



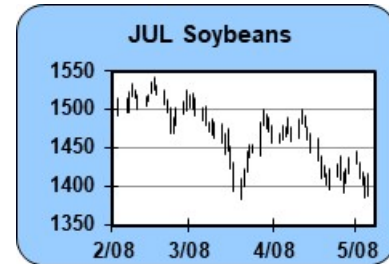
DAILY GRAINS COMMENTARY Tuesday May 16, 2023

DAILY SOY COMPLEX COMMENTARY 5/16/2023

Oil probing for a short-term low; El Nino watch

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

OVERNIGHT DEVELOPMENTS: July Soybean prices overnight are down 8 1/2 cents; Soymeal down -2.30; and Soyoil down -0.87. Soybean open interest as of May 15 was up 7,511 contracts, soymeal up 5,071 contracts, and soybean oil up 3,489. Chinese Dalian Soybeans are down 0.59%, Soymeal up 1.00% and Soyoil up 0.16%. Malaysian Palm was down 1.47%. Global equity markets overnight were mixed with Asian stocks lower in European markets tracking minimally higher. Critical economic news released overnight included disappointing Chinese industrial production and retail sales gains for April, a sharp contraction in Australian Westpac consumer confidence readings for May, an uptick in GBP the claimant count rate for April, stronger than expected GBP average earnings including bonus, a slight contraction in GBP average earnings excluding bonuses, a downtick in Italian consumer price index readings for April a larger than expected increase in euro zone employment, a surprisingly weak euro zone ZEW survey of economic sentiment and a not as weak as feared German ZEW current situations survey for May.



The North American session will start out with a private weekly survey of same-store sales. April US retail sales are forecast to have a sizable uptick from March's -0.6% reading. April US industrial production is expected to have a moderate downtick from March's 0.4% reading while April US capacity utilization is forecast to hold steady with March's 79.8% reading. March business inventories are expected to hold steady with February's 0.2% reading, while the May NAHB housing market index is forecast to hold steady with April's 45 reading. For the month to date wheat prices are up 23 in SRW, up 115 1/4 in HRW, up 67 3/4 in HRS; Corn is up 4 1/2; Soybeans down 23; Soymeal down \$2.90; Soyoil down 2.56.

Year-To-Date nearby futures are down 17.1% in SRW, up 0.4% in HRW, down 7.2% in HRS; Corn is down 13.1%; Soybeans down 8.1%; Soymeal down 10.2%; Soyoil down 23.0%.

NEAR-TERM MARKET FUNDAMENTALS: In retrospect, the soybean market was technically sold-out in COT positioning data last week with bullish sentiment from money managers posting 5-month low readings. It should also be noted that the net short positioning in soybean oil reached a 4-week high which in turn signals a market that has already factored significant bearish fundamental information. While the recovery in soybean prices Monday might have been the result of a slight risk on vibe flowing from outside market action, a slow NOPA crush for April highlight bearish demand signals. It should be noted that the most recent crush reading fell from the month prior month. The NOPA crush report came in at 173.232 million bushels, down 6.8% from March and up 2% from last year. While the largest crush for April on record, crush was well short of expectations. Exporters announced the sale of 100,000 tons of US meal sold to Poland. For the weekly crop progress report, traders expected soybean planted area near 51% complete, 46-55 average, as compared with 35% last week. Soybeans planted as of May 14 was up 14% at 49%. This is up 22% versus last year and up 17% versus the 10 year average. The top producing states report Illinois 77% (+11%), Iowa 69% (+20%), Minnesota 30% (+17%), North Dakota 2% (+2%), Missouri 62% (+12%).

Traders remain concerned with the talk of El Nino and the possible impact on Southeast Asia. Indian monsoon rains are a concern, and traders are also monitoring growing conditions for Indonesia and Malaysia. The move higher this morning came despite a disappointing export inspections report. The report showed US soybean inspections for the week ending May 11 at 147,897 tonnes, down from 397,791 the previous week, the lowest

since September 2, 2021, and below the low end of trade expectations. Cumulative inspections for 2022/23 have reached 48.005 million tonnes, down from 48.499 million a year ago but above the five-year average at 43.624 million. Inspections have reached 87.5% of the USDA's forecast for the marketing year versus a five-year average of 79.5% for this time of year.

