LAKEFRONT
FUTURES & OPTIONS, LLC.

DAILY SOY COMPLEX COMMENTARY
5/9/2023

USDA new crop outlook and weather looks bearish

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

OVERNIGHT DEVELOPMENTS: July Soybean prices overnight are down 11 1/4 cents; Soymeal down 5.70; and Soyoil up 0.02. Soybean open interest as of May 8 was up 5,301 contracts, soymeal up 2,936 contracts, and soybean oil up 2,132. Chinese Dalian Soybeans are up 1.36%, Soymeal down 0.25%, Soyoil down 0.26%, Palm oil up 0.42%. Malaysian Palm was up 1.20%. Global equity markets overnight were down with some losses of nearly 1%! Overnight economic news included stronger-than-expected New Zealand electronic credit card retail sales, an increase in GBP BRC Like for like Retail sales, a surprisingly large decline in Japanese household spending, a bigger than expected contraction in Australian retail sales for the first quarter, softer than expected Chinese import data, a surprise contraction in a GBP Halifax House Price index for April, and no change in the Japanese Labor Cash Earnings report for March. The North American session will have a monthly private survey of small business optimism and a weekly private survey of same-store sales. For the month to date wheat prices are up 14 1/2 in SRW, up 70 in HRW, up 43 1/2 in HRS; Corn is up 7 3/4; Soybeans up 10 3/4; Soymeal down $7.60; Soyoil up 2.08. Year-To-Date nearby futures are down 19.1% in SRW, up 0.3% in HRW, down 11.6% in HRS; Corn is down 4.1%; Soybeans down 3.6%; Soymeal down 11.1%; Soyoil down 16.4%.
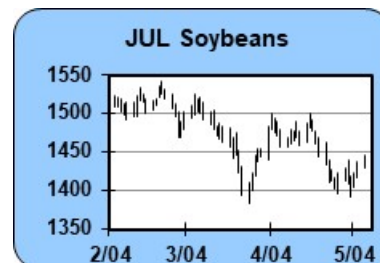
NEAR-TERM MARKET FUNDAMENTALS: Strength in the other grains and a positive tilt to outside market forces helped to support the market with crude oil higher again. November soybeans saw some early strength, but the two week weather outlook suggests a great start for Midwest crops, and this was seen as a bearish force to push the market sharply lower. China soybean imports for April reached 7.263 million tonnes and this pushed year-to-date imports to 30.286 million tonnes, up 6.8% from last year. For the weekly crop progress report, traders expected to see soybean plantings at 34% complete, 25-41% range, as compared with 19% last week. Soybeans planted as of May 7 was up 16% at 35%. This is up 24% versus last year and up 17% versus the 10 year average. The top producing states report Illinois 66% (+27%), Iowa 49% (+33%), Minnesota 13% (+12%), North Dakota 0% and Missouri 50% (+16%).

Soybean export inspections for the week ending May 4 came in at 394,755 metric tonnes from trade expectations for 300,000-600,000 tonnes. Cumulative inspections year-to-date are 47,854,601 metric tonnes which is 0.2% above last year. This is 87.3% of the USDA's forecast for the 2022-23 marketing year versus the five year average of 78.5%. Palm oil surged to the highest level in three weeks on talk of lower stocks in Malaysia, and worries that scorching weather may hurt output. Futures rose for a fourth day, jumping more than 5% on Friday when a Bloomberg survey showed that Malaysian stockpiles probably contracted to an 11-month low in April. Concerns about weather conditions and the rising risks to palm oil production are also lifting prices. Investors are keeping a watch on a brutal heat wave that's scorching parts of Southeast Asia, where nearly all of the world's oil palm is grown. Rainfall in Malaysia may be as much as 40% lower in some areas, which could put the crop at risk.

For the USDA Crop Production and Supply/Demand report, traders see old crop soybean ending stocks near 212 million bushels, 179-250 range, as compared with 210 million bushels last month. For the first look at the 23/24 season, traders see ending stocks near 293 million bushels with a range of 225 to 371 million bushels. For the first USDA production outlook, traders expect the USDA to peg soybean production near 4.494 billion bushels, 4.417-4.530 range, as compared with 4.276 billion bushels last year. Yield is expected near 51.8 bushels per

acre, 51-52 range, as compared with 49.5 bushels per acre last year. World ending stocks for the old crop season are expected near 99.03 million tonnes, 95-101.8 range, as compared with 100.29 million tonnes in April. For the 23/24 season traders expect world ending stocks near 108.07 million tonnes with a range of 99.5-134 range.

