

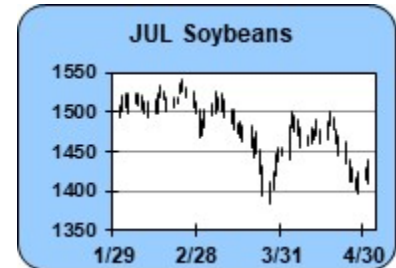


**DAILY SOY COMPLEX COMMENTARY**  
5/3/2023

**Bearish weather and weaker demand tone keeps sellers active**

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

**OVERNIGHT DEVELOPMENTS:** July Soybeans overnight are down 12 1/2 cents. Soybean open interest as of May 2 was up 849 contracts, soy meal up 1,463 contracts, and soybean oil up 302. Malaysian Palm was up 0.26%. China markets are closed for holiday. Global equity markets overnight were mostly higher with some market closures because of holidays. Critical economic news released overnight included a stronger than expected New Zealand employment change for the first quarter, slightly softer than expected New Zealand labor cost index readings, lower than expected but matching the previous month New Zealand unemployment rate, a noted contraction in Australian AIG construction PMI readings for March, softer than expected Australian AIG industry index readings for March, much softer than expected AIG manufacturing PMI readings from Australia for March, a downtick in Italian unemployment rate readings for March, and a downtick in overall Euro zone unemployment rate readings for March. The North American session will start out with a weekly private survey of mortgage applications followed by the April ADP employment survey which is expected to have a minimal uptick from March's 145,000 reading. The April ISM services index is forecast to have a modest uptick from March's 51.2 reading. The highlight for global markets will come during early afternoon US trading hours with the results of the latest Federal Market Open Committee meeting. While the Fed is widely expected to hike rates by 25 basis points, it is likely that their post-meeting statement and comments by Fed Chair Powell will signal a "pause" in their rate hike trajectory. For the week so far wheat prices are down 26 in SRW, down 36 in HRW, down 30 in HRS; Corn is down 11 3/4; Soybeans down 16 1/2; Soy meal down \$7.00; Soy oil down 0.15. Year-To-Date nearby futures are down 24.7% in SRW, down 13.1% in HRW, down 19.2% in HRS; Corn is down 7.3%; Soybeans down 5.7%; Soy meal down 10.6%; Soy oil down 19.5%.



**NEAR-TERM MARKET FUNDAMENTALS:** July soybeans managed just a 2 1/2 day bounce and turned lower from very shallow resistance at 1436 1/4. The close back below 1413 after hitting shallow resistance is a bearish development. A bearish tilt to outside market forces plus a collapse in energy prices and weakness in the stock market left a bearish tilt to many commodity markets. Brazil exported 14.34 million tonnes of soybeans in April as compared with 11.472 million tonnes last year. European Union soybean imports for the 2022/23 season have reached just 10.29 million tonnes, down 12% from last year's pace. Palm oil jumped 2.2% on Tuesday after falling almost 10% last week as traders remain concerned that supplies are poised to expand from Indonesia. Indonesia is likely to ship more palm oil in the coming months.

The government pledged to release 3 million tonnes of frozen export quotas gradually over the next nine months, even as it tightened the ratio used to calculate export volumes. Traders say Indonesia's move is bearish overall. Palm oil is down to the lowest level since September. The market seems to have priced in a good start to the planting season with both corn and soybeans above a normal pace. At this time of the year, it seems unlikely that fund traders would build a net short position until much more is known. However, it is the time of the year when the market may see it necessary to build some weather premium into the market. On top of strong crush pace from the US, Brazil is also crushing at a fast pace, and traders are hopeful that Argentina crush will pick up steam.

**TODAY'S MARKET IDEAS:**

The technical action yesterday was bearish for July soybeans and there is follow-through technical selling this morning. Support moves down to 1396 1/2 and 1383 3/4, with 1427 and 1436 1/4 as resistance. November soybeans support is at 1251 1/4 and 1247 1/2, with 1275 and 1282 1/4 as resistance. July meal is probing for

support with 439.60 and 445.10 as resistance.

