



June 21, 2024

| THIS ISSUE | |
|---|------------------|
| Near Term: | |
| Bullish: | Silver Sugar |
| Bearish: | Corn Soybeans |
| Other: | |
| Will a Stalled Monsoon Impact India's Ag Crops? | |

Economic Focus

The global macroeconomic outlook shows signs of modest softening, which has rekindled market hopes for a US rate cut. Therefore, financial markets like equities and treasuries have been, and should remain, in favor. Strength in the US dollar in the face of signs of softening inflation and slowing returns is counterintuitive. Dollar strength, however, is supported by market views that economies outside of the US (particularly Europe) are and will continue to slow faster than the US.

Not surprisingly, a very good start to the North American growing season combined with oversupply leaves the grain markets vulnerable to further declines. However, a recent spurt of extremely hot temperatures could facilitate further short-covering gains if dryness settles in the intermediate weather

forecast. However, a sharp strengthening of the US dollar would likely hold back US grain prices!

While the silver market is certainly overbought from the recent \$2.22 rally and the latest COT net spec and fund long positioning, it is possible that Chinese buyers will become aggressive on noted weakness.

In addition to a significant international discount to mainland Chinese silver pricing, Chinese speculators remain skeptical of the yuan, which is nearly at the weakest level since 2010! Therefore, we see silver as more attractive than gold on noted price dips.

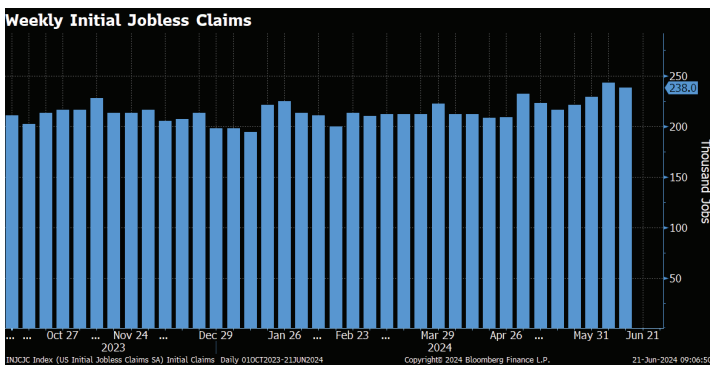
-David Hightower

| MAJOR ECONOMIC EVENTS | |
|---|--|
| June 25 | |
| - Canadian CPI - Chicago Fed National Index - Case-Shiller Home Price Index - Consumer Confidence | |
| June 26 | |
| - New Home Sales | |
| June 27 | |
| - Gross Domestic Product - Durable Goods - Jobless Claims - Goods Trade Balance - Wholesale Inventories - Pending Home Sales - KC Fed Manufacturing Index | |
| June 28 | |
| - Personal Income - Consumer Sentiment | |

OUR OPINION... MARKET BY MARKET

| Market | | * |
|-----------------|--|---|
| Stocks | Rate cut hopes control despite low odds. | L |
| Bonds | US economic numbers are softening. | L |
| Dollar | US the "least soft" major global economy. | L |
| Euro | Euro zone business PMI down sharply in June | S |
| Gold | Minor gains as rate cut hope is offset by a rising \$. | L |
| Silver | Chinese money flowing into silver? | L |
| Copper | Trendline selling resistance @ \$4.53. | S |
| Crude | Tightening products & high refining a sign of demand. | L |
| Gasoline | Solid seasonal demand w/seasonal supplytightening. | L |
| Nat Gas | Surplus to 5 year avg narrowing; solid value @ \$2.65. | L |
| Soybeans | Oversold, but weather is not threatening enough. | S |
| Corn | Chart failure & weather favors the bears. | S |
| Wheat | Market is most oversold in 15 years. | N |
| Hogs | Upside reversal last week; holding on by a thread. | N |
| L Cattle | Trend higher retest of 2024 high is possible. | L |
| Sugar | Slow India monsoon, pullback in Brazil CS output. | L |
| Coffee | Early Brazil harvest showing small bean sizes. | L |
| Cocoa | World stocks down 15% from a year ago. | L |
| Cotton | Dry weather will impact upcoming India crop. | L |

* For traders/commercials who need to be in a market, L = Long, S = Short, N = Neutral
These reflect our opinions for the next 7 days. They may contradict longer term viewpoints expressed elsewhere in this publication.



SILVER BULL MARKET IN WAITING

While the silver market is significantly overbought when considering the combined net spec and fund long in the weekly COT report, it has displayed signs of coming back to life since the end of the first quarter. In fact, weekly silver prices in May reached the highest level since February 2013, and significant Chinese buying of cheaper international silver could be a sign that “investors and traders” are becoming interested in a long-slumbering market. However, in our opinion, traders should monitor the low flow of investment money into ETF and ETP instruments, as a significant jump in holdings could be a sign that the market is poised for a blowoff top!

