



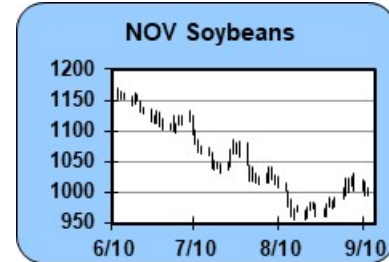
DAILY GRAINS COMMENTARY Thursday September 12, 2024

DAILY SOY COMPLEX COMMENTARY 9/12/2024

Wide range of yield guesses lower odds of USDA surprise

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 up 6; Soymeal (DEC 24) up 3.30; and Soyoil (DEC 24) down -0.04. Soybean open interest as of September 11 was up 2,386 contracts, soymeal down 3,162 contracts, and soybean oil up 5,108. Chinese Dalian (NOV 24) Soybeans up 0.35%, Soymeal up 0.23%, Soyoil down 0.21%, Palm oil down 0.05%. Malaysian Palm was down 1.36%.



NEAR-TERM MARKET FUNDAMENTALS: USDA will take center-stage today with their September monthly supply/demand report at 11 AM Chicago time. Prices are seeing some minor strength ahead of the report this morning. Reuters estimates are 53.2 BPA, unchanged from last month and harvested acres are expected to be down slightly to 86.108 million acres. US 2024/25 ending stocks are expected at 565 million bushels, slightly above the August figure of 560. World ending stocks are expected at 133.86 million tonnes, slightly down from August at 134.4. The yield estimate range is larger than usual making it less likely to get a major yield surprise. September yields came in above guesses from 2013-2021 but have been below guesses the last 2 years. Each .5-bushel change in yield equates to approximately 43 million bushels at the current harvested acres scenario. The Midwest had its driest August since 2013 and that has continued into September. The dry finish to the crop season can impact soybean seed size but that may not be fully accounted for by USDA until the October report. New Orleans port facilities have been shut down for hurricane Francine, impacting export loadings. An assessment of any damage is expected to be done by the weekend. Weekly export sales this morning are expected in a range of 900,000-1,600,000 tonnes for beans, 200,000-550,000 tons for meal and 0 to 10,000 tonnes for bean oil. There was a holiday last week, raising the odds the sales will underperform. The Rosario Grain Exchange put out their 1st estimates of new crop production in Argentina, which was pegged at 52-53 million tonnes, up from 49 million last season and planted area was raised 7.5% to 17.7 million ha. The head of Cargill Brazil says bean planting in the country may not start in earnest until monsoon rains arrive in October. There were 100 bean oil deliveries overnight, 10 beans and 17 meal. CONAB this morning left their 2023/24 bean production unchanged from last month at 147.38 million tonnes. After pulling back for several trading sessions, beans are seeing a bounce heading into the report. While a lower than expected yield could offer a short-term rebound, USDA is unlikely to drop yields low enough to make any significant difference in the burdensome US ending stocks. With harvest upcoming, we anticipate rallies will find stiff headwinds above 1030 on November beans.

TODAY'S MARKET IDEAS:

USDA will provide an answer today whether very dry conditions over the last 40 days have impacted yields. Farmer sources indicate there has been some yield reduction but whether USDA will pick up on that in this report or the October report is debatable. Either way, burdensome ending stocks in the US are unlikely to change much in this report and for that reason we suggest a rally above 1030 on November beans may be a selling opportunity. Retracement support stands at 993 and 984.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None

SOYBEAN COMPLEX TECHNICAL OUTLOOK:

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SOYBEANS (NOV) 09/12/2024: Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The upside closing price reversal on the daily chart is somewhat bullish. The market tilt is slightly negative with the close under the pivot. The next downside objective is now at 988 3/4. The next area of resistance is around 1006 3/4 and 1013 1/2, while 1st support hits today at 994 1/4 and below there at 988 3/4.

SOYBEAN OIL (DEC) 09/12/2024: 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. The market tilt is slightly negative with the close under the pivot. The next downside objective is now at 38.23. The next area of resistance is around 39.93 and 40.76, while 1st support hits today at 38.67 and below there at 38.23.

