



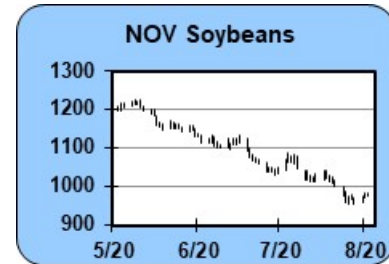
DAILY GRAINS COMMENTARY Thursday August 22, 2024

DAILY SOY COMPLEX COMMENTARY 8/22/2024

Tour finds very strong crop potential across Illinois

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 down -6 1/4; Soymeal (DEC 24) down -3.10; and Soyoil (DEC 24) up 0.07. Soybean open interest as of August 21 was up 5,814 contracts, soymeal up 4,020 contracts, and soybean oil down 2,992. Chinese Dalian (NOV 24) Soybeans up 0.07%, Soymeal up 0.68%, Soyoil up 0.35%, Palm oil up 1.10%. Malaysian Palm was up 1.92%.



NEAR-TERM MARKET FUNDAMENTALS: Excellent crop potential in Illinois is pressuring beans this morning and the bull camp needs additional China demand to offset the strong crop outlook. Crop tour participants found the highest pod counts since 2000 in Illinois at 1419.11, well above last year's 1270.61 and 3-year average of 1266.70. Iowa results were not as good due to excess moisture early in the growing season in the Northwest district at 1108.76, down from last year's 1137.24 and only slightly above the 3-year average of 1105.44. The west-central district was better at 1254.09, above last year at 1120 and above the 3-year average of 1201. Southwest Iowa had the best results at 1366.22, well above 1170 last year and the 3-year average of 1254. The tour will finish moving through Iowa today and give a state total this evening along with their final results. The common question for tour participants is whether the crop is uniform enough over the Midwest to justify USDA's all-time record high yield. NOAA's September weather outlook indicates moderate to warmer than normal temperatures for US and Canada overall and dry conditions in the eastern bean belt and better moisture chances in the upper Midwest. Over the next 5 days the Midwest will see mostly dry conditions, although central and southern Nebraska are seeing some rain today. The 6 to 10 day shows above normal precipitation in the upper Midwest, below normal in the east and temperatures above normal in the east. Temperatures moderate across the entire Midwest in the 8 to 14 day. USDA announced additional Chinese and Unknown US bean demand yesterday for the 3rd day in a row and additional sales are likely as US Dollar weakness enhances US competitiveness. This morning's weekly export sales are expected in a range of 100,000-400,000 tonnes for old crop beans and 800,000-1,350,000 for new crop. Old crop meal sales are expected 50,000-250,000 and new crop 50,000-300,000 tons. Bean oil 0-10,000 tonnes. Bullish demand news has lifted beans this week, offsetting bearishness coming from the crop tour. However, if US demand doesn't remain consistent, prices could continue the downtrend as a big harvest looms ahead. Traders will be watching to see if China steps up with additional purchases on today's weakness.

TODAY'S MARKET IDEAS:

The very strong pod counts in Illinois are pressuring the market this morning and continued Chinese demand will need to be seen to keep prices from sinking back to the contract lows. This week's US Dollar weakness is a positive factor, but global buyers will need to step up on breaks or bearish supply fundamentals will continue to bubble to the surface keeping prices under pressure. Look for initial November bean resistance at 988 and 998. Today's support stands at 964.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None

SOYBEAN COMPLEX TECHNICAL OUTLOOK:

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SOYBEANS (NOV) 08/22/2024: Rising from oversold levels, daily momentum studies would support higher prices, especially on a close above resistance. 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 objective is at 991. The next area of resistance is around 986 3/4 and 991, while 1st support hits today at 976 1/4 and below there at 969 3/4.

SOYBEAN OIL (DEC) 08/22/2024: The stochastics indicators are rising from oversold levels, which is bullish and should support higher prices. 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 40.25. The next area of resistance is around 39.92 and 40.25, while 1st support hits today at 39.24 and below there at 38.88.

