



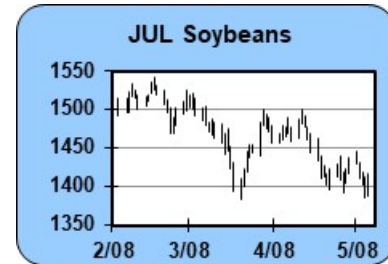
DAILY GRAINS COMMENTARY Monday May 15, 2023

DAILY SOY COMPLEX COMMENTARY 5/15/2023

World ending stocks at record high and up 21.2% from 2022/23

**OVERNIGHT CHANGES THROUGH 6:06 AM (CT):
SOY BEANS +0.1, BEAN OIL +0.0, SOYMEAL +0.6**

OVERNIGHT DEVELOPMENTS: July Soybean prices overnight are up 9 1/2 cents; Soymeal up 6.20; and Soyoil down -0.12. Soybean open interest as of May 12 was up 1,494 contracts, soymeal up 882 contracts, and soybean oil up 6,322. Chinese Dalian Soybeans are up 1.19%, Soymeal down 0.20% and Soyoil down 0.44%. Malaysian Palm was down 0.85%. Global equity markets overnight were higher except for the Russian and Spanish markets which traded fractionally lower. Critical economic news released overnight included a decline in the New Zealand business PSI reading for April, softer than expected Japanese producer prices, a negative Japanese machine-tool order for April, a significant contraction in German wholesale prices, a slight rise in Swiss producer and import prices in April and much weaker than expected euro zone industrial production. The North American session will start out with April Canadian housing starts which are expected to have a modest uptick from March's annualized rate. The New York Fed's May Empire State manufacturing survey is forecast to have a moderate downtick from April's 10.8 reading. March Canadian wholesale sales are expected to have a modest uptick from February's -1.7% reading. The March Treasury International Capital (TIC) reports will be released during mid-afternoon US trading hours and will show net changes to Chinese and Japanese Treasury holdings. For the month to date wheat prices are up 15 1/4 in SRW, up 124 in HRW, up 59 1/2 in HRS; Corn is up 4 1/2; Soybeans down 22 1/4; Soymeal up \$5.60; Soyoil down 2.27. Year-To-Date nearby futures are down 18.1% in SRW, up 1.4% in HRW, down 8.0% in HRS; Corn is down 13.1%; Soybeans down 8.0%; Soymeal down 8.5%; Soyoil down 22.6%.



NEAR-TERM MARKET FUNDAMENTALS: The USDA news was bearish across the board and shows a burdensome supply for the new crop season. This is especially true for world ending stocks, which came in at a new record high and outside of the range of estimates. The USDA report put US soybean production for 2023/24 at 4.510 billion bushels versus an average expectation of 4.496 billion. This was up from 4.276 billion in 2022/23 and a record high. Yield came in at 52.0 bushels/acre versus 51.9 expected and 49.5 in 2022/23. This would be a record high as well. US ending stocks came in at 335 million bushels versus 292 million expected and 215 million bushels in 2022/23. This would be the highest since the 2019/20 season. World 2023/24 ending stocks came in at 122.5 million tonnes versus 108.1 million expected and 101.04 million in 2022/23. This would be the highest world ending stocks on record, and it would be up 21.2% from 2022/23. The previous all-time high was 114.19 million tonnes.

China has increased the rate of inspections on imported soybean cargoes which has caused a slowdown in the import pace. Traders will monitor this situation closely. Since the new requirements came in to effect last month, meal prices in China have jumped near 14% (since the beginning of April). The May 9th Commitments of Traders report showed Soybeans Managed Money traders are net long 48,459 contracts after net selling 7,914 contracts for the week. The long liquidation selling trend is a bearish short-term force. Non-Commercial & Non-Reportable traders were net long 31,471 contracts after decreasing their long position by 8,876 contracts. For Soyoil, Managed Money traders are net short 13,484 contracts after net buying 10,250 contracts. For Soymeal, Managed Money traders net bought 1,705 contracts and are now net long 62,262 contracts. Non-Commercial & Non-Reportable traders net sold 1,249 contracts and are now net long 92,650 contracts.