SOYMEAL (DEC) 09/12/2024: Momentum studies trending lower at mid-range should accelerate a move lower 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. The upside closing price reversal on the daily chart is somewhat bullish. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The next downside target is now at 314.3. The next area of resistance is around 322.7 and 325.2, while 1st support hits today at 317.3 and below there at 314.3.

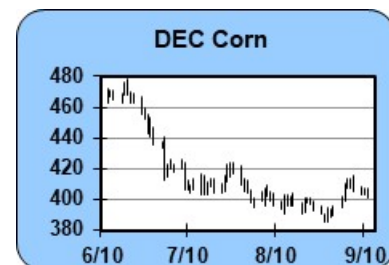
DAILY CORN COMMENTARY

9/12/2024

Sept yield above guesses in 21 of last 26 years

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

OVERNIGHT DEVELOPMENTS: Corn (DEC 24) prices overnight are up 4 1/4. Corn open interest as of September 11 was up 6,737 contracts. Chinese Dalian (NOV 24) Corn was up 0.18%.



NEAR-TERM MARKET FUNDAMENTALS: Traders will be keenly focused on the USDA numbers released at 11 AM Chicago time today and worries over the dryness seen over the last 1 1/2 months has traders guessing yields will be down slightly from the August report. Reuters estimate for corn yield is 182.4 BPA, down from 183.1 in August and harvested acres are expected at 82.650 million, slightly down from 82.710 in August. US 2024/25 ending stocks are expected 2.007 billion bushels, down from 2.073 in August and world ending stocks are anticipated at 309.39 million tonnes, down from 310.17 last month. The pre-report yield guess range is the narrowest in 20 years and raises the odds of a yield outside of the guesstimate range. USDA has a strong tendency for yields to come in above the average guess, which has happened every year since 2015 and 21 of the last 26 years. Harvested acres were lowered in August, which lowers the odds of a further reduction in this report. A 1 BPA yield change equates to an 82 million bushel swing in production. Last month was the driest in the Midwest in 11 years and little rain has fallen so far in September. The 6-10 day and 8-14 day maps show above normal precipitation moving into the western corn belt for the 2nd half of next week, with normal precipitation in the East and above normal temperatures in all of the Midwest. Strategie Grains lowered their EU crop production to 57.9 million

tonnes, down from 62.9 last season. There were 52 deliveries overnight. Weekly export sales this morning are expected in a range of 700,000-1,600,000 tonnes but there was a holiday last week, which could reduce the total. Rosario Grain Exchange says new crop Argentine corn production could reach 51-52 million tonnes, up from 50 million in the previous season, despite a 21% drop in expected planted area. CONAB this morning estimated the total Brazil 2023/24 corn crop at 115.72 million tonnes, slightly above 115.65 last month. December corn is setting a new high for the week heading into the report and with a technical bottom in place, we expect buying will surface on any bearish reaction to today's report. Look for buying on any pullback below 402 on December. A bullish report could send prices up to next resistance at 424.

Ethanol average daily production for the week ending September 6 averaged 1.080 million barrels. This is a new high daily production for this week of the year. The previous high was 1.047 million barrels per day in 2017. This was up 1.8% from last week and up 3.9% from last year. The 5-year average for this week is 0.978 million barrels per day. Ethanol production for the week was 7.560 million barrels. The amount of corn used for the week is estimated at 93.40 million bushels. Cumulative corn use for the crop year has reached 93.397 million bushels. Corn use needs to average 104.45 million bushels per week to meet the USDA's marketing year forecast of 5.450 billion bushels.

Ethanol stocks were 23.714 million barrels. This was a new high stocks level for this week of the year. The previous high was 22.894 million barrels in 2018. This was up 1.5% from last week and up 12.0% from last year. The 5-year average stocks for this week is 21.379 million barrels.

