



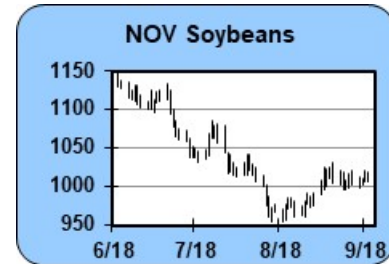
## DAILY GRAINS COMMENTARY Friday September 20, 2024

### DAILY SOY COMPLEX COMMENTARY 9/20/2024

**Bean export sales last week largest since November 2023**

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

**OVERNIGHT DEVELOPMENTS:** Soybeans (NOV 24) prices overnight are up 2 1/4; Soymeal (DEC 24) up 2.10; and Soyoil (DEC 24) down -0.06. Soybean open interest as of September 19 was up 6,268 contracts, soymeal up 6,526 contracts, and soybean oil up 1,408. Chinese Dalian (NOV 24) Soybeans down 0.45%, Soymeal down 1.23%, Soyoil up 0.43%, Palm oil up 1.12%. Malaysian Palm was up 1.83%.



**NEAR-TERM MARKET FUNDAMENTALS:** The 1st of several major harvest weekends is here, and some pre-hedging may be a factor today. The bean market has been in a tight coiling pattern for 2 weeks, resulting in a neutral technical outlook until prices breakout. China's August US bean imports were up 70% from a year ago to 202,383 tonnes, compared to 119,105 year ago. However, that number pales in comparison to China's imports from Brazil, which were up 12% in August to 10.24 million tonnes. Weekly bean oil export sales last week were the largest since March 2022 and bean sales were the largest since November of last year. USDA canceled Argentina's US bean purchase of 88,400 tonnes from last week, as it was likely a misreporting error. Argentine farmers sold 474,000 tonnes of beans on Wednesday, the largest daily sale since at least April. Brazil's forecast is dry for the next week but after that, models start to show some potential for a pattern change in October and if monsoon rains begin to show development, pressure on prices would likely increase. The US Midwest forecast for the next week shows an expansion of rains across the central and eastern Midwest with heaviest amounts favored in Kansas, Missouri, and Illinois. The northern half of Midwest will stay mostly dry. The 6 to 10 day forecast has below normal precipitation moving into the western belt, good for harvest, and above normal temperatures in the western and northern Midwest. Crops in the EU continue to suffer and grain lobby, Coceral, cut their EU+UK oilseed crop forecast to 18.1 million tonnes, down from 19.4 in their June report. November Bean prices are holding a tight range this week of 999-1022. With harvest pressure not yet at its peak, fundamentals suggest further downside potential. Key resistance is 1031 and a breakout above that level would turn the technicals positive. A drop below 1022 would point to a test of recent lows.

The Export Sales Report showed that for the week ending September 12, net soybean sales came in at 1,748,077 tonnes for the current marketing year and 8,440 for the next marketing year for a total of 1,756,517. Cumulative soybean sales have reached 32.2% of the USDA forecast for the 2024/2025 marketing year versus a 5 year average of 39.6%. Sales need to average 668,000 tonnes per week to reach the USDA forecast.

Net meal sales came in at -2,901 tonnes (cancelations) for the current marketing year and 283,048 for the next marketing year for a total of 280,147. Cumulative meal sales have reached 23.2% of the USDA forecast for the 2024/2025 marketing year versus a 5 year average of 17.8%. Sales need to average 242,000 tonnes per week to reach the USDA forecast.

Net oil sales came in at 46,699 tonnes for the current marketing year and 252 for the next marketing year for a total of 46,951. Cumulative oil sales have reached 7.8% of the USDA forecast for the 2024/2025 marketing year versus a 5-year average of 4.5%. Sales need to average 4,900 tonnes per week to reach the USDA forecast.

**TODAY'S MARKET IDEAS:**

November beans are holding in a tight range despite harvest pressure ramping up and nearby upper range resistance is 1022 and downside support is at Monday's low of 999. Harvest pre-hedging before the weekend may keep prices from rallying much today and a breakout either direction may have to wait until next week. Brazil's weather forecast and potential retaliation by China due to the US EV tariffs, will be the important market factors next week, along with harvest progress.

