



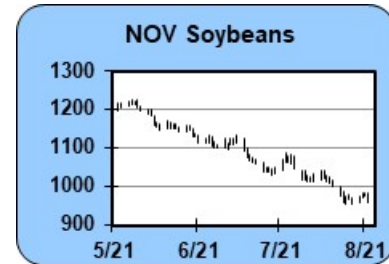
## DAILY GRAINS COMMENTARY Wednesday August 28, 2024

### DAILY SOY COMPLEX COMMENTARY 8/28/2024

**Rains moving across IL and northern IN this morning**

**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 -7 3/4; Soymeal (DEC 24) down -3.10; and Soyoil (DEC 24) up 0.11. Soybean open interest as of August 27 was down 136 contracts, soymeal down 5,935 contracts, and soybean oil down 9,855. Chinese Dalian (NOV 24) Soybeans up 0.61%, Soymeal up 1.55%, Soyoil up 0.53%, Palm oil down 0.45%. Malaysian Palm was down 0.08%.



**NEAR-TERM MARKET FUNDAMENTALS:** Macro market weakness and showers moving through Illinois and into northern Indiana this morning is putting minor pressure on soy complex prices, following yesterday's new 2-week high. Global buyers remain hand to mouth with no urgency knowing a bumper crop is on the horizon. Barge freight costs in the Midwest continue to rise due to falling river levels and St. Louis barges are now quoted at 725% of tariff, up from 330% last month. China's COFCO expects Brazil's bean planted area for the 2024/25 season will grow at its slowest pace in 10 years when compared to the previous season, rising to 47 million hectares from last season's 46 million. ANEC expects Brazil's August bean exports to reach 7.74 million tonnes, down from their forecast last week of 8.16, meal exports are expected at 2.03 million tonnes, down from 2.39 forecast last week. The 6 to 10 day forecast shows below normal precipitation for the central and eastern crop belts and temperatures below normal in the east and warmer in the Northwest corn belt. The 8 to 14 day outlook shows below normal precipitation for all the Midwest. Used cooking oil imports from China are expected to set records over the next few months, despite the calls for regulatory changes to biofuel subsidies to reduce foreign UCO imports. No word yet on a resumption of the Argentine oilseed workers strike as the 2-week suspension ends tomorrow. Brazil's Weather Service predicts hot/dry conditions for August, September and October for the central, western and southeastern crop areas, while southern Brazil is wetter. This is the dry season in central Brazil so is not uncommon to have a long stretch of dry weather. However, the current dry season started back in April, which is earlier than normal, and has resulted in a larger soil moisture drawdown than expected. As Brazil's planting window inches closer, rains will be needed to get the crop off to a good start. November beans touched the 20-day moving average yesterday and pulled back. This is the 3rd time that has occurred since early July. If prices can close over 991 1/2 on November, the door would open for a further rally. Look for pullback support at 962.

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

Rains are falling across parts of the eastern belt this morning and most commodity markets are down to start the day and the US Dollar is higher. 1st notice day for September contracts is Friday. November prices have not closed convincingly above the 20-day moving average since late May and prices touched the average again yesterday and pulled back. A close above the average at 991 1/2 could trigger some fund short covering. Since fundamentals are bearish, traders may consider waiting for a confirmed bottom formation before entering any long side positions. Initial support stands at 962.

#### **NEW RECOMMENDATIONS:**

None.

## PREVIOUS RECOMMENDATIONS:

None

## SOYBEAN COMPLEX TECHNICAL OUTLOOK:

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**SOYBEANS (NOV) 08/28/2024:** The stochastics indicators are rising from oversold levels, which is bullish and should support higher prices. The market's close above the 9-day moving average suggests the short-term trend remains positive. The close over the pivot swing is a somewhat positive setup. The next upside target is 999 1/2. The next area of resistance is around 993 1/2 and 999 1/2, while 1st support hits today at 979 1/2 and below there at 971 1/4.

**SOYBEAN OIL (DEC) 08/28/2024:** Momentum studies are trending higher from mid-range, which should support a move higher if resistance levels are penetrated. A positive signal for trend short-term was given on a close over the 9-bar moving average. The market's close below the pivot swing number is a mildly negative setup. The near-term upside target is at 41.40. The next area of resistance is around 40.83 and 41.40, while 1st support hits today at 40.01 and below there at 39.76.

**SOYMEAL (DEC) 08/28/2024:** Momentum studies are rising from mid-range, which could accelerate a move higher if resistance levels are penetrated. The cross over and close above the 18-day moving average is an indication the intermediate-term trend has turned positive. The market has a slightly positive tilt with the close over the swing pivot. The next upside objective is 316.6. The next area of resistance is around 315.0 and 316.6, while 1st support hits today at 309.4 and below there at 305.3.