TODAY'S MARKET IDEAS:
Weather is bearish and the new crop supply outlook is also bearish. July soybean support is at 1419 1/2 and 1413 1/4, with 1436 1/2 and 1446 1/2 as resistance. If support gives way, the charts turn bearish. November soybean resistance is at 1268 1/2, with support is at 1264 1/2 and it will be important for support to hold on a closing basis or the charts turn bearish.

NEW RECOMMENDATIONS:
None.

PREVIOUS RECOMMENDATIONS:
None.

SOYBEAN COMPLEX TECHNICAL OUTLOOK:
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SOYBEANS (JUL) 05/09/2023: Positive momentum studies in the neutral zone will tend to reinforce higher price action. The market's short-term trend is positive on the close above the 9-day moving average. The downside closing price reversal on the daily chart is somewhat negative. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The near-term upside objective is at 1452 3/4. The next area of resistance is around 1442 and 1452 3/4, while 1st support hits today at 1425 1/2 and below there at 1419 1/2.

SOYBEAN OIL (JUL) 05/09/2023: Stochastics are at mid-range but trending higher, which should reinforce a move higher if resistance levels are taken out. The close above the 9-day moving average is a positive short-term indicator for trend. The daily closing price reversal down is a negative indicator for prices. It is a slightly negative indicator that the close was lower than the pivot swing number. The near-term upside objective is at 55.63. The next area of resistance is around 54.48 and 55.63, while 1st support hits today at 52.82 and below there at 52.31.

SOYMEAL (JUL) 05/09/2023: The daily stochastics have crossed over up which is a bullish indication. Rising from oversold levels, daily momentum studies would support higher prices, especially on a close above resistance. The close below the 9-day moving average is a negative short-term indicator for trend. The upside closing price reversal on the daily chart is somewhat bullish. The close over the pivot swing is a somewhat positive setup. The next upside objective is 433.6. The next area of resistance is around 430.3 and 433.6, while 1st support hits today at 423.5 and below there at 420.0.
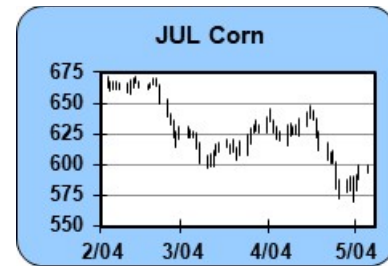
DAILY CORN COMMENTARY
5/9/2023

Bearish weather and new crop ending stocks estimate 2.094 bil bu

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):
CORN -0.5

OVERNIGHT DEVELOPMENTS: July corn prices overnight are down -7 1/4. Corn open interest as of May 8 was up 8,712 contracts. Chinese Dalian Corn was up 0.08%.

JUL Corn

NEAR-TERM MARKET FUNDAMENTALS: July corn pushed to the highest level since April 27 yesterday as more talk that the Black Sea grain deal may not be renewed helped to provide some support. December corn matched Friday's high early in the day but pushed moderately lower on the session as traders view the weather forecast for the next two weeks as bearish. For the weekly crop progress report, traders expected to see corn planting near 48% complete, 34-64% range, as compared with 26% last week. Corn planted as of May 7 was up 23% at 49%. This is up 28% versus last year and up 5% versus the 10 year average. The top producing states report Iowa 70% (+41%), Illinois 73% (+33%), Nebraska 56% (+26%), Minnesota 38% (+33%) and South Dakota 26% (+25%). Corn export inspections for the week ending May 4 came in at 963,351 metric tonnes from trade expectations for 1.0-1.55 million tonnes. Cumulative inspections year-to-date are 24,866,729 metric tonnes which is 34.7% below last year. This is 52.9% of the USDA's forecast for the 2022-23 marketing year versus the five year average of 61.3%.

For the USDA crop production and supply/demand report, traders see old crop corn ending stocks near 1.366 billion bushels, 1.242-1.472 range, as compared with 1.342 billion bushels in the April update. For the first look at the 2023/24 season, traders see ending stocks near 2.094 billion bushels, 1.7-2.462 range. For the first USDA production outlook this week, traders expect the USDA to peg corn production near 15.12 billion bushels, 14.55-15.30 range, as compared with 13.73 billion bushels last year. Yield is expected near 180.7 bushels per acre, 178-183.5 range, as compared with 173.3 bushels per acre last year. World ending stocks for the old crop season are expected near 295.16 million tonnes, 293-299 range, as compared with 295.35 million tonnes in April. For the 23/24 season traders see world ending stocks near 307.47 million tonnes, 295-327.1 range.

TODAY'S MARKET IDEAS:
With the extreme oversold technical condition, and non-commercial/no CIT fund traders net short positioning at 153,429 contracts (biggest since July 28th, 2020), the market looks vulnerable to at least a technical correction. Support for July corn comes in at 588 1/2 and 584 3/4, with 608 1/4 and 617 1/2 as next resistance. December corn support is at 521 3/4 and a close below this level will leave 503 1/4 as next target.

