



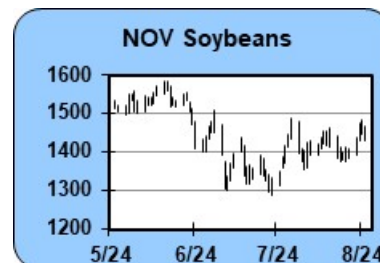
## DAILY GRAINS COMMENTARY Friday August 26, 2022

### DAILY SOY COMPLEX COMMENTARY 8/26/2022

#### Impressive recovery bounce overnight but South America?

**OVERNIGHT CHANGES THROUGH 6:06 AM (CT):**  
**SOY BEANS +0.1, BEAN OIL +0.0, SOYMEAL +0.5**

**OVERNIGHT DEVELOPMENTS:** November soybean prices overnight are up 14 1/2 cents. Soybean open interest as of August 25 was up 1,766 contracts, soymeal down 3,800 contracts, and soybean oil down 2,273. Chinese Dalian Soybeans are up 1.66%, Soymeal down 1.61% and Soyoil down 0.40%. Malaysian Palm was down 1.81%. Global equity markets overnight were mostly higher but gains overnight were all less than 1%. Critical economic news released overnight included a much stronger than expected New Zealand Roy Morgan consumer confidence reading for August, a much hotter than expected Tokyo consumer price index reading for August, a much weaker than expected German Gfk consumer confidence survey for September, a surprising uptick in French consumer confidence in August, slightly softer than expected Italian business confidence in August, a much stronger than expected Italian consumer confidence reading for August and a smaller than expected expansion in euro zone private loans relative to year ago levels.



The North American session will start out with July personal income which is expected to hold steady with June's 0.6% reading. July personal spending is forecast to have a moderate downtick from June's 1.1% reading. The July goods trade balance is expected to show a modest downtick from June's \$98.2 billion monthly deficit. July wholesale inventories are forecast to have a moderate downtick from June's 1.9% reading. A private survey on August consumer sentiment is expected to have a modest uptick from the previous 55.1 reading. The highlight for global markets will come during mid-morning US trading hours as Fed Chair Powell will speak at the Kansas City Fed's Jackson Hole Economic Symposium. For the month to date wheat prices are down 32 in SRW, down 11 1/4 in HRW, down 22 1/4 in HRS; Corn is up 36; Soybeans down 28 3/4; Soymeal down \$0.10; Soyoil down 0.26. Year-To-Date nearby futures are up 0% in SRW, up 9% in HRW, down -10% in HRS; Corn is up 12%; Soybeans up 18%; Soymeal up 14%; Soyoil up 22%.

**NEAR-TERM MARKET FUNDAMENTALS:** China will auction 500,000 tonnes of soybeans from reserves on September 2nd. November soybeans closed sharply lower on the session yesterday and experienced follow-through technical selling from the hook reversal on Wednesday. While traders viewed the crop tour results so far as supportive for corn, soybeans appear to have benefited from late season rains in the Western Corn Belt, and traders are less concern with soybean yield. Conab sees Brazil soybean production reaching a record high 150.36 million tonnes, up 21% compared with 124 million tonnes for 2021-22 season. Soy planted area is seen rising 3.5% to 42.4 million hectares. Yields are expected to improve compared with 2021-22. Their first estimate for the season compares with the current USDA estimate of 149.00 million tonnes. The weekly export sales report reported on Wednesday morning has been retracted by the USDA. The USDA indicated challenges that affected the physical dissemination of the export sales data as well as data quality.

The Argentine government has extended its 12.5% biodiesel blend rate to avoid fuel import increases. The blend was increased in June from 5%. Argentina relies on oil imports to meet its fuel demand and the imports cost them valuable foreign-currency which is in low supply. They are using more biodiesel in order to save foreign exchange reserves. In Iowa, Soybean pod count in 3-by-3-foot square averaged 1,298 pods which is up from 1,217.8 pods last year and the 3-year average of 1,157. Soybean potential appears good and the crops have enough energy and moisture to put good yield, according to some of the crop scouts. Traders viewed the tour results as supportive for the corn market but mixed for the soybean. Late-season rains in the Western Corn Belt were seen

as beneficial to the crop.