## DAILY CORN COMMENTARY

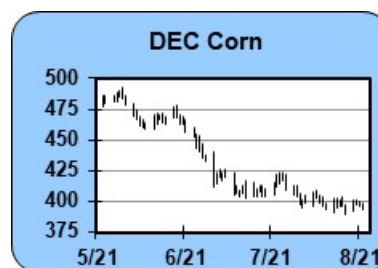
8/28/2024

Yesterday's trading volume the 2nd highest in 2 months

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

CORN -0.2

**OVERNIGHT DEVELOPMENTS:** Corn (DEC 24) prices overnight are down -2 1/4. Corn open interest as of August 27 was down 39,136 contracts. Chinese Dalian (NOV 24) Corn was up 0.13%.



**NEAR-TERM MARKET FUNDAMENTALS:** Energy markets are weak this morning and the US Dollar higher, resulting in a minor headwind for corn prices to start the day. In addition, rains are moving across parts of the eastern belt this morning. Through the weekend, moisture chances will be highest in the southern Plains, Iowa and Minnesota. The Chinese government is asking exporters to halt imports of barley and milo after bumper harvests. Ethanol production out later this morning is expected at 1.091 million barrels per day, slightly down from 1.098 last week and ethanol stocks are expected at 23.557 million barrels, nearly unchanged from last week's 23.574. Datagro estimated Brazil's 2024/25 total corn crop at 117.67, unchanged from last season but expects exports to be down 14% from the prior year to 27.5 million tonnes. LSEG estimates Ukraine corn production at 25.5 million tonnes down 1.7% from last month and compared to USDA at 27.2. Warm temperatures and limited rainfall will continue in the Black Sea region for the next 10 days. Southern Brazil is ready to start planting in early September and AgRural says planted area will be down 3.5% from last year due to poor profitability. Planted area in Argentina is also expected to be up to 2 million hectares lower from last season due to the leafhopper problem. December corn has initial moving average resistance at 398 but prices need to close over 404 at least to suggest a bottom formation. Long-term support remains in the 380 area.

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

Corn open interest fell nearly 40,000 contracts yesterday as longs exit before September first notice day Friday. Despite yesterday's bounce off contract lows, a technical bottom is lacking. Since late July, December corn has been stair-stepping lower and a move above 404 is needed to turn the short-term trend back up and bring in technical buyers.

### **NEW RECOMMENDATIONS:**

None.

### **PREVIOUS RECOMMENDATIONS:**

None.

### **CORN TECHNICAL OUTLOOK:**

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CORN (DEC) 08/28/2024: The crossover up in the daily stochastics is a bullish signal. 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 close below the 9-day moving average is a negative short-term indicator for trend. With the close over the 1st swing resistance number, the market is in a moderately positive position. The near-term upside target is at 400 3/4. The next area of resistance is around 397 1/2 and 400 3/4, while 1st support hits today at 388 and below there at 381 3/4.

CORN (MAR) 08/28/2024: Declining momentum studies in the neutral zone will tend to reinforce lower price action. A negative signal for trend short-term was given on a close under the 9-bar moving average. Market positioning is positive with the close over the 1st swing resistance. The next downside target is now at 401 1/4. The next area of resistance is around 415 3/4 and 418 1/2, while 1st support hits today at 407 1/4 and below there at 401 1/4.

## **DAILY WHEAT COMMENTARY**

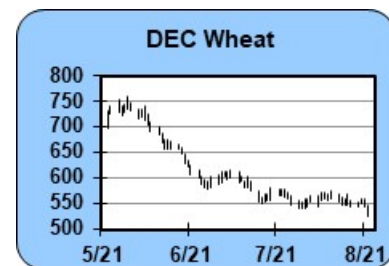
**8/28/2024**

### **USDA confirms new GMO wheat seed safe to plant in US**

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

**WHEAT +0.15**

**OVERNIGHT DEVELOPMENTS:** Chicago wheat (DEC 24) prices overnight are unchanged; Kansas City (DEC 24) down -2 1/4; and Minneapolis (DEC 24) down -1 1/4. MATIF Milling Wheat(DEC 24) was up 1.2%. Chicago wheat open interest as of August 27 was down 10,632 contracts and Minneapolis wheat was down 931 contracts.



**NEAR-TERM MARKET FUNDAMENTALS:** Wheat markets are steady to start the day, despite weakness in corn and beans. Yesterday's strong close in wheat after hitting a new contract low is a short-term positive sign. India's cash wheat hit a seasonal high overnight and Germany's crop was reduced 12.7% to 18.8 million tonnes with their total grains harvest now expected down 7.2%. USDA issued a statement saying Argentine seed company Bioceres new drought and pest tolerant HB4 GMO wheat seed is safe to plant in the US. Trade group, US Wheat Associates, quickly issued their own statement saying field trials are needed before the seed should be allowed to be widely used. Showers this weekend are expected to ease dryness concerns in Argentina wheat but Black Sea wheat dryness is expected to expand. Chicago wheat open interest continues to plummet, down another 11,000 contracts yesterday and now down more than 30,000 contracts in the last week. Much of this is September

contract liquidation, however, sharply falling open interest when markets are in or near new contract lows can be a clue that the strength of the downtrend is waning. The US Dollar is bouncing this morning and may provide a minor headwind for prices today. Chicago December still has a technical objective in the 500-505 range but if the market can close higher today and confirm yesterday's upside key reversal, odds would increase for a further short covering bounce. Initial moving average resistance is 551 and look for pullback support today at 528.

