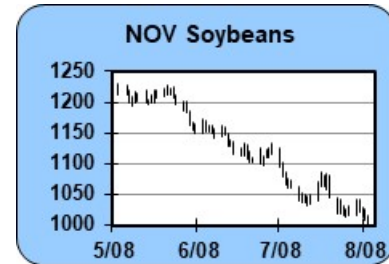
## DAILY GRAINS COMMENTARY Tuesday August 13, 2024

### DAILY SOY COMPLEX COMMENTARY 8/13/2024

#### A yield increase and higher acres sends futures tumbling

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

**OVERNIGHT DEVELOPMENTS:** Soybeans (NOV 24) prices overnight are down -15 1/4; Soymeal (DEC 24) down -1.80; and Soyoil (DEC 24) down -0.61. Soybean open interest as of August 12 was up 3,049 contracts, soymeal up 10,522 contracts, and soybean oil up 10,119. Chinese Dalian (SEP 24) Soybeans down 0.33%, Soymeal down 1.71%, Soyoil down 1.35%, Palm oil down 1.04%. Malaysian Palm was down 0.51%.



**NEAR-TERM MARKET FUNDAMENTALS:** USDA yesterday surprised traders with a more bearish supply/demand report than expected due to the double whammy of higher yields and higher harvested acres. USDA found an additional 1 million acres, when most were looking for a cut to acreage, and increased yield to a new record high of 53.2 BPA, above the average guess of 52.5 and above July's number of 52.0. Despite an increase in new crop US exports, ending stocks ballooned to 560 million bushels, the highest in 6 years and the 2nd highest since 2006, compared to expectations of 467 and USDA's 435 in July. Higher US production resulted in new crop world ending stocks at 134.3 million tonnes versus expectations of 128.3. There was nothing in the report for the bull camp and although prices were leaning heavily bearish ahead of the report, the seriousness of the bearish supply problem in the US was clearly reinforced by the USDA. The markets job will be to fall far enough to stimulate additional demand and discourage acreage next spring. The Argentine government has ordered the oilseed workers to suspend the strike for 2 weeks to allow talks to progress. Crop conditions were unchanged at 68% good/excellent and pod setting was 72% complete. Safras says Brazil's 2023/24 soy sales have reached 77.5% of expected output, versus 75.6 year ago. New crop sales have reached 18.2% compared to 13.9% this time last year. CONAB this morning estimated Brazil's 2023/24 bean crop at 147.38 million tonnes, nearly unchanged from their 147.34 last month. November beans have extended into a new 4-year low overnight and prices are coming down into long term support in the 950-970 range. However, the bear camp is entrenched and new demand will need to be seen on the lower prices and so far that has not occurred in enough size to make a difference. Technicals are certainly deeply oversold but there is no indication of a bottom at this time.

Soybeans rated good / excellent (G/EX) as of August 11 was unchanged at 68% and poor / very poor was unchanged at 8%. Current G/EX is up 5% versus the 10 year average and Poor / Very Poor is down 2% versus the 10 year average.

#### TODAY'S MARKET IDEAS:

New contract lows overnight in November beans and there is no bottom in sight yet. USDA further reinforced the supply bearishness with higher yields and unexpectedly higher acreage. November has melted through support and the next stop may be 950. Technicals are in oversold territory but lack any bullish spark. Look for resistance at 999. The market needs China to step up in a big way to indicate prices have fallen far enough.

#### NEW RECOMMENDATIONS:

None.

#### PREVIOUS RECOMMENDATIONS:

None

## SOYBEAN COMPLEX TECHNICAL OUTLOOK:

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SOYBEANS (SEP) 08/13/2024: 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 now at 943 1/2. Some caution in pressing the downside is warranted with the RSI under 30. The next area of resistance is around 985 3/4 and 1001 3/4, while 1st support hits today at 956 3/4 and below there at 943 1/2.

SOYBEAN OIL (DEC) 08/13/2024: Daily stochastics are showing positive momentum from oversold levels, which should reinforce a move higher if near term resistance is taken out. The market's short-term trend is negative as the close remains below the 9-day moving average. The close below the 1st swing support could weigh on the market. The near-term upside objective is at 41.54. The next area of resistance is around 40.96 and 41.54, while 1st support hits today at 39.98 and below there at 39.57.

