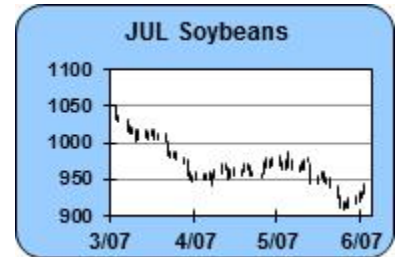




DAILY SOY COMPLEX COMMENTARY
06/09/17

USDA update today but focus on June 15th to 20th weather

OVERNIGHT CHANGES THROUGH 6:05 AM (CT):
SOY BEANS -1.4, BEAN OIL -0.1, SOYMEAL +0.4



OVERNIGHT DEVELOPMENTS: July soybeans are trading 1 cent lower this morning. China futures were up 2.4% and palm oil futures were up 0.5%. Global equity markets were mostly higher overnight with the exception the Hang Seng as the markets weren't undermined by the surprise failure to get a "government" in the UK. Overnight May Chinese CPI saw as expected uptick from April's 1.2% year-over-year rate, while the May Chinese PPI saw a moderate downtick from April's 6.4% year-over-year rate. The European session started out with the April German trade balance that showed a slight contraction. April UK industrial production saw slight gains with April UK manufacturing production also managing a slight uptick. The North American session will start out with May Canadian employment figures, with their unemployment rate expected to uptick from April's 6.5% reading while there is a moderate increase in their net employment. April US wholesale inventories are forecast to uptick from March's -0.3% reading and climb into positive territory.

NEAR-TERM MARKET FUNDAMENTALS: The results of the USDA supply/demand report might have some impact on prices today but the data takes a back seat to the weather. After two weeks of mostly dry weather, the crop will need to endure at least 5-6 days of very hot weather. The crop outlook will still be OK as long as the Midwest receives good rains for the June 15th to 20th time frame. The American weather model shows the rain and the European model does not and neither model shows rains for the plains. November soybeans are up for the fifth consecutive day, the first time since late November. The open interest went down 7,181 contracts yesterday with short covering likely. Most of the attention has been on the spring wheat conditions in the Dakotas, Montana and Minnesota as well as the heat developing this weekend in Iowa which could affect corn development. The latest Drought Monitor showed the lack of precipitation combined with record temperatures and high winds have expanded the severe drought rating to most of North Dakota and the northern half of South Dakota.

With the advancement in soybean seed technology, the northern Plains farmer has significantly increased their soybean plantings over the last few years. North and South Dakota combined to produce 11% of the soybean production last year. In fact, the number #1 county for soybean production is Cass County in North Dakota with 21.6 million bushels produced last year. North Dakota's soybean yield last year was 41.5 bushels per acre versus the five year average of 34.7, South Dakota's soybean yield was 49.5 bushels per acre versus the five year average of 42.3. When areas start to develop serious drought conditions, they often expand and linger. North and South Dakota produced 474 million bushels of soybeans last year and conditions are starting out poorly.

Soybean meal demand in China has rebounded and should remain healthy as hog breeding is recovering, although imports could slow into the third quarter as soymeal inventories have risen to 1.13 million tonnes, up 410,000 tonnes since late April. Brazil's Conab raised their soybean production estimate to 113.9 million tonnes from 113.0 million tonnes. This compares to the USDA May estimate of 111.60 million. Yield is expected to jump 17.1% above last year's yield. The Buenos Aires Grains Exchange left their soybean production unchanged at 57.5 million tonnes and also estimated harvest at 90.6% complete. Weekly export sales came in at 159,100 tonnes for the current marketing year and 221,800 for the next marketing year for a total of 380,900 tonnes. As of June 1st, cumulative soybean sales stand at 105.0% of the USDA forecast versus a 5 year average of 98.6%. Meal sales came in at 84,900 tonnes for the current marketing year and 14,800 for the next marketing year for a total of 99,700 tonnes. Net oil sales came in at 17,600 tonnes. Cumulative soybean oil sales stand at 89.1% of the

USDA forecast versus a 5 year average of 81.7%.

For the USDA supply/demand report today, traders see 16-17 US ending stocks at 433 million bushels (range of 400-458 million) compared to 435 million bushels in May. The 2017-18 US ending stocks are estimated at 485 million bushels (range of 435-612 million) compared with 480 million bushels last month. World ending stocks for the 2017/18 season are expected at 89.5 million tonnes (range 83.7-92) as compared with 88.8 million tonnes last month.

