



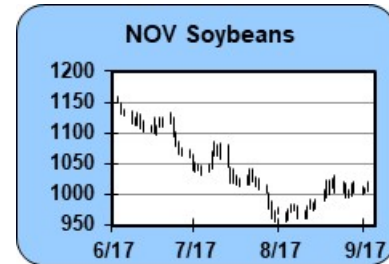
## DAILY GRAINS COMMENTARY Thursday September 19, 2024

### DAILY SOY COMPLEX COMMENTARY 9/19/2024

#### China economy worries weigh on prices

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

**OVERNIGHT DEVELOPMENTS:** Soybeans (NOV 24) prices overnight are down -5 3/4; Soymeal (DEC 24) down -1.00; and Soyoil (DEC 24) up 0.06. Soybean open interest as of August 14 was down 4,966 contracts, soymeal up 2,539 contracts, and soybean oil up 6,772. Chinese Dalian (NOV 24) Soybeans down 1.35%, Soymeal down 0.80%, Soyoil up 0.85%, Palm oil up 2.28%. Malaysian Palm was up 0.81%.



**NEAR-TERM MARKET FUNDAMENTALS:** Beans are slightly weaker this morning on advancing US harvest and potential for rain in Brazil in early October. The Fed cut rates .50% yesterday which initially pushed the US Dollar to new 2024 lows. Overnight the Dollar spiked higher but has lost most of those gains this morning. The rate cut adds a supportive backdrop for commodities. Numerous new service stories about weakness in the Chinese economy are concerning for US bean demand and that may be keeping some pressure on US prices, along with harvest. The Rosario port in Argentina is limiting grain loads due to low water on the Parana River, which has reached its 2nd lowest level since 1970. Brazil's farm export revenue was down 9.5% in August versus a year ago. Two major issues for the bean market next week will take center-stage. First, extended forecasts are beginning to show hints of monsoon rains arriving in central and northern Brazil in early October and next week's extended forecast will be bearish if it offers confirmation of the precipitation arrival. Second, US tariffs on Chinese EV's go into effect September 27 and traders will be watching the newswires for any hint of retaliation that could affect China's US bean demand. Weekly export sales this morning are expected in a range of 500,000-1.6 million tonnes for beans, 0- 200,000 tons for old crop meal and 100,000-450,000 for new crop, and 0-10,000 tonnes for bean oil. November beans remain range bound between 995-1031. A decreasing interest-rate environment is typically bullish for commodities; however, the bearish bean balance sheet is likely to keep the market under pressure through harvest. Look for nearby support at 999 and if prices fall below 995, a new leg lower could begin.

#### TODAY'S MARKET IDEAS:

Range-bound action is dominating the November Bean contract as the lower US Dollar supports, while harvest pressure weighs. Choppy action may continue for the first part of harvest but the bearish supply fundamentals could push the market down for a test of 995 support, unless demand quickly increases. Fears the Chinese economy is in a protracted downtrend is also a negative factor. On the technical side, a breakout of the 995-1031 trading range, would signal a move of \$0.36 in the direction of the breakout.

#### NEW RECOMMENDATIONS:

None.

#### PREVIOUS RECOMMENDATIONS:

None

## SOYBEAN COMPLEX TECHNICAL OUTLOOK:

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**SOYBEANS (NOV) 09/19/2024:** The market now above the 40-day moving average suggests the longer-term trend has turned up. Declining momentum studies in the neutral zone will tend to reinforce lower price action. A positive signal for trend short-term was given on a close over the 9-bar moving average. A positive setup occurred with the close over the 1st swing resistance. The next downside objective is 998 1/2. The next area of resistance is around 1021 3/4 and 1029 3/4, while 1st support hits today at 1006 1/4 and below there at 998 1/2.