Silver - COT - Futures & Options
Non-Commercial & Non-Reportable Traders Combined - Net Position



In the near term, we see gold and silver breaking out to the upside again in the coming months with supply tightness, Chinese arbitrage buying, renewed flight to quality buying from US financial/political problems, and signs of an ongoing pattern of new record industrial demand readings. From the supply side of the equation (according

to the Silver Institute), 2023 saw a global silver deficit of 142 million ounces, with the forecast for 2024 pegged at 265 million ounces. If that deficit forecast holds, it would be the second-largest deficit since

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TRADERS TOOLBOX

OVERVALUED/UNDERVALUED

| Fundamental | Technical | COT |
|--------------------|-----------------|-----------------|
| OVERVALUED | | |
| Stocks | ULSD | Coffee |
| Crude Oil | Palladium | Cattle |
| Coffee | RBOB | RBOB |
| UNDERVALUED | | |
| Cocoa | Hogs | Palladium |
| Cattle | Canadian Dollar | Canadian Dollar |
| Bonds | Platinum | KC Wheat |

OPTIONS SCAN

Undervalued

- Buy Aug Hog 89.00/94.00 bull call @ 1.80
- Buy Sept Canadian Dollar 74/69 bear put @ 0.0090
- Buy Aug Bond 123.00 call @ 0-36

Overvalued

- Sell Sept S&P 5,900 call @ 26.00*
- Sell Aug Silver \$26.50 put @ 0.33*
- Sell Aug Copper \$4.70 call @ 0.0750*

Trend Reversals

- Buy Aug Coffee 230.00/210.00 bear put @ 6.00
- Buy Sept Cotton 72.00/76.00 bull call @ 1.40
- Buy Aug Sugar 19.00 call @ 0.45

Only use these strategies during periods of high liquidity.

* When selling options, only risk to double the premium received.

SILVER BULL MARKET IN WAITING

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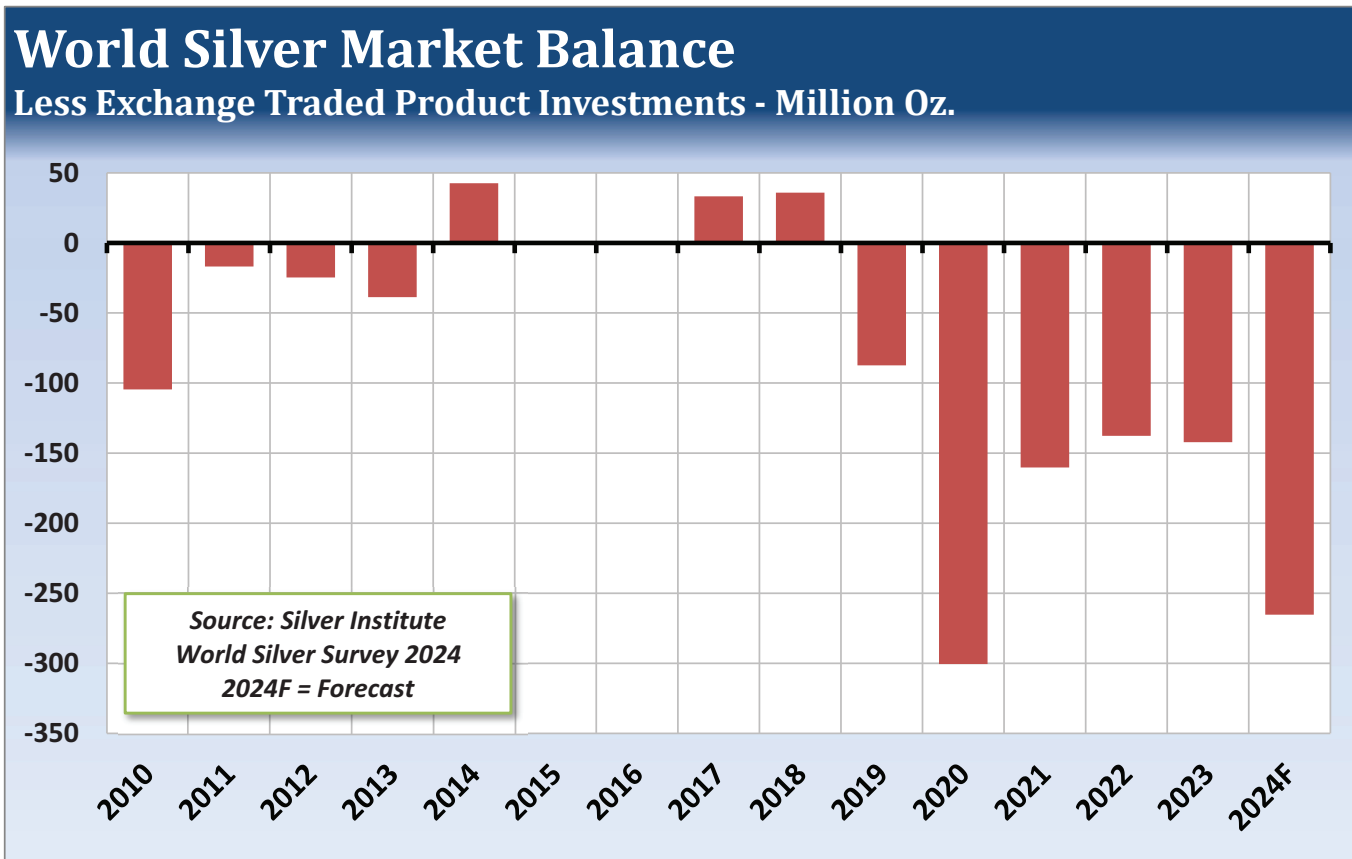
at least 2010. From the demand side of the equation, 2023 global industrial demand leaped 20%, reaching 445 million ounces, and is forecast to reach 485.6 million in 2024. Global industrial demand for silver is primarily from electrical and electronics industries, with Chinese industrial demand surging for applications like photovoltaics. Last year, Chinese industrial demand jumped by 44% in 2023, partially due to solar panel production.