**NEW RECOMMENDATIONS:**

None.

**PREVIOUS RECOMMENDATIONS:**

None.

**SOYBEAN COMPLEX TECHNICAL OUTLOOK:**

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SOYBEANS (JUL) 05/03/2023: 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. The outside day down and close below the previous day's low is a negative signal. The market setup is somewhat negative with the close under the 1st swing support. The next downside target is now at 1385 1/2. The next area of resistance is around 1426 3/4 and 1449 1/4, while 1st support hits today at 1394 3/4 and below there at 1385 1/2.

SOYBEAN OIL (JUL) 05/03/2023: The crossover up in the daily stochastics is a bullish signal. Daily stochastics are showing positive momentum from oversold levels, which should reinforce a move higher if near term resistance is taken out. The market's short-term trend is negative as the close remains below the 9-day moving average. The market could take on a defensive posture with the daily closing price reversal down. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The next upside target is 52.89. The next area of resistance is around 52.25 and 52.89, while 1st support hits today at 51.33 and below there at 51.04.

SOYMEAL (JUL) 05/03/2023: 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. A negative signal was given by the outside day down. The defensive setup, with the close under the 2nd swing support, could cause some early weakness. The next downside objective is 419.8. The next area of resistance is around 433.1 and 440.5, while 1st support hits today at 422.7 and below there at 419.8.

**DAILY CORN COMMENTARY**

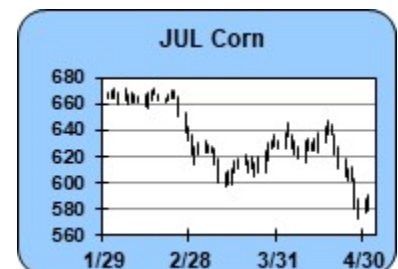
5/3/2023

**Good weather for start of season and weak outside markets**

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

**CORN -0.8**

**OVERNIGHT DEVELOPMENTS:** July Corn overnight is down 6 cents. Corn open interest as of May 2 was up 3,593 contracts. China markets are closed for holiday.



**NEAR-TERM MARKET FUNDAMENTALS:** July corn closed lower on the session yesterday and experienced the lowest close since July 22. The lack of a weather issue in the US plus a decent weather outlook and a record crop from Brazil are factors which help to pressure. Talks are set for Wednesday for all involved in the Black Sea Ukraine export deal. The market remains in a short-term oversold condition with RSI at 21.8 and stochastics at 12.9 and 16.0. Brazil exported 470,805 tonnes of corn in April as compared with 690,295 tonnes in April of last year. The next week sees Iowa, much of Illinois and Indiana mostly dry with cooler than normal temperatures. Arkansas and southern Illinois are forecast to see 1 to 2 inches of rains later this week. Northern parts of the

Midwest may see frost overnight on some days.

However, temperatures are expected to trend higher later this week and into next. Temperatures over the northern Plains are on the rise, allowing for the remaining snow to melt and soil temperatures to warm, so planting can get underway. North Dakota may see some rain later this week, but maps vary on the amounts. Extended forecasts show good chances of above normal temperatures through the first couple weeks of May. The 6-10-day maps show above normal chances of precipitation, with things moving back towards normal in the 8-14-day. European Union corn imports in the season that began July 1 reached 23.00 million tonnes as of April 30, compared with 13.5 million tonnes by this time last year.

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

The market turned higher from a key technical support level on Friday, but the action turned bearish yesterday and overnight. Much of the current bearishness may be about priced but there is still no technical sign of a low. Support for July corn comes in at 565, with 583 1/2 and 590 as resistance. December corn resistance is at 526 3/4 and 531 1/4.

#### **NEW RECOMMENDATIONS:**

None.