TODAY'S MARKET IDEAS:

November soybeans traded down to the lowest level since July 22 before closing higher on the day. Close in resistance is at 1243 3/4 and 1251 3/4. July meal experienced an impressive rally off of Thursday's low but hit significant resistance at 442.10 yesterday, and closed lower. Close in resistance is now 436.00, with 426.10 as support. If support gives way it will sour the chart pattern. December soybean oil acts like a short-term low may be in place with support at 47.55, with initial resistance at 50.62 and 51.57.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

SOYBEAN COMPLEX TECHNICAL OUTLOOK:

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SOYBEANS (JUL) 05/16/2023: 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 daily closing price reversal up is a positive indicator that could support higher prices. It is a mildly bullish indicator that the market closed over the pivot swing number. The next downside objective is now at 1374 3/4. The next area of resistance is around 1413 1/4 and 1425, while 1st support hits today at 1388 1/4 and below there at 1374 3/4.

SOYBEAN OIL (JUL) 05/16/2023: 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 daily closing price reversal up on the daily chart is somewhat positive. The market's close below the pivot swing number is a mildly negative setup. The next downside target is 48.07. The 9-day RSI under 30 indicates the market is approaching oversold levels. The next area of resistance is around 50.47 and 51.22, while 1st support hits today at 48.90 and below there at 48.07.

SOYMEAL (JUL) 05/16/2023: Positive momentum studies in the neutral zone will tend to reinforce higher price action. A positive signal for trend short-term was given on a close over the 9-bar moving average. The daily closing price reversal down puts the market on the defensive. The market tilt is slightly negative with the close under the pivot. The next upside target is 445.4. The next area of resistance is around 436.8 and 445.4, while 1st support hits today at 425.0 and below there at 421.9.

DAILY CORN COMMENTARY

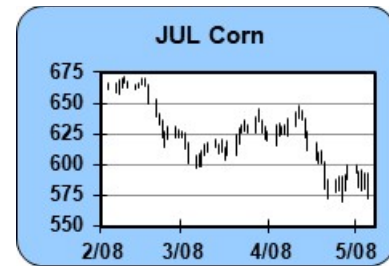
5/16/2023

In position for at least a technical bounce

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):

CORN -0.3

OVERNIGHT DEVELOPMENTS: July corn overnight is down 4 1/4 cents. Corn open interest as of May 15 was down 3,055 contracts. Chinese Dalian Corn was up 0.87%.



NEAR-TERM MARKET FUNDAMENTALS: Old crop corn remains strong while new crop hit the lowest level since December of 2021 before turning higher. For the weekly crop progress report, traders expected corn planted area near 68% complete, 60-75% range, as compared with 49% last week. Corn planted as of May 14 was up 16% at 65%. This is up 20% versus last year and up 2% versus the 10 year average. The top producing states report Iowa 86% (+16%), Illinois 84% (+11%), Nebraska 76% (+20%), Minnesota 61% (+23%) and South Dakota 49% (+23%). North Dakota is only 5% planted as compared with near 37% as the 10-year average and this is a place where acres could be lost. The USDA report on Friday projected Ukrainian corn exports for 2023/24 at 16.50 million tonnes, down from 25.50 million in 2022/23. The final two ships under last year's UN-brokered Black Sea deal are due to leave Ukraine on Tuesday. In Brazil, two cases of bird flu have been confirmed in wild birds and traders will monitor the situation closely.

The weekly USDA export inspections report showed US corn inspections for the week ending May 11 at 1,173,783 tonnes, up from 974,450 the previous week and in the middle of the range of expectations. Cumulative inspections for 2022/23 have reached 26.052 million tonnes, down from 39.103 million a year ago and below the five-year average of 37.248 million. Inspections have reached 57.8% of the USDA forecast for the marketing year versus a five-year average of 63.6%. US representatives from Iowa, Illinois, Texas and Oklahoma are introducing a bill that would allow corn-based ethanol to qualify as an "advanced biofuel". In years past, lawmakers from oil-producing states and those from the Corn Belt have clashed over how much ethanol should be blended into gasoline. But as consumers turn to EVs to reduce their carbon footprint, crop growers and fossil-fuel producers are looking to the biofuel as a way to boost the appeal of gasoline-powered cars. Corn-based ethanol is currently prohibited from qualifying as an advanced biofuel.

