

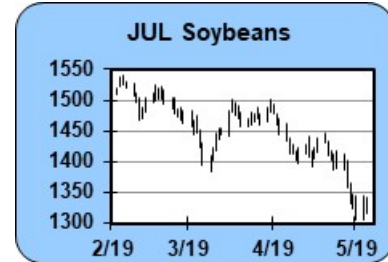


**DAILY SOY COMPLEX COMMENTARY**  
5/24/2023

**Weak demand tone but may need to build some weather premium**

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

**OVERNIGHT DEVELOPMENTS:** July Soybeans overnight are down 5 cents; Soymeal (JUL 23) down -1.70; and Soyoil (JUL 23) down -0.13. Soybean open interest as of May 23 was up 1,405 contracts, soymeal up 3,592 contracts, and soybean oil up 2,140. Chinese Dalian Soybeans are up 0.59%, Soymeal down 0.54% and Soyoil down 0.34%. Malaysian Palm was up 0.86%. Global equity markets overnight were lower with many markets declining by more than 1%! Critical economic news released overnight included softer than expected New Zealand retail sales, a 25-basis point rate hike by the Reserve Bank of New Zealand, a contraction in Australian Westpac leading index readings for April, much hotter than expected GBP CPI, softer than expected GBP Producer Price Index, hotter than expected GBP retail price index readings for April, softer than expected German IFO business climate readings for May, softer than expected German IFO current assessment readings for May, much better-than-expected German IFO expectations survey for May and a noted moderation in a GBP DCLG house price index for March.



The North American session will start out with MBA mortgage applications for the week ending May 19th, a speech by the Fed's Waller, a 5 year note auction at midsession and the release of the FOMC meeting minutes. For the month to date wheat prices are down 15 1/2 in SRW, up 57 in HRW, up 13 3/4 in HRS; Corn is down 8 1/4; Soybeans down 97 3/4; Soymeal down \$27.20; Soyoil down 3.73. Year-To-Date nearby futures are down 21.9% in SRW, down 6.2% in HRW, down 12.9% in HRS; Corn is down 15.0%; Soybeans down 13.0%; Soymeal down 15.3%; Soyoil down 24.9%.

**NEAR-TERM MARKET FUNDAMENTALS:** November soybeans closed lower on the session yesterday and gave back part of Monday's solid gains. July meal closed moderately lower on the session and pushed down to the lowest level since November 30, while December soybean oil closed lower with an inside trading day. The fast start to the crop and more talk of sluggish demand helped to pressure. China has cut use of soybean meal and corn in livestock feed in a drive to curb reliance on imports. The soybean meal ratio in most animal feed in April was 1.9 percentage points less than a year earlier at 12.5%, China's Feed Industry Association said. The declines came as feed makers and pig farmers turned to less expensive wheat. A shift to a drier weather pattern threatens stress to some US crops, and after five more days of dry weather forecasted, many fields in Iowa and the northern half of Illinois will be looking at 12 or more days without any rain at all. If so, many fields could begin to show signs of stress. The 6-10 day forecast models for most of Iowa and for northern Illinois shows below normal precipitation and above normal temperatures. The 8-14 day forecast models are similar.

As a result, the market could find significant new buying by June 5, "if" the market determines a weather premium is necessary. There are reports of improved soybean sales by farmers in Brazil and Argentina. Reports had Brazil farmers selling 750,000 to 800,000 tonnes of soybeans yesterday. Argentina farmers reportedly sold around 150,000 tonnes, or about a day and a half of crush. There have been reports of US farmer selling, too, but of old crop supplies. Crushers and exporters haven't seen much in the way of new crop sales. Argentina crush for April came in at 2.879 million tonnes or a 95,967 tonnes/day pace. That's 1.05 million less than April 2022 and the lowest April crush since 2008. Since we start tracking the crush year in April, cumulative data is the same as the monthly. Which means 2023/24 is off to a very slow start.

## TODAYS

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

With the oversold technical condition of the market, the drier forecast for parts of the Midwest may spark buying and short covering. November soybeans support is at 1176 1/2, with 1235 3/4 and 1255 1/4 as resistance. December meal traded down to the lowest level since November 10th on Monday before a strong close. Support is at 377.60, with 394.40 and then 400.10 as resistance.

