



DAILY GRAINS COMMENTARY Wednesday September 04, 2024

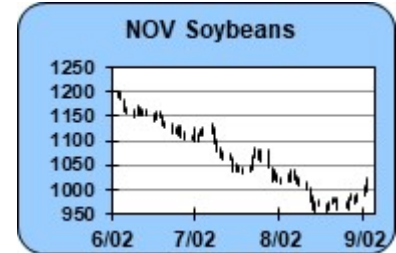
DAILY SOY COMPLEX COMMENTARY

9/4/2024

US crop conditions fall 2%

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):
SOY BEANS -0.1, BEAN OIL +0.0, SOYMEAL -0.2

OVERNIGHT DEVELOPMENTS: Soybeans (NOV 24) prices overnight are down -6 1/2; Soymeal (DEC 24) down -2.00; and Soyoil (DEC 24) up 0.04. Soybean open interest as of September 3 was down 1,652 contracts, soymeal down 3,596 contracts, and soybean oil down 1,734. Chinese Dalian (NOV 24) Soybeans up 0.68%, Soymeal down 0.29%, Soyoil down 0.28%, Palm oil down 1.03%. Malaysian Palm was down 1.09%.



NEAR-TERM MARKET FUNDAMENTALS: Beans are slipping lower this morning, taking a breather from the strong action seen over the last several sessions. A 2% cut in good/excellent crop conditions was within expectations of a 1-2% decline and the Dakotas fell 6%, Tennessee down 8% and Iowa down 3%. USDA offered another morning flash sale announcement yesterday morning of 132,000 tonnes of beans to China and rumors suggest they bought 6-8 more cargoes yesterday and another flash sale announcement is expected this morning. The important question is whether China will continue to buy as prices rally or will they be content to step back and wait for another decline before making further purchases. NASS crush was released yesterday afternoon at 193.4 million bushels, up from the average guess of 192.14 and 4.7% higher than last year. With one month to go in the season, US total crush has reached 2.120 billion bushels versus USDA's forecast of 2.290. An average crush pace over the next month could mean crush outpaces USDA's forecast by 5 to 10 million bushels. There were 226 bean deliveries overnight and 100 meal. Over the next 10 days precipitation is expected below normal across all the Midwest with temperatures warmer in the Western belt and cooler in the East before the warmth spreads across most of the belt in the 8-14 day timeframe. The northern half of Brazil is expected to remain hot/dry through midmonth with wetter conditions in the South. China's antidumping investigation into Canadian canola imports in retaliation for Canada's EV tariffs as a major blow for canola exports as more than half of the Canadian crop typically goes to China. November beans moved above initial resistance at 1013 but were unable to close above that level yesterday. Pullback support stands at 985 and moving average resistance sits at 1034. November beans have rallied \$0.70 off the mid-August lows and may be poised for a near-term pullback but dryness in Brazil will keep a measure of support under prices.

US soybean crush hit a new July record high at 193.46 million bushels versus the previous record of 184.83 million in 2023. This was above the high end of pre-report estimates. The daily crush pace was also a record high at 6.24 million bushels versus the previous record of 5.96 million in 2023. The cumulative crush for the marketing year has reached 2.12 billion bushels, which is 92.6% of the USDA's current estimate for the marketing year.

US soybean oil stocks in July came in at 2.009 billion pounds versus 2.125 last month and 2.136 last year. The average stock level for this time of year is 2.170 billion pounds. The largest stock level for this month was 2.267 (2022), and the lowest was 2.009 (2024). Current stock levels are running at 0.12% of USDA's ending stock estimates for the year.

Soybean export inspections for the week ending August 29 came in at 496,860 metric tonnes. Cumulative inspections year-to-date are 44,709,005 metric tonnes which is 14.5% below last year. This is 96.6% of the USDA's forecast for the 2023-24 marketing year versus the five year average of 95.7%.

Soybeans rated good / excellent (G/EX) as of September 01 was down 2% at 65% and poor / very poor was up

1% at 10%. Current G/EX is up 3% versus the 10 year average and Poor / Very Poor is down 2% versus the 10 year average. Of the 18 reported states 8 reported better, 8 worse, and 2 unchanged G/EX ratings. The good / excellent ratings for the top producing states were: Illinois 68%(+4%), Iowa 77%(0%), Minnesota 66%(+3%), Indiana 68%(-3%), Ohio 46%(-2%).

