DAILY SOY COMPLEX COMMENTARY
*5/2/2023*

Bullish technical action and positive demand news

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):
SOY BEANS +0.1, **BEAN OIL** +0.0, **SOYMEAL** +0.3

OVERNIGHT DEVELOPMENTS: July Soybeans overnight are up 11 1/2 cents. Soybean open interest as of May 1 was down 1,896 contracts, soymeal up 1,596 contracts, and soybean oil up 3,472. China markets are closed for Holiday. Global equity markets were lower overnight with declines as high as 0.86% in the Australian market. Critical economic news released overnight included a surprise contraction in the Japanese monetary base for April, a 25-basis point rate hike from the Reserve Bank of Australia, a month over month rebound in GBP Nationwide Housing Prices for April, a massive 2.4% decline in German March retail sales, further deterioration in a Swiss SECO Consumer Climate reading for the 2nd quarter, an as expected but softer than the prior month manufacturing PMI reading from Spain, a noted softening of a Swiss purchasing managers index for April, a much weaker than expected HCOB manufacturing PMI reading from Italy, better-than-expected HCOB manufacturing PMI from France, better than expected HCOB manufacturing PMI from Germany, better-than-expected overall Euro zone HCPB manufacturing PMI, much better-than-expected GBP Global/Services manufacturing PMI, a significant drop in the rate of Italian consumer price readings in April, and slightly softer euro zone core harmonized index of consumer prices. The North American session will start out with a private weekly survey of same-store sales followed by the March job openings and labor turnover (JOLTS) survey which is forecast to have a moderate downtick from February's 9.931 million reading. March factory orders are expected to have a moderate uptick from February's -0.7% reading. April vehicle sales are forecast to hold steady with March's 14.8 million annualized rate. Year-To-Date nearby futures are down 22.9% in SRW, down 11.2% in HRW, down 17.5% in HRS; Corn is down 4.7%; Soybeans down 3.9%; Soymeal down 8.9%; Soyoil down 18.4%.
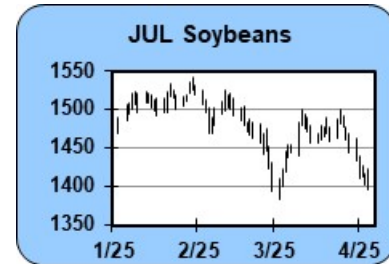
NEAR-TERM MARKET FUNDAMENTALS: The short-term technical action remains positive with follow-through buying after Friday's hook reversal up. The market has turned higher from deeply oversold technical readings, and after a very sharp break in open interest down to the lowest level since January. For the weekly crop progress report, traders expected to see soybean plantings near 17% complete, 15-22 range, as compared with 9% planted last week. Soybeans planted as of April 30 was up 10% at 19%. This is up 12% versus last year and up 10% versus the 10 year average. The top producing states reported with Illinois 39% (+24%), Iowa 16% (+11%), Minnesota 1% (+1%), North Dakota 0% (0%) and Missouri 34% (+18%). US soybean crush hit a new record high for the month of March at 197.97 million bushels versus the previous record of 192.87 million in 2022. This was at the upper end of pre-report estimates. US soybean crush pace hit a new record high for the month of March at 6.39 million bushels/day versus the previous record of 6.22 million in 2022.

The cumulative crush for the marketing year has reached 1.31 billion bushels or 58.9% of the USDA's current estimate for the marketing year. As of March last year, the cumulative crush had reached 59.5% of the USDA forecast. US soybean oil stocks in March came in at 2.388 billion pounds versus 2.364 last month and 2.434 last year. The average stock level for this time of year is 2.338 billion pounds. The largest stock level for this month was 2.434 (2022) and lowest was 2.245 (2021). Current stock levels are running at 0.12% of USDA ending stocks estimates for the year. Soybean export inspections for the week ending April 27 came in at 401,976 metric tonnes from trade expectations for 200,000-700,000 tonnes. Cumulative inspections year-to-date are 47,451,915 metric tonnes which is 0.4% above last year. This is 86.5% of the USDA's forecast for the 2022-23 marketing year versus the five year average of 77.5%.