**TODAY'S MARKET IDEAS:**

Prices finally turned up off new contract lows yesterday and closed strong, improving the short-term technical picture. However, a higher close today is needed to boost confidence in a rally. To reverse the downtrend, Chicago December will need to close above 560. The stronger US Dollar and weakness in the outside markets will be headwinds for today's trade. It is too early to say if prices found a bottom yesterday.

**NEW RECOMMENDATIONS:**

None.

**PREVIOUS RECOMMENDATIONS:**

None.

**WHEAT TECHNICAL OUTLOOK:**

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WHEAT (DEC) 08/28/2024: Daily stochastics declining into oversold territory suggest the selling may be drying up soon. The close below the 9-day moving average is a negative short-term indicator for trend. 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 515. The next area of resistance is around 544 1/4 and 550 1/4, while 1st support hits today at 526 3/4 and below there at 515.

KC WHEAT (DEC) 08/28/2024: The crossover up in the daily stochastics is a bullish signal. Daily stochastics are showing positive momentum from oversold levels, which should reinforce a move higher if near term resistance is taken out. A negative signal for trend short-term was given on a close under the 9-bar moving average. Market positioning is positive with the close over the 1st swing resistance. The near-term upside objective is at 560 1/4. The next area of resistance is around 553 1/2 and 560 1/4, while 1st support hits today at 537 and below there at 527.

MINN WHEAT (DEC) 08/28/2024: 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 market setup is supportive for early gains with the close over the 1st swing resistance. The next downside target is now at 558 1/2. The market is approaching oversold levels on an RSI reading under 30. The next area of resistance is around 581 3/4 and 588 1/4, while 1st support hits today at 566 3/4 and below there at 558 1/2.

RICE (NOV) 08/28/2024: Momentum studies are trending higher from mid-range, which should support a move higher if resistance levels are penetrated. The intermediate trend could be turning up with the close back above the 18-day 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 15.306. The next area of resistance is around 15.237 and 15.306, while 1st support hits today at 15.043 and below there at 14.917.

**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>										
CNAZ24	392 3/4	43.06	41.37	25.04	25.35	390.94	394.42	397.64	407.93	421.97
CNAH25	411 1/2	44.23	42.67	31.74	30.25	409.44	413.17	415.71	423.53	436.56

SSAX24	986 1/2	48.16	42.75	22.13	29.35	975.44	973.42	989.00	1038.29	1065.25
SSAF25	1003 1/2	47.88	42.71	22.13	29.14	993.00	991.50	1006.50	1054.08	1080.39
SMAZ24	312.2	53.19	48.86	25.81	32.68	307.25	307.37	311.20	317.81	326.16
BOAZ24	40.42	51.79	46.37	46.70	61.36	40.13	39.51	39.88	42.72	43.10
WHAZ24	535 1/2	37.91	37.48	20.41	17.67	531.00	542.17	551.58	566.81	589.17
WHAH25	555 3/4	37.38	37.01	20.29	17.82	551.81	562.28	571.50	586.77	608.81
RCAX24	15.140	55.41	52.22	38.70	47.83	15.05	14.95	15.06	15.08	15.22
KWAZ24	545 1/4	39.76	37.91	21.07	22.90	541.00	549.03	559.51	576.34	599.11
MWAZ24	574 1/4	29.61	32.34	16.90	13.98	574.63	590.72	600.24	615.09	635.15
OTAZ24	315	54.01	50.21	37.96	42.24	311.25	311.33	311.75	315.87	323.97

Calculations based on previous session. Data collected 08/27/2024

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>						
CNAZ24	Corn	381 3/4	388	391 1/4	397 1/2	400 3/4
CNAH25	Corn	401 1/4	407	410	416	418 3/4
SSAX24	Soybeans	971 1/4	979 1/2	985 1/2	993 1/2	999 3/4
SSAF25	Soybeans	989	996 3/4	1002 1/2	1010 1/4	1016
SMAZ24	Soymeal	305.2	309.3	310.9	315.0	316.6
BOAZ24	Soybean Oil	39.76	40.01	40.58	40.83	41.40
WHAZ24	Wheat	514 3/4	526 1/2	532 1/2	544 1/2	550 1/4
WHAH25	Wheat	536 1/4	547 1/2	553	564	569 3/4
RCAX24	Rice	14.916	15.042	15.111	15.237	15.306
KWAZ24	KC Wheat	527	537	543 3/4	553 1/2	560 1/2
MWAZ24	MINN Wheat	558 1/2	566 3/4	573 1/2	581 3/4	588 1/2
OTAZ24	Oats	309	312 1/4	314 1/2	317 3/4	320

Calculations based on previous session. Data collected 08/27/2024

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