



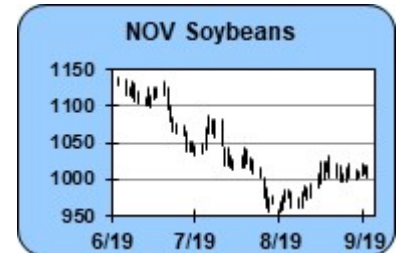
DAILY GRAINS COMMENTARY Monday September 23, 2024

DAILY SOY COMPLEX COMMENTARY 9/23/2024

Good demand and lingering SA prompting short covering

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):
SOY BEANS +0.1, BEAN OIL +0.0, SOYMEAL +0.4

OVERNIGHT DEVELOPMENTS: Soybeans (NOV 24) prices overnight are up 13; Soymeal (DEC 24) up 4.20; and Soyoil (DEC 24) up 0.49. Soybean open interest as of September 20 was up 6,005 contracts, soymeal up 2,095 contracts, and soybean oil down 2,353. Chinese Dalian (NOV 24) Soybeans down 0.67%, Soymeal down 0.43%, Soyoil up 0.25%, Palm oil up 0.71%. Malaysian Palm was up 0.76%. Global equity markets overnight were mixed with strength in Asia, mixed to somewhat lower trade in Europe and minimal positive action in early US markets. However, a generally positive buzz remains from last week's aggressive US rate cut. On the other hand, the rate cut by the US did not markedly undermine the dollar, it initially applied pressure to treasury prices and seems to leave the general bias in global equities pointing higher. Not surprisingly, the turmoil in the Middle East continues to heat up with significant military exchanges with Islamic resistance forces in Iraq reportedly launching drones at Israeli bases. Overnight German business activity posted a larger than expected contraction following soft PMI readings from across Europe and from UK businesses. In fact, manufacturing PMI readings from Europe posted across the board weakness. Looking ahead, US PMI readings today are expected to be mixed with services PMI softer and manufacturing PMI minimally improved. In addition to several US Federal Reserve speeches this week the markets will be presented with another US treasury supply auction cycle and quarterly and month over month US PCE readings on Thursday and Friday!



NEAR-TERM MARKET FUNDAMENTALS: Despite bearish supply news from a South American crop estimate, US soybean prices look to start the new trading week on a positive note with an 11-day upside breakout! Perhaps the trade is garnering lift from fresh hopes of Chinese economic stimulus, ongoing dryness in Brazil, stronger-than-expected US export sales last week and from news that US exporters posted a sale of 121,000 tons of beans to China for 2024/2025 delivery. On the other hand, the Chinese vice premier overnight indicated China was on track for a record grain harvest despite adverse crop conditions. However, we suspect "supply" headwinds will remain in place from both northern and southern hemisphere production. In fact, CONAB new crop estimates released last week were bearish, with large production increases and larger planted area. Weather must cooperate as recent conditions were too dry for planting in some areas, but some patchy moisture chances are possible in Mato Grosso this week. However, more rain is needed. As of September 15th, overall Brazilian planting was 2.3% ahead of the prior year off strong progress in southern Brazil. Obviously, another large Brazil crop could tank US exports to China. However, China usually sees US supplies as a last resort when Brazil runs out of supply or Brazil crop weather threatens output. With managed Money, small specs, and funds reducing their net short positions from long held extreme levels, gains off the September lows have likely been simple short covering/profit taking. On the other hand, open interest has risen consistently since the major August low as if traders see long term value with prices closer to \$9.50 than to \$10.00. In fact, open interest at the end of last week reached the highest level since April.

The September 17th Commitments of Traders report showed Soybeans Managed Money traders are net short 122,415 contracts after net buying 8,186 contracts. CIT traders were net long 96,165 contracts after decreasing their long position by 2,862 contracts. Non-Commercial No CIT traders were net short 126,011 contracts after decreasing their short position by 9,273 contracts. Non-Commercial & non-reportable traders net bought 12,831 contracts and are now net short 152,581 contracts.