**SOYBEAN OIL (DEC) 09/19/2024:** 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. A positive signal for trend short-term was given on a close over the 9-bar moving average. The market has a slightly positive tilt with the close over the swing pivot. The next upside target is 41.30. The next area of resistance is around 40.79 and 41.30, while 1st support hits today at 39.83 and below there at 39.37.

**SOYMEAL (DEC) 09/19/2024:** Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. A negative signal for trend short-term was given on a close under the 9-bar moving average. The market could take on a defensive posture with the daily closing price reversal down. It is a slightly negative indicator that the close was lower than the pivot swing number. The next downside objective is 314.5. The next area of resistance is around 325.2 and 330.0, while 1st support hits today at 317.5 and below there at 314.5.

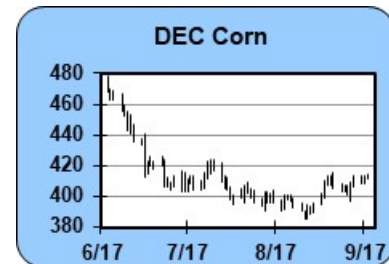
## DAILY CORN COMMENTARY

9/19/2024

**Ukraine exportable surplus may drop 40% from last year**

**OVERNIGHT CHANGES THROUGH 6:06 AM (CT):**  
**CORN -0.3**

**OVERNIGHT DEVELOPMENTS:** Corn (DEC 24) prices overnight are down -3 1/4. Corn open interest as of September 18 was up 16,502 contracts. Chinese Dalian (NOV 24) Corn was down 0.05%.



**NEAR-TERM MARKET FUNDAMENTALS:** Corn prices ticked up above last week's highs early yesterday but were unable to extend the gains, even after the Fed cut rates aggressively. The US Dollar is near steady this morning after making new 2024 lows right after the rate cut announcement yesterday. US corn exports have been strong, and the lower Dollar supports a continuation of that trend. The long bear market in commodities began when rates started to rise a couple of years ago and prices should find support as rates begin to come down. Argentine planting has been delayed due to dryness there and the heaviest rains over the next 5 days in the US will be centered on southeast Nebraska, southern Iowa and northern Missouri, with lighter rains into Illinois and Indiana. Farmer sources in the eastern belt are reporting yields not quite as good as expected, due to foliar diseases and the dry finish to the growing season. Numerous Indiana counties are now under a burn ban. This morning's weekly export sales are expected in a range of 550,000-1,400,000 tonnes. Ukraine's Agrarian Council, the country's top producer group, says exportable surplus of corn may only be 15-17 million tonnes, down from 30 million last year, and down from the official government number at 22 million. This bodes well for US corn exports in 2025. December corn may pull back in the short-term as farmers pre-hedge before the weekend, but prices should find support on pullbacks below 404. In our opinion, a brighter outlook for prices is just ahead post-harvest.

Ethanol average daily production for the week ending September 13 averaged 1.049 million barrels. This was down 2.9% from last week and up 7.0% from last year. The 5-year average for this week is 0.949 million barrels per day. Ethanol production for the week was 7.343 million barrels. Ethanol stocks were 23.785 million barrels.

This was a new high stocks level for this week of the year. The previous high was 23.238 million barrels in 2019. This was the highest since July 26. This was up 0.3% from last week and up 9.7% from last year. The 5-year average stocks for this week is 21.446 million barrels. The amount of corn used for the week is estimated at 105.84 million bushels. Cumulative corn use for the crop year has reached 199.233 million bushels. Corn use needs to average 104.42 million bushels per week to meet the USDA's marketing year forecast of 5.450 billion bushels.

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

Yesterday's aggressive Fed rate cut did push the US dollar down below support but it quickly rebounded, although the trend remains lower. Reports of significantly lower exportable supplies out of the Black Sea could be a boost for US exports. Early yield reports in some of the areas that have seen a very dry finish have been a bit disappointing. However, it may take until the final January USDA crop report to know the extent of any yield decline. Once December corn moves above 416 resistance, the door opens for further gains. Speculators can look to buy on breaks to 404 or below.