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

With expectations for a large crop for the coming season in South America, the market looks vulnerable to a correction. November Soybeans resistance is now at 1447 1/2 and 1456 3/4, with support at 1412 1/2 and 1388 3/4. December meal failed on an attempt to test contract highs, and the market quickly backed down to the consolidation zone. Resistance is now at 424.00, with 407.10 and 399.60 as support.

### **NEW RECOMMENDATIONS:**

None.

### **PREVIOUS RECOMMENDATIONS:**

None.

### **SOYBEAN COMPLEX TECHNICAL OUTLOOK:**

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SOYBEANS (NOV) 08/26/2022: The close under the 60-day moving average indicates the longer-term trend could be turning down. 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. The market setup is somewhat negative with the close under the 1st swing support. The near-term upside target is at 1478. The next area of resistance is around 1450 1/2 and 1478, while 1st support hits today at 1412 and below there at 1401.

SOYBEAN OIL (DEC) 08/26/2022: Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The market tilt is slightly negative with the close under the pivot. The next downside objective is now at 64.54. The next area of resistance is around 66.70 and 67.71, while 1st support hits today at 65.12 and below there at 64.54.

SOYMEAL (DEC) 08/26/2022: Positive momentum studies in the neutral zone will tend to reinforce higher price action. A positive signal for trend short-term was given on a close over the 9-bar moving average. The close below the 2nd swing support number puts the market on the defensive. The next upside target is 434.8. The next area of resistance is around 422.6 and 434.8, while 1st support hits today at 406.0 and below there at 401.5.

### **DAILY CORN COMMENTARY**

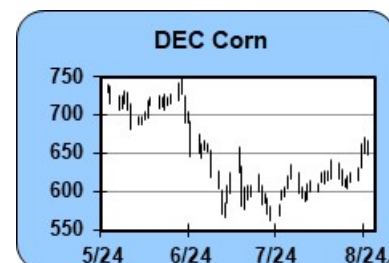
**8/26/2022**

**Consider buying July/Dec spread as extreme tightness possible**

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

**CORN +0.6**

**OVERNIGHT DEVELOPMENTS:** December Corn is up 7 1/2 cents overnight. Corn open interest as of August 25 was down 878 contracts. Chinese Dalian Corn was up 0.26%.



**NEAR-TERM MARKET FUNDAMENTALS:** December corn closed moderately lower on the session yesterday after the early rally to test Wednesday's high failed to attract new buying interest. The market closed lower after closing higher for six

sessions in a row. Concerns that the actual yield will come in well below the current USDA estimate helped to support. Talk of the overbought condition of the market and weakness in soybeans and wheat helped to pressure the market. Yields in Iowa, the biggest corn and second-biggest soybean producer in the US, were seen above previous year in preliminary data from the Pro Farmer crop tour. Corn yield averaged 198 bu/acre after 14 stops in counties of Clinton, Jones, Cedar, Iowa, Benton, Tama, Black Hawk and Bremer. This is above last year's 190.7 bu/acre and the 3-year avg of 183.8 bu/acre.

Corn and soybean crops were showing good potential compared to first three days of tour due to irregular rains in the eastern Corn Belt. Yields ranged from 165 bu/acre in Iowa county to 258 bu/acre in Blackrock county. Corn yields on a southwestern route in Minnesota are above estimates from a year ago, based on samples taken on final day of Pro Farmer Crop Tour. Corn yields from five stops averaged 184 bu/acre, above last year's estimate of 177 bu/acre for the same route and yields were also above the three-year average of 182 bu/acre.