**NEW RECOMMENDATIONS:**

None.

**PREVIOUS RECOMMENDATIONS:**

None

**SOYBEAN COMPLEX TECHNICAL OUTLOOK:**

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SOYBEANS (NOV) 09/20/2024: Declining momentum studies in the neutral zone will tend to reinforce lower price action. The market's short-term trend is positive on the close above the 9-day moving average. It is a slightly negative indicator that the close was lower than the pivot swing number. The next downside target is now at 1001 1/2. The next area of resistance is around 1019 and 1024 1/4, while 1st support hits today at 1007 1/2 and below there at 1001 1/2.

SOYBEAN OIL (DEC) 09/20/2024: The major trend could be turning up with the close back above the 40-day moving average. Stochastics are at mid-range but trending higher, which should reinforce a move higher if resistance levels are taken out. The cross over and close above the 18-day moving average is an indication the intermediate-term trend has turned positive. Market positioning is positive with the close over the 1st swing resistance. The next upside objective is 41.94. The next area of resistance is around 41.52 and 41.94, while 1st support hits today at 40.34 and below there at 39.59.

SOYMEAL (DEC) 09/20/2024: Declining momentum studies in the neutral zone will 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 317.5. The next area of resistance is around 323.7 and 325.8, while 1st support hits today at 319.5 and below there at 317.5.

**DAILY CORN COMMENTARY**

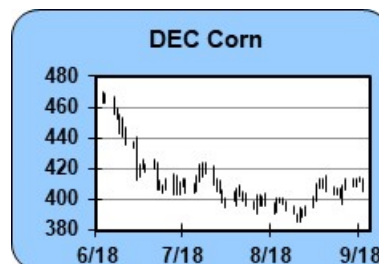
9/20/2024

**Coceral cuts EU+UK corn output by 14.4%**

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

**CORN** +0.0

**OVERNIGHT DEVELOPMENTS:** Corn (DEC 24) prices overnight are down -1/4. Corn open interest as of September 19 was up 6,863 contracts. Chinese Dalian (NOV 24) Corn was down 0.82%.



**NEAR-TERM MARKET FUNDAMENTALS:** Corn prices ran into stiff selling yesterday, partly due to weakness in the wheat market and US harvest pressure. Yesterday's weekly export sales were good but in the lower half of the range of guesses and that may have been a bit disappointing to traders. Another potential bearish factor yesterday was reports of disruptions in rail service in Mexico, which is critical for moving US corn exports into the country. The US forecast

for the next week has expanded rain coverage further into the eastern belt and the band of heaviest precipitation looks to stretch from Kansas through Missouri and into Illinois with lighter amounts further east. A below normal precipitation trend is noted in the 6 to 10 day for the western and northern Midwest and temperatures will remain above normal for those areas as well. The Buenos Aries Grain Exchange says Argentine planting is 7.1% done and planted area is expected to reach 6.3 million hectares, down from 7.6 million last season. EU crop lobby, Coceral, says adverse weather is anticipated to reduce the EU+UK corn crop total to 60.3 million tonnes, down from their June estimate of 64.8 and last season's total of 64.6. EU+UK 2024 total grains harvest is now seen at 280.3 million tonnes, well down from their June forecast of 296 and 2023's output of 294.2. Coceral's crop cut comes on the heels of Ukraine's Agrarian Council lowering production to 21-22 million tonnes, down from USDA's latest number of 27.2. There is no doubt that US corn exports will have less competition over the next 6 months. December corn is sitting on moving average support at 404 and is expected to find good support between here and last week's low of 397.

The Export Sales Report showed that for the week ending September 12, net corn sales came in at 847,350 tonnes for the current marketing year and none for the next marketing year. Cumulative sales have reached 25.4% of the USDA forecast for the 2024/2025 marketing year versus a 5-year average of 27.4%. Sales need to average 826,000 tonnes per week to reach the USDA forecast.

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

Heavy selling hit the corn market yesterday and has pushed December prices down to moving average support at 404 and speculative buyers may consider stepping up in the 397-404 support zone. Early yield reports in some of the areas that have seen a very dry finish have been a bit disappointing but additional harvest reports will be needed to establish a real yield trend.