SOYMEAL (DEC) 08/13/2024: A negative indicator was given with the downside crossover of the 9 and 18 bar moving average. Daily stochastics declining into oversold territory suggest the selling may be drying up soon. The market's short-term trend is negative as the close remains below the 9-day moving average. The close below the 1st swing support could weigh on the market. The next downside target is 296.1. The next area of resistance is around 309.6 and 316.2, while 1st support hits today at 299.6 and below there at 296.1.

## DAILY CORN COMMENTARY

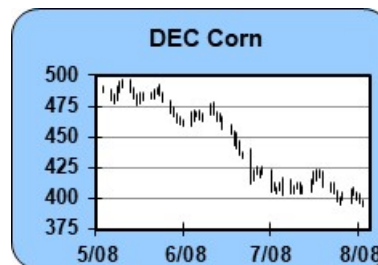
8/13/2024

**USDA projects new record high US yield but ending stocks fall**

**OVERNIGHT CHANGES THROUGH 6:06 AM (CT):**

**CORN -0.3**

**OVERNIGHT DEVELOPMENTS:** Corn (DEC 24) prices overnight are down -2 3/4. Corn open interest as of August 12 was up 11,845 contracts. Chinese Dalian (SEP 24) Corn was down 0.22%.



**NEAR-TERM MARKET FUNDAMENTALS:** The USDA report included something for the bull and bear but overall, the report was seen as slightly friendly. US 2024/25 corn yield came in above guesses at 183.1 bushels/acre, however, harvested acres were reduced 700,000 as expected. Corn production came in at 3rd highest in history at 15.147 billion bushels versus 15.124 billion expected and 15.1 billion in the July report. New crop ending stocks were below guesses at 2.073 billion bushels versus 2.119 billion expected on a large increase in US exports. The bottom line for the report in our view is the fact a new record high yield did not increase ending stocks, and we see that as a longer term positive for prices. Demand is rising and we expect US exports to outperform through the end of the year as the US is the cheapest origin. For that reason, we think the downside is limited to the 370-380 range on December corn. US crop conditions held unchanged at 67% good/excellent. AgRural reports the safinha crop in center-south Brazil is 98% harvested. Crop scout, Dr. Cordonnier, raised his US corn yield to 183.5 BPA. December corn closed with the potential upside reversal following the report yesterday but will need a higher close today to continue any bullish momentum. Weakness in beans is pulling corn back down this morning. Look for initial resistance at 403 and 409. We expect support today at 393.

Corn rated good / excellent (G/EX) as of August 11 was unchanged at 67% and poor / very poor was unchanged at 10%. Current G/EX is up 1% versus the 10-year average and Poor / Very Poor is down 1% versus the 10 year

average.

### **TODAY'S MARKET IDEAS:**

Bearish attitudes prevailed heading into yesterday's USDA report but new crop ending stocks were lower than expected and December corn closed with an upside reversal after hitting new contract lows early yesterday. Daily trading volume was the highest since June 28th and suggests a higher close today could give the market at least an interim low. We look for an uptick in demand on pullbacks as the US is the cheapest in the world. Look for December support at 381 and initial resistance at 403.

### **NEW RECOMMENDATIONS:**

None.

### **PREVIOUS RECOMMENDATIONS:**

None.

### **CORN TECHNICAL OUTLOOK:**

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CORN (SEP) 08/13/2024: 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 outside day up and close above the previous day's high is a positive signal. A positive setup occurred with the close over the 1st swing resistance. The next downside objective is now at 368 1/2. The next area of resistance is around 389 1/2 and 393 3/4, while 1st support hits today at 377 and below there at 368 1/2.

CORN (DEC) 08/13/2024: Momentum studies are still bearish but are now at oversold levels and will tend to support reversal action if it occurs. The close above the 9-day moving average is a positive short-term indicator for trend. The outside day up and close above the previous day's high is a positive signal. The market's close above the 2nd swing resistance number is a bullish indication. The next downside objective is 386 1/2. The next area of resistance is around 407 3/4 and 411 3/4, while 1st support hits today at 395 1/4 and below there at 386 1/2.