NEW RECOMMENDATIONS:
None.

PREVIOUS RECOMMENDATIONS:
None.

CORN TECHNICAL OUTLOOK:

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CORN (JUL) 05/09/2023: Daily stochastics are showing positive momentum from oversold levels, which should reinforce a move higher if near term resistance is taken out. The close above the 9-day moving average is a positive short-term indicator for trend. The close over the pivot swing is a somewhat positive setup. The next upside target is 602 3/4. The next area of resistance is around 599 1/2 and 602 3/4, while 1st support hits today at 593 1/2 and below there at 590 1/2.

CORN (DEC) 05/09/2023: Rising from oversold levels, daily momentum studies would support higher prices, especially on a close above resistance. The market's close below the 9-day moving average is an indication the

short-term trend remains negative. The market's close below the 1st swing support number suggests a moderately negative setup for today. The next upside objective is 541. The next area of resistance is around 534 3/4 and 541, while 1st support hits today at 524 3/4 and below there at 520 3/4.

DAILY WHEAT COMMENTARY
5/9/2023

Will need to hold support; weather uncertainties

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):
WHEAT -0.88

OVERNIGHT DEVELOPMENTS: Chicago wheat (JUL 23) prices overnight are down -11; Kansas City (JUL 23) down -4 1/2; and Minneapolis (JUL 23) up 1/2. MATIF Milling Wheat was down -2.3%. Chicago wheat open interest as of May 8 was down 977 contracts and Minneapolis wheat was down 1,556 contracts.
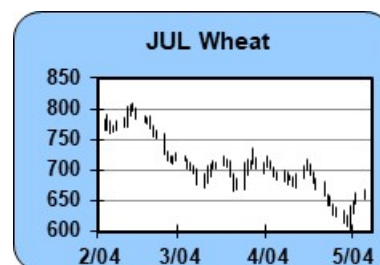
NEAR-TERM MARKET FUNDAMENTALS: July wheat experienced early strength on Monday on crop concerns for Canadian fires and also from expectations that the Black Sea grain export deal will not be renewed due to friction between Russia and Ukraine. An El Nino weather event looks increasingly likely in the months ahead and this could have a significant impact on agricultural commodity markets. Searing heat across Asia is a concern. El Nino typically brings hotter, drier conditions to much of Asia. Concerns surfaced in March, then strengthened in April. Now they've ratcheted higher again. Critically, forecasters warned the impact of a new El Nino may be magnified by global warming. For the weekly crop progress and conditions report, traders expected to see spring wheat plantings near 28% complete, 19-49% range, as compared with 12% last week. Spring Wheat planted as of May 07 was up 12% at just 24%. This is down 2% versus last year and down 22% versus the 10 year average. The top producing states report North Dakota 10% (+4%), Montana 32% (+20%), Minnesota 7% (+7%), South Dakota 56% (+39%) and Washington 89% (+15%).

Traders expected to see winter wheat crop conditions near 30% good/excellent, 28-33 range, as compared with 28% good/excellent last week. Winter Wheat rated good/excellent as of May 7 was up 1% at 29% and poor/very poor was up 2% at 44%. Current G/EX is down 16% versus the 10 year average and Poor/Very Poor is up 20% versus the 10 year average. The good/excellent ratings for the top producing states were: Kansas 11% (-2%), Texas 20% (+3%), Oklahoma 7% (-2%), Colorado 22% (-6%) and Montana 54% (+8%). Wheat export inspections for the week ending May 4 came in at 209,138 metric tonnes from trade expectations for 200,000-500,000 tonnes. Cumulative inspections year-to-date are 18,458,158 metric tonnes which is 3.0% below last year. This is 87.5% of the USDA's forecast for the 2022-23 marketing year versus the five year average of 88.7%.

For the USDA Crop Production and Supply/Demand report, traders see old crop ending stocks near 603 million bushels, 593-622 range, as compared with 598 million bushels in April. For the first look at the new crop season, traders see ending stocks near 602 million bushels with a range of 535-690 million bushels. World ending stocks for the 22/23 season are expected near 265.09 million tonnes, 263-267 range, as compared with 265.05 million tonnes in April. For the 23/24 season traders see world ending stocks near 259.69 million tonnes with a range of 245.7 to 270 million tonnes. For the USDA production report, traders see all wheat production near 1.789 billion bushels, 1.64-1.924 range, as compared with 1.65 billion bushels for the 2022/23 season. Winter wheat production is expected near 1.23 billion bushels, 1.08-1.329 range, as compared with 1.104 billion bushels for the 22/23 season. Hard red winter wheat production is expected near 591 million bushels, 492-680 range, as compared with 531 million bushels for the 22/23 season. Soft red winter production is expected near 399 million bushels from 337 million last year.

