



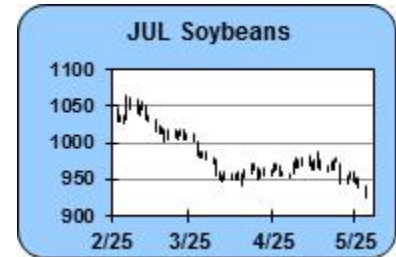
DAILY GRAINS COMMENTARY Tuesday May 30, 2017

DAILY SOY COMPLEX COMMENTARY 05/30/17

Funds still active sellers; need weather threat or more down

**OVERNIGHT CHANGES THROUGH 6:05 AM (CT):
SOY BEANS -1.6, BEAN OIL -0.1, SOYMEAL +0.5**

OVERNIGHT DEVELOPMENTS: July soybeans are trading down 2 cents this morning and pushed down to the lowest level since March 31st, 2016. China futures were closed overnight and palm oil futures are down 0.5% and down to the lowest level since April 25th. Global equity markets overnight were mixed even within geographical areas. Overnight the market was presented with Eurozone Consumer Confidence readings that weren't as bad as feared while May Eurozone Industrial Confidence improved. The markets also saw French April Consumer Spending come in weaker than expected but that was offset by news that French Consumer confidence reached the highest level in 10 years. The North American session will begin with an April look at personal income and personal spending, both of which are expected to see modest upticks from their March readings. The March Case-Shiller home price index is forecast to see a modest downtick from February's +5.9% year-over-year rate. A May reading for the Conference Board's consumer confidence survey is expected to show a moderate decline from the previous 120.3 reading. The Dallas Fed's May manufacturing business index is forecast to have a modest decline from April's 16.8 reading. The Brazil currency is near unchanged and there is weakness in metals and energy markets this morning.



NEAR-TERM MARKET FUNDAMENTALS: The market remains in a steep downtrend as talk of a strong start to the US crop, uncertainty for the Brazil currency and very weak crush margins in China help to pressure. July soybeans fell to the lowest level since March 31st of last year on Friday and closed down 26 1/2 cents on the week. Less concerns for too much rain helped to spark the selling overnight. Traders see soybean plantings near 65% complete from 71% on average. Pressure continues to be seen from poor crush margins in China (the lowest in nine months), while soybean meal stocks are building to levels not seen since 2012. Momentum traders have most likely added to already large short positions after the market broke below old support at 940 1/4. The open interest in soybeans went up 9,899 contracts on Thursday with new shorts entering the market. The bear camp is pointing to the fact that outstanding new crop soybean sales of 2.88 million tonnes is the lowest for this date since 2008. Brazilian sales should pick up as they move their record high production onto the cash market and selling could intensify if the Brazil currency falls again.

The Commitments of Traders reports as of May 23rd showed Non-Commercial traders were net short 50,511 contracts, an increase of 28,670 contracts in just one week and the selling trend is a short-term bearish force. Non-Commercial and Nonreportable combined traders held a net short position of 113,171 contracts, up 25,276 contracts in just one week. For Soybean Meal, Non-Commercial traders were net short 11,642 contracts, an increase of 21,312 contracts for the week which represents a change from a net long to net short position. Non-Commercial and Nonreportable combined traders held a net short position of 7,682 contracts. These traders have gone from a net long to a net short position. Commodity Index traders held a net long position of 75,509 contracts, down 3,961 contracts for the week. For Soybean Oil, Non-Commercial traders were net long 3,157 contracts, a decrease of 1,283 contracts for the week. Non-Commercial and Nonreportable combined traders held a net long position of 5,034 contracts, down 5,027 contracts for the week. Commodity Index traders held a net long position of 85,575 contracts, up 1,615.

TODAY'S MARKET IDEAS:

The market remains in a steep downtrend and it may take a significant weather threat in the US or a dramatic rally in the Brazil currency to form a short-term low. The next downside targets for July soybeans are at 923 and 919

with resistance at 939 1/2.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

* 1) Took a 46 cent gain on short July soybean position from 974. 2) Long 1 Nov soybean 900 put and short 2 Sept corn 350 puts for a cost of 4 1/2 cents. Hold for now and risk 9 cents from entry. 3) Short the July/Nov soybean spread at +5 1/2 cents with an objective of -14 cents. Risk to close over +6 1/2.