TODAY'S MARKET IDEAS:

Traders are expecting a yield decline in today's USDA report of .7 bpa to 182.4. If yields come in below 182.4, it would be the 1st time yields have come in below the average guess since 2015. The dry crop finish is likely to have trimmed yields somewhat, but USDA will answer the question today whether the middle of the growing season was good enough to offset the decline. Unless USDA comes out with a yield number above 183.5 BPA, buying support should surface on any bearish reaction to the USDA report. Speculators can consider buying a pullback below 402 on December.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

CORN TECHNICAL OUTLOOK:

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CORN (DEC) 09/12/2024: 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 daily closing price reversal up on the daily chart is somewhat positive. It is a slightly negative indicator that the close was under the swing pivot. The next downside target is 398 1/2. The next area of resistance is around 407 3/4 and 410 3/4, while 1st support hits today at 401 3/4 and below there at 398 1/2.

CORN (MAR) 09/12/2024: Momentum studies are trending lower from high levels which should accelerate a move lower on a break below the 1st swing support. The market's short-term trend is negative as the close remains below the 9-day moving average. The upside closing price reversal on the daily chart is somewhat bullish. It is a slightly negative indicator that the close was under the swing pivot. The next downside objective is now at 417 1/4. The next area of resistance is around 426 1/2 and 429 1/4, while 1st support hits today at 420 1/2 and below there at 417 1/4.

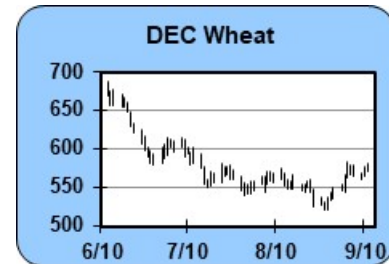
DAILY WHEAT COMMENTARY

9/12/2024

Egypt buys Russian wheat in private sale

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):
WHEAT +0.83

OVERNIGHT DEVELOPMENTS: Chicago wheat (DEC 24) prices overnight are up 10; Kansas City (DEC 24) up 9 3/4; and Minneapolis (DEC 24) up 7 1/4. MATIF Milling Wheat(DEC 24) was up 1.5%. Chicago wheat open interest as of September 11 was down 529 contracts and Minneapolis wheat was up 757 contracts.



NEAR-TERM MARKET FUNDAMENTALS: Chicago wheat prices hit a 2-month high this morning ahead of the USDA report, extending the recent uptrend. Reuters estimates for US 2024/25 wheat ending stocks is 823 million bushels, down from 828 in August. USDA does not offer a wheat production update in this report, so balance sheet changes are expected to be very minimal. World ending stocks are expected at 255.31 million tonnes, down from 256.62 in August. Weekly export sales this morning are expected to come in at 300,000-550,000 tonnes. CONAB this morning estimated Brazil wheat production at 8.80 million tonnes, down from 8.84 last month. The US attache lowered Kazakhstan wheat production to 14.2 million tonnes down from USDA's latest number at 16.0. Egypt's GASC purchased 430,000 tonnes of Russian wheat in a private deal for October delivery. There were 4 KC wheat deliveries overnight. Rosario Grain Exchange says dryness in the Pampas region may result in the crop not reaching last year's production level of 20.5 million tonnes, despite an increase in planted area. A Ukrainian farm producer group says wheat production in the country could fall well short of the government figure of 25 million tonnes and may be closer to 22-23 million. Strategie Grains lowered EU SRW production to a 12-year low of 114.4 million tonnes. December Chicago wheat is testing the neckline of a potential head and shoulders bottom pattern on the daily chart. Nearby resistance is 599 with more important moving average resistance at 617. Prices may begin to accelerate to the upside if we see bullish action from corn and beans today.

TODAY'S MARKET IDEAS:

USDA is likely to make minimal if any changes to the wheat balance sheet today and prices are more likely to take their cue from corn and bean movement. Crop production was lowered in Brazil, Ukraine, Kazakhstan and the EU and there are lingering worries regarding the Argentina crop as well. Technical action is strengthening, and Chicago wheat looks to be forming a bullish head and shoulders pattern. If prices close above the neckline at 585 on December today, technicals would suggest a potential run to moving average resistance at 617. Speculators can look for 10-20 cent pullbacks as a buying opportunity.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

WHEAT TECHNICAL OUTLOOK:

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WHEAT (DEC) 09/12/2024: Momentum studies are trending higher but have entered overbought levels. 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 588 1/4. The next area of resistance is around 584 1/4 and 588 1/4, while 1st support hits today at 574 1/4 and below there at 568.