From the investment sector, “The World Silver Institute” predicts that 2024 will present the first net inflow, 50 million ounces, to ETPs since 2021. Furthermore, this year’s forecasted inflow to ETP holdings is 280 million ounces below the 331.1 million ounces in 2020, which means that a return of investors to the magnitude seen during the Covid year could effectively double the projected global supply deficit!

While we are bullish toward silver and expect a multi-decade upside breakout before the end of this year, the market is short-term overbought with the net spec and fund long at the end of May at its highest level since February 2020. Therefore, we suggest buyers embrace a strict policy of not getting long until December silver drops below \$29.00 in light of our long-term interest. In addition to the consolidation value zone created from a three-month oscillation around \$29.00 in September silver, the market respected and recoiled sharply from a .618 retracement of \$29.03 from the May and June rally.

Suggested Trading Strategy

BUY Oct Silver \$35.00/\$37.50 bull call spread at \$0.25 with an objective of \$1.10. Risk the trade to a spread price below \$0.11.

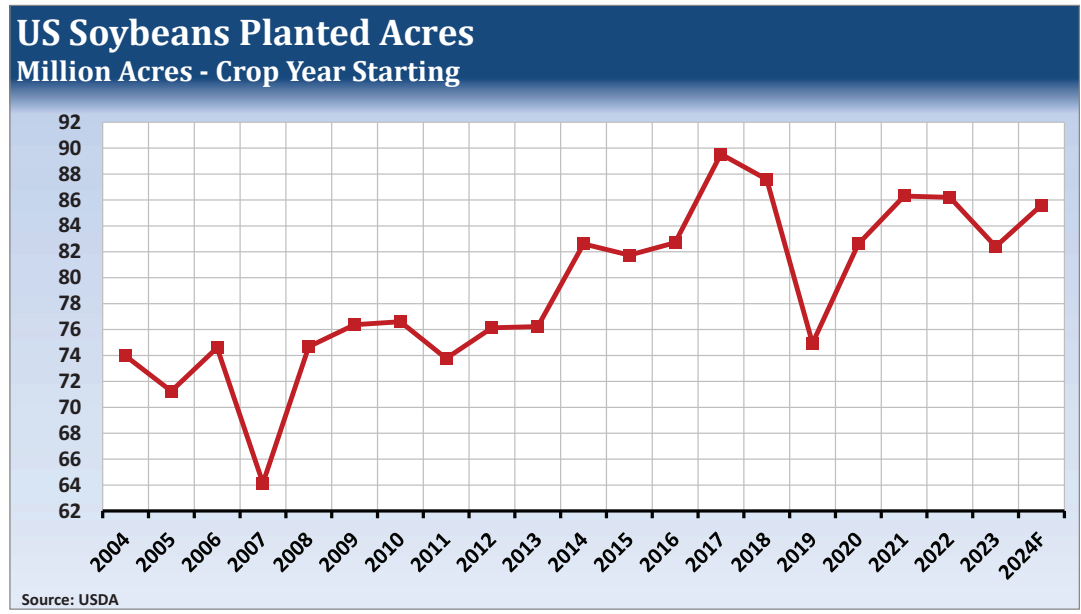


SOYBEAN UPDATE: LONG-TERM TREND WEAKENS FURTHER

The Soybean complex started last week poorly. Despite a mid-week rebound, July futures ended the week at their lowest level in a month, and November futures finished the week at their lowest level since December 2021.

The GFS model is wetter for Illinois and areas east later next week, easing crop stress fears. However, the EU model shows a much drier pattern for the same area. Flooding rains could be seen over the next 5 days in Minnesota and Wisconsin. Surplus soil moisture built up over the spring gives the crops in the eastern belt a better chance of handling short bouts of hot/dry conditions, but early signs of stress are beginning to show. The latest Drought Monitor map showed a rise in abnormal dryness in Indiana and western Illinois. A weather issue must be significant to alter US ending stocks enough to sustain a bullish trend, and we haven't seen that so far this season. However, next week's precipitation forecasts for the east will be critical to keeping condition ratings high. NOAA says La Nina development is expected to be slow and may get established in late summer, reducing the impact on the US growing season.

| USDA SUPPLY/DEMAND US SOYBEANS | | | | | | | |
|-----------------------------------|-------|-------|-------|-------|----------------------|----------------------|----------------------|
| | 18-19 | 19-20 | 20-21 | 21-22 | Jun USDA 22-23 | Jun USDA 23-24 | Jun USDA 24-25 |
| Planted Area (M Acres) | 89.2 | 76.1 | 83.4 | 87.2 | 87.5 | 83.6 | 86.5 |
| Harvested Area (Acres) | 87.6 | 74.9 | 82.6 | 86.3 | 86.2 | 82.4 | 85.6 |
| Yield (Bu/Acre) | 50.6 | 47.4 | 51.0 | 51.7 | 49.6 | 50.6 | 52.0 |
| Beginning Stocks (M Bu) | 438 | 909 | 525 | 257 | 274 | 264 | 350 |
| Production | 4,428 | 3,552 | 4,216 | 4,464 | 4,270 | 4,165 | 4,450 |
| Imports | 14 | 15 | 20 | 16 | 25 | 25 | 15 |
| Supply, Total | 4,880 | 4,476 | 4,761 | 4,737 | 4,569 | 4,454 | 4,815 |
| Crushings | 2,092 | 2,165 | 2,141 | 2,204 | 2,212 | 2,290 | 2,425 |
| Exports | 1,753 | 1,683 | 2,266 | 2,152 | 1,992 | 1,700 | 1,825 |
| Seed | 88 | 97 | 101 | 102 | 75 | 77 | 78 |
| Residual | 39 | 11 | -4 | 5 | 27 | 37 | 32 |
| Use, Total | 3,971 | 3,952 | 4,504 | 4,463 | 4,305 | 4,104 | 4,360 |
| Ending Stocks | 909 | 525 | 257 | 274 | 264 | 350 | 455 |
| Stocks/Use Ratio | 22.9% | 13.3% | 5.7% | 6.1% | 6.1% | 8.5% | 10.4% |