TODAY'S MARKET IDEAS:

With all the bearish news of late, the market has pushed its way back on the coattails of wheat and corn and if the USDA does not give the bear camp something in today's report, more short covering above the 50 day (952 1/4) for November soybeans is likely. If the market breaks from a bearishly-read "algo" flush from the report, traders could look to buy the November 1000/1100 call spread at 11 cents and consider selling out of the money puts. Close-in support for November soybeans is seen at 937 1/4 and 933 1/4 with 955 and 961 as next resistance.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

Exited Nov soybean 900 put at 29 cents and now net short 2 Sept corn 350 puts for a net premium received of 24 1/2 cents. Hold short puts for now.

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) 06/09/2017: Momentum studies are rising from mid-range, which could accelerate a move higher if resistance levels are penetrated. A positive signal for trend short-term was given on a close over the 9-bar moving average. With the close over the 1st swing resistance number, the market is in a moderately positive position. The near-term upside target is at 951 3/4. The next area of resistance is around 945 and 951 3/4, while 1st support hits today at 931 and below there at 924.

SOYBEAN OIL (JUL) 06/09/2017: Rising from oversold levels, daily momentum studies would support higher prices, especially on a close above resistance. The market's close above the 9-day moving average suggests the short-term trend remains positive. The market has a bullish tilt coming into today's trade with the close above the 2nd swing resistance. The near-term upside objective is at 32.41. The next area of resistance is around 32.20 and 32.41, while 1st support hits today at 31.50 and below there at 31.02.

SOYMEAL (JUL) 06/09/2017: 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 indicates the intermediate-term trend has turned up. The market has a slightly positive tilt with the close over the swing pivot. The next upside objective is 311.6. The next area of resistance is around 308.5 and 311.6, while 1st support hits today at 303.7 and below there at 301.9.

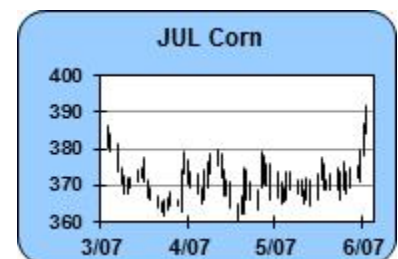
DAILY CORN COMMENTARY

06/09/17

Rains in forecast for late next week critical; buy breaks

OVERNIGHT CHANGES THROUGH 6:05 AM (CT):

CORN -2.4



OVERNIGHT DEVELOPMENTS: July corn is trading down 1 3/4 this morning.

Outside market forces look slightly negative with a strong US dollar. China futures are up 1%. China sold 1.02 million tonnes of state reserve corn today.

NEAR-TERM MARKET FUNDAMENTALS: Weather models continue to be at odds, with the GFS model leaning to some fairly good rains in the 8-14 day period. However, the European and Canadian models continue with a drier outlook for the same period. With today's USDA report, traders most likely wanted to move to the sidelines which could have lent to the weak finish yesterday. In addition, massive corn movement was noted from US producers who have patently waited for a rally to sell old crop. The fact remains that a very dry forecast for the next five days across the heart of the Corn Belt along with high winds and temperatures at the mid-90s to up near 100 degrees Fahrenheit could put an irreversible dent in yields. With Pierre, South Dakota expected to see a temperature high of 101 degrees today and again on Monday and all of Iowa seeing temperatures of 95 to 100 on Saturday and Sunday, a significant percentage of the corn crop is experiencing early stress. Over the last 15 years, the USDA has changed the corn yield estimate from May to June on three occasions. All three were reductions: with 2002 reduced from 137.9 to 135.8, 2008 from 153.9 to 148.9 and 2013 from 158 to 156.5. Maybe it is possible the USDA could lower yield by 3 or 4 bushels per acre and lower acres 1.0 to 1.5 million due to heavy replant issues.

Conab estimated 2016-17 Brazilian corn production at 93.83 million tonnes versus the May estimate of 92.8 million tonnes. This compares to the analysts estimates at 98.8 million tonnes and the May USDA estimate of 96.0 million. The Buenos Aires Grains Exchange left their Argentine corn production unchanged at 39.0 million tonnes with harvest progress at 42% complete. The open interest in corn went up 26,325 contracts on Wednesday in record volume of 1.019 million contracts surpassing the previous record of 930,250 contracts on March 31, 2016. This would suggest new length entering the market but with volume three times the average, we believe a significant amount of short covering was done on Wednesday and Thursday. Weekly export sales came in at 348,600 tonnes for the current marketing year and 128,000 for the next marketing year for a total of 476,600. As of June 1st, cumulative corn sales stand at 95.6% of the USDA forecast versus a 5 year average of 94.4%. China corn production is expected to drop 3.6% from last year to 212 million tonnes due to dryness for the planting season. This could be the first production deficit in seven years.