TODAY'S MARKET IDEAS:

It will be difficult to absorb the outlook for a huge stocks situation for the coming year, especially record high world ending stocks. November Soybean resistance is at 1251 and 1257 1/2, with 1212 3/4 and 1155 1/2 as the next downside targets. While new crop situation is bearish, the technical action for July meal is impressive. Support is at 426.80, with 442.20 and 448.40 as resistance. July soybean oil pushed down to the lowest level since June 17.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 5/2/2023 - 5/9/2023						
	Non-Commercial		Net Position	Commercial		Non-Reportable
	Net Position	Weekly Net Change		Weekly Net Change	Net Position	
Grains						
Soybeans	60,388	-9,299	-31,471	+8,876	-28,917	+423
Soymeal	76,995	-536	-92,650	+1,248	15,655	-713
Soyoil	-12,589	+12,843	12,534	-14,116	55	+1,273

SOYBEAN COMPLEX TECHNICAL OUTLOOK:

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SOYBEANS (JUL) 05/15/2023: 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 daily closing price reversal down puts the market on the defensive. The market setup is somewhat negative with the close under the 1st swing support. The next downside target is 1368 1/4. The next area of resistance is around 1404 and 1424 1/2, while 1st support hits today at 1376 and below there at 1368 1/4.

SOYBEAN OIL (JUL) 05/15/2023: 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 market is in a bearish position with the close below the 2nd swing support number. The next downside objective is 47.39. With a reading under 30, the 9-day RSI is approaching oversold levels. The next area of resistance is around 50.77 and 52.38, while 1st support hits today at 48.27 and below there at 47.39.

SOYMEAL (JUL) 05/15/2023: Stochastics are at mid-range but trending higher, which should reinforce a move higher if resistance levels are taken out. The cross over and close above the 18-day moving average is an indication the intermediate-term trend has turned positive. The market has a slightly positive tilt with the close over the swing pivot. The near-term upside target is at 440.6. The next area of resistance is around 436.8 and 440.6, while 1st support hits today at 429.0 and below there at 424.9.

DAILY CORN COMMENTARY

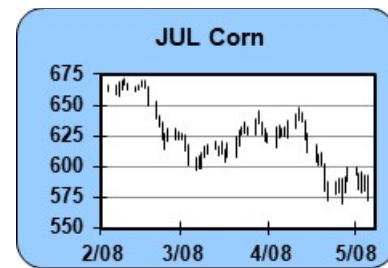
5/15/2023

Bearish supply/demand outlook but oversold into USDA report

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):

CORN +0.5

OVERNIGHT DEVELOPMENTS: July corn overnight is up 4 cents. Corn open interest as of May 12 was up 10,690 contracts. Chinese Dalian Corn was unchanged.



NEAR-TERM MARKET FUNDAMENTALS: Big ending stocks are anticipated for the new crop season if the weather is normal. The USDA report put US corn production for 2023/24 at a record high 15.265 billion bushels versus an average expectation of 15.140 billion and 13.730 billion in 2022/23. Yield came in at 181.5 bushels/acre (also a record) versus 180.8 expected and 173.3 in 2022/23. Ending stocks came in at 2.222 billion bushels versus 2.105 billion expected. This was up from 1.417 billion bushels in 2022/23 and would be the second highest since 1987/88. World 2023/24 ending stocks came in at 312.90 million tonnes versus 308.1 million expected and 297.41 million in 2022/23. This would be the highest world ending stocks since 2018/19.

If yield were to come in 3% above trend, ending stocks could swell to 2.675 billion bushels. If yield were to come in 3% below trend, ending stocks could come in around 1.763 billion bushels, which would still be the highest since the 2019/20 season. South Korea bought 132,000 tonnes of corn in their tender on Friday which is expected to be sourced from South America. The May 9th Commitments of Traders report showed Corn Managed Money traders were net short 109,643 contracts after decreasing their short position by 8,503 contracts for the week (short-covering). Non-Commercial & Non-Reportable traders reduced their net short position by 12,343 contracts to a net short 133,658 contracts.