TODAY'S MARKET IDEAS:

Recent dry weather pulled US crop conditions down 2% but after a \$0.70 rally off the lows, November beans may be ready for a pullback. Brazil dryness continues in the center and northern crop areas and that will likely keep prices from dropping sharply. Additional China demand is likely this morning. Look for buying support at 985 and moving average resistance at 1034 on November.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None

SOYBEAN COMPLEX TECHNICAL OUTLOOK:

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SOYBEANS (NOV) 09/04/2024: A positive indicator was given with the upside crossover of the 9 and 18 bar moving average. Stochastics are at mid-range but trending higher, which should reinforce a move higher if resistance levels are taken out. The market's close above the 9-day moving average suggests the short-term trend remains positive. With the close over the 1st swing resistance number, the market is in a moderately positive position. The next upside objective is 1040. The next area of resistance is around 1026 1/2 and 1040, while 1st support hits today at 997 1/2 and below there at 981 3/4.

SOYBEAN OIL (DEC) 09/04/2024: Momentum studies are trending higher but have entered overbought levels. A positive signal for trend short-term was given on a close over the 9-bar moving average. The swing indicator gave a moderately negative reading with the close below the 1st support number. The near-term upside objective is at 42.74. The next area of resistance is around 41.80 and 42.74, while 1st support hits today at 40.16 and below there at 39.46.

SOYMEAL (DEC) 09/04/2024: The cross over and close above the 40-day moving average indicates the longer-term trend has turned up. Momentum studies are trending higher from mid-range, which should support 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. Since the close was above the 2nd swing resistance number, the market's posture is bullish and could see more upside follow-through early in the session. The near-term upside target is at 332.4. The next area of resistance is around 327.5 and 332.4, while 1st support hits today at 314.1 and below there at 305.7.

DAILY CORN COMMENTARY

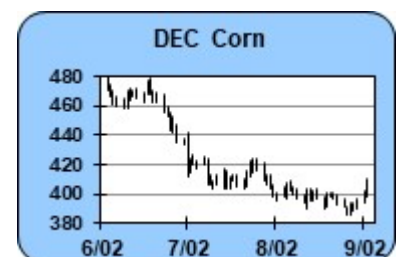
9/4/2024

Technicals suggest a chart bottom is in

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):

CORN +0.0

OVERNIGHT DEVELOPMENTS: Corn (DEC 24) prices overnight are up 1/4. Corn open interest as of September 3 was down 1,764 contracts. Chinese



Dalian (NOV 24) Corn was up 0.40%.

NEAR-TERM MARKET FUNDAMENTALS: December corn yesterday had its strongest single-day upside gains since July 22nd and fund short covering was significant. The potential weekly upside reversal may have triggered Managed Money to pare down short positions and the strong close suggests further upside potential. Some of yesterday's strength may have come from reports India's push into corn-based ethanol could turn the country from a typical exporter of 2-4 million tonnes of corn to a potential importer of 1 million tonnes in 2024. Indian ethanol producers are calling for the government to drop their ban on non-GMO corn imports. US ethanol production produced 2 million tonnes of DDG's in July, up from 1.784 a year ago and 473.5 million bushels of corn was used for the month, up from 455.2 a year ago. US crop conditions held unchanged at 65% good/excellent, compared to 53% year ago. There were 81 deliveries overnight. LSEG lowered EU-27+UK production by 1.7% to 60.3 million tonnes and Dr. Cordonnier dropped his US corn yield 1 BPA to 182.5 due to late-season dryness. AgRural reported Brazil 1st crop corn planting at 8% done, compared to 13% last year. Yesterday's close on December corn suggests a bottom is in as prices took out the August high, however, we don't expect a runaway market to the upside with a big US harvest approaching. Pullbacks of 5-10 cents should find solid support.

Corn export inspections for the week ending August 29 came in at 965,292 metric tonnes. Cumulative inspections year-to-date are 52,033,650 metric tonnes which is 39.6% above last year. This is 91.0% of the USDA's forecast for the 2023-24 marketing year versus the five year average of 90.1%.

Corn rated good / excellent (G/EX) as of September 01 was unchanged at 65% and poor / very poor was down 1% at 12%. Current G/EX is up 2% versus the 10 year average and Poor / Very Poor is down 1% versus the 10 year average. Of the 18 reported states 5 reported better, 9 worse, and 4 unchanged G/EX ratings. The good / excellent ratings for the top producing states were: Iowa 77%(0%), Illinois 71%(-2%), Nebraska 67%(-1%), Minnesota 63%(+3%), Indiana 68%(-3%).