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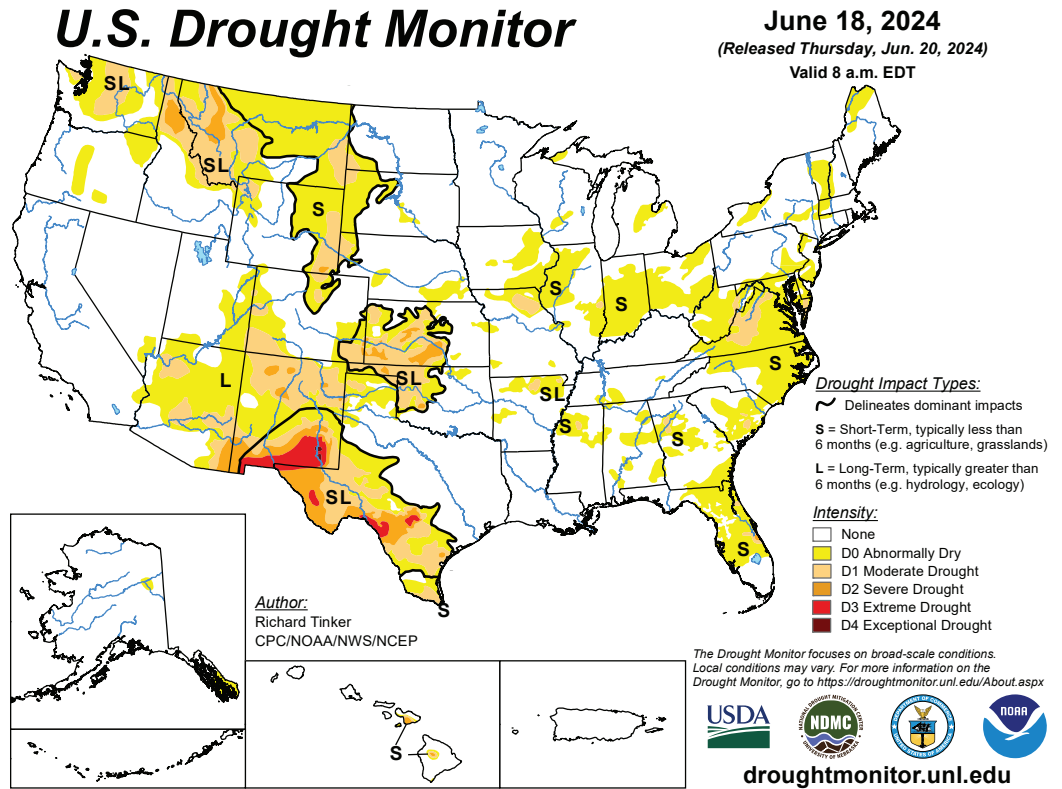
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USDA will release the June Quarterly Grains Stocks and Acreage Friday, June 28th. This report set the tone for early summer market direction and will likely increase market volatility significantly. Pre-report estimates have not yet been released. In years where planting is not delayed significantly, farmers are able to get most if not all corn acres in and final acreage for beans can be reduced slightly, which is very possible this year. With US crush slowing significantly in April, quarterly stocks are unlikely to be a bullish surprise.

Last week's poor weekly close suggests further downside action despite the chance for minor weather rallies as the growing season moves on. However, technical indicators are heavily oversold. We suggest using a rally to position on the short side for a further decline.

Suggested Trading Strategy

SELL 1 November Futures on a bounce to 1138. Risk 13 cents from entry. Take profits if November Futures touch 1097.

