

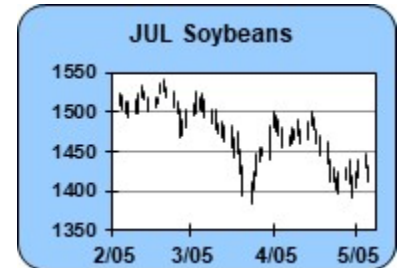


DAILY GRAINS COMMENTARY Wednesday May 10, 2023

DAILY SOY COMPLEX COMMENTARY 5/10/2023

Traders expect world ending stocks at second highest ever

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):
SOY BEANS -0.1, BEAN OIL +0.0, SOYMEAL -0.2



OVERNIGHT DEVELOPMENTS: July soybean prices overnight are down -11 1/2; Soymeal down -1.90; and Soyoil down -0.5. Soybean open interest as of May 9 was up 3,659 contracts, soymeal up 5,842 contracts, and soybean oil up 371. Chinese Dalian Soybeans down 2.13%, Soymeal down 1.16% and Soyoil down 0.73%. Malaysian Palm was down 2.78%. Global equity markets overnight were mostly lower overnight ranging from a 1.1% decline in Shanghai to a surprise gain in Russian stocks. Overnight economic news of importance included a slight uptick in Japanese coincident index readings, a minimal decline in a Japanese leading economic index reading for March, as expected German consumer price index readings for April and much weaker than expected Italian industrial output readings for March. The North American session will start out with a weekly survey of mortgage applications followed by the highlight for global markets, the April US consumer price index which is expected to hold steady with March's 5.0% year-over-year rate. The April US core consumer price index (excluding food and energy) is forecast to hold steady with March's 5.6% year-over-year rate. For the month to date wheat prices are up 3 3/4 in SRW, up 71 in HRW, up 36 3/4 in HRS; Corn is down 5; Soybeans down 14 1/4; Soymeal down \$15.50; Soyoil up 0.92. Year-To-Date nearby futures are down 20.4% in SRW, up 2.1% in HRW, down 11.2% in HRS; Corn is down 6.0%; Soybeans down 5.0%; Soymeal down 13.0%; Soyoil down 17.4%.

NEAR-TERM MARKET FUNDAMENTALS: July soybeans closed sharply lower on the session and experienced follow-through selling from Monday's weak technical action. Planting progress is ahead of schedule and the weather forecast also carries a bearish tilt. The outlook for hefty ending stocks for the US and the world for the first look at the 2023/24 season has added to the bearish tone. For the monthly Conab Brazil production update, traders see soybean production near 155.14 million tonnes, 153.17-157.70 range, as compared with 153.63 million tonnes as the April update. For the USDA report, the average trade expectation for US 2023/24 soybean production is 4.494 billion bushels, with a range of expectations from 4.417 to 4.530 billion. This would be up from 4.276 billion last year and a record high.

Yield is expected to come in around 51.8 bushels per acre (51-52 range) versus 49.5 last year. This would also be a record high. Ending stocks are expected to come in around 293 million bushels (range 225-371 million), up from 210 million last year and the highest since 2019/20. The average expectation for 2023/24 world ending stocks is 108.07 million tonnes, with a range of expectation from 99.5 to 134 million. This would be the second highest on record and up 7.8% from 2022/23. For 2022/23, US ending stocks are expected to come in around 212 million bushels (range 179-250 million). This would be down slightly from the 210 million in the April report. World ending stocks are expected to come near 99.03 million tonnes (range 95-101.8 million) versus 100.29 million in April.

TODAY'S MARKET IDEAS:

Weather is bearish and the new crop supply outlook is also bearish. July soybean support is at 1398 1/2 and 1383 3/4, with 1419 1/2 and 1425 3/4 as resistance. If support gives way, the charts turn very bearish. November soybean resistance is at 1264 1/4. If the market takes out the March low, 1212 3/4 becomes next target.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

SOYBEAN COMPLEX TECHNICAL OUTLOOK:

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SOYBEANS (JUL) 05/10/2023: Momentum studies are rising from mid-range, which could accelerate a move higher if resistance levels are penetrated. A negative signal for trend short-term was given on a close under the 9-bar moving average. There could be some early pressure today given the market's negative setup with the close below the 2nd swing support. The near-term upside objective is at 1439 3/4. The next area of resistance is around 1425 1/4 and 1439 3/4, while 1st support hits today at 1403 1/4 and below there at 1396.

SOYBEAN OIL (JUL) 05/10/2023: 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. It is a slightly negative indicator that the close was under the swing pivot. The near-term upside target is at 54.38. The next area of resistance is around 53.62 and 54.38, while 1st support hits today at 52.45 and below there at 52.03.