For the USDA supply/demand report today, traders see 16-17 US ending stocks at 2.284 billion bushels compared to 2.295 billion bushels in May. The 2017-18 US ending stocks are estimated at 2.072 billion bushels (range of 1.84 - 2.235) compared with 2.110 billion bushels last month. World ending stocks for the 2017/18 season are expected at 196.5 million tonnes (range 193.4 to 210.7) as compared with 195.3 million tonnes last month.

TODAY'S MARKET IDEAS:

The weather will still be the focal point for the market, but the USDA could tweak the new crop yields as they have in the past. Initial pullback support for December corn is at 399 1/2 to 397 1/4. Look for a test of 422 3/4 with potential to trade up to 447. Next resistance is at 413.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

1) Long December Corn from 388 1/2 with an objective of 447. Risk to 394. 2) Long September Corn 420 call from 11 cents with an objective of 29 cents. Risk to 5 cents.

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) 06/09/2017: 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 close over the pivot swing is a somewhat positive setup. The next upside objective is 394 1/4. The next area of resistance is around 389 1/2 and 394 1/4, while 1st support hits today at 382 and below there at 379

1/2.

DAILY WHEAT COMMENTARY

06/09/17

Stress continues for South Dakota into next week; USDA today

OVERNIGHT CHANGES THROUGH 6:05 AM (CT):

WHEAT -4.0

OVERNIGHT DEVELOPMENTS: July wheat is trading 3 1/4 cents lower this morning and KC wheat is down 3 3/4 cents and Minneapolis wheat is up 1 3/4 cents. Outside market forces are slightly negative. MATIF September futures are down 0.9%.



NEAR-TERM MARKET FUNDAMENTALS: The results of the USDA report today should impact prices but expanding drought in the northern plains and a lack of much rain in the next 5 days for South Dakota are supportive forces. Minneapolis wheat made a new contract high at 617 3/4 yesterday. All three markets set back from the early highs on profit taking prior to today's USDA report. Continued concerns with the spring wheat crop in South Dakota and to some extent North Dakota supported prices as Pierre, South Dakota is expected to see temperature highs of 101 degrees today and again on Monday which will continue to stress the crop in the region. Some producers feel that even if rains arrive early next week, it may prove to be too late to revive wheat crops in some areas. The Drought Monitor was released and showed 87.5% of North Dakota was in moderate drought or worse (up 63% from last week) and South Dakota had 50.5% in moderate drought or worse, up 30.1% from last week. Needless to say, traders will discount the USDA wheat report to some extent and focus on the weather forecast for the weekend and into next week.

The open interest in wheat went down 15,203 contracts on Wednesday which implies short covering from managed money short positions. Russian weather will turn warmer and drier over the next two weeks which producers will welcome after struggling with cold and wet conditions. SovEcon raised its estimate for Russia's 2017-18 wheat output to 70.8 million tonnes from their previous estimate of 70.4 million. This compares to the USDA May estimate of 67.0 million tonnes. Russian wheat exports could rise to 30.5 million tonnes in 2017-18 from 27.1 million tonnes last year. Iraq cancelled their tender for 50,000 tonnes of wheat and Saudi Arabia issued a tender for 770,000 tonnes of hard milling wheat for August-October shipment. Global food price index rose 2.2% in May to 172.6 from the previous month's reading at 168.9 according to the UN Food and Ag Organization. The Buenos Aires Grains Exchange estimated wheat plantings at 21.4%. Weekly export sales came in at 461,000 tonnes. As of June 1st, cumulative wheat sales stand at 31.3% of the USDA forecast for 2017/2018 (current) marketing year versus a 5 year average of 22.8%.

For the USDA supply/demand report today, traders see 16-17 US ending stocks at 1.158 billion bushels compared to 1.159 billion bushels in May. The 2017-18 US ending stocks are estimated at 910 million bushels (range of 860 to 995) compared with 914 million bushels last month. World ending stocks for the 2017/18 season are expected at 258.8 million tonnes (range 254.8 to 273) as compared with 258.3 million tonnes last month. For the production update, All wheat production is expected near 1.823 billion bushels (range 1760 to 1900) as compared with 1.820 billion last week.