TODAY'S MARKET IDEAS:

The bearish stocks outlook suggests that December Corn is overvalued at the 520 level and that there could be significant downside potential if the weather stays normal. The next key support level is 490 3/4. July corn has some support at 581, with 599 and 608 1/4 as resistance and if support cannot hold, 571 3/4 and 557 1/2 will become the next downside targets.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 5/2/2023 - 5/9/2023						
Grains	Non-Commercial		Net Position	Commercial		Non-Reportable
	Net Position	Weekly Net Change		Weekly Net Change	Net Position	
Corn	-90,393	+2,068	133,658	-12,344	-43,265	+10,275

CORN TECHNICAL OUTLOOK:

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CORN (JUL) 05/15/2023: Stochastics are at mid-range but trending higher, which should reinforce a move higher if resistance levels are taken out. The close below the 9-day moving average is a negative short-term indicator for trend. The upside daily closing price reversal gives the market a bullish tilt. The close over the pivot swing is a somewhat positive setup. The near-term upside target is at 605 3/4. The next area of resistance is around 596 3/4 and 605 3/4, while 1st support hits today at 575 3/4 and below there at 563 3/4.

CORN (DEC) 05/15/2023: Daily stochastics declining into oversold territory suggest the selling may be drying up soon. The close below the 9-day moving average is a negative short-term indicator for trend. The market setup is somewhat negative with the close under the 1st swing support. The next downside target is 495. The market is approaching oversold levels on an RSI reading under 30. The next area of resistance is around 516 1/4 and 525 1/4, while 1st support hits today at 501 1/4 and below there at 495.

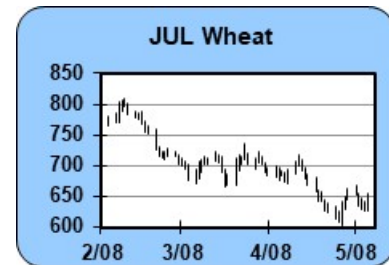
DAILY WHEAT COMMENTARY

5/15/2023

Lower than expected production outlook plus oversold COT

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):
WHEAT +1.55

OVERNIGHT DEVELOPMENTS: Chicago wheat prices overnight are up 15 1/4; Kansas City (JUL 23) up 25; and Minneapolis (JUL 23) up 17 3/4. MATIF Milling Wheat(SEP 23) was up 1.5%. Chicago wheat open interest as of May 12 was up 3,331 contracts and Minneapolis wheat was down 1,674 contracts.



NEAR-TERM MARKET FUNDAMENTALS: July wheat closed higher on the session Friday but well off of the highs. US all wheat production for 2023/24 came in at 1.659 billion bushels versus an average expectation of 1.812 billion and a range of expectations from 1.691 to 1.924 billion. This was up from 1.650 billion in 2022/23. Hard red winter wheat production came in at 514 million bushels versus 594 million expected (range 492-712 million). Soft red winter wheat production came in at 406 million bushels versus 402 million expected (range 337-439 million). White winter wheat production came in at 210.2 million bushels versus 210 million expected (range 223-278 million). US 2023/24 all wheat ending stocks came in at 556 million bushels versus 608 million expected (range 535-690 million) and 598 million for 2022/23. World wheat 2023/24 ending stocks came in at 264.34 million tonnes versus 259.8 million expected (range 245-271 million), and 2022/23 ending stocks came in at 266.28 million tonnes versus 265.3 million expected (range 264-267 million) and 265.05 million in the April report.

US production and US ending stocks came in well below trade expectations, and this assumes somewhat normal yield. The Commitments of Traders report for the week ending May 9th showed Wheat Managed Money traders are net short 116,906 contracts after net buying 9,418 contracts. The short-covering trend is a bullish short-term force. Non-Commercial & Non-Reportable traders were net short 89,742 contracts after decreasing their short position by 3,946 contracts. For KC Wheat, Managed Money traders went from a net short to a net long position of 7,446 contracts after net buying 12,910 contracts for the week. Non-Commercial & Non-Reportable traders reduced their net short position by 10,081 contracts to a net short 3,093 contracts.

TODAY'S MARKET IDEAS:

If weather continues to be a significant issue, the market may move to a higher price level. December wheat support is at 657 3/4, with 707 3/4 and 731 as resistance. The five day forecast models show a good rain event for much of Kansas, Oklahoma and Texas. The 6-10 and 8-14 day forecast models show normal to below normal precipitation for much of the plains, with some chances of above normal precipitation for Western Kansas.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 5/2/2023 - 5/9/2023						
	Non-Commercial		Commercial	Non-Reportable		
	Net Position	Weekly Net Change		Net Position	Weekly Net Change	
Grains						

KC Wheat	132	+13,731	3,093	-10,081	-3,225	-3,650
Wheat	-95,288	+7,077	89,741	-3,948	5,546	-3,131

WHEAT TECHNICAL OUTLOOK:

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WHEAT (JUL) 05/15/2023: Stochastics are at mid-range but trending higher, which should reinforce a move higher if resistance levels are taken out. The market's short-term trend is negative as the close remains below the 9-day moving average. The market setup is supportive for early gains with the close over the 1st swing resistance. The near-term upside target is at 665 1/2. The next area of resistance is around 649 and 665 1/2, while 1st support hits today at 621 and below there at 609 1/2.