Commitment of Traders - Futures and Options - 5/16/2017 - 5/23/2017						
	Non-Commercial			Commercial		Non-Reportable
	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change
Grains						
Soybeans	-50,511	-28,670	113,170	+25,275	-62,660	+3,394
Soymeal	-11,642	-21,312	7,681	+26,344	3,960	-5,033
Soyoil	3,157	-1,283	-5,035	+5,026	1,877	-3,744

SOYBEAN COMPLEX TECHNICAL OUTLOOK:

Note: Technical commentary is based solely on statistical indicators and does not necessarily correspond to any fundamental analysis that may appear elsewhere in this report.

SOYBEANS (JUL) 05/30/2017: The market was pushed to a new contract low. Momentum studies are still bearish but are now at oversold levels and will tend to support reversal action if it occurs. The market's short-term trend is negative as the close remains below the 9-day moving average. There could be some early pressure today given the market's negative setup with the close below the 2nd swing support. The next downside objective is now at 914 1/4. The 9-day RSI under 30 indicates the market is approaching oversold levels. The next area of resistance is around 934 1/4 and 945 1/2, while 1st support hits today at 918 3/4 and below there at 914 1/4.

SOYBEAN OIL (JUL) 05/30/2017: A negative indicator was given with the downside crossover of the 9 and 18 bar moving average. Momentum studies are still bearish but are now at oversold levels and will tend to support reversal action if it occurs. The close below the 9-day moving average is a negative short-term indicator for trend. The close below the 2nd swing support number puts the market on the defensive. The next downside target is now at 31.14. The next area of resistance is around 31.89 and 32.30, while 1st support hits today at 31.31 and below there at 31.14.

SOYMEAL (JUL) 05/30/2017: Daily stochastics are trending lower but have declined into oversold territory. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The defensive setup, with the close under the 2nd swing support, could cause some early weakness. The next downside target is 298.7. The 9-day RSI under 30 indicates the market is approaching oversold levels. The next area of resistance is around 303.7 and 306.3, while 1st support hits today at 299.9 and below there at 298.7.

DAILY CORN COMMENTARY

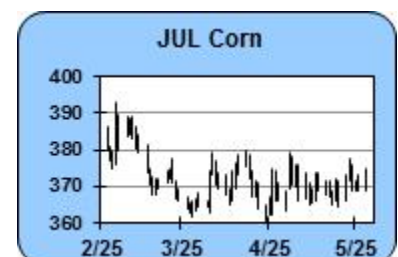
05/30/17

Better crop weather than expected could spark selling

OVERNIGHT CHANGES THROUGH 6:05 AM (CT):

CORN -3.2

OVERNIGHT DEVELOPMENTS: July corn is trading 3 cents lower this morning. Outside market forces look slightly negative with weakness in energy



and metal markets. China futures were closed.

NEAR-TERM MARKET FUNDAMENTALS: The weekend rains were much less than expected and this hit corn more than the other grains. After recent hefty rain totals, several more days of dry weather should help the crop get off to a good start in most areas. Parts of southern Illinois and Indiana have had too much rain and concerns could pick up later this week as 1.5 to 4.3 inches of rain are in the 7-day forecast model for the southern and Eastern Midwest areas. July corn traded higher Friday and managed to gain 1 3/4 cents for the week. Strength was seen from short covering into the three day weekend with problematic rains in the forecast. Replanting still looks to be significant but perhaps much less if producers can be active early this week.

Traders expect the initial crop conditions report for this afternoon to show near 68% good to excellent with anything below that level viewed as supportive. Last year was 72% good to excellent. China sold 3.4 million tonnes of corn on Thursday at auction and 2.1 million tonnes on Friday as local auctions have seen good results. The Commitments of Traders reports as of May 23rd showed Non-Commercial traders were net short 111,154 contracts, a decrease of 20,672 contracts for the week. The Nonreportable traders were net long a record high 32,462 contracts, an increase of 5,803 contracts in just one week. Non-Commercial and Nonreportable combined traders held a net short position of 78,692 contracts, a decrease of 26,475 contracts for the week in the net short position held by these traders.

TODAY'S MARKET IDEAS:

The weather is less threatening with the drier than expected weekend and several days ahead of clear weather to advance plantings. There is still a cooler and wetter pattern for another week or more for the Eastern Corn Belt but many traders show above normal temperatures emerging in the second week of June. The point is that the crop looks to get off to a much better start than expected. December corn key support levels emerge at 386 1/2 and then 381 1/4. Resistance is at 391 and 394.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

* 1) Long December Corn from 385 with an objective of 413 1/2. * Risk to 386 1/2. 2) Long September Corn 420 call from 11 cents with an objective of 29 cents. Risk to 5 cents.