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

Traders will monitor the crop tour final results closely. Close in support for December corn is at 648 and 645 1/2, with 664 and 688 as key resistance.

#### **NEW RECOMMENDATIONS:**

None.

#### **PREVIOUS RECOMMENDATIONS:**

Long the July 2023/December 2023 Corn spread from +38 cents with an objective of +75. Risk 9 cents from entry.

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

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CORN (DEC) 08/26/2022: 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. It is a slightly negative indicator that the close was under the swing pivot. The near-term upside target is at 671. The next area of resistance is around 658 1/2 and 671, while 1st support hits today at 641 1/2 and below there at 636 3/4.

CORN (MAR) 08/26/2022: 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. The market tilt is slightly negative with the close under the pivot. The next upside objective is 675 3/4. The next area of resistance is around 664 and 675 3/4, while 1st support hits today at 648 and below there at 643 1/2.

#### **DAILY WHEAT COMMENTARY**

8/26/2022

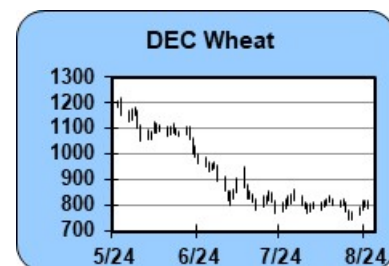
**May need help from China or trend still down**

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

**WHEAT +0.55**

**OVERNIGHT DEVELOPMENTS:** December wheat prices overnight are up 7 cents. MATIF Milling Wheat is unchanged. Chicago wheat open interest as of August 25 was down 5,603 contracts and Minneapolis wheat was down 3,858 contracts.

**NEAR-TERM MARKET FUNDAMENTALS:** December wheat closed sharply lower on the session yesterday with an outside-day down which is a bearish technical development. The market recovered from the oversold condition with the four-day rally, and supply concerns re-emerged as traders



see ample global supply. The weekly export sales report data release Thursday morning was retracted by the USDA indicating poor quality. For the Statistics Canada crop production report, traders expect to see all wheat production near 34 million tonnes, 31.7-35 range, as compared with 21.65 million tonnes last year. Spring wheat production is expected near 25.4 million tonnes, 23-28 range, as compared with 16 million tons last year.

French wheat showed slightly weaker protein values than initial samples. For protein, 27% of soft wheat analyzed so far came in below 11% content compared with 24% in initial results published last week. Last year just 5% of the soft wheat crop showed protein below 11%. Argentina's wheat crop for the 2022/23 cycle is showing normal to good condition and 79.9% of planted area, according to the Buenos Aires Cereal Exchange. India will curb shipments of wheat flour in order to curb rising prices and ensure food security. India wheat flour exports tripled during the April-July timeframe compared with a year earlier.

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

The technical action turned negative with the outside day down. December wheat resistance is at 813 1/4, with support at 773 1/4. A close under support would leave 743 1/4 and maybe 713 1/2 as downside targets.

#### **NEW RECOMMENDATIONS:**

None.

#### **PREVIOUS RECOMMENDATIONS:**

None.

#### **WHEAT TECHNICAL OUTLOOK:**

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WHEAT (DEC) 08/26/2022: Momentum studies are rising from mid-range, which could accelerate a move higher if resistance levels are penetrated. The intermediate trend has turned down with the cross over back below the 18-day moving average. The outside day down and close below the previous day's low is a negative signal. The market's close below the 1st swing support number suggests a moderately negative setup for today. The near-term upside target is at 832. The next area of resistance is around 806 3/4 and 832, while 1st support hits today at 771 1/4 and below there at 760 3/4.