SOYMEAL (JUL) 05/10/2023: The daily stochastics gave a bearish indicator with a crossover down. Momentum studies are declining, but have fallen to oversold levels. A negative signal for trend short-term was given on a close under the 9-bar moving average. There could be some early pressure today given the market's negative setup with the close below the 2nd swing support. The next downside objective is 412.9. The market is approaching oversold levels on an RSI reading under 30. The next area of resistance is around 423.0 and 429.0, while 1st support hits today at 415.0 and below there at 412.9.

DAILY CORN COMMENTARY

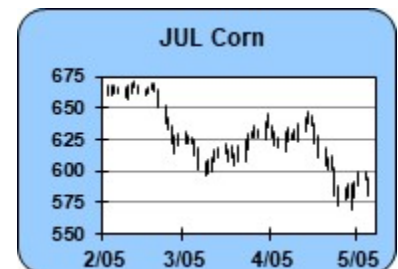
5/10/2023

Bearish demand tilt and outlook for jump in new crop stocks

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):

CORN -0.5

OVERNIGHT DEVELOPMENTS: July corn prices overnight are down -5 1/4. Corn open interest as of May 9 was up 9,823 contracts. Chinese Dalian Corn was down 1.83%. Taiwan bought 65,000 tonnes of Brazil corn in their tender overnight.



NEAR-TERM MARKET FUNDAMENTALS: July corn closed sharply lower on the session yesterday as traders see bearish weather for the new crop season, and continued bad demand news helped to trigger more selling. Private exporters reported that buyers canceled deals to purchase 272,000 tonnes of US corn which was headed to China. This increased the total number of cancellations to 832,000 tonnes since April 24th. Planting progress is ahead of normal, and short-term rain in the forecast should help the crop get off to a good start. December corn experienced the lowest close since January 2022. For the monthly Conab Brazil production update, traders see corn production near 127.89 million tonnes, 124.96-131.59 range, as compared with 124.88 million in the April update.

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:

While the market is in an oversold condition, the new crop outlook for supply is burdensome and the old crop demand factors are poor. If July Corn did put in a low on May 3, it will be important for support at 581 to hold on a closing basis. December corn failed to hold support and the market looks set for a further decline to 503 1/4.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

CORN TECHNICAL OUTLOOK:

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CORN (JUL) 05/10/2023: Daily momentum studies are on the rise from low levels and should accelerate a move higher on a push through the 1st swing resistance. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The close below the 2nd swing support number puts the market on the defensive. The near-term upside target is at 600 1/4. The next area of resistance is around 591 3/4 and 600 1/4, while 1st support hits today at 577 3/4 and below there at 572 1/2.

CORN (DEC) 05/10/2023: The daily stochastics have crossed over down which is a bearish indication. 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 target is now at 508 1/2. The market is approaching oversold levels on an RSI reading under 30. The next area of resistance is around 524 and 531 3/4, while 1st support hits today at 512 1/2 and below there at 508 1/2.

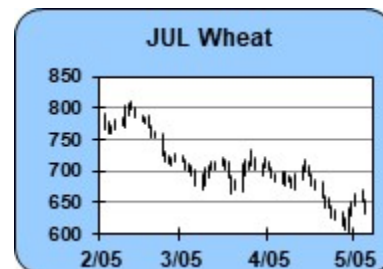
DAILY WHEAT COMMENTARY

5/10/2023

Will need to hold support; weather uncertainties

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):
WHEAT -0.7

OVERNIGHT DEVELOPMENTS: July wheat prices overnight are down 9 1/2 cents; Kansas City down -15 1/2; and Minneapolis down -10 1/4. MATIF Milling Wheat was down -0.3%. Chicago wheat open interest as of May 9 was down 1,468 contracts and Minneapolis wheat was down 1,075 contracts.



NEAR-TERM MARKET FUNDAMENTALS: July wheat closed moderately lower on the session yesterday but well up from the lows. Talk of good weather for the soft red wheat areas helped to pressure, and good rains in the forecast for the very dry areas of the Western Plains helped to pressure. However, July Kansas City wheat held minor support and closed sharply higher on the session. Only 11% of the Kansas wheat crop is in good/excellent condition which is the lowest so far this season and compares with near 28% last year and near 36% as the 10-year average. A whopping 68% is rated poor to very poor as compared with the 10-year average of 30%.