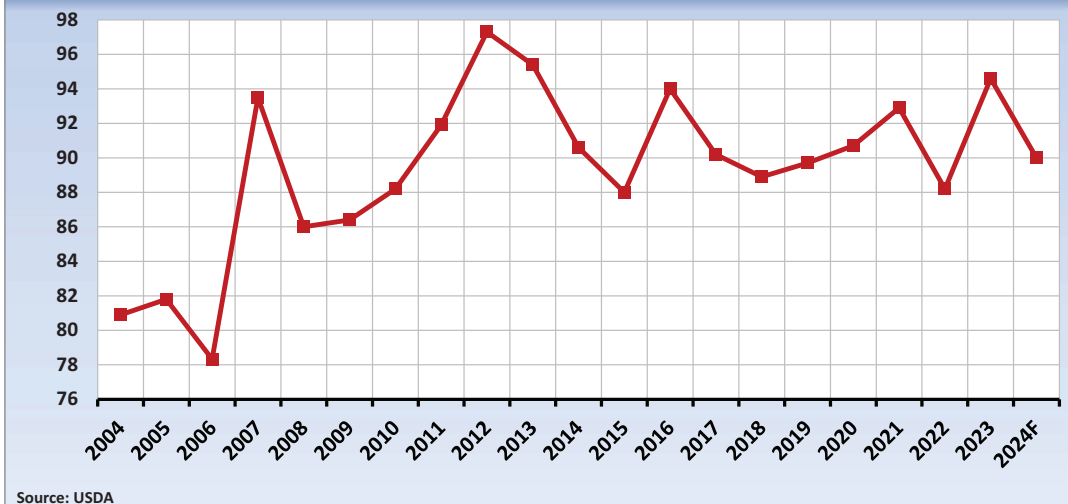


CORN UPDATE: NEW CROP CHART BREAKDOWN BEARISH

Late last week, December corn hit a 3-month low, weakening the technical outlook significantly and pointing to more downside potential. The mixed weather outlook between the wetter northern and western corn belt and the drier eastern and southeast corn belt has kept bullish weather traders on the sidelines. Acute weakness in wheat has also accelerated the selling pressure in corn last week. While the US new crop corn balance sheet is not expected to be nearly as burdensome as beans if the growing season is average, there is currently no incentive for the bulls to position aggressively long at this stage without a significant high-pressure ridge moving into the majority of Midwest. This week's trading action indicates that short bouts of heat and dryness are insufficient to give prices a sustained rally. The incoming President-elect of Mexico announced this week her economic chief will maintain Mexico's stance on the ban of genetically modified corn for human consumption, which may have further disappointed the bulls.

| USDA SUPPLY/DEMAND US CORN | | | | | Jun | Jun | Jun |
|----------------------------------|--------|--------|--------|--------|---------------|---------------|---------------|
| | 18-19 | 19-20 | 20-21 | 21-22 | USDA 22-23 | USDA 23-24 | USDA 24-25 |
| Planted Area (M Acres) | 88.9 | 89.7 | 90.7 | 92.9 | 88.2 | 94.6 | 90.0 |
| Harvested Area (Acres) | 81.2 | 81.0 | 82.2 | 85.0 | 78.7 | 86.5 | 82.1 |
| Yield (Bu/Acre) | 176.4 | 167.5 | 171.4 | 176.7 | 173.4 | 177.3 | 181.0 |
| Beginning Stocks (M Bu) | 2,140 | 2,237 | 2,004 | 1,235 | 1,377 | 1,360 | 2,022 |
| Production | 14,322 | 13,568 | 14,087 | 15,018 | 13,651 | 15,342 | 14,860 |
| Imports | 28 | 42 | 24 | 24 | 39 | 25 | 25 |
| Supply, Total | 16,490 | 15,847 | 16,115 | 16,277 | 15,066 | 16,727 | 16,907 |
| Feed & Residual | 5,392 | 5,778 | 5,667 | 5,671 | 5,486 | 5,700 | 5,750 |
| Food, Seed & Industry | 6,792 | 6,286 | 6,466 | 6,757 | 6,558 | 6,855 | 6,855 |
| Ethanol for Fuel | 5,378 | 4,857 | 5,028 | 5,320 | 5,176 | 5,450 | 5,450 |
| Domestic Total | 12,185 | 12,064 | 12,134 | 12,427 | 12,045 | 12,555 | 12,605 |
| Total Exports | 2,068 | 1,778 | 2,747 | 2,472 | 1,661 | 2,150 | 2,200 |
| Use, Total | 14,253 | 13,843 | 14,881 | 14,900 | 13,706 | 14,705 | 14,805 |
| Ending Stocks | 2,237 | 2,004 | 1,235 | 1,377 | 1,360 | 2,022 | 2,102 |
| Stocks/Use Ratio | 15.7% | 14.5% | 8.3% | 9.2% | 9.9% | 13.8% | 14.2% |

US Corn Planted Acres
Million Acres - Crop Year Starting



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CORN UPDATE: NEW CROP CHART BREAKDOWN BEARISH

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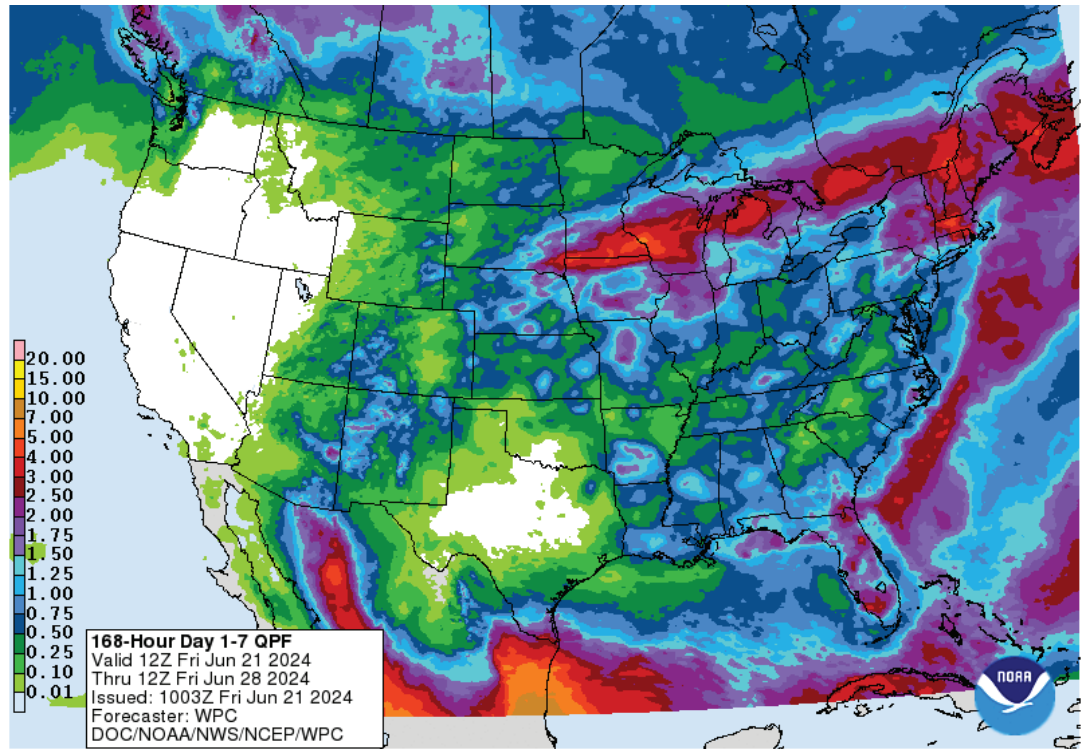
June Quarterly Stocks and Acreage Friday has potential to show slightly higher corn acreage than the 90 million in the June Supply and Demand report last week, since planting was finished on time. Quarterly stocks are more of a wildcard as exports and ethanol have been fairly strong, which could pull stocks down slightly more than expected but our confidence in the stocks number is low. If corn prices continue to sink into the report with a heavy bearish lean, we would expect even a neutral report may encourage a short covering bounce.