#### **PREVIOUS RECOMMENDATIONS:**

None.

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

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CORN (JUL) 05/03/2023: Momentum studies are declining, but have fallen to oversold levels. The market's short-term trend is negative as the close remains below the 9-day moving average. The downside closing price reversal on the daily chart is somewhat negative. The market tilt is slightly negative with the close under the pivot. The next downside target is now at 570. The market is approaching oversold levels on an RSI reading under 30. The next area of resistance is around 586 and 594 1/4, while 1st support hits today at 574 and below there at 570.

CORN (DEC) 05/03/2023: Momentum studies are declining, but have fallen to oversold levels. The close below the 9-day moving average is a negative short-term indicator for trend. The outside day down is somewhat negative. The close below the 1st swing support could weigh on the market. The next downside target is 509 3/4. With a reading under 20, the 9-day RSI indicates the market is extremely oversold. The next area of resistance is around 525 3/4 and 534, while 1st support hits today at 513 3/4 and below there at 509 3/4.

#### **DAILY WHEAT COMMENTARY**

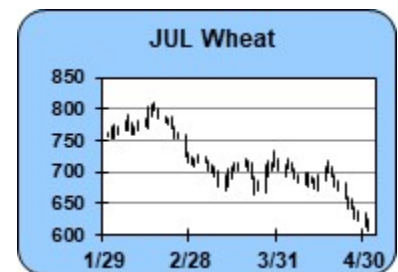
5/3/2023

**Higher close today from extreme oversold condition may support**

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

**WHEAT -0.3**

**OVERNIGHT DEVELOPMENTS:** July wheat overnight is 5 cents higher after trading to new lows for the move lower. MATIF Milling Wheat was down -1.5%. Chicago wheat open interest as of May 2 was up 1,551 contracts and Minneapolis wheat was up 2,785 contracts.



**NEAR-TERM MARKET FUNDAMENTALS:** July wheat closed lower in nine of the last 10 trading sessions and while extremely oversold technically, there is no sign of a short-term low. However, a higher close today would

suggest a short-term low is in place. The selling pushed the market down to the lowest level since April of 2021. On top of the bearish weather situation for the northern hemisphere, talks on a UN brokered deal that allows the safe Black Sea export of Ukrainian grain is scheduled for Wednesday. All sides in the negotiations involved are expected to attend. Ukraine grain exports could fall to around 26 million tonnes for the 2023/24 season. Ukraine harvested a record 86 million tonnes in 2021 and 53 million tonnes in 2022. The lowest offer for the Egyptian state week purchase tender was \$260 per ton for Russia wheat.

Russian wheat exports in the current season are now seen at 44.4 million tonnes versus a previous estimate of 44.5 million, according to SovEcon. Exports in the 2023-24 season are estimated at 43 million tonnes, the second-highest on record after the current year. European Union wheat exports in the season that began July 1 reached 25.7 million tonnes as of April 30, compared with 23.5 million tonnes by this time last year. Rains have brought some relief to parched US winter-wheat areas, with ratings now edging above a year earlier. EU and Russian crops are looking relatively good, and Canada will boost plantings.

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

The market is extremely oversold technically with RSI and 18.8 and slow stochastic numbers at 5.1 and 9.7. With a more than \$2 break off of the February 14 peak, the market may be getting cheap enough to attract better demand. For now, there is still no technical sign of a low unless there is a higher close today. The market has failed to take out the previous day high for 10 days in a row. July wheat support is at 609 1/4, with resistance at 635 1/4 and 649 1/4.

#### **NEW RECOMMENDATIONS:**

None.

#### **PREVIOUS RECOMMENDATIONS:**

None.