### **DAILY WHEAT COMMENTARY**

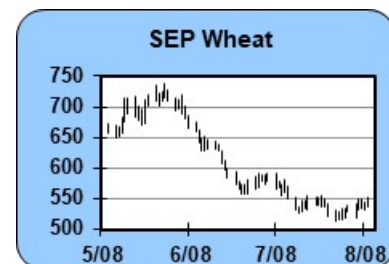
**8/13/2024**

**Egypt only buys 280k of 3.8mmt tender**

#### **OVERNIGHT CHANGES THROUGH 6:06 AM (CT):**

**WHEAT -0.65**

**OVERNIGHT DEVELOPMENTS:** Chicago wheat (SEP 24) prices overnight are down -5; Kansas City (DEC 24) down -3 1/2; and Minneapolis (SEP 24) down -1 1/2. MATIF Milling Wheat(DEC 24) was down -0.7%. Chicago wheat open interest as of August 12 was down 7,866 contracts and Minneapolis wheat was up 1,619 contracts.



**NEAR-TERM MARKET FUNDAMENTALS:** USDA bumped all wheat US yields higher by .4 BPA to 52.2 BPA, but harvested acres were reduced 900,000 and US wheat production and ending stocks were lower than expected. SRW production came in as expected while HRW was 10 million bushels higher than the guesses and HRS was 37 million below the average guess. World ending stocks were slightly below guesses. The bottom line is the report was slightly friendly, but the market's reaction yesterday is an indication ending stocks are high enough that even a small cut does not change the bearish US supply picture. News regarding Egypt's huge 3.8 million tonne

tender was a disappointment to the bull camp yesterday as they only bought 280,000 tonnes, sourced from Ukraine and Bulgaria, despite having over 100 offers from 15 suppliers but prices were not to their liking. Egypt raised their subsidized bread price for the 1st time in decades and the historically large tender indicates they are worried about food security in light of the growing tensions between Iran and Israel. Algeria bought 50,000 tonnes durum wheat and Jordan bought 60,000 tonnes. CONAB updated their Brazil 2024 wheat output this morning to 8.84 million tonnes down from 8.96 last month. The bull camp is certainly disappointed the wheat market could not get anything going to the upside after yesterday's less bearish than expected USDA report. Look for support on Chicago December at 551 and if prices can move above 570, it would open the door for potential run to the mid-July highs of 581.

Spring Wheat harvested as of August 11 was up 12% at 18%. This is down 2% versus last year and down 8% versus the 10 year average. Spring Wheat rated good / excellent (G/EX) as of August 11 was down 2% at 72% and poor / very poor was up 1% at 5%. Current G/EX is up 15% versus the 10 year average and Poor / Very Poor is down 12% versus the 10 year average. Winter Wheat harvested as of August 11 was up 5% at 93%. This is up 2% versus last year and up 1% versus the 10 year average.

#### **TODAY'S MARKET IDEAS:**

Disappointment that Egypt only bought a small fraction of their 3.8 million tonne tender was a disappointment after USDA offered a supply/demand report that was not as bearish as expected. Global demand has been picking up on breaks and that is a positive sign that prices could move up to test recent highs at 581 on December Chicago. Look for support at 552 and 546.

#### **NEW RECOMMENDATIONS:**

None.

#### **PREVIOUS RECOMMENDATIONS:**

None.

#### **WHEAT TECHNICAL OUTLOOK:**

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WHEAT (SEP) 08/13/2024: The moving average crossover up (9 above 18) indicates a possible developing short-term uptrend. Stochastics are at mid-range but trending higher, which should reinforce a move higher if resistance levels are taken out. The close below the 18-day moving average is an indication the intermediate-term trend has turned down. It is a slightly negative indicator that the close was under the swing pivot. The near-term upside objective is at 556. The next area of resistance is around 546 1/4 and 556, while 1st support hits today at 527 1/4 and below there at 518 1/4.