The Commitments of Traders report for the week ending September 17th showed Soymeal Managed Money

traders added 2,710 contracts to their already long position and are now net long 39,758. CIT traders reduced their net long position by 3,888 contracts to a net long 107,610 contracts. Non-Commercial No CIT traders were net long 4,932 contracts after increasing their already long position by 3,662 contracts. Non-Commercial & non-reportable traders net bought 3,379 contracts and are now net long 59,304 contracts.

The Commitments of Traders report for the week ending September 17th showed Soyoil Managed Money traders net sold 2,971 contracts and are now net short 50,588 contracts. CIT traders were net long 107,195 contracts after decreasing their long position by 2,697 contracts. Non-Commercial No CIT traders are net short 50,897 contracts after net selling 1,256 contracts. Non-Commercial & Non-Reportable traders were net short 14,584 contracts after increasing their already short position by 3,294 contracts.

TODAY'S MARKET IDEAS:

As indicated already, bearish supply news from Brazilian crop forecasts and US harvest flow ahead has not prevented a minimal upside breakout in soybean prices this morning. However, the potential for a negative production impact from dry weather from speculative buying exists in the market, but until October the threat of dry weather can be discounted. Perhaps the market is garnering lift from a bullish vegetable oil price forecast from "Oil World" projecting Malaysian Palm prices to increase by 23% versus year ago levels from a slightly larger year-over-year gain expected in Argentina soybean oil prices. In fact, the head of Oil World has indicated world oil output "growth" should continue to slow. The bullish view toward the oil sector was recently boosted by projections of an ongoing surge in demand for palm oil from the biofuel sector. In retrospect, technical basing from last month, signs of short covering of historically large, long held shorts covering and an upside breakout in open interest (from spring) could make the August lows key lows. Unfortunately for producers and speculative longs, fundamentals have not shifted bullish and a failure of the September low down at \$9.95 1/2 is possible if US harvest yield views begin to climb and/or dry areas in Brazil receive rain. In conclusion, we are skeptical of an extension of the September recovery with initial resistance pegged at \$10.31 1/4.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None

Commitment of Traders - Futures and Options - 9/10/2024 - 9/17/2024						
	Non-Commercial		Net Position	Commercial		Non-Reportable
	Net Position	Weekly Net Change		Weekly Net Change	Net Position	
Grains						
Soybeans	-123,074	+9,170	152,582	-12,830	-29,507	+3,661
Soymeal	38,894	+3,809	-59,304	-3,379	20,410	-430
Soyoil	-18,403	-4,115	14,584	+3,293	3,819	+821

SOYBEAN COMPLEX TECHNICAL OUTLOOK:

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SOYBEANS (NOV) 09/23/2024: Declining momentum studies in the neutral zone will tend to reinforce lower price action. The market's close above the 9-day moving average suggests the short-term trend remains positive. The downside closing price reversal on the daily chart is somewhat negative. The market tilt is slightly negative with the close under the pivot. The next downside objective is 993 1/2. The next area of resistance is around 1020 3/4 and 1028 3/4, while 1st support hits today at 1003 1/4 and below there at 993 1/2.

SOYBEAN OIL (DEC) 09/23/2024: Stochastics are at mid-range but trending higher, which should reinforce a move higher if resistance levels are taken out. The close above the 9-day moving average is a positive short-term indicator for trend. The market has a slightly positive tilt with the close over the swing pivot. The next upside target is 42.12. The next area of resistance is around 41.82 and 42.12, while 1st support hits today at 40.90 and below

there at 40.28.

SOYMEAL (DEC) 09/23/2024: 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. A negative signal was given by the outside day down. The swing indicator gave a moderately negative reading with the close below the 1st support number. The next downside target is 310.9. The next area of resistance is around 323.6 and 328.4, while 1st support hits today at 314.8 and below there at 310.9.