SOYMEAL (DEC) 08/22/2024: 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 above the 9-day moving average suggests the short-term trend remains positive. The upside daily closing price reversal gives the market a bullish tilt. It is a slightly negative indicator that the close was lower than the pivot swing number. The near-term upside objective is at 313.5. The next area of resistance is around 311.0 and 313.5, while 1st support hits today at 306.4 and below there at 304.2.

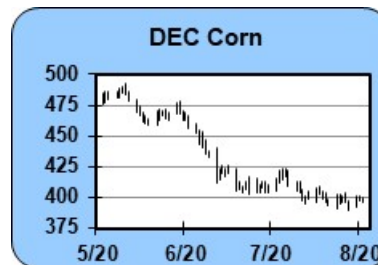
DAILY CORN COMMENTARY

8/22/2024

IL yields highest in 32-year PF tour history

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

OVERNIGHT DEVELOPMENTS: Corn (DEC 24) prices overnight are down -3/4. Corn open interest as of August 21 was down 8,843 contracts. Chinese Dalian (NOV 24) Corn was up 0.92%.



NEAR-TERM MARKET FUNDAMENTALS: Just when you thought the market couldn't get any quieter, December corn had a 2-cent trading range overnight. High to low, December prices have traded in a 4 1/2 cent range since Monday night. Pro Farmer tour participants found the biggest Illinois yields in the 32-year history of the tour at 204.14 BPA, up from 193.72 last year and 193.58 3-year average. The northwest Iowa district showed signs of too much moisture early in the season and the tour estimated yields at 179.59 BPA, down from 182.58 last year and 3-year average of 182.55. The west central district was better at 195.86, well above last year at 168.71 and the 3-year average of 183.54. The southwest district yield was 191.59, up from 184.84 last year and 183.67 average. The tour finishes in Iowa/Minnesota today and final results will be released this evening. Weekly export sales this morning are expected in a range of 100,000-300,000 tonnes for old crop and 250,000-500,000 tonnes for new crop. Corn demand is expected to stay strong and although basis levels in the interior Midwest are steady/lower, Gulf basis is higher. Last year, US corn export sales ramped up significantly starting in October. The US crop area forecast is little changed with mostly dry conditions through the weekend and early next week before above normal precipitation chances are seen for the upper Midwest and below normal in the east in the 6 to 10 day timeframe. Temperatures will trend above normal in the east but moderate in the 8 to 14 day outlook. Perhaps final tour results this evening will result in some market volatility, but if the extremely lackluster market action over the last 3

days is an indication, traders don't seem to be surprised by what the tour has found up to this point. Moving average resistance on December corn is 401 and more important resistance at 409. Our best advice is to keep the powder dry until either the market gives a bullish signal by closing over 409 or prices sink below 390, where we would consider being a buyer.

Ethanol average daily production for the week ending August 16 averaged 1.098 million barrels. This is a new high daily production for this week of the year. The previous high was 1.073 million barrels per day in 2018. This was up 2.4% from last week and up 4.8% from last year. The 5-year average for this week is 0.991 million barrels per day. Ethanol production for the week was 7.686 million barrels. Ethanol stocks were 23.574 million barrels. This was up 0.9% from last week and up 3.4% from last year. The 5-year average stocks for this week is 22.358 million barrels. The amount of corn used for the week is estimated at 108.98 million bushels. Cumulative corn use for the crop year has reached 5.177 billion bushels. Corn use needs to average 127.21 million bushels per week to meet the USDA's marketing year forecast of 5.450 billion bushels.