#### **NEW RECOMMENDATIONS:**

None.

#### **PREVIOUS RECOMMENDATIONS:**

None.

#### **CORN TECHNICAL OUTLOOK:**

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CORN (DEC) 09/19/2024: 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 has a slightly positive tilt with the close over the swing pivot. The next upside target is 416 3/4. The next area of resistance is around 414 3/4 and 416 3/4, while 1st support hits today at 410 3/4 and below there at 409.

CORN (MAR) 09/19/2024: 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 has a slightly positive tilt with the close over the swing pivot. The next upside target is 434 1/2. The next area of resistance is around 432 1/2 and 434 1/2, while 1st support hits today at 429 and below there at 427 1/2.

#### **DAILY WHEAT COMMENTARY**

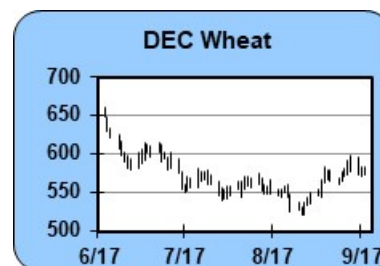
9/19/2024

**Pullback ongoing but support lies just below**

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

**WHEAT -0.78**

**OVERNIGHT DEVELOPMENTS:** Chicago wheat (DEC 24) prices overnight are down -8; Kansas City (DEC 24) down -8 1/2; and Minneapolis (DEC 24) down -6 1/4. MATIF Milling Wheat(DEC 24) was down -1.4%. Chicago wheat open interest as of September 18 was up 2,640 contracts and Minneapolis wheat was up 944 contracts.



**NEAR-TERM MARKET FUNDAMENTALS:** An overnight pullback has pushed Chicago December wheat down to a new low for the week as rains are expected in parts of the central Plains wheat areas over the next 5 days. The

southern Plains still looks to miss out with only light showers expected in the northern half of Oklahoma. Four Russian Siberian grain regions now are under a state of emergency due to heavy rains at sprouting time. Brazil's harvest is 17.8% done, compared to 22.8% average and Brazil's Trade Chamber raised the wheat import quota through the end of 2024 to avoid shortages. Oftentimes, Brazil sources wheat from Argentina but last year's Argentine crop was lower than usual. LSEG raised their Canadian wheat production estimate 1% to 34.7 million tonnes. France cut its SRW export forecast to 4 million tonnes, down from 7.5 million last year due to adverse weather lowering production. France also said only 28% of the recently harvested crop had test weights above the standard of 76 kg/hL. Furthermore, only 41% of the tested samples were above 11.5% protein, compared to 58% average. Jordan is tendering for 120,000 tonnes of wheat and Tunisia for 100,000 tonnes of Durum and 125,000 SRW. Weekly export sales are expected in a range of 300,000-650,000 tonnes this morning. The Fed rate cut yesterday sent the US dollar to a new low for 2024 but prices have bounced back. Nevertheless, a falling interest-rate environment is typically bullish on commodities in general and may offer an additional reason for speculators to buy a pullback. Look for nearby support on Chicago December at 561 and retracement support at 559.

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

December Chicago wheat has a positive technical outlook, and the current pullback is expected find willing buyers. Rains on the way for the central Plains may extend the pullback into moving average support at 561 and possibly 50% retracement support back to the August lows at 559. Speculators can consider buying a break below 565. The Fed rate cut and weather issues in Russia and the EU should provide underlying support.

#### **NEW RECOMMENDATIONS:**

None.

#### **PREVIOUS RECOMMENDATIONS:**

None.

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

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**WHEAT (DEC) 09/19/2024:** Momentum studies trending lower from overbought levels is a bearish indicator and would tend to reinforce lower price action. The market's short-term trend is negative as the close remains below the 9-day moving average. It is a slightly negative indicator that the close was under the swing pivot. The next downside target is now at 567 1/4. The next area of resistance is around 580 1/2 and 586 1/2, while 1st support hits today at 571 and below there at 567 1/4.