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

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WHEAT (JUL) 05/03/2023: Momentum studies are declining, but have fallen to oversold levels. The market's short-term trend is negative as the close remains below the 9-day moving average. The market tilt is slightly negative with the close under the pivot. The next downside objective is now at 594 1/4. The 9-day RSI under 20 suggests the market is extremely oversold. The next area of resistance is around 618 3/4 and 632, while 1st support hits today at 599 3/4 and below there at 594 1/4.

KC WHEAT (JUL) 05/03/2023: 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. The close below the 1st swing support could weigh on the market. The next downside objective is now at 715. With a reading under 30, the 9-day RSI is approaching oversold levels. The next area of resistance is around 757 and 778 1/4, while 1st support hits today at 725 1/2 and below there at 715.

MINN WHEAT (JUL) 05/03/2023: 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. The market is in a bearish position with the close below the 2nd swing support number. The next downside objective is 753. Some caution in pressing the downside is warranted with the RSI under 30. The next area of resistance is around 786 1/2 and 805 1/4, while 1st support hits today at 760 1/2 and below there at 753.

RICE (JUL) 05/03/2023: Rising stochastics at overbought levels warrant some caution for bulls. The close above the 9-day moving average is a positive short-term indicator for trend. A positive setup occurred with the close over the 1st swing resistance. The next upside objective is 18.054. The market is approaching overbought levels with an RSI over 70. The next area of resistance is around 17.969 and 18.054, while 1st support hits today at 17.690

and below there at 17.495.

### 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>										
CNAN23	580	21.80	27.66	16.25	12.78	582.75	598.72	615.50	618.36	628.90
CNAZ23	519 3/4	17.36	23.58	13.53	8.12	525.88	538.69	549.83	557.67	566.23
SSAN23	1410 3/4	34.29	37.12	20.59	17.91	1415.31	1427.44	1450.58	1462.25	1475.34
SSAX23	1267 1/4	37.27	37.77	18.66	19.99	1265.31	1272.94	1291.75	1312.80	1329.49
SMAN23	427.9	30.26	34.07	18.13	16.69	430.33	434.82	445.26	454.68	457.96
BOAN23	51.79	35.87	36.98	18.74	18.91	51.53	52.41	53.52	55.56	56.90
WHAN23	609 1/4	18.88	24.63	9.39	5.01	622.63	643.94	667.96	689.13	709.57
WHAU23	620 1/2	18.50	24.28	9.36	4.99	634.06	655.31	679.11	700.23	720.11
RCAN23	17.830	70.61	62.83	69.01	82.06	17.47	17.27	17.12	17.25	17.45
KWAN23	741 1/4	21.48	27.76	10.69	5.43	759.75	788.33	821.36	820.09	831.02
MWAN23	773 1/2	24.49	29.00	10.31	6.14	788.31	816.06	843.13	852.66	865.77
OTAN23	302 1/2	16.68	23.33	18.05	12.83	308.38	322.94	329.56	341.49	346.13

Calculations based on previous session. Data collected 05/02/2023

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>						
CNAN23	Corn	570	574	582 1/4	586	594 1/2
CNAZ23	Corn	509 3/4	513 1/2	522	526	534 1/4
SSAN23	Soybeans	1385 1/2	1394 3/4	1417 1/2	1426 3/4	1449 1/2
SSAX23	Soybeans	1252	1257 3/4	1271	1276 3/4	1290
SMAN23	Soymeal	419.7	422.7	430.1	433.1	440.5
BOAN23	Soybean Oil	51.03	51.32	51.96	52.25	52.89
WHAN23	Wheat	594	599 3/4	613	618 3/4	632
WHAU23	Wheat	605 3/4	611	624 1/2	630	643 1/4
RCAN23	Rice	17.495	17.689	17.775	17.969	18.054
KWAN23	KC Wheat	715	725 1/2	746 3/4	757	778 1/2
MWAN23	MINN Wheat	753	760 1/2	779 1/4	786 1/2	805 1/2
OTAN23	Oats	296 3/4	299	304	306	311 1/4

Calculations based on previous session. Data collected 05/02/2023

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