TODAY'S MARKET IDEAS:

There is no denying the Illinois crop is looking massive, although Iowa's northwest district was below last year, while the southwest and west-central districts were much better. US export demand should stay very strong and for prices to have a chance to move higher, global buyers need to step up with larger purchases, similar to last year when US exports increased significantly starting in October. The short-term technical trend remains sideways/lower, and we can't rule out one final break to long-term support at 380. But if December prices can close over 409, that would suggest a low is in.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

CORN TECHNICAL OUTLOOK:

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CORN (DEC) 08/22/2024: Momentum studies are trending higher from mid-range, which should support a move higher if resistance levels are penetrated. The market's close above the 9-day moving average suggests the short-term trend remains positive. The daily closing price reversal up is a positive indicator that could support higher prices. It is a slightly negative indicator that the close was under the swing pivot. The next upside objective is 402 1/4. The next area of resistance is around 400 1/4 and 402 1/4, while 1st support hits today at 396 1/4 and below there at 394 1/2.

CORN (MAR) 08/22/2024: 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's close below the pivot swing number is a mildly negative setup. The near-term upside objective is at 421 1/2. The next area of resistance is around 419 and 421 1/2, while 1st support hits today at 415 and below there at 413 1/4.

DAILY WHEAT COMMENTARY

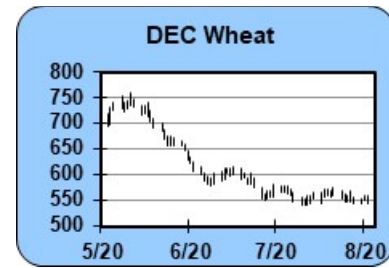
8/22/2024

Canadian railways shut down due to workers strike

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):

WHEAT +0.18

OVERNIGHT DEVELOPMENTS: Chicago wheat (DEC 24) prices overnight are unchanged; Kansas City (DEC 24) down -1/2; and Minneapolis (DEC 24) down -1 1/4. MATIF Milling Wheat(DEC 24) was up 0.2%. Chicago wheat open interest as of August 21 was up 296 contracts and Minneapolis wheat was down 2,739 contracts.



NEAR-TERM MARKET FUNDAMENTALS: Wheat is suffering from a lack of fresh news and yesterday's poor close suggests prices will test the contract low at 539 1/2 on December Chicago. Canada's 2 main railways, representing 80% of the countries rail network, were shut down overnight as workers strike for better pay and benefits. The logistics headaches in Canada and the US are expected to snarl rail transportation significantly. More than 2500 railcars cross daily from the US into Canada and those will now sit idle. Canada is #1 in fertilizer exports and HRS wheat will be unable to move from the interior of Canada to the West Coast ports. The only positive thing for the US markets regarding the strike is the potential for some switching of demand from Canada to the US. Weekly export sales this morning are expected in a range of 250,000-500,000 tonnes. France Agrimer says test weights and protein levels are lower than expected due to the excessively wet growing season. Germany's DBV farm group lowered their total German grain harvest to 39.9 million tonnes down from 42 million last year and estimated their wheat crop at 18 million tonnes, down 15% from last year. December Chicago wheat is testing the contract low this morning and spillover pressure from weakness in corn and beans could push wheat down into sell stops below 539 1/2.

TODAY'S MARKET IDEAS:

December Chicago prices are threatening to break down below the recent 540-580 trading range. If that occurs, the technical objective on the breakout would be 5.00. EU wheat prices have been weak for most of this week and the lack of significant global demand on this break is concerning. Egypt has not stepped up with any further purchases after their 3.8 million tonne tender early last week. Unfortunately for the bull camp, the likelihood of the market moving down to new contract lows is strong.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

WHEAT TECHNICAL OUTLOOK:

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WHEAT (DEC) 08/22/2024: 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 down is somewhat negative. The market is in a bearish position with the close below the 2nd swing support number. The next downside objective is now at 530 3/4. The next area of resistance is around 552 1/2 and 564 3/4, while 1st support hits today at 535 1/2 and below there at 530 3/4.