The breakdown on the December chart last week to new 2-1/2-month lows is a bearish technical development.

It leaves the February low at 446 as the last significant support going back more than two years. December prices have been in a long downtrend since the peak in April 2022. Unless USDA comes up with a major bullish surprise in next week's stocks and acreage report, prices look to grind lower until weather threats re-emerge.

Suggested Trading Strategy

Bear Put Spread: **BUY** 1 August Short-Dated Corn 455 put and **SELL** 1 August Short-Dated Corn 425 put for a cost of 12 cents or better. Risk 9 cents on the entire position and take profits if December futures touch 428.



TOP 12 LARGEST CATTLE HERDS

The largest demand source for corn continues to be animal feed, so the largest feed consumers tend to have the largest number of livestock and poultry.

Courtesy of the USDA, these are the world's 12 largest feed consumers of corn (in tonnes):

| | |
|----------------|-------------|
| China | 231,000,000 |
| USA | 146,057,000 |
| Brazil | 64,000,000 |
| European Union | 58,300,000 |
| Mexico | 28,200,000 |
| India | 23,300,000 |
| Vietnam | 13,300,000 |
| Egypt | 13,100,000 |
| Japan | 12,200,000 |
| Argentina | 10,300,000 |
| Canada | 10,000,000 |
| Iran | 10,000,000 |

SUGAR SETTING UP FOR AN UPSIDE MOVE?

Sugar prices have seen wide-sweeping coiling action over the past few weeks, but they continue to hold their ground well above the 14-month lows seen at the end of May. Last season's Brazil Center-South sugar production reached a record high of 42.42 million tonnes, a 25% increase from the 2022/23 season's 33.75 million tonnes. Brazil's Center-South cane crush last season was 654.43 million tonnes, a 19% increase from the 2022/23 total.

There was a strong start to Brazil's 2024/25 Center-South season as April's cane crush came in at 50.61 million tonnes (43% above last year). With sugar's share of crushing at 47% (5% above last year), April's Center-South sugar production of 2.56 million tonnes was 65% larger than last year's total. A slumping Brazilian currency further incentivized Center-South mills to produce sugar for export, which raises the possibility that Brazil's 2024/25 exports could reach a record high.

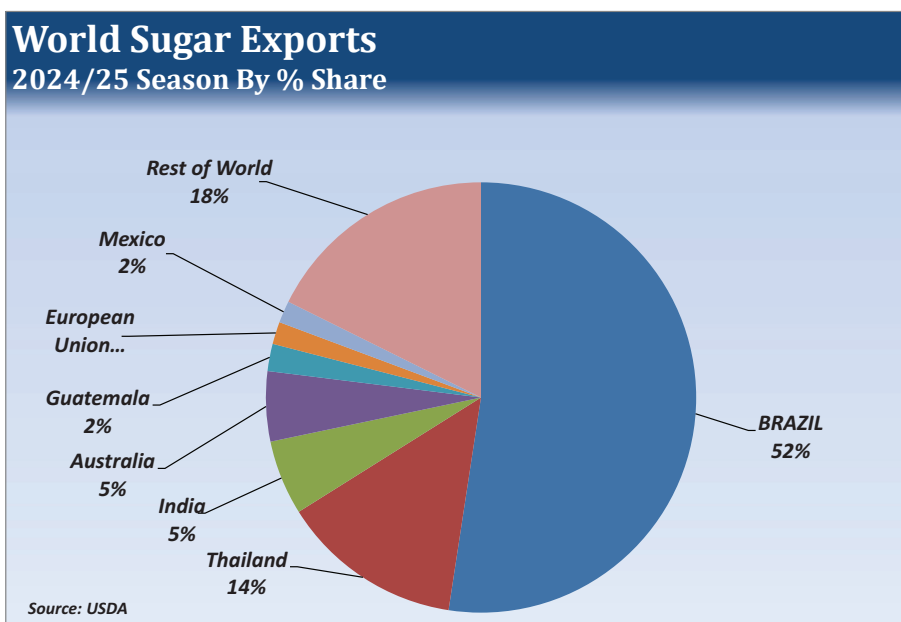
There was a notable downshift in Center-South output during May as 2023/24 cane crush (140.72 million tonnes) and sugar production (7.84 million tonnes) finished the month 11% ahead of last season's pace. Sugar's share of 2024/25 April/May crushing was 47.9%, only 1.2% above last season's pace. In addition, energy prices have risen sharply over the past few weeks, which could encourage Center-South mills to shift more of their crushing towards ethanol production.