TODAY'S MARKET IDEAS:

A positive demand report on crush and talk of the oversold technical set-up has helped support a recovery bounce. July soybean support is at 1427 and 1419 1/4, with 1448 3/4 and 1464 3/4 as resistance. November soybeans support is at 1271 1/2, with 1284 3/4 and 1295 as resistance. July meal support is at 431.30, with 439.60 and 445.10 as resistance.

NEW RECOMMENDATIONS:
None.

PREVIOUS RECOMMENDATIONS:
None.

SOYBEAN COMPLEX TECHNICAL OUTLOOK:

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SOYBEANS (JUL) 05/02/2023: Daily stochastics are trending lower but have declined into oversold territory. The close below the 9-day moving average is a negative short-term indicator for trend. The market has a slightly positive tilt with the close over the swing pivot. The next downside target is now at 1408 1/4. The next area of resistance is around 1435 1/2 and 1440 1/2, while 1st support hits today at 1419 1/2 and below there at 1408 1/4.

SOYBEAN OIL (JUL) 05/02/2023: 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. It is a mildly bullish indicator that the market closed over the pivot swing number. The next downside objective is now at 50.59. The next area of resistance is around 52.35 and 52.76, while 1st support hits today at 51.27 and below there at 50.59.

SOYMEAL (JUL) 05/02/2023: Daily stochastics are trending lower but have declined into oversold territory. A negative signal for trend short-term was given on a close under the 9-bar moving average. The close over the pivot swing is a somewhat positive setup. The next downside target is 428.3. The next area of resistance is around 435.8 and 437.0, while 1st support hits today at 431.4 and below there at 428.3.
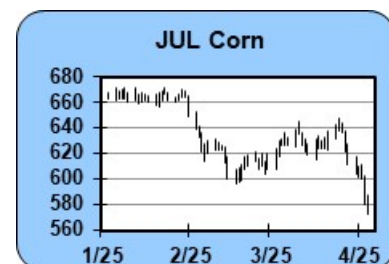
DAILY CORN COMMENTARY
5/2/2023

Oversold and turned up from key tech support; weather OK

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):
CORN +0.2

OVERNIGHT DEVELOPMENTS: July Corn overnight is up 1 cent. Corn open interest as of May 1 was up 12,514 contracts. China markets are closed for Holiday.

NEAR-TERM MARKET FUNDAMENTALS: The market looks set to see at least a technical recovery bounce over the near-term. Some decent export inspection results plus talk of the oversold condition of the market plus the turn higher on Friday from a key support level were all seen as factors which might suggest that short-term bearish news is mostly "priced" into the market. For the weekly crop progress report, traders expected to see corn plantings near 27% complete, 22-35% range, as compared with 14% last week. Corn planted as of April 30 was up 12% at 26%. This

is up 13% versus last year and down 2% versus the 10 year average. The top producing states reported with Iowa 29% (+19%), Illinois 40% (+22%), Nebraska 30% (+20%), Minnesota 5% (+4%) and South Dakota 1% (+1%).

Corn export inspections for the week ending April 27 came in at 1,518,202 metric tonnes from trade expectations for 700,000-1.35 million tonnes. Cumulative inspections year-to-date are 23,903,011 metric tonnes which is 34.7% below last year. This is 50.9% of the USDA's forecast for the 2022-23 marketing year versus the five year average of 58.8%. Ukraine's corn exports for the season that began July 1st reached 24.4 million tonnes, up 15% from last year's pace.

TODAY'S MARKET IDEAS:
The market turned higher from a key technical support level on Friday, and also from an extreme oversold condition. This suggests at least a temporary bounce may be in order. Support for July corn comes in at 581 1/4, with 600 3/4 and 609 3/4 as initial resistance levels. December corn resistance is at 540 1/2 and 546 1/4.

NEW RECOMMENDATIONS:
None.

PREVIOUS RECOMMENDATIONS:
None.

CORN TECHNICAL OUTLOOK:
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CORN (JUL) 05/02/2023: 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. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The next downside target is now at 573 1/2. Some caution in pressing the downside is warranted with the RSI under 30. The next area of resistance is around 589 1/2 and 593 1/2, while 1st support hits today at 579 1/2 and below there at 573 1/2.