### **NEW RECOMMENDATIONS:**

None.

### **PREVIOUS RECOMMENDATIONS:**

None.

### **SOYBEAN COMPLEX TECHNICAL OUTLOOK:**

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**SOYBEANS (JUL) 05/24/2023:** Daily momentum studies are on the rise from low levels and should accelerate a move higher on a push through the 1st swing resistance. A negative signal for trend short-term was given on a close under the 9-bar moving average. It is a slightly negative indicator that the close was lower than the pivot swing number. The near-term upside target is at 1351. The next area of resistance is around 1335 1/4 and 1351, while 1st support hits today at 1309 3/4 and below there at 1299 3/4.

**SOYBEAN OIL (JUL) 05/24/2023:** Rising from oversold levels, daily momentum studies would support higher prices, especially on a close above resistance. A negative signal for trend short-term was given on a close under the 9-bar moving average. It is a slightly negative indicator that the close was under the swing pivot. The near-term upside objective is at 49.47. The next area of resistance is around 48.53 and 49.47, while 1st support hits today at 46.99 and below there at 46.40.

**SOYMEAL (JUL) 05/24/2023:** Momentum studies are still bearish but are now at oversold levels and will tend to support reversal action if it occurs. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The market setup is somewhat negative with the close under the 1st swing support. The next downside target is now at 400.6. The 9-day RSI under 30 indicates the market is approaching oversold levels. The next area of resistance is around 410.1 and 415.4, while 1st support hits today at 402.7 and below there at 400.6.

## **DAILY CORN COMMENTARY**

**5/24/2023**

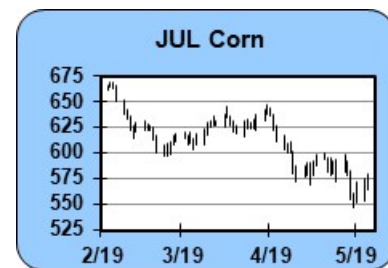
**Short-covering threat is forecast stays dry**

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

**CORN -0.3**

**OVERNIGHT DEVELOPMENTS:** July Corn prices overnight are down 1 cent.

Corn open interest as of May 23 was up 4,480 contracts. Chinese Dalian (JUL 23) Corn was down 0.16%.



**NEAR-TERM MARKET FUNDAMENTALS:** December corn closed

sharply higher on the session yesterday and the buying pushed the market up to the highest level since May 10. Dryness issues for Iowa and northern Illinois may continue to provide some short covering support. It is a strange time of the year for the market to find support from dry weather in the Midwest, but it just so happens that Iowa and northern Illinois have received no rain in the last seven days, and the 5-day forecast is bone dry. The 6-10 day forecast models call for above normal temperatures and below normal precipitation.

As a result, it is possible that producers in some areas will have fields that have not seen rain in three weeks as of June 6. The European Union corn imports for the season that began July 1 reached 24 million tons as of May 21, compared with 14.7 million tons in a similar period a year earlier.

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

With fund traders holding a large net short position, the dry forecast may be enough to spark more buying. December corn close in support is at 510 3/4 and 509, with 523 3/4 and 533 1/2 as next resistance. July corn support is at 568, with 585 1/4 and 597 1/4 as resistance.

#### **NEW RECOMMENDATIONS:**

None.

#### **PREVIOUS RECOMMENDATIONS:**

None.

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

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CORN (JUL) 05/24/2023: 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 next upside objective is 591 1/2. The next area of resistance is around 585 3/4 and 591 1/2, while 1st support hits today at 569 1/4 and below there at 558 1/4.

CORN (DEC) 05/24/2023: 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 market setup is supportive for early gains with the close over the 1st swing resistance. The near-term upside target is at 529. The next area of resistance is around 524 and 529, while 1st support hits today at 509 1/2 and below there at 499 3/4.