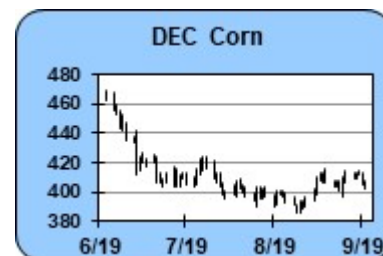
DAILY CORN COMMENTARY

9/23/2024

Expanding US harvest flow more than an offset SA dryness

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):
CORN +0.6

OVERNIGHT DEVELOPMENTS: Corn (DEC 24) prices overnight are up 5 1/2. Corn open interest as of September 20 was up 15,310 contracts. Chinese Dalian (NOV 24) Corn was down 1.39%.



NEAR-TERM MARKET FUNDAMENTALS: At least in the early going today we suspect corn is drafting modest lift from a minor upside breakout in November soybeans and to a lesser degree from a US tender of 65,000 metric tons of corn from the Taiwanese MFIG purchasing group. However, the burden of incoming US harvest flow is likely to spark heavy harvest hedge selling. Initial strength today should also be tempered by predictions that the Ukraine grain harvest has already surpassed the previous year by 2.1 million metric tons. In fact, the Ukraine corn harvest is expected to come in 2.4 million tons above last year's 182,500 tons. While Ukraine wheat production increased minimally, the barley crop was slightly higher than the previous year. In retrospect, the corn market saw a very weak finish on Friday with a lower low, likely spurred by market sentiment factoring rising US corn yields. Harvest reports from Illinois indicate good yields but those fields not sprayed with fungicide are reporting lower yields due to tar spots. Some harvest delays may be seen this week with rain expected in Kansas, Missouri and Illinois but the drier trend is expected to return for early October. In addition to the inability of the December corn contract to get over 416 resistance early last week, the charts have presented added negative technical news this morning with a lower low extension of last week's setback. In conclusion, delayed harvest pressure from rains should be minimal and unlikely to result in significant further delays given extremely low soil moisture levels this year. In the end, any strength is likely to be tempered by the heaviest harvest hedge pressure timeframe of the US crop cycle ahead. Last week's corn harvest progress jumped across most areas, but it is still very early for delays to be overly concerning. This morning early action in the dollar was insignificant to corn while action in the energy complex is slightly supportive.

Corn positioning in the Commitments of Traders for the week ending September 17th showed Managed Money traders were net short 134,814 contracts after increasing their already short position by 2,680 contracts. CIT traders net bought 3,235 contracts and are now net long 253,128 contracts. Non-Commercial No CIT traders are net short 132,406 contracts after net selling 20,145 contracts. Non-Commercial & Non-Reportable traders net sold 1,292 contracts and are now net short 113,150 contracts.

TODAY'S MARKET IDEAS:

In retrospect, December corn might have found a thin measure of value just above four dollars from strength in soybean prices, a reduction in UK and EU corn production and to a lesser degree from a modest year-over-year increase in weekly US export sales. Unfortunately for the bull camp's current cumulative export inspections are running below year ago levels with export inspections also running slightly below five-year average pace.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 9/10/2024 - 9/17/2024						
	Non-Commercial			Commercial		Non-Reportable
	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change
Grains						
Corn	-60,728	-15,317	113,151	+1,293	-52,422	+14,025

CORN TECHNICAL OUTLOOK:

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CORN (DEC) 09/23/2024: The close under the 40-day moving average indicates the longer-term trend could be turning down. Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. The close below the 18-day moving average is an indication the intermediate-term trend has turned down. The market's close below the 1st swing support number suggests a moderately negative setup for today. The next downside objective is now at 397 1/2. The next area of resistance is around 404 1/2 and 408 3/4, while 1st support hits today at 399 and below there at 397 1/2.

CORN (MAR) 09/23/2024: The close below the 60-day moving average is an indication the longer-term trend has turned down. Declining momentum studies in the neutral zone will tend to reinforce lower price action. The market back below the 18-day moving average suggests the intermediate-term trend could be turning down. The market's close below the 1st swing support number suggests a moderately negative setup for today. The next downside objective is now at 415 1/4. The next area of resistance is around 423 and 427 1/2, while 1st support hits today at 417 and below there at 415 1/4.