#### **NEW RECOMMENDATIONS:**

None.

#### **PREVIOUS RECOMMENDATIONS:**

None.

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

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CORN (DEC) 09/20/2024: The close under the 60-day moving average indicates the longer-term trend could be turning down. The daily stochastics have crossed over down which is a bearish indication. 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 defensive setup, with the close under the 2nd swing support, could cause some early weakness. The next downside target is 399 3/4. The next area of resistance is around 409 1/2 and 415, while 1st support hits today at 402 and below there at 399 3/4.

CORN (MAR) 09/20/2024: The daily stochastics gave a bearish indicator with a crossover down. Daily stochastics turning lower from overbought levels is bearish and will tend to reinforce a downside break especially if near term support is penetrated. The close below the 9-day moving average is a negative short-term indicator for trend. The defensive setup, with the close under the 2nd swing support, could cause some early weakness. The next downside target is 419. The next area of resistance is around 427 3/4 and 432 3/4, while 1st support hits today at 420 3/4 and below there at 419.

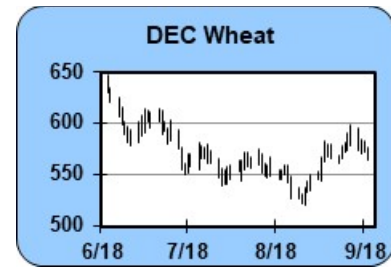
#### **DAILY WHEAT COMMENTARY**

**9/20/2024**

## Precipitation potential expands in southern Plains next week

**OVERNIGHT CHANGES THROUGH 6:06 AM (CT):**  
**WHEAT +0.45**

**OVERNIGHT DEVELOPMENTS:** Chicago wheat (DEC 24) prices overnight are up 3 3/4; Kansas City (DEC 24) up 2; and Minneapolis (DEC 24) up 1. MATIF Milling Wheat(DEC 24) was unchanged. Chicago wheat open interest as of September 19 was up 3,730 contracts and Minneapolis wheat was up 1,514 contracts.



**NEAR-TERM MARKET FUNDAMENTALS:** This week's pullback in wheat may be due to stagnant Russian prices, which did not rally with US prices last week. In addition, rains in the Texas Panhandle, Kansas and Western Oklahoma are expected to be beneficial over the next week, which should improve planting conditions. Yesterday's weekly export sales were certainly nothing to write home about and hit a 2 1/2 month low. This morning, there is some bullish news around starting with EU grain lobby, Coceral, cutting EU+UK SRW production to 126.0 million tonnes, down from their previous forecast of 134.5 in June and well below last year's total output of 140.3. Also, the Ukraine Ag Ministry lowered winter wheat sown area in the country to 4.48 million hectares, down from 4.69 previously forecast and the Buenos Aires Grain Exchange says Argentine dryness has caused some farmers to abandon wheat in the north and western areas of the growing region. Western Australia dryness is also expected to lower the crop in that area 7% to 9.3 million tonnes. US winter wheat area under drought rose 1% to 58% this week and HRS under drought fell 3% to 19%. Chicago December has pulled back to moving average and retracement support this morning and if prices can hold the 560 area, expect a rebound next week. Once Russian and EU prices begin to climb, US futures upside potential will expand.

The Export Sales Report showed that for the week ending September 12, net wheat sales came in at 246,327 tonnes for the current marketing year and 11,500 for the next marketing year for a total of 257,827. Cumulative sales have reached 49.1% of the USDA forecast for the 2024/2025 marketing year versus a 5 year average of 47.2%. Sales need to average 227,000 tonnes per week to reach the USDA forecast.

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

Chicago December has seen a pullback this week but is now very close to retracement support at 560 and buying may begin to increase. Rains are on the way for the southern Plains and that is a negative heading into the weekend and may cap rallies today. But several cuts to global crops will tighten global supplies over the next few months and once Black Sea and EU prices move higher, Chicago December is expected to see a new leg higher. Speculators can consider bullish strategies on pullbacks to 560 or below.

### **NEW RECOMMENDATIONS:**

None.

### **PREVIOUS RECOMMENDATIONS:**

None.