India continues to have a sugar export ban, while Thailand will not see large exports of its 2024/25 production until the end of this year. The USDA

has projected Brazil to have 34.5 million tonnes during the 2024/25 season, which would account for more than half of the world's sugar exports. As a result, a pullback in Brazilian production could set up sugar prices for a sharp upside move going into the third quarter.

Suggested Trading Strategies

- 1) **BUY** October Sugar at 18.75 with an objective of 21.90. Risk the trade to 17.95.
- 2) **BUY** an October Sugar 19.50/22.00 bull call spread at 0.40 with an objective of 2.10. Risk the entire spread premium on the strategy.



Long Term Trades

UPDATES TO PRIOR LONGER-TERM TRADE STRATEGIES

| Original Trade Date | Trade | Action |
|---------------------|---|--|
| Natural Gas 5/24/24 | Long an August Natural Gas \$2.90/\$3.40 bull call spread at 0.141. | Use an objective of 0.329 and risk the trade to 0.070. |

Trade recommendations are only suggestions. This is not to be construed as a trading system or tracking account. No representation is being made that any account will or is likely to achieve profits or losses to those shown. By reading or following this report, you acknowledge and accept that all trading decisions are your own sole responsibility, and The Hightower Report or anybody associated with The Hightower Report cannot be held responsible for any losses that are incurred as a result. Trade fills are hypothetical. Traders may not be able to enter or exit the trades exactly at the prices indicated due to liquidity or market slippage.

WILL A STALLED MONSOON IMPACT INDIA'S AG CROPS?

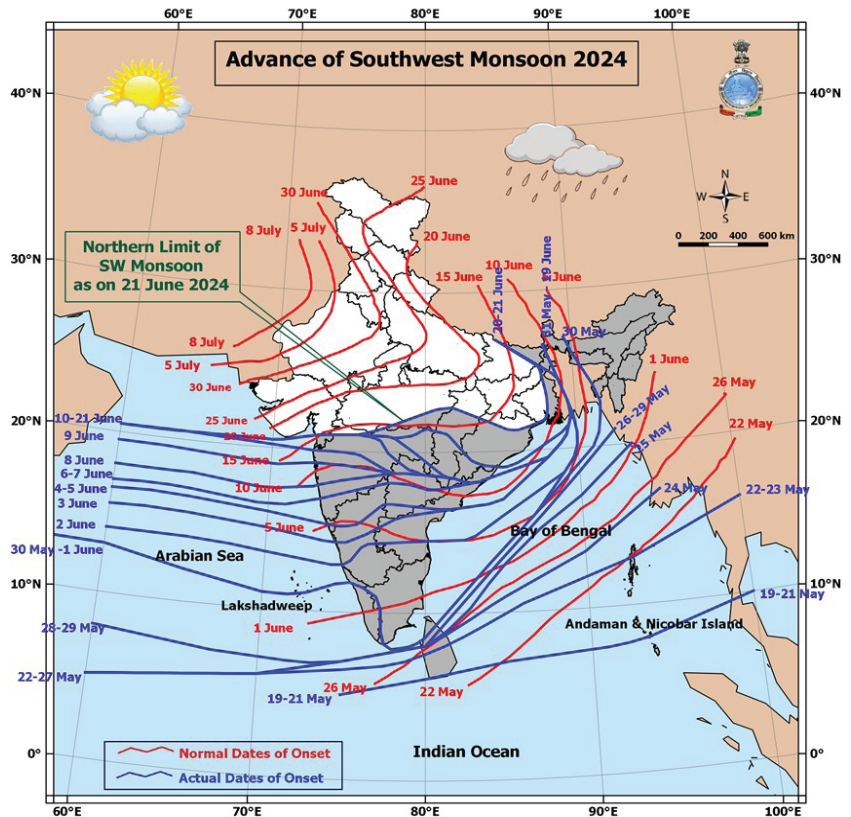
India's monsoon season typically provides 70% of the rainfall needed for farming and refilling their reservoirs. This year's monsoon arrived over India's mainland on May 30, two days earlier than normal, strengthening the chances for the 2024 monsoon to provide above-average rainfall. As a result, the India Meteorological Department maintained their forecast for 2024 monsoon rainfall at 106% of the 50-year long-period average (LPA).

Despite the promising start, this year's monsoon encountered a significant hurdle. It stalled for nine days, making little to no progress moving northward. This led to a notable drop in rainfall, which, as of June 21, was 17% below the long-period average. The impact was not uniform across the country, with South Peninsula experiencing rainfall 10% above the long-period average, while Central India was 28% below and Northwest India a staggering 61% below the long-period average.