TODAY'S MARKET IDEAS:

December corn closed at its highest level in more than a month yesterday and last week's weekly upside reversal has turned the technical picture positive. Prices closed above the 50-day moving average for the 1st time since early June and a run to next resistance at 424 looks likely. Solid export demand will keep prices supported on breaks and speculative buyers can consider purchases at 404 or lower. September's seasonal trend is positive.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

CORN TECHNICAL OUTLOOK:

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CORN (DEC) 09/04/2024: The major trend could be turning up with the close back above the 40-day moving average. Daily stochastics have risen into overbought territory which will tend to support reversal action if it occurs. The market's short-term trend is positive on the close above the 9-day moving average. The market's close above the 2nd swing resistance number is a bullish indication. The next upside target is 418 1/4. The next area of resistance is around 415 and 418 1/4, while 1st support hits today at 403 1/2 and below there at 395 1/4.

CORN (MAR) 09/04/2024: The major trend could be turning up with the close back above 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. There could be more upside follow through since the market closed above the 2nd swing resistance. The next upside target is 435 3/4. The next area of resistance is around 432 3/4 and 435 3/4, while 1st support hits today at 421 3/4 and below there at 413 1/2.

DAILY WHEAT COMMENTARY

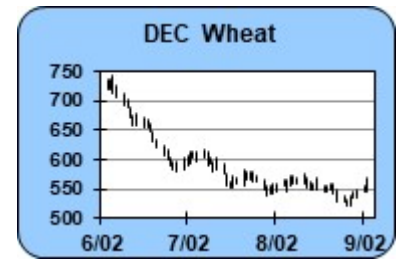
9/4/2024

Chicago December close to confirming a technical bottom

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):

WHEAT +0.35

OVERNIGHT DEVELOPMENTS: Chicago wheat (DEC 24) prices overnight are up 3; Kansas City (DEC 24) up 3 1/2; and Minneapolis (DEC 24) up 4. MATIF Milling Wheat(DEC 24) was up 0.8%. Chicago wheat open interest as of September 3 was down 6,508 contracts and Minneapolis wheat was down 1,356 contracts.



NEAR-TERM MARKET FUNDAMENTALS: Strong action in the wheat market yesterday as prices tested 50-day moving average resistance and have moved through it this morning keeping the near-term uptrend intact. Tenders by Taiwan, South Korea and Jordan indicate a positive demand track. HRS harvest jumped 19% to 70% complete, versus 68% last year. Winter wheat planting is just getting started at 2% done. LSEG lowered their EU-27+UK SRW and Durum combined production to 137.0 million tonnes, down 7.5% from last year. SovEcon says Russian wheat export prices are steady this week at \$217-\$220 per tonne and August Russian wheat exports were 5.2 million tonnes, compared to 5.3 a year ago. LSEG raised Russian wheat production slightly to 82.8 million tonnes, up.9% from their previous forecast but very close to SovEcon's 82.5. EU SRW exports from July 1 through September 1 were 4.38 million tonnes, down from 5.66 year ago. Chicago December is starting the day above the 50-day moving average for the 1st time since June 11 and are flirting with the August highs of 574 3/4. Short-term technical indicators are not yet in overbought territory and point to further upside gains. If prices can move over the August highs, a chart bottom has likely been made.

Wheat export inspections for the week ending August 29 came in at 577,944 metric tonnes. Cumulative inspections year-to-date are 5,736,345 metric tonnes which is 31.9% above last year. This is 25.6% of the USDA's forecast for the 2024-25 marketing year versus the five year average of 24.6%.

Spring Wheat harvested as of September 01 was up 19% at 70%. This is up 2% versus last year and down 4% versus the 10 year average. The top producing states report North Dakota 61%(+18%), Minnesota 75%(+21%), Montana 77%(+21%), South Dakota 93%(+10%), Idaho 77%(+34%). Winter Wheat planted as of September 01 2%. This is up 1% versus last year.

TODAY'S MARKET IDEAS:

The technical picture continues to improve after the daily and weekly reversals last week and a close above the August highs of 574 3/4 would be a significant bullish technical development and suggest a bottom is in. Once a bottom is confirmed, 10-15 cent pullbacks will be a buying opportunity. Nearby support will be 551 on Chicago December with close in resistance at 579.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

WHEAT TECHNICAL OUTLOOK:

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WHEAT (DEC) 09/04/2024: The market now above the 40-day moving average suggests the longer-term trend

has turned up. Momentum studies are rising from mid-range, which could accelerate 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 outside day up is a positive signal. The market's close above the 2nd swing resistance number is a bullish indication. The next upside objective is 584 1/2. The next area of resistance is around 578 1/4 and 584 1/2, while 1st support hits today at 555 1/4 and below there at 538 1/4.

KC WHEAT (DEC) 09/04/2024: The cross over and close above the 40-day moving average is an indication the longer-term trend has turned positive. Studies are showing positive momentum but are now in overbought territory, so some caution is warranted. The market's close above the 9-day moving average suggests the short-term trend remains positive. The market's close above the 2nd swing resistance number is a bullish indication. The near-term upside target is at 595. The next area of resistance is around 589 and 595, while 1st support hits today at 566 1/2 and below there at 550 1/4.