CORN (DEC) 05/02/2023: Momentum studies are declining, but have fallen to oversold levels. The market's close below the 9-day moving average is an indication the short-term trend remains negative. It is a slightly negative indicator that the close was under the swing pivot. The next downside objective is now at 515 1/2. With a reading under 20, the 9-day RSI indicates the market is extremely oversold. The next area of resistance is around 530 and 534 3/4, while 1st support hits today at 520 1/2 and below there at 515 1/2.

DAILY WHEAT COMMENTARY
5/2/2023

Good weather for winter wheat improvements have pressured

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):
WHEAT +0.13

OVERNIGHT DEVELOPMENTS: July wheat overnight is down 3 cents after trading near 8 cents higher. MATIF Milling Wheat was down -1.7%. Chicago wheat open interest as of May 1 was up 6,539 contracts and Minneapolis wheat was up 3,878 contracts.
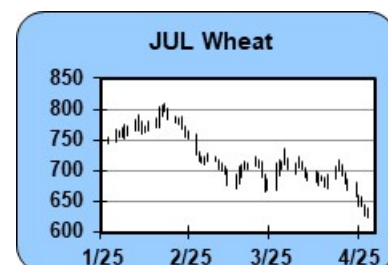
NEAR-TERM MARKET FUNDAMENTALS: July wheat closed sharply lower on the session yesterday and the selling pushed the market down to a new 2-year low. The market has now

closed lower and eight of the last nine trading sessions and technical indicators are deeply oversold. Talk of better weather for northern hemisphere producers helped to pressure. For the weekly crop progress report, traders expected to see the winter wheat crop rated near 28% good/excellent, 25-31% range, as compared with 26% last week. Winter Wheat rated good/excellent as of April 30 was up 2% at 28% and poor/very poor was up 1% at 42%. Current G/EX is down 17% versus the 10 year average and Poor/Very Poor is up 19% versus the 10 year average. The good/excellent ratings for the top producing states were: Kansas 13% (-1%), Texas 17% (+3%), Oklahoma 9% (+3%), Colorado 28% (+5%), Montana 46% (+8%).

Traders expected spring wheat plantings to come in near 14% complete, 10-18% range, as compared with 5% last week. Spring Wheat planted as of April 30 was up 7% at 12% complete. This is down 6% versus last year and down 18% versus the 10 year average. The top producing states reported with North Dakota 6% (+5%), Montana 12% (+7%), Minnesota 0% (0%), South Dakota 17% (+13%) and Washington 74% (+26%). Favorable weather conditions in the US have traders nervous over a possible increase in global grain supplies which are already burdensome. Money managers have increased net short positioning to the highest net-short position in five years. Ukraine's wheat exports for the season that began July 1st reached 14.4 million tonnes, down 22% from last year's pace. Wheat export inspections for the week ending April 27 came in at 358,273 metric tonnes from trade expectations for 200,000-400,000 tonnes. Cumulative inspections year-to-date are 18,249,020 metric tonnes which is 2.8% below last year. This is 86.5% of the USDA's forecast for the 2022-23 marketing year versus the five year average of 86.8%.

TODAY'S MARKET IDEAS:
There is still no technical sign of a short-term low even with the extreme oversold condition and the largest net short position since early 2018. July wheat resistance is at 653 1/4 and 665 1/2. July Kansas City wheat resistance is at 783 3/4 and 793 1/2.

NEW RECOMMENDATIONS:
None.

PREVIOUS RECOMMENDATIONS:
None.

WHEAT TECHNICAL OUTLOOK:
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WHEAT (JUL) 05/02/2023: Momentum studies are still bearish but are now at oversold levels and will tend to support reversal action if it occurs. A negative signal for trend short-term was given on a close under the 9-bar moving average. The close below the 1st swing support could weigh on the market. The next downside objective is now at 600. The market is approaching oversold levels on an RSI reading under 30. The next area of resistance is around 629 and 642 3/4, while 1st support hits today at 607 1/2 and below there at 600.