**KC WHEAT (DEC) 09/19/2024:** Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. The market's short-term trend is negative as the close remains below the 9-day moving average. The daily closing price reversal down is a negative indicator for prices. The market's close below the pivot swing number is a mildly negative setup. The next downside target is 568 1/2. The next area of resistance is around 584 3/4 and 592 1/4, while 1st support hits today at 572 3/4 and below there at 568 1/2.

**MINN WHEAT (DEC) 09/19/2024:** Momentum studies trending lower from overbought levels is a bearish indicator and would tend to reinforce lower price action. The close below the 9-day moving average is a negative short-term indicator for trend. The close below the 1st swing support could weigh on the market. The next downside objective is now at 608 3/4. The next area of resistance is around 621 1/4 and 628, while 1st support hits today at 611 3/4 and below there at 608 3/4.

**RICE (NOV) 09/19/2024:** Daily stochastics have risen into overbought territory which will tend to support reversal action if it occurs. A positive signal for trend short-term was given on a close over the 9-bar moving average. The market has a slightly positive tilt with the close over the swing pivot. The next upside target is 15.630. The next area of resistance is around 15.570 and 15.630, while 1st support hits today at 15.360 and below there at 15.210.

## 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	412 3/4	62.94	57.85	78.75	83.20	412.31	408.64	403.81	403.86	407.58
CNAH25	430 3/4	63.41	58.37	80.07	84.26	430.44	427.06	422.22	421.10	423.88
SSAX24	1014	57.32	53.13	64.14	63.53	1007.69	1006.92	1001.61	1009.93	1030.20
SSAF25	1032	57.38	53.29	65.05	64.63	1026.25	1025.19	1019.43	1026.93	1046.51
SMAZ24	321.4	53.98	53.27	65.61	61.83	322.40	322.19	318.52	316.17	318.50
BOAZ24	40.31	52.63	49.69	28.24	29.04	39.56	39.67	40.32	40.94	42.11
WHAZ24	575 3/4	55.34	54.63	78.31	73.12	581.19	576.92	563.60	560.27	567.71
WHAH25	595 1/4	55.69	54.80	78.27	73.46	600.13	595.97	583.36	580.28	587.57
RCAX24	15.465	64.81	59.67	75.94	87.58	15.34	15.16	15.11	15.08	15.09
KWAZ24	578 3/4	50.94	51.50	75.73	67.89	584.75	583.42	572.74	570.48	577.10
MWAZ24	616 1/2	52.80	52.35	78.80	75.18	623.19	617.94	605.96	609.13	614.53
OTAZ24	355 1/4	53.85	57.42	79.71	67.49	361.69	363.50	348.06	329.06	325.73

Calculations based on previous session. Data collected 09/18/2024

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	409	410 3/4	413	414 3/4	417
CNAH25	Corn	427 1/2	429	431	432 1/2	434 1/2
SSAX24	Soybeans	998 1/4	1006	1014	1022	1029 3/4
SSAF25	Soybeans	1016 1/2	1024	1032 1/4	1040	1048
SMAZ24	Soymeal	314.4	317.5	322.2	325.2	330.0
BOAZ24	Soybean Oil	39.36	39.82	40.33	40.79	41.30
WHAZ24	Wheat	567	571	576 3/4	580 1/2	586 1/2
WHAH25	Wheat	586 3/4	590 1/2	596 1/2	600	606 1/4
RCAX24	Rice	15.209	15.360	15.420	15.570	15.630
KWAZ24	KC Wheat	568 1/2	572 3/4	580 1/2	584 3/4	592 1/2
MWAZ24	MINN Wheat	608 3/4	611 1/2	618 1/2	621 1/2	628 1/4
OTAZ24	Oats	343 1/2	349 1/2	354 3/4	361	366

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