Commitment of Traders - Futures and Options - 5/16/2017 - 5/23/2017						
Grains	Non-Commercial		Net Position	Commercial		Non-Reportable
	Net Position	Weekly Net Change		Weekly Net Change	Net Position	
Corn	-111,154	+20,672	78,693	-26,475	32,462	+5,803

CORN TECHNICAL OUTLOOK:

Note: Technical commentary is based solely on statistical indicators and does not necessarily correspond to any fundamental analysis that may appear elsewhere in this report.

CORN (JUL) 05/30/2017: The market now above the 60-day moving average suggests the longer-term trend has turned up. A positive indicator was given with the upside crossover of the 9 and 18 bar moving average. The daily stochastics have crossed over up which is a bullish indication. Momentum studies are trending higher from mid-range, which should support a move higher if resistance levels are penetrated. The cross over and close above the 18-day moving average is an indication the intermediate-term trend has turned positive. With the close over the 1st swing resistance number, the market is in a moderately positive position. The near-term upside objective is at 379. The next area of resistance is around 377 1/4 and 379, while 1st support hits today at 371 1/4 and below there at 367.

DAILY WHEAT COMMENTARY

05/30/17

Drier weather welcome in the Plains

OVERNIGHT CHANGES THROUGH 6:05 AM (CT):
WHEAT -3.4

OVERNIGHT DEVELOPMENTS: July wheat is trading 3 1/4 cents lower this morning and KC wheat is down 4 cents. Outside market forces are weaker. MATIF September futures are down 0.43%.



NEAR-TERM MARKET FUNDAMENTALS: The wheat market has backed off from overnight highs as improving weather over the next ten days has pressured prices. The overnight volume has been light. July wheat traded higher on Friday and was up 3 cents on the week. Short covering prior to the three day weekend was seen as wet weather concerns were seen supporting the market. The open interest in Chicago wheat went down 483 contracts on Friday and KC wheat open interest went up 3,450 contracts on Friday. There also are some concerns of the lack of moisture in the spring wheat areas. North Dakota, South Dakota and northern Minnesota are all well below average precipitation levels but there is rain in the 7-day models.

The managed money traders reduced their net short position by 8,174 contracts to 113,211 contracts as of May 23rd. French soft wheat crop ratings went up 1% to 76% good to excellent as of May 22nd according to FranceAgriMer. This compares to 83% good/excellent last year with 63% of the crop in heading stage versus 53% last year. Russian wheat exports were seen up 8% versus last year at 25.24 million tonnes for the 2016-17 crop year that ends in June according to the Russian Ag Minister. Russian wheat exports prices climbed for the second consecutive week as the ruble has strengthened and cold weather has slowed crop growth. Black Sea offers rose 0.5% last week to \$186 per tonne as of Friday.

The Commitments of Traders reports as of May 23rd for Wheat showed Non-Commercial traders were net short 90,978 contracts, a decrease of 11,973 contracts for the week. Non-Commercial and Nonreportable combined traders held a net short position of 81,182 contracts, down 13,221 contracts for the week. For Kansas City Wheat, Non-Commercial traders were net long 11,464 contracts, a decrease of 1,871 contracts. Non-Commercial and Nonreportable combined traders held a net long position of 13,864 contracts, down 801 contracts for the week.

TODAY'S MARKET IDEAS:

July wheat is weaker this morning but volume has been light. The managed money traders still hold a sizeable short position with harvest starting in the coming weeks. Traders will watch spring wheat prices for direction as it has been too dry in the Dakotas and northern Minnesota. Support in July wheat is at 427 1/2 followed by 420 1/4.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

Long September Wheat 470 call and short Sept Wheat 420 put for a net cost of 4 cents. Use an objective of 31 cents on the spread, and risk 8 cents from entry.

Commitment of Traders - Futures and Options - 5/16/2017 - 5/23/2017							
	Non-Commercial		Net Position	Commercial		Non-Reportable	
	Net Position	Weekly Net Change		Weekly Net Change	Net Position	Weekly Net Change	
Grains							
KC Wheat	11,464	-1,871	-13,865	+800	2,400	+1,070	
Wheat	-90,978	+11,973	81,182	-13,222	9,796	+1,248	

WHEAT TECHNICAL OUTLOOK:

Note: Technical commentary is based solely on statistical indicators and does not necessarily correspond to any fundamental analysis that may appear elsewhere in this report.