DAILY WHEAT COMMENTARY

9/23/2024

US Precipitation to limit lower production forecast rallies

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):

WHEAT +1.05

OVERNIGHT DEVELOPMENTS: Chicago wheat (DEC 24) prices overnight are up 9; Kansas City (DEC 24) up 9 1/4; and Minneapolis (DEC 24) up 7 3/4. MATIF Milling Wheat(DEC 24) was up 1.4%. Chicago wheat open interest as of September 20 was up 73 contracts and Minneapolis wheat was up 4,082 contracts.



NEAR-TERM MARKET FUNDAMENTALS: Like the corn market, the wheat market is garnering minimal spillover lift from a minor upside breakout in soybean prices. We also suspect the wheat market is catching residual lift from growing evidence of lower European and UK production and from residual dryness in the Black Sea. However, the Ukrainian Agriculture Ministry overnight projected its wheat crop to be 100,000 tons above year ago levels, with that news offset by the Ukrainian Ministry reducing the 2025 winter wheat planting area by 210,000 hectares. The bull camp should also draft support from a COCERAL forecast which reduced EU/UK soft wheat production from 134.5 mmt to 126 mmt. Another minimally bullish force is signs that speculators last week covered some shorts. Unfortunately for bullish speculators US weather has shifted slightly bearish with beneficial rains in TX panhandle, central and western Oklahoma, and southern and eastern KS over the weekend which will improve planting conditions. Additional precipitation is expected in OK and TX this week. Therefore, US weather should weaken KC vs Chicago. In fact, our recent interest in buying breaks is tempered by recent and upcoming

rain potentials. Despite aggressive drone attacks by Ukraine and Russia there have been no export disruptions in Black Sea which along with US precipitation could embolden shorts. Lastly, US exports have not improved with last week's tally being the lowest in many weeks. Not surprisingly, Ukraine's Ag Minister says their export pace since July 1 has been very strong at 9.3 million tonnes, way above the same timeframe last year of 5.9 million tonnes. Brazil's increase in their tariff-free wheat import quota this week of 250,000 tonnes is likely to be filled by Russia or the US. However, other global demand has been tepid, and Egypt has not tendered recently. From a technical perspective the wheat market might have forged a major bottom with the late August spike down failure and sustained sideways consolidation but rally potential at present is very limited. The argument for a key low is supported by the funds reducing their bearish positioning to the lowest level in nearly 2 years.

Wheat positioning in the Commitments of Traders for the week ending September 17th showed Managed Money traders are net short 25,033 contracts after net buying 4,364 contracts. CIT traders were net long 87,267 contracts after decreasing their long position by 1,634 contracts. Non-Commercial No CIT traders were net short 64,179 contracts after decreasing their short position by 5,245 contracts. Non-Commercial & Non-Reportable traders are net short 23,463 contracts after net buying 3,981 contracts.

The Commitments of Traders report for the week ending September 17th showed KC Wheat Managed Money traders net bought 1,024 contracts and are now net short 17,486 contracts. CIT traders were net long 59,013 contracts after decreasing their long position by 1,969 contracts. Non-Commercial No CIT traders were net short 22,697 contracts after decreasing their short position by 2,192 contracts. Non-Commercial & Non-Reportable traders are net short 10,104 contracts after net buying 1,479 contracts.

TODAY'S MARKET IDEAS:

While it is possible that long term short covering will continue to provide support against bearish supply and demand forces, US rain should continue to be a definitive near term headwind. However, some global crop concerns remain especially following a reduction in European and UK production from a private forecast reducing the crop by 16 million tons! In conclusion, short-term chart action favors the bulls, but initial resistance is close in at \$5.82 3/4 in December wheat. On the other hand, tightness in the Black Sea and Australia should continue to foster modest short covering among long-held bearish positioning. Late August could be a major low but bullish fundamentals at present do not justify a December move above six dollars.