TODAY'S MARKET IDEAS:

Given the extreme oversold condition basis the COT report, the market looks poised for a continued correction to the upside. For the new season, Ukraine corn exports are expected to reach only 19 million tons, down 30%. Production is expected near 21.1 million tons from 27.3 million last year. July corn support is at 581 1/2, with 608 1/4 and 617 1/2 as next resistance. The hook reversal for December corn is a positive technical development. Support is at 509 1/2, with 531 and 539 3/4 as resistance.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

CORN TECHNICAL OUTLOOK:

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CORN (JUL) 05/16/2023: Momentum studies are rising from mid-range, which could accelerate a move higher if resistance levels are penetrated. The market's close above the 9-day moving average suggests the short-term trend remains positive. The close over the pivot swing is a somewhat positive setup. The near-term upside objective is at 608 1/2. The next area of resistance is around 601 and 608 1/2, while 1st support hits today at 584 and below there at 574 1/4.

CORN (DEC) 05/16/2023: 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 daily closing price reversal up is a positive indicator that could support higher prices. It is a mildly bullish indicator that the market closed over the pivot swing number. The next downside objective is now at 499 1/2. The next area of resistance is around 521 1/2 and 525 1/4, while 1st support hits today at 508 1/2 and below there at 499 1/2.

DAILY WHEAT COMMENTARY

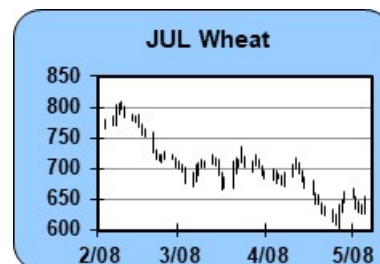
5/16/2023

9 trading sessions, July KC up as much as \$1.74 3/4; overbought

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):

WHEAT -0.48

OVERNIGHT DEVELOPMENTS: Chicago wheat prices overnight are down 2 1/4 cents. Kansas City is down -4; and Minneapolis up 1/2. MATIF Milling Wheat was down -1.1%. Chicago wheat open interest as of May 15 was down 2,148 contracts and Minneapolis wheat was down 1,608 contracts.



NEAR-TERM MARKET FUNDAMENTALS: The market rallied strong for a second session in a row yesterday as traders see the USDA report news as mostly positive and there are continued concerns over the future of the Black Sea trade deal from Ukrainian ports. Russia has still not made a decision about the renewal. Wheat prices pushed sharply higher yesterday on follow-through from Friday's sharp rallies off a bullish USDA supply/demand report that put 2023/24 US production and ending stocks well below trade expectations. KC wheat found support from the poor condition of the Kansas crop in the wake of a drought there this spring. US producers may only harvest 67% of planted acres this year, which would be the lowest ratio since 1917, USDA estimates showed Friday.

While there is still rain in the forecast for Kansas and the southern plains, crop conditions are poor and traders remain concerned that there is not enough rain to help the market recover from the drought conditions. There is also concern that El Nino will cause disruptive weather for the Southeast Asia region and continued concerns with India if the monsoons do not come in as expected. US wheat export inspections for the week ending May 11 came in at 242,269 tonnes, up from 214,538 the previous week and within the range of expectations. For the weekly crop progress update from the USDA, traders expected to see spring wheat planting at 39% complete, 35-47% range, as compared with 24% last week. Spring Wheat planted as of May 14 was up 16% at 40%. This is up 3% versus last year and down 23% versus the 10 year average. The top producing states report North Dakota 20% (+10%), Montana 54% (+22%), Minnesota 28% (+21%), South Dakota 84% (+28%) and Washington 95% (+6%).

Traders expected to see winter wheat crop conditions near 30% good/excellent as compared with 29% last week. The range of estimates was 29%-32%. Winter Wheat rated good/excellent as of May 14 was unchanged at 29% and poor/very poor was down 3% at 41%. Current G/EX is down 16% versus the 10 year average and Poor/Very Poor is up 16% versus the 10 year average. The good/excellent ratings for the top producing states were: Kansas 10% (-1%), Texas 20% (0%), Oklahoma 11% (+4%), Colorado 26% (+4%) and Montana 48% (-6%). Cumulative inspections for 2022/23 have reached 18.713 million tonnes, down from 19.376 million a year ago and the lowest in at least five years. Inspections have reached 88.7% of the USDA forecast for the marketing year versus a five-year average of 90.9%. The USDA supply/demand report on Friday put Ukraine's 2023/24 wheat exports at 10.00 million tonnes, down from 15.00 million in 2022/23.