WHEAT (JUL) 05/30/2017: The cross over and close above the 40-day moving average indicates the longer-term trend has turned up. Momentum studies are rising from mid-range, which could accelerate a move higher if resistance levels are penetrated. The cross over and close above the 18-day moving average is an indication the intermediate-term trend has turned positive. The outside day up is somewhat positive. The market's close above the 2nd swing resistance number is a bullish indication. The next upside target is 445 3/4. The next area of resistance is around 443 and 445 3/4, while 1st support hits today at 433 1/2 and below there at 426 1/2.

KC WHEAT (JUL) 05/30/2017: The major trend could be turning up with the close back above the 40-day moving average. Positive momentum studies in the neutral zone will tend to reinforce higher price action. The cross over and close above the 18-day moving average is an indication the intermediate-term trend has turned positive. The daily closing price reversal up is a positive indicator that could support higher prices. With the close over the 1st swing resistance number, the market is in a moderately positive position. The next upside target is 445. The next area of resistance is around 442 and 445, while 1st support hits today at 433 and below there at 427.

MINN WHEAT (JUL) 05/30/2017: 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. There could be more upside follow through since the market closed above the 2nd swing resistance. The near-term upside objective is at 576. The 9-day RSI over 70 indicates the market is approaching overbought levels. The next area of resistance is around 573 1/4 and 576, while 1st support hits today at 564 1/4 and below there at 558 1/4.

RICE (JUL) 05/30/2017: Studies are showing positive momentum but are now in overbought territory, so some caution is warranted. A positive signal for trend short-term was given on a close over the 9-bar moving average. The upside daily closing price reversal gives the market a bullish tilt. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The next upside target is 11.093. The next area of resistance is around 11.047 and 11.093, while 1st support hits today at 10.903 and below there at 10.804.

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										
CNAN7	374 1/4	55.98	53.80	49.82	55.72	371.06	370.78	370.18	369.83	370.89
CNAZ7	392 1/2	56.75	54.60	53.63	60.43	389.38	388.78	388.13	387.27	387.51
SSAN7	926 1/2	26.49	31.45	18.40	8.77	940.63	952.08	960.82	961.92	976.14
SSAX7	929 1/4	26.44	31.48	20.93	10.49	941.25	950.36	957.47	958.22	969.20
SMAN7	301.8	26.42	32.14	6.36	3.14	304.80	308.20	312.14	314.28	318.64
BOAN7	31.60	32.89	38.97	33.28	15.48	32.07	32.54	32.63	32.23	32.50
WHAN7	438 1/4	57.78	53.63	37.50	48.98	432.75	430.83	433.11	435.31	439.78
WHAU7	451 1/4	57.46	53.14	36.17	47.19	446.38	444.47	447.15	449.37	454.06
RCAN7	10.975	65.23	64.32	89.79	89.83	10.97	10.91	10.54	10.27	10.20
KWAN7	437 1/2	53.25	50.73	31.17	38.82	433.00	431.44	437.31	435.78	442.86
MWAN7	568 3/4	70.11	64.35	65.81	82.13	561.56	554.08	550.85	545.26	545.73
OTAN7	244 1/4	58.66	57.66	58.74	62.69	241.50	239.53	241.26	230.12	232.65

Calculations based on previous session. Data collected 05/26/2017

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						
CNAN7	Corn	367	371 1/4	373	377 1/4	379
CNAZ7	Corn	385	389 1/2	391 1/4	395 1/2	397 1/2
SSAN7	Soybeans	914	918 1/2	929 3/4	934 1/2	945 1/2
SSAX7	Soybeans	919	923	931 3/4	935 1/2	944 1/2
SMAN7	Soymeal	298.7	299.9	302.5	303.7	306.3

BOAN7	Soybean Oil	31.14	31.31	31.72	31.89	32.30
WHAN7	Wheat	426 1/2	433 1/2	436 1/4	443	446
WHAU7	Wheat	439 1/2	446 1/2	449 1/4	456	459
RCAN7	Rice	10.803	10.902	10.948	11.047	11.093
KWAN7	KC Wheat	427	433	436	442	445
MWAN7	MINN Wheat	558	564 1/4	567	573 1/4	576
OTAN7	Oats	240	242 1/2	243 3/4	246	247 1/2

Calculations based on previous session. Data collected 05/26/2017

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