KC WHEAT (JUL) 05/15/2023: The upside crossover of the 9 and 18 bar moving average is a positive signal. Momentum studies are trending higher but have entered overbought levels. The market's close above the 9-day moving average suggests the short-term trend remains positive. Since the close was above the 2nd swing resistance number, the market's posture is bullish and could see more upside follow-through early in the session. The next upside target is 933 3/4. The next area of resistance is around 908 1/4 and 933 3/4, while 1st support hits today at 848 3/4 and below there at 814 1/2.

MINN WHEAT (JUL) 05/15/2023: The upside crossover (9 above 18) of the moving averages suggests a developing short-term uptrend. 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. The upside daily closing price reversal gives the market a bullish tilt. A positive setup occurred with the close over the 1st swing resistance. The next upside objective is 880 1/2. The next area of resistance is around 862 3/4 and 880 1/2, while 1st support hits today at 829 1/4 and below there at 813 3/4.

RICE (JUL) 05/15/2023: 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. With the close over the 1st swing resistance number, the market is in a moderately positive position. The near-term upside objective is at 18.687. The market is approaching overbought levels with an RSI over 70. The next area of resistance is around 18.615 and 18.687, while 1st support hits today at 18.355 and below there at 18.168.

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	586 1/4	40.58	39.83	29.44	32.62	586.81	588.64	596.82	612.89	618.84
CNAZ23	508 3/4	25.97	28.72	18.34	14.50	515.38	522.75	533.13	550.02	556.59
SSAN23	1390	30.46	34.48	24.88	21.28	1403.44	1414.44	1424.72	1447.47	1462.36
SSAX23	1223 3/4	22.74	27.86	18.79	13.84	1244.25	1259.72	1268.63	1293.67	1314.08
SMAN23	432.9	51.39	46.22	22.81	34.82	425.70	425.91	431.71	446.56	452.45
BOAN23	49.52	28.25	32.50	33.21	23.88	51.44	52.29	52.54	54.25	55.84
WHAN23	635	41.98	40.99	36.92	40.42	636.75	639.47	646.35	677.88	690.79
WHAU23	647 1/2	42.55	41.36	37.71	41.58	648.56	651.08	657.82	689.11	701.76
RCAN23	18.485	77.59	70.57	92.63	95.09	18.32	18.18	17.67	17.43	17.43
KWAN23	878 1/2	67.49	62.10	68.31	80.77	857.50	825.64	813.07	826.84	826.43
MWAN23	846	55.87	52.10	58.56	71.18	845.00	827.64	827.03	849.25	855.52
OTAN23	335 1/4	56.86	52.44	68.51	80.59	335.75	327.00	327.14	339.81	340.73

Calculations based on previous session. Data collected 05/12/2023

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	563 3/4	575 3/4	584 3/4	596 3/4	605 3/4
CNAZ23	Corn	495	501	510 1/4	516 1/2	525 1/2
SSAN23	Soybeans	1368	1376	1396 1/4	1404	1424 1/2
SSAX23	Soybeans	1199 1/2	1208 1/4	1230 1/2	1239 1/4	1261 1/2
SMAN23	Soymeal	424.8	428.9	432.7	436.8	440.6
BOAN23	Soybean Oil	47.38	48.27	49.88	50.77	52.38
WHAN23	Wheat	609 1/2	621	637 1/2	649	665 1/2
WHAU23	Wheat	622 3/4	634	649 1/2	661	676 1/4
RCAN23	Rice	18.167	18.355	18.427	18.615	18.687
KWAN23	KC Wheat	814 1/4	848 1/2	874	908 1/2	933 3/4
MWAN23	MINN Wheat	813 1/2	829 1/4	847	862 3/4	880 1/2
OTAN23	Oats	327 1/2	331 3/4	334 1/2	338 3/4	341 1/2

Calculations based on previous session. Data collected 05/12/2023

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