NEW RECOMMENDATIONS:

None

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 9/10/2024 - 9/17/2024						
	Non-Commercial		Net Position	Commercial		Non-Reportable
	Net Position	Weekly Net Change		Weekly Net Change	Net Position	
Grains						
KC Wheat	-8,248	+104	10,104	-1,479	-1,856	+1,375
Wheat	-18,202	+1,838	23,463	-3,981	-5,261	+2,143

WHEAT TECHNICAL OUTLOOK:

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WHEAT (DEC) 09/23/2024: The cross over and close above the 60-day moving average is an indication the longer-term trend has turned positive. Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. The market now above the 18-day moving average suggests the intermediate-term trend has turned up. It is a mildly bullish indicator that the market closed over the pivot swing number. The next downside target is 559. The next area of resistance is around 573 3/4 and 580, while 1st support hits today at 563 1/4 and below there at 559.

KC WHEAT (DEC) 09/23/2024: Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. The close below the 9-day moving average is a negative short-term indicator for trend. The upside closing price reversal on the daily chart is somewhat bullish. The market's close below the pivot swing number is a mildly negative setup. The next downside target is 554. The next area of resistance is around 572 and 579 1/4, while 1st support hits today at 559 1/2 and below there at 554.

MINN WHEAT (DEC) 09/23/2024: Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. The close below the 9-day moving average is a negative short-term indicator for trend. It is a slightly negative indicator that the close was under the swing pivot. The next downside target is 600 3/4. The next area of resistance is around 612 1/4 and 617 3/4, while 1st support hits today at 603 3/4 and below there at 600 3/4.

RICE (NOV) 09/23/2024: Rising stochastics at overbought levels warrant some caution for bulls. 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 near-term upside target is at 15.671. The next area of resistance is around 15.627 and 15.671, while 1st support hits today at 15.483 and below there at 15.382.

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	401 3/4	42.41	45.84	72.13	61.54	408.19	407.97	405.47	403.66	406.38
CNAH25	420	41.86	45.88	73.33	62.40	426.44	426.36	423.86	421.11	422.91
SSAX24	1012	55.51	52.20	61.60	58.06	1011.31	1007.17	1005.58	1008.62	1026.98
SSAF25	1029 1/2	55.10	52.11	62.46	58.74	1029.38	1025.50	1023.42	1025.75	1043.47
SMAZ24	319.2	48.52	50.36	59.95	53.05	320.93	321.23	320.08	316.55	317.83
BOAZ24	41.36	60.95	55.43	37.93	50.63	40.62	39.92	40.39	40.80	42.04
WHAZ24	568 1/2	49.12	50.53	68.10	57.67	571.38	576.75	568.10	560.50	567.18
WHAH25	587 1/2	48.66	50.22	68.18	57.74	590.81	595.81	587.65	580.46	587.09
RCAX24	15.555	67.75	61.70	85.60	94.26	15.47	15.30	15.16	15.12	15.09
KWAZ24	565 3/4	40.30	44.25	59.97	42.93	571.75	580.67	575.86	569.86	575.99
MWAZ24	608	46.30	48.14	68.64	57.12	613.31	617.42	610.15	608.78	614.05
OTAZ24	367	62.65	63.16	72.01	65.64	359.50	365.47	354.24	331.10	327.46

Calculations based on previous session. Data collected 09/20/2024
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	397 1/4	399	403	404 1/2	408 3/4
CNAH25	Corn	415	417	421 1/4	423	427 1/2
SSAX24	Soybeans	993 1/4	1003	1011	1021	1028 3/4
SSAF25	Soybeans	1011 1/4	1020 3/4	1028 3/4	1038 1/4	1046 1/4
SMAZ24	Soymeal	310.8	314.8	319.6	323.6	328.4
BOAZ24	Soybean Oil	40.28	40.90	41.20	41.82	42.12
WHAZ24	Wheat	559	563 1/4	569 1/2	573 3/4	580
WHAH25	Wheat	578 3/4	582 1/2	588 1/2	592 1/2	598 1/4
RCAX24	Rice	15.381	15.482	15.526	15.627	15.671
KWAZ24	KC Wheat	554	559 1/2	566 3/4	572	579 1/2
MWAZ24	MINN Wheat	600 3/4	603 3/4	609 1/4	612 1/4	617 3/4
OTAZ24	Oats	359	362 3/4	367 1/2	371 1/4	376

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