KC WHEAT (JUL) 05/02/2023: Daily stochastics declining into oversold territory suggest the selling may be drying up soon. A negative signal for trend short-term was given on a close under the 9-bar moving average. The close below the 1st swing support could weigh on the market. The next downside target is 736 1/2. The 9-day RSI under 30 indicates the market is approaching oversold levels. The next area of resistance is around 769 1/4 and 784 3/4, while 1st support hits today at 745 1/4 and below there at 736 1/2.

MINN WHEAT (JUL) 05/02/2023: Daily stochastics are trending lower but have declined into oversold territory. A negative signal for trend short-term was given on a close under the 9-bar moving average. The market setup is somewhat negative with the close under the 1st swing support. The next downside target is 775 3/4. With a reading under 30, the 9-day RSI is approaching oversold levels. The next area of resistance is around 799 1/2 and 810, while 1st support hits today at 782 1/2 and below there at 775 3/4.

RICE (JUL) 05/02/2023: The cross over and close above the 60-day moving average is an indication the longer-

term trend has turned positive. Daily stochastics have risen into overbought territory which will tend to support reversal action if it occurs. The market's close above the 9-day moving average suggests the short-term trend remains positive. It is a mildly bullish indicator that the market closed over the pivot swing number. The next upside target is 17.866. The next area of resistance is around 17.777 and 17.866, while 1st support hits today at 17.453 and below there at 17.217.

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										
CNAN23	584 1/2	23.77	29.28	17.98	14.06	588.00	605.00	618.14	619.55	630.31
CNAZ23	525 1/4	19.91	25.83	16.24	11.14	531.81	543.50	552.11	558.92	567.50
SSAN23	1427 1/2	40.74	41.42	21.93	20.23	1416.31	1435.00	1454.31	1464.27	1477.10
SSAX23	1275	41.32	40.31	18.00	19.16	1265.19	1277.53	1294.46	1315.13	1331.20
SMAN23	433.6	35.64	37.66	18.86	18.81	430.20	437.50	446.31	455.64	458.67
BOAN23	51.81	35.99	37.06	18.65	17.46	51.70	52.78	53.72	55.74	57.03
WHAN23	618 1/4	21.01	26.42	11.58	7.12	630.81	653.22	672.71	691.54	712.28
WHAU23	630	20.75	26.18	11.55	7.22	642.50	664.56	683.99	702.63	722.78
RCAN23	17.615	65.82	59.07	62.48	74.34	17.29	17.16	17.08	17.25	17.46
KWAN23	757 1/4	24.83	30.66	13.32	7.20	770.50	800.50	827.07	821.68	832.98
MWAN23	791	28.49	32.22	12.39	9.05	798.19	826.42	848.71	854.69	868.04
OTAN23	304 3/4	17.64	24.21	20.67	17.21	314.38	327.28	331.24	342.41	347.34

Calculations based on previous session. Data collected 05/01/2023
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DAILY SWING STATISTICS

Contract		Support 2	Support 1	Pivot	Resist 1	Resist 2
GRAIN COMPLEX						
CNAN23	Corn	573 1/2	579 1/2	583 1/2	589 1/2	593 1/2
CNAZ23	Corn	515 1/4	520 1/2	525	530	534 3/4
SSAN23	Soybeans	1408	1419 1/2	1424 1/4	1435 1/2	1440 1/2
SSAX23	Soybeans	1253 3/4	1266 1/2	1271	1283 1/2	1288 1/4
SMAN23	Soymeal	428.2	431.4	432.6	435.8	437.0
BOAN23	Soybean Oil	50.58	51.26	51.67	52.35	52.76
WHAN23	Wheat	600	607 1/2	621 1/2	629	643
WHAU23	Wheat	612 1/4	619 3/4	632 3/4	640 1/4	653 1/4
RCAN23	Rice	17.216	17.452	17.541	17.777	17.866
KWAN23	KC Wheat	736 1/2	745	760 3/4	769 1/2	785
MWAN23	MINN Wheat	775 3/4	782 1/2	793	799 1/2	810 1/4
OTAN23	Oats	295 1/2	299 1/2	306 1/4	310	317

Calculations based on previous session. Data collected 05/01/2023
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