KC WHEAT (SEP) 08/13/2024: The daily stochastics gave a bearish indicator with a crossover down. Stochastics trending lower at midrange will tend to reinforce a move lower especially if support 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 next downside objective is 530 1/2. The next area of resistance is around 558 1/4 and 567 3/4, while 1st support hits today at 539 3/4 and below there at 530 1/2.

MINN WHEAT (SEP) 08/13/2024: The daily stochastics gave a bullish indicator with a crossover up. 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 short-term trend is positive on the close above the 9-day moving average. 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 near-term upside target is at 606 3/4. The next area of resistance is around 600 3/4 and 606 3/4, while 1st support hits today at 583 3/4 and below there at 572 3/4.

RICE (SEP) 08/13/2024: Momentum studies trending lower at mid-range should accelerate a move lower if

support levels are taken out. A negative signal for trend short-term was given on a close under the 9-bar moving average. The gap down on the day session chart is bearish with more selling pressure possible today. The market is in a bearish position with the close below the 2nd swing support number. The next downside target is 14.318. The next area of resistance is around 14.675 and 14.877, while 1st support hits today at 14.395 and below there at 14.318.

## 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
<b>GRAIN COMPLEX</b>										
CNAU24	383 1/4	41.41	39.16	19.77	19.02	380.63	383.69	390.39	410.83	423.74
CNAZ24	401 1/2	43.79	41.00	22.33	21.95	398.56	400.89	406.44	424.83	437.60
SSAU24	971 1/4	23.93	27.36	10.65	8.02	989.69	1005.08	1026.53	1074.63	1104.73
SSAX24	986	25.63	28.85	12.30	8.73	1003.88	1016.58	1034.74	1079.69	1108.18
SMAZ24	304.6	31.80	35.19	41.32	23.56	312.35	318.26	318.77	328.49	337.55
BOAZ24	40.47	33.33	35.26	22.60	26.10	40.83	40.90	42.24	43.88	44.35
WHAU24	536 3/4	45.30	42.56	52.60	57.16	538.75	537.33	537.11	566.11	599.09
WHAZ24	559 3/4	43.90	41.50	50.33	54.29	562.25	561.08	561.38	590.12	622.95
RCAU24	14.535	32.98	38.29	66.52	48.45	14.88	15.03	14.92	15.07	15.20
KWAU24	549	37.00	37.85	42.87	40.56	552.31	554.92	557.99	583.09	615.43
MWAU24	592 1/4	47.53	43.95	26.27	27.52	588.25	588.67	595.86	616.36	648.21
OTAZ24	308 1/2	36.00	39.60	26.45	18.93	312.56	314.92	319.22	322.94	335.30

Calculations based on previous session. Data collected 08/12/2024

Data sources can & do produce bad ticks. Verify before use.

## DAILY SWING STATISTICS

Contract		Support 2	Support 1	Pivot	Resist 1	Resist 2
<b>GRAIN COMPLEX</b>						
CNAU24	Corn	368 1/4	377	381	389 1/2	393 3/4
CNAZ24	Corn	386 1/4	395	399	408	411 3/4
SSAU24	Soybeans	943 1/2	956 1/2	972 3/4	986	1002
SSAX24	Soybeans	960 1/2	972 1/2	987 1/2	999 1/2	1014 1/2
SMAZ24	Soymeal	296.0	299.5	306.1	309.6	316.2
BOAZ24	Soybean Oil	39.56	39.97	40.55	40.96	41.54
WHAU24	Wheat	518	527 1/4	537	546 1/4	556
WHAZ24	Wheat	542 1/2	550 3/4	560 1/2	568 3/4	578 1/2
RCAU24	Rice	14.317	14.395	14.597	14.675	14.877
KWAU24	KC Wheat	530 1/2	539 1/2	549 1/4	558 1/2	568
MWAU24	MINN Wheat	572 3/4	583 3/4	589 3/4	600 3/4	606 3/4
OTAZ24	Oats	304	305 3/4	309 1/2	311 1/4	315

Calculations based on previous session. Data collected 08/12/2024

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