KC WHEAT (DEC) 08/26/2022: The close under the 40-day moving average indicates the longer-term trend could be turning down. The downside crossover of the 9 and 18 bar moving average is a negative signal. Stochastics are at mid-range but trending higher, which should reinforce a move higher if resistance levels are taken out. The close under the 18-day moving average indicates the intermediate-term trend could be turning down. The outside day down and close below the previous day's low is a negative signal. There could be some early pressure today given the market's negative setup with the close below the 2nd swing support. The next upside target is 915 3/4. The next area of resistance is around 885 1/4 and 915 3/4, while 1st support hits today at 844 1/4 and below there at 833 1/2.

MINN WHEAT (DEC) 08/26/2022: Positive momentum studies in the neutral zone will tend to reinforce higher price action. The close under the 18-day moving average indicates the intermediate-term trend could be turning down. The outside day down is a negative signal. The market's close below the 1st swing support number suggests a moderately negative setup for today. The near-term upside target is at 943 1/4. The next area of resistance is around 915 1/2 and 943 1/4, while 1st support hits today at 876 and below there at 864 1/4.

RICE (NOV) 08/26/2022: A negative indicator was given with the downside crossover of the 9 and 18 bar moving average. Studies are showing positive momentum but are now in overbought territory, so some caution is warranted. The close above the 9-day moving average is a positive short-term indicator for trend. It is a slightly negative indicator that the close was lower than the pivot swing number. The near-term upside target is at 17.788. The next area of resistance is around 17.652 and 17.788, while 1st support hits today at 17.408 and below there

at 17.299.

## 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>										
CNAZ22	650	64.79	59.69	71.65	74.42	647.88	631.22	622.08	615.31	639.35
CNAH23	656	64.83	59.72	72.13	74.78	654.13	638.08	629.28	621.92	645.53
SSAX22	1431 1/4	53.16	52.56	59.04	61.65	1446.13	1419.67	1417.72	1397.99	1432.43
SSAF23	1436 1/4	52.82	52.37	58.83	61.46	1451.69	1425.83	1424.31	1404.13	1438.00
SMAZ22	414.3	52.15	52.55	55.24	60.16	421.55	410.91	409.59	402.53	401.34
BOAZ22	65.91	54.99	54.42	73.66	69.51	66.29	65.98	65.12	62.45	65.56
WHAZ22	789	45.79	44.06	45.03	52.17	797.75	790.22	797.24	830.88	892.32
WHAH23	804 1/2	45.49	43.85	44.06	51.57	813.75	805.86	813.67	845.84	905.97
RCAX22	17.530	58.66	57.08	61.46	70.50	17.54	17.32	17.34	17.08	17.08
KWAZ22	864 3/4	48.78	46.86	58.27	65.91	876.13	864.22	865.03	889.03	953.42
MWAZ22	895 3/4	44.86	43.60	46.12	50.57	907.06	901.00	904.53	936.59	1002.04
OTAZ22	408 1/4	47.91	44.47	43.46	52.91	406.00	403.61	408.13	439.49	484.50

Calculations based on previous session. Data collected 08/25/2022

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>						
CNAZ22	Corn	636 3/4	641 1/2	654	658 1/2	671 1/4
CNAH23	Corn	643 1/4	648	659 1/2	664	675 3/4
SSAX22	Soybeans	1401	1412	1439 1/2	1450 1/2	1478
SSAF23	Soybeans	1406 1/2	1417 1/2	1444 1/4	1455	1482
SMAZ22	Soymeal	401.4	405.9	418.1	422.6	434.8
BOAZ22	Soybean Oil	64.53	65.11	66.12	66.70	67.71
WHAZ22	Wheat	760 1/2	771	796 1/4	807	832
WHAH23	Wheat	776 3/4	787	811 1/2	822	846 1/4
RCAX22	Rice	17.298	17.407	17.543	17.652	17.788
KWAZ22	KC Wheat	833 1/4	844	874 1/2	885 1/2	915 3/4
MWAZ22	MINN Wheat	864 1/4	876	903 3/4	915 1/2	943 1/4
OTAZ22	Oats	391	398 1/4	411	418 1/4	431

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