TODAY'S MARKET IDEAS:
Weather concerns due to El Nino and the large net short position from fund traders (Managed Money traders are net short 126,324 contracts) leaves the market vulnerable to short-covering on any positive news. July wheat support is at 644 1/4 and 636 1/2, with 682 1/2 and 706 3/4 as resistance.

WHEAT TECHNICAL OUTLOOK:

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WHEAT (JUL) 05/09/2023: Stochastics are at mid-range but trending higher, which should reinforce a move higher if resistance levels are taken out. The close above the 9-day moving average is a positive short-term indicator for trend. The downside closing price reversal on the daily chart is somewhat negative. It is a slightly negative indicator that the close was under the swing pivot. The next upside target is 674. The next area of resistance is around 662 1/4 and 674, while 1st support hits today at 645 3/4 and below there at 640 3/4.

KC WHEAT (JUL) 05/09/2023: Momentum studies are rising from mid-range, which could accelerate a move higher if resistance levels are penetrated. The market's short-term trend is positive on the close above the 9-day moving average. The market has a slightly positive tilt with the close over the swing pivot. The next upside objective is 871 1/4. The next area of resistance is around 856 3/4 and 871 1/4, while 1st support hits today at 830 1/4 and below there at 818 1/4.

MINN WHEAT (JUL) 05/09/2023: Momentum studies are trending higher from mid-range, which should support 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. It is a mildly bullish indicator that the market closed over the pivot swing number. The next upside objective is 866 3/4. The next area of resistance is around 855 and 866 3/4, while 1st support hits today at 832 1/2 and below there at 821 1/2.

RICE (JUL) 05/09/2023: 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 18.573. The market is approaching overbought levels with an RSI over 70. The next area of resistance is around 18.492 and 18.573, while 1st support hits today at 18.238 and below there at 18.064.

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	596 1/2	43.53	41.42	23.07	28.88	592.63	589.17	607.99	615.48	624.16
CNAZ23	529 3/4	38.19	37.43	22.59	27.70	530.88	530.06	543.68	554.18	562.00
SSAN23	1433 3/4	48.95	46.36	26.01	32.08	1426.38	1420.17	1441.57	1456.64	1470.10
SSAX23	1272 1/2	43.68	42.12	25.34	29.15	1273.31	1269.03	1283.51	1304.94	1323.15
SMAN23	426.9	33.04	35.16	15.70	16.59	425.63	427.91	439.27	451.30	455.41
BOAN23	53.65	53.38	48.88	34.64	45.62	53.28	52.41	53.21	54.90	56.45
WHAN23	654	49.25	45.53	26.18	37.11	649.75	636.83	659.58	683.14	701.44
WHAU23	666	49.59	45.73	26.50	37.73	661.25	648.39	670.65	694.32	712.15
RCAN23	18.365	80.17	70.98	88.36	95.44	18.14	17.72	17.38	17.29	17.44
KWAN23	843 1/2	62.07	56.94	33.29	52.20	815.13	786.97	813.58	820.51	827.90
MWAN23	843 3/4	56.34	51.73	27.90	42.55	823.81	806.83	833.47	848.89	860.21
OTAN23	339 1/4	62.50	55.60	35.72	54.77	324.38	317.50	327.01	340.39	342.77

Calculations based on previous session. Data collected 05/08/2023
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DAILY SWING STATISTICS

Contract		Support 2	Support 1	Pivot	Resist 1	Resist 2
GRAIN COMPLEX						
CNAN23	Corn	590 1/2	593 1/2	596 3/4	599 1/2	603
CNAZ23	Corn	520 1/2	524 1/2	530 3/4	535	541
SSAN23	Soybeans	1419 1/4	1425 1/2	1436	1442	1452 3/4
SSAX23	Soybeans	1257	1263 1/2	1274 3/4	1281 1/2	1292 1/2
SMAN23	Soymeal	420.0	423.5	426.8	430.3	433.6
BOAN23	Soybean Oil	52.30	52.81	53.97	54.48	55.63
WHAN23	Wheat	640 1/2	645 1/2	657 1/4	662 1/2	674
WHAU23	Wheat	653	658	669	674	685
RCAN23	Rice	18.063	18.237	18.318	18.492	18.573
KWAN23	KC Wheat	818 1/4	830 1/4	844 3/4	856 3/4	871 1/4
MWAN23	MINN Wheat	821 1/2	832 1/2	844 1/4	855	867
OTAN23	Oats	323 1/2	332 3/4	336 1/2	345 3/4	349 1/2

Calculations based on previous session. Data collected 05/08/2023

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