### **WHEAT TECHNICAL OUTLOOK:**

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WHEAT (DEC) 09/20/2024: The major trend has turned down with the cross over back below the 60-day moving average. Declining momentum studies in the neutral zone will tend to reinforce lower price action. The close below the 18-day moving average is an indication the intermediate-term trend has turned down. The defensive setup, with the close under the 2nd swing support, could cause some early weakness. The next downside target is now at 555. The next area of resistance is around 572 and 581 1/4, while 1st support hits today at 559 and below there at 555.

KC WHEAT (DEC) 09/20/2024: The close below the 60-day moving average is an indication the longer-term trend has turned down. Momentum studies trending lower at mid-range should accelerate a move lower if support levels are taken out. The close under the 18-day moving average indicates the intermediate-term trend could be turning down. The defensive setup, with the close under the 2nd swing support, could cause some early weakness. The next downside target is now at 552 3/4. The next area of resistance is around 573 1/2 and 585, while 1st support hits today at 557 1/2 and below there at 552 3/4.

MINN WHEAT (DEC) 09/20/2024: The market back below the 60-day moving average suggests the longer-term trend could be turning down. Declining momentum studies in the neutral zone will tend to reinforce lower price action. The intermediate trend has turned down with the cross over back below the 18-day moving average. The market is in a bearish position with the close below the 2nd swing support number. The next downside target is 599 3/4. The next area of resistance is around 612 1/2 and 619, while 1st support hits today at 603 and below there at 599 3/4.

RICE (NOV) 09/20/2024: 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. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The next upside target is 15.616. The next area of resistance is around 15.582 and 15.616, while 1st support hits today at 15.458 and below there at 15.367.

### 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	405 3/4	48.61	49.78	77.42	74.77	410.44	408.58	404.63	403.73	406.96
CNAH25	424 1/4	48.91	50.33	78.80	76.27	428.75	427.03	423.04	421.08	423.38
SSAX24	1013 1/4	56.68	52.79	63.38	61.84	1009.44	1007.83	1003.85	1009.31	1028.56
SSAF25	1031 1/4	56.73	52.95	64.32	62.87	1027.88	1026.17	1021.68	1026.38	1044.98
SMAZ24	321.6	54.40	53.49	63.40	58.97	322.08	321.88	319.47	316.38	318.15
BOAZ24	40.93	57.69	53.14	31.58	38.26	40.06	39.82	40.35	40.87	42.08
WHAZ24	565 1/2	46.41	48.89	73.32	63.34	573.88	576.75	565.68	560.31	567.43
WHAH25	585	46.27	48.79	73.40	63.65	593.31	595.81	585.36	580.31	587.31
RCAX24	15.520	66.58	60.90	81.27	91.91	15.41	15.21	15.13	15.10	15.09
KWAZ24	565 1/2	40.63	44.48	68.49	54.03	575.88	581.97	574.38	570.19	576.57
MWAZ24	607 3/4	46.08	48.00	74.40	65.62	616.25	617.28	607.93	609.05	614.30
OTAZ24	364 1/2	60.91	62.00	75.19	66.15	358.56	364.86	351.08	330.09	326.55

Calculations based on previous session. Data collected 09/19/2024

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	399 3/4	402	407 1/2	409 1/2	415 1/4
CNAH25	Corn	419	420 3/4	426	427 3/4	433
SSAX24	Soybeans	1001 1/2	1007 1/2	1013	1019	1024 1/2
SSAF25	Soybeans	1019 1/2	1025 1/2	1031	1037	1042 1/2
SMAZ24	Soymeal	317.4	319.5	321.6	323.7	325.8
BOAZ24	Soybean Oil	39.58	40.34	40.76	41.52	41.94
WHAZ24	Wheat	554 3/4	559	568	572	581 1/4
WHAH25	Wheat	574 1/4	578 1/2	587 1/2	591 1/2	600 3/4
RCAX24	Rice	15.366	15.457	15.491	15.582	15.616
KWAZ24	KC Wheat	552 1/2	557 1/2	568 3/4	573 1/2	585
MWAZ24	MINN Wheat	599 3/4	603	609 1/2	612 1/2	619 1/4
OTAZ24	Oats	353 1/2	359 3/4	363	369 1/4	372 1/2

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