TODAY'S MARKET IDEAS:

July wheat support is at 644 1/2, with 669 1/2 and 685 as next resistance. In just nine trading sessions, July KC wheat is up as much as \$1.74 3/4 and this leaves the market in a short-term overbought condition. Key resistance areas now stand at 917 1/4 and 973, with support at 871 3/4 and 862 1/2.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

WHEAT TECHNICAL OUTLOOK:

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WHEAT (JUL) 05/16/2023: The upside crossover (9 above 18) of the moving averages suggests a developing short-term uptrend. 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 setup is supportive for early gains with the close over the 1st swing resistance. The near-term upside target is at 685 1/2. The next area of resistance is around 676 1/4 and 685 1/2, while 1st support hits today at 645 1/4 and below there at 623 1/4.

KC WHEAT (JUL) 05/16/2023: Daily stochastics have risen into overbought territory which will tend to support reversal action if it occurs. 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 next upside target is 935 1/2. The 9-day RSI over 70 indicates the market is approaching overbought levels. The next area of resistance is around 919 1/4 and 935 1/2, while 1st support hits today at 879 3/4 and below there at 856 1/2.

MINN WHEAT (JUL) 05/16/2023: The major trend could be turning up with the close back above the 60-day moving average. Studies are showing positive momentum but are now in overbought territory, so some caution is warranted. The market's short-term trend is positive on the close above the 9-day moving average. With the close over the 1st swing resistance number, the market is in a moderately positive position. The next upside objective is 901. The next area of resistance is around 890 3/4 and 901, while 1st support hits today at 855 3/4 and below there at 831 1/4.

RICE (JUL) 05/16/2023: A crossover down in the daily stochastics is a bearish signal. Daily stochastics turning lower from overbought levels is bearish and will tend to reinforce a downside break especially if near term support is penetrated. The market's short-term trend is negative as the close remains below the 9-day moving average. The outside day down is somewhat negative. 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 now at 17.235. The next area of resistance is around 18.249 and 18.814, while 1st support hits today at 17.460 and below there at 17.235.

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	592 1/2	46.88	44.11	32.52	38.69	588.75	590.03	594.38	612.58	617.65
CNAZ23	515	35.04	34.70	18.24	18.03	514.56	522.22	530.46	549.07	555.28
SSAN23	1400 3/4	38.31	39.19	24.05	22.39	1400.06	1413.33	1420.39	1445.38	1460.49
SSAX23	1231 1/4	29.48	32.04	17.85	15.97	1238.44	1255.72	1264.33	1290.87	1311.53
SMAN23	430.9	48.33	44.51	28.92	41.13	428.68	426.24	430.53	445.53	451.91
BOAN23	49.69	29.98	33.57	28.87	20.18	50.60	52.06	52.24	54.10	55.64
WHAN23	660 3/4	55.85	50.68	42.56	53.82	641.06	645.19	644.57	677.23	688.79
WHAU23	672	55.78	50.63	43.41	54.83	652.75	656.81	656.06	688.47	699.80
RCAN23	17.855	49.35	52.86	88.86	81.31	18.23	18.19	17.73	17.45	17.43
KWAN23	899 1/2	71.75	65.59	73.91	85.10	868.00	843.19	815.76	829.27	826.82
MWAN23	873 1/4	65.56	59.21	65.79	80.26	851.38	838.72	827.39	850.33	854.80
OTAN23	340 3/4	62.22	56.30	73.94	84.78	336.63	331.25	327.10	339.67	340.51

Calculations based on previous session. Data collected 05/15/2023

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	574	584	591 1/4	601	608 1/2
CNAZ23	Corn	499 1/2	508 1/2	512 1/2	521 1/2	525 1/2
SSAN23	Soybeans	1374 1/2	1388	1399 3/4	1413 1/2	1425
SSAX23	Soybeans	1210	1221 1/2	1229 1/2	1241	1249
SMAN23	Soymeal	421.8	424.9	433.6	436.8	445.4
BOAN23	Soybean Oil	48.06	48.89	49.64	50.47	51.22
WHAN23	Wheat	623 1/4	645	654 1/2	676 1/2	685 3/4
WHAU23	Wheat	636 1/2	657	666 1/4	687	696
RCAN23	Rice	17.235	17.459	18.025	18.249	18.814
KWAN23	KC Wheat	856 1/2	879 3/4	896	919 1/4	935 1/2
MWAN23	MINN Wheat	831	855 3/4	866	890 3/4	901
OTAN23	Oats	329 1/4	335 1/2	339 3/4	346	350 1/4

Calculations based on previous session. Data collected 05/15/2023

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