MINN WHEAT (DEC) 09/04/2024: 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. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The near-term upside objective is at 620 1/4. The next area of resistance is around 615 1/2 and 620 1/4, while 1st support hits today at 599 and below there at 587 1/2.

RICE (NOV) 09/04/2024: The moving average crossover up (9 above 18) indicates a possible developing short-term uptrend. Momentum studies trending lower at mid-range should accelerate a move lower if support levels are taken out. The market's short-term trend is negative as the close remains below the 9-day moving average. With the close over the 1st swing resistance number, the market is in a moderately positive position. The next downside target is 14.719. The next area of resistance is around 15.032 and 15.108, while 1st support hits today at 14.838 and below there at 14.719.

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 | 409 1/4 | 64.75 | 56.63 | 48.51 | 70.59 | 399.25 | 395.44 | 396.57 | 404.88 | 417.70 |
| CNAH25 | 427 1/4 | 65.19 | 57.34 | 52.03 | 72.78 | 417.50 | 413.86 | 414.86 | 421.02 | 432.67 |
| SSAX24 | 1012 | 61.74 | 53.06 | 47.77 | 65.00 | 995.38 | 984.97 | 981.67 | 1028.39 | 1054.33 |
| SSAF25 | 1029 1/2 | 61.98 | 53.30 | 47.59 | 65.01 | 1012.44 | 1002.39 | 999.32 | 1044.54 | 1069.65 |
| SMAZ24 | 320.8 | 64.20 | 56.91 | 50.17 | 67.38 | 313.25 | 310.08 | 308.52 | 315.54 | 323.40 |
| BOAZ24 | 40.98 | 52.71 | 49.42 | 71.13 | 76.09 | 41.46 | 40.66 | 40.10 | 42.55 | 42.90 |
| WHAZ24 | 566 3/4 | 65.40 | 56.55 | 42.49 | 62.08 | 552.13 | 541.83 | 549.06 | 563.35 | 579.19 |
| WHAH25 | 586 1/4 | 65.41 | 56.46 | 43.67 | 63.70 | 572.50 | 562.44 | 568.85 | 583.53 | 598.93 |
| RCAX24 | 14.935 | 47.14 | 47.12 | 45.16 | 45.12 | 14.93 | 14.97 | 14.96 | 15.03 | 15.18 |
| KWAZ24 | 577 3/4 | 66.46 | 56.96 | 50.08 | 70.11 | 564.44 | 552.61 | 556.97 | 572.97 | 588.80 |
| MWAZ24 | 607 1/4 | 59.68 | 52.55 | 39.54 | 57.35 | 595.50 | 586.39 | 596.92 | 612.17 | 625.20 |
| OTAZ24 | 347 1/4 | 80.51 | 71.39 | 73.43 | 91.12 | 335.63 | 323.17 | 316.19 | 317.44 | 321.48 |

Calculations based on previous session. Data collected 09/03/2024

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 | | | | | | |
| CNAZ24 | Corn | 395 1/4 | 403 1/2 | 406 3/4 | 415 | 418 1/4 |
| CNAH25 | Corn | 413 1/2 | 421 1/2 | 424 3/4 | 433 | 436 |
| SSAX24 | Soybeans | 981 3/4 | 997 1/2 | 1011 | 1026 1/2 | 1040 1/4 |
| SSAF25 | Soybeans | 999 1/2 | 1015 | 1028 1/2 | 1044 | 1057 1/2 |
| SMAZ24 | Soymeal | 305.6 | 314.1 | 319.0 | 327.5 | 332.4 |
| BOAZ24 | Soybean Oil | 39.46 | 40.16 | 41.10 | 41.80 | 42.74 |
| WHAZ24 | Wheat | 538 | 555 | 561 1/4 | 578 1/2 | 584 1/2 |
| WHAH25 | Wheat | 558 | 574 3/4 | 581 | 597 3/4 | 604 |
| RCAX24 | Rice | 14.718 | 14.837 | 14.913 | 15.032 | 15.108 |

| | | | | | | |
|--------|------------|---------|---------|---------|---------|---------|
| KWAZ24 | KC Wheat | 550 | 566 1/2 | 572 1/2 | 589 | 595 |
| MWAZ24 | MINN Wheat | 587 1/2 | 599 | 604 | 615 1/2 | 620 1/2 |
| OTAZ24 | Oats | 331 | 340 3/4 | 344 | 353 3/4 | 357 |

Calculations based on previous session. Data collected 09/03/2024

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