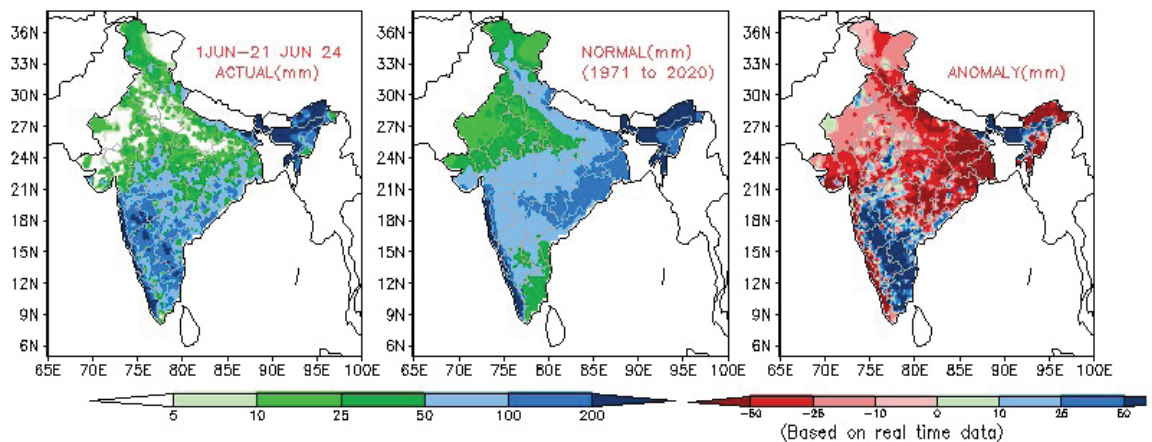
There has been some forward movement in the monsoon late this week, and updated forecasts show the monsoon will reach areas of northern India by late next week. Keep in mind that those areas have been among the hardest hit by India's heatwave during the second quarter, with their capital, Delhi, seeing daily high temperatures at or above 40 degrees Celsius (104 degrees Fahrenheit) for 39 days in a row, the longest streak of extremely high temperatures in at least 74 years, according to India Meteorological Department data, which started in 1951.

India is the world's second largest producer of wheat with most of their growing areas in the Central and Northwest regions. However, wheat is one of India's "Rabi" crops sown after the completion of the monsoon season. This post-monsoon planting should help to mitigate the negative impact of this year's high temperatures and slow-moving monsoon. The USDA's latest forecast pegs India's 2024/25 wheat production at 114 million tonnes, which compares to 110.5 million during the 2023/24 season.

This year's weather developments may have more of an impact on India's "Kharif" crops, which have growth cycles closely aligned with the monsoon season. These include sugar cane, which has a large portion of production grown in Uttar Pradesh (Northwest India), and cotton, which sees a large amount of growth in Gujarat (Central India). If 2024 monsoon rainfall forecasts are dialed back, those markets will likely see the strongest price reaction.



SEASONAL RAINFALL AND ITS ANOMALY TILL DATE
CLIMATE MONITORING AND PREDICTION GROUP





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COMMITMENTS OF TRADERS

Data As of June 11, 2024
Non-Commercial & Non-Reportable
Combined Futures & Options

| Market | Net Position | Net Change | 4-Wk Net Change | 52-Wk Ranking |
|---------------|----------------------|----------------------------|-----------------|---------------|
| Grains | | | | |
| CBOT Grains | -320,635 | -5,698 | -135,706 | 17 |
| Corn | -180,056 | 13,449 | -82,696 | 22 |
| KC Wheat | -20,100 | -5,223 | -3,707 | 31 |
| Minn Wheat | 1,475 | -6,194 | -1,773 | 41 |
| Rice | 1,723 | -623 | -2,231 | 4 |
| Soybeans | -102,555 | -10,611 | -43,728 | 17 |
| Soyoil | -53,858 | -14,595 | -20,473 | 3 |
| Soymeal | 113,152 | -6,526 | -12,041 | 36 |
| Wheat | -38,024 | -8,536 | -9,282 | 44 |
| Livestock | | | | |
| Cattle | 61,800 | -1,109 | 4,767 | 23 |
| Feeder Cattle | -5,444 | -182 | -356 | 8 |
| Hogs | 20,352 | -10,065 | -29,863 | 21 |
| Metals | | | | |
| Copper | 70,328 | -1,026 | -7,539 | 49 |
| Gold | 263,994 | -9,571 | -23,214 | 49 |
| Platinum | 23,484 | -6,597 | -11,735 | 41 |
| Silver | 74,243 | -3,272 | -4,917 | 47 |
| Softs | | | | |
| Cocoa | 30,604 | 3,683 | 8,928 | 11 |
| Coffee | 69,242 | -2,163 | 5,325 | 47 |
| Cotton | -15,435 | -9,784 | -13,928 | 1 |
| Lumber | #N/A | #N/A | #N/A | #N/A |
| Milk | -1,565 | 1,346 | 1,981 | 52 |
| OJ | 5,532 | -831 | -737 | 48 |
| Sugar | -19,275 | 14,196 | 11,987 | 4 |
| Currencies | | | | |
| Canadian | -139,559 | -38,584 | -46,382 | 1 |
| Dollar | 6,657 | 483 | 2,584 | 33 |
| Euro | 70,036 | -28,094 | 1,234 | 10 |
| Energies | | | | |
| Crude Oil | 276,834 | 4,441 | -5,128 | 24 |
| Gas (RBOB) | 45,620 | -4,686 | -11,976 | 4 |
| Heating Oil | 18,301 | 932 | -6,635 | 4 |
| Natural Gas | -91,110 | -5,018 | -14,705 | 15 |
| Financials | | | | |
| Bonds | 35,593 | -4,552 | -36,126 | 47 |
| E-Mini S&P | -2,308 | -26,701 | -60,558 | 41 |
| Dow Jones \$5 | 4,574 | -5,747 | -18,099 | 27 |
| T-Notes | -274,109 | 114,210 | 109,522 | 52 |
| | Extreme | Ranking 1 = Shortest Short | | |
| | 5% of Extreme | 52 = Longest Long | | |