TODAY'S MARKET IDEAS:

July wheat closed above the 100 day (446 1/4) and the 200 day (446 3/4) on Thursday with the next target the old high at 461 1/2. Pullback support in July wheat is seen at 442 1/2 followed by 438 1/2.

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.

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) 06/09/2017: Momentum studies are trending higher but have entered overbought levels. A positive signal for trend short-term was given on a close over the 9-bar moving average. It is a mildly bullish indicator that the market closed over the pivot swing number. The next upside target is 459 3/4. The 9-day RSI over 70 indicates the market is approaching overbought levels. The next area of resistance is around 454 and 459 3/4, while 1st support hits today at 444 1/2 and below there at 440 1/2.

KC WHEAT (JUL) 06/09/2017: Studies are showing positive momentum but are now in overbought territory, so some caution is warranted. The market's short-term trend is positive on the close above the 9-day moving average. Market positioning is positive with the close over the 1st swing resistance. The next upside target is 466 1/4. The market is approaching overbought levels with an RSI over 70. The next area of resistance is around 460 and 466 1/4, while 1st support hits today at 447 1/2 and below there at 441.

MINN WHEAT (JUL) 06/09/2017: The market made a new contract high on the rally. The daily stochastics gave a bearish indicator with a crossover down. Momentum studies are trending lower from high levels which should accelerate a move lower on a break below the 1st swing support. A positive signal for trend short-term was given on a close over the 9-bar moving average. The close over the pivot swing is a somewhat positive setup. The next downside target is now at 582. The 9-day RSI over 70 indicates the market is approaching overbought levels. The next area of resistance is around 615 3/4 and 628 1/4, while 1st support hits today at 592 3/4 and below there at 582.

RICE (JUL) 06/09/2017: A bullish signal was given with an upside crossover of the daily stochastics. 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. It is a mildly bullish indicator that the market closed over the pivot swing number. The near-term upside objective is at 11.314. The next area of resistance is around 11.269 and 11.314, while 1st support hits today at 11.190 and below there at 11.155.

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	385 3/4	69.56	63.28	68.53	77.18	380.19	375.25	372.65	371.20	370.60
CNAZ7	403 3/4	69.80	63.82	73.79	80.83	398.50	393.72	390.85	389.02	387.89
SSAN7	938	51.88	46.61	20.12	30.31	928.56	922.56	939.47	953.45	962.09
SSAX7	943 3/4	55.90	49.61	24.27	36.90	934.81	927.75	940.81	951.90	958.40
SMAN7	306.1	53.32	47.54	22.13	35.30	303.18	301.07	305.23	311.55	314.27
BOAN7	31.85	51.21	48.09	16.80	22.90	31.48	31.39	32.04	32.08	32.21
WHAN7	449 1/4	71.59	63.31	57.93	71.06	439.81	434.97	432.07	434.71	436.33
WHAU7	463 1/4	73.17	64.37	59.77	72.67	454.13	449.19	446.10	448.68	450.57
RCAN7	11.230	67.66	66.08	84.54	85.24	11.15	11.12	10.99	10.45	10.36
KWAN7	453 3/4	70.52	62.77	58.94	72.34	441.94	437.14	433.79	436.17	438.10
MWAN7	604 1/4	83.14	77.07	88.98	86.87	596.88	584.31	567.60	553.06	551.13
OTAN7	245	49.34	51.55	65.93	61.10	251.00	248.78	243.38	234.48	234.11

Calculations based on previous session. Data collected 06/08/2017

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	379 1/2	382	387	389 1/2	394 1/2

CNAZ7	Corn	397 1/2	400 1/4	404 1/2	407 1/4	411 1/2
SSAN7	Soybeans	924	931	938	945	952
SSAX7	Soybeans	928 1/2	936 1/4	943 1/2	951 1/4	958 1/2
SMAN7	Soymeal	301.8	303.6	306.7	308.5	311.6
BOAN7	Soybean Oil	31.01	31.50	31.71	32.20	32.41
WHAN7	Wheat	440 1/4	444 1/2	450	454	459 3/4
WHAU7	Wheat	454 3/4	458 1/2	464 1/4	468	473 3/4
RCAN7	Rice	11.155	11.190	11.235	11.269	11.314
KWAN7	KC Wheat	441	447 1/2	453 3/4	460	466 1/2
MWAN7	MINN Wheat	582	592 1/2	605 1/4	616	628 1/2
OTAN7	Oats	226 3/4	234 1/2	248	255 1/2	269 1/4

Calculations based on previous session. Data collected 06/08/2017

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