Statistics Canada pegged total wheat stocks as of March 31 at 13.26 million tonnes vs. 11.22 million last year. 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 2023/24 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:

July wheat support is at 628 3/4, with 662 and 682 1/2 as resistance. July Kansas City wheat close in support is at 828 3/4, with 871 1/2 as next resistance. July Minneapolis wheat support is at 822 3/4, with 867 and 877 3/4 as next resistance.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

WHEAT TECHNICAL OUTLOOK:

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WHEAT (JUL) 05/10/2023: Stochastics are at mid-range but trending higher, which should reinforce a move higher if resistance levels are taken out. The market's close above the 9-day moving average suggests the short-term trend remains positive. The market setup is somewhat negative with the close under the 1st swing support. The next upside objective is 664. The next area of resistance is around 653 3/4 and 664, while 1st support hits today at 633 1/4 and below there at 622 3/4.

KC WHEAT (JUL) 05/10/2023: Positive momentum studies in the neutral zone will tend to reinforce higher price action. The close above the 9-day moving average is a positive short-term indicator for trend. The daily closing price reversal up on the daily chart is somewhat positive. The close over the pivot swing is a somewhat positive setup. The near-term upside target is at 877. The next area of resistance is around 870 1/4 and 877, while 1st support hits today at 844 3/4 and below there at 825 3/4.

MINN WHEAT (JUL) 05/10/2023: Momentum studies are trending higher from mid-range, which should support 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. It is a mildly bullish indicator that the market closed over the pivot swing number. The near-term upside objective is at 859 3/4. The next area of resistance is around 855 and 859 3/4, while 1st support hits today at 840 1/2 and below there at 830 1/2.

RICE (JUL) 05/10/2023: Daily stochastics have risen into overbought territory which will tend to support reversal action if it occurs. The close above the 9-day moving average is a positive short-term indicator for trend. The close below the 1st swing support could weigh on the market. The next upside target is 18.577. With a reading over 70, the 9-day RSI is approaching overbought levels. The next area of resistance is around 18.409 and 18.577, while 1st support hits today at 18.030 and below there at 17.818.

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 3/4	33.96	35.42	24.37	26.99	591.69	587.36	605.72	614.57	622.80
CNAZ23	518 1/4	29.88	31.67	22.59	22.58	527.81	527.25	541.71	553.03	560.70
SSAN23	1414 1/4	39.39	40.52	27.44	30.31	1425.56	1420.11	1438.29	1454.36	1468.29
SSAX23	1254 1/2	34.25	36.13	24.47	22.72	1268.88	1267.67	1280.29	1302.17	1321.08
SMAN23	419.0	25.09	30.00	14.75	12.84	424.15	426.98	436.94	449.89	454.55
BOAN23	53.04	48.32	45.91	38.77	47.02	53.38	52.47	53.17	54.74	56.33
WHAN23	643 1/2	44.08	42.30	30.42	38.90	650.69	637.00	657.78	681.81	698.85
WHAU23	655 1/4	44.20	42.37	30.84	39.52	662.38	648.50	668.93	693.01	709.63
RCAN23	18.220	71.91	66.32	89.86	92.87	18.21	17.85	17.44	17.31	17.43
KWAN23	857 1/2	64.98	59.28	44.22	66.08	832.94	795.08	814.97	821.94	827.47
MWAN23	847 3/4	57.75	52.79	36.08	52.45	834.88	810.69	833.43	848.63	859.05
OTAN23	337 1/4	60.14	54.13	45.65	65.51	331.13	318.69	327.49	340.60	342.16

Calculations based on previous session. Data collected 05/09/2023

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						
CNAN23	Corn	572 1/2	577 3/4	586 1/2	591 3/4	600 1/2
CNAZ23	Corn	508 1/2	512 1/2	520 1/4	524	532
SSAN23	Soybeans	1396	1403 1/4	1418	1425 1/4	1440
SSAX23	Soybeans	1236 3/4	1244	1257 3/4	1265	1278 3/4
SMAN23	Soymeal	412.8	414.9	420.9	423.0	429.0
BOAN23	Soybean Oil	52.02	52.44	53.20	53.62	54.38
WHAN23	Wheat	622 3/4	633	643 1/2	654	664 1/4
WHAU23	Wheat	635 1/4	645 1/4	655 1/4	665 1/4	675 1/4
RCAN23	Rice	17.817	18.029	18.197	18.409	18.577
KWAN23	KC Wheat	825 1/2	844 1/2	851 1/4	870 1/2	877
MWAN23	MINN Wheat	830 1/4	840 1/2	845	855	859 3/4
OTAN23	Oats	328 1/4	333	336 1/2	341 1/2	344 3/4

Calculations based on previous session. Data collected 05/09/2023

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