KC WHEAT (DEC) 08/22/2024: A bearish signal was triggered on a crossover down in the daily stochastics. Daily stochastics declining into oversold territory suggest the selling may be drying up soon. The market's close below the 9-day moving average is an indication the short-term trend remains negative. A negative signal was given by the outside day down. The close below the 1st swing support could weigh on the market. The next downside target is 538 1/2. The next area of resistance is around 560 1/2 and 570 3/4, while 1st support hits today at 544 1/2 and below there at 538 1/2.

MINN WHEAT (DEC) 08/22/2024: A bearish signal was triggered on a crossover down in the daily stochastics. Momentum studies are still bearish but are now at oversold levels and will tend to support reversal action if it occurs. The close below the 9-day moving average is a negative short-term indicator for trend. The market's close below the 1st swing support number suggests a moderately negative setup for today. The next downside objective is now at 585 1/2. The next area of resistance is around 604 1/4 and 614 1/4, while 1st support hits today at 589 3/4 and below there at 585 1/2.

RICE (SEP) 08/22/2024: The major trend has turned down with the cross over back below the 40-day moving average. The daily stochastics gave a bearish indicator with a crossover down. Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. The market's close above the 9-day moving average suggests the short-term trend remains positive. The market setup is somewhat negative with the close under the 1st swing support. The next downside objective is now at 14.600. The next area of resistance is around 14.905 and 15.060, while 1st support hits today at 14.675 and below there at 14.600.

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										
CNAZ24	398 1/4	45.15	42.62	31.27	36.68	397.25	397.83	400.51	413.83	427.61
CNAH25	417	47.03	44.41	39.98	47.23	416.25	416.14	417.96	428.76	441.82
SSAX24	981 1/2	40.00	36.89	15.08	20.87	972.63	975.39	1000.00	1051.57	1079.92
SSAF25	999 3/4	40.51	37.37	15.43	21.32	991.13	993.44	1017.21	1066.96	1094.73
SMAZ24	308.7	45.71	44.04	22.88	24.86	307.40	306.13	313.67	321.03	329.97
BOAZ24	39.58	39.98	37.67	22.31	29.38	39.13	39.40	40.28	43.09	43.50
WHAZ24	544	34.65	36.60	36.36	27.05	551.31	554.33	556.53	573.54	602.56
WHAH25	564 3/4	35.12	36.67	35.01	26.68	571.13	573.50	576.54	593.32	621.88
RCAU24	14.790	46.98	47.25	40.37	39.24	14.80	14.78	14.97	14.96	15.10
KWAZ24	552 1/2	32.64	34.52	28.63	25.05	556.13	559.44	565.51	582.64	612.95
MWAZ24	597	36.62	38.26	33.90	28.40	604.00	606.53	607.08	621.24	648.30
OTAZ24	321	64.03	55.28	29.87	49.11	313.00	309.72	313.07	316.69	328.50

Calculations based on previous session. Data collected 08/21/2024
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DAILY SWING STATISTICS

Contract		Support 2	Support 1	Pivot	Resist 1	Resist 2
GRAIN COMPLEX						
CNAZ24	Corn	394 1/2	396 1/4	398 1/2	400 1/4	402 1/2
CNAH25	Corn	413	415	417 1/4	419	421 1/2
SSAX24	Soybeans	969 3/4	976	980 1/2	987	991 1/4
SSAF25	Soybeans	988	994 1/2	998 1/2	1005	1009
SMAZ24	Soymeal	304.1	306.3	308.8	311.0	313.5
BOAZ24	Soybean Oil	38.87	39.23	39.56	39.92	40.25
WHAZ24	Wheat	530 3/4	535 1/2	547 3/4	552 1/2	564 3/4
WHAH25	Wheat	552 1/2	557	568 1/4	572 1/2	584
RCAU24	Rice	14.600	14.675	14.830	14.905	15.060
KWAZ24	KC Wheat	538 1/2	544 1/2	554 3/4	560 1/2	571
MWAZ24	MINN Wheat	585 1/2	589 3/4	600	604 1/4	614 1/2
OTAZ24	Oats	313	317	321	325	329

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