KC WHEAT (DEC) 09/12/2024: Studies are showing positive momentum but are now in overbought territory, so some caution is warranted. The close above the 9-day moving average is a positive short-term indicator for trend. The close over the pivot swing is a somewhat positive setup. The next upside target is 597 3/4. The next area of resistance is around 593 1/2 and 597 3/4, while 1st support hits today at 583 and below there at 576 1/2.

MINN WHEAT (DEC) 09/12/2024: Momentum studies are trending higher but have entered overbought levels. The market's close above the 9-day moving average suggests the short-term trend remains positive. The market setup is supportive for early gains with the close over the 1st swing resistance. The next upside objective is 625 1/4. The next area of resistance is around 621 3/4 and 625 1/4, while 1st support hits today at 611 1/4 and below there at 604.

RICE (NOV) 09/12/2024: The major trend could be turning up with the close back above the 40-day moving average. Momentum studies trending lower at mid-range should accelerate a move lower if support levels are taken out. The market now above the 18-day moving average suggests the intermediate-term trend has turned up. The market setup is supportive for early gains with the close over the 1st swing resistance. The next downside target is 14.640. The next area of resistance is around 15.310 and 15.460, while 1st support hits today at 14.900 and below there at 14.640.

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	404 3/4	53.55	51.18	71.13	68.59	405.63	405.81	399.76	403.65	411.54
CNAH25	423 1/2	54.40	52.15	73.05	70.63	424.31	424.19	418.35	420.36	427.22
SSAX24	1000 1/2	49.76	48.10	69.40	65.21	1005.19	1007.81	991.08	1015.30	1040.00
SSAF25	1019	50.28	48.53	69.38	65.32	1023.06	1025.36	1008.85	1031.93	1055.85
SMAZ24	320.0	54.11	52.87	70.71	66.80	321.73	320.82	314.13	315.09	320.26
BOAZ24	39.30	41.10	42.28	48.42	34.22	39.76	40.61	40.18	41.58	42.49
WHAZ24	579 1/4	66.39	60.03	77.86	85.28	572.25	567.94	554.57	559.48	570.29
WHAH25	598 1/4	65.91	59.75	77.61	84.38	591.44	587.67	574.63	579.68	590.12
RCAX24	15.105	53.20	51.65	51.62	50.10	14.95	14.99	14.99	15.02	15.12
KWAZ24	588 1/4	64.93	59.45	79.43	84.42	581.38	578.81	564.08	570.17	579.70
MWAZ24	616 1/2	59.16	54.93	73.21	76.90	611.75	610.50	599.60	608.43	616.64
OTAZ24	368	80.83	75.07	94.03	97.18	362.31	353.69	333.58	323.24	322.19

Calculations based on previous session. Data collected 09/11/2024

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	398 1/4	401 1/2	404 1/2	408	410 3/4
CNAH25	Corn	417 1/4	420 1/2	423 1/4	426 1/2	429 1/4
SSAX24	Soybeans	988 1/2	994 1/4	1001	1006 3/4	1013 1/2
SSAF25	Soybeans	1007 1/4	1013	1019 1/2	1025	1031 3/4
SMAZ24	Soymeal	314.2	317.2	319.7	322.7	325.2
BOAZ24	Soybean Oil	38.22	38.66	39.49	39.93	40.76
WHAZ24	Wheat	568	574	578 1/4	584 1/2	588 1/2
WHAH25	Wheat	588	593 1/2	597 1/4	603	606 1/2
RCAX24	Rice	14.640	14.900	15.050	15.310	15.460
KWAZ24	KC Wheat	576 1/4	583	587	593 1/2	597 3/4
MWAZ24	MINN Wheat	604	611	614 3/4	622	625 1/2
OTAZ24	Oats	360	364 3/4	366 1/2	371 1/4	373

Calculations based on previous session. Data collected 09/11/2024

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