#### **DAILY WHEAT COMMENTARY**

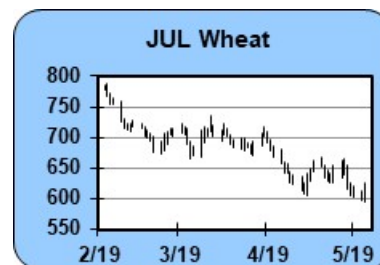
5/24/2023

#### **Ukraine export flow still too low; Kansas crop?**

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

**WHEAT** -0.68

**OVERNIGHT DEVELOPMENTS:** Chicago wheat (JUL 23) prices overnight are down -8; Kansas City (JUL 23) down -10 1/4; and Minneapolis (JUL 23) down -6 3/4. MATIF Milling Wheat (SEP 23) was down -1.7%. Chicago wheat open interest as of May 23 was up 1,844 contracts and Minneapolis wheat was up 3,646 contracts.



**NEAR-TERM MARKET FUNDAMENTALS:** July wheat closed sharply higher on the session yesterday with an outside day up, and the technical action is impressive. The market turned up from the lowest level since April 2021, and the hook reversal is seen as a positive technical development. Talk that Ukraine wheat exports are

being restricted even with the recent extension of the Black Sea export deal helped to provide support. Ukraine grain officials indicate that Russia is blocking its Black Sea grain exports. The market found support from strength in corn and from a late rally in the European Union wheat futures. More talk of significant abandonment in Kansas due to very poor crop conditions helped to support as well.

July Kansas City wheat close sharply higher on the day and back above the 100-day moving average. Traders see more and more talk of producers abandoning their crops in Kansas for insurance as 69% of the Kansas wheat crop is rated poor/very poor. The European Union soft-wheat exports for the season that began July 1 reached 28 million tons as of May 21, compared with 24.9 million tons in a similar period a year earlier. Wheat positioning in the Commitments of Traders for the week ending May 16th showed Managed Money traders are net short 112,769 contracts.

TODAYS

**TODAY'S MARKET IDEAS:**

July wheat may follow the other grains higher short-term. Support is at 607 1/2, with resistance at 648 and 664 3/4. July Kansas City wheat held above key support 806 on Monday. Support moves up to 825 1/2, with 863 and 876 as next resistance.

**NEW RECOMMENDATIONS:**

None.

**PREVIOUS RECOMMENDATIONS:**

None.

**WHEAT TECHNICAL OUTLOOK:**

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**WHEAT (JUL) 05/24/2023:** Daily stochastics declining into oversold territory suggest the selling may be drying up soon. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The outside day up is somewhat positive. Market positioning is positive with the close over the 1st swing resistance. The next downside target is 585 1/2. The next area of resistance is around 637 1/2 and 646 1/4, while 1st support hits today at 607 and below there at 585 1/2.

**KC WHEAT (JUL) 05/24/2023:** The cross over and close above the 60-day moving average is an indication the longer-term trend has turned positive. Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. The market now above the 18-day moving average suggests the intermediate-term trend has turned up. With the close over the 1st swing resistance number, the market is in a moderately positive position. The next downside target is now at 799 3/4. The next area of resistance is around 860 and 873, while 1st support hits today at 823 1/2 and below there at 799 3/4.

**MINN WHEAT (JUL) 05/24/2023:** Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. The close below the 9-day moving average is a negative short-term indicator for trend. It is a mildly bullish indicator that the market closed over the pivot swing number. The next downside target is now at 785 1/2. The next area of resistance is around 837 and 850 3/4, while 1st support hits today at 804 1/2 and below there at 785 1/2.

**RICE (JUL) 05/24/2023:** Daily stochastics are trending lower but have declined into oversold territory. 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 16.518. Some caution in pressing the downside is warranted with the RSI under 30. The next area of resistance is around 16.794 and 16.937, while 1st support hits today at 16.585 and below there at 16.518.

## 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	577 1/2	47.15	43.92	31.77	39.17	564.56	573.56	581.15	606.50	608.95
CNAZ23	516 3/4	49.60	44.14	24.87	35.47	506.56	507.56	516.85	541.90	547.09
SSAN23	1322 1/2	30.84	31.86	12.98	13.34	1326.06	1355.72	1387.93	1426.84	1442.11
SSAX23	1187 3/4	29.87	30.28	11.76	12.92	1186.81	1204.97	1236.06	1272.92	1291.99
SMAN23	406.4	26.80	30.21	19.08	10.51	410.45	421.02	423.56	438.83	446.52
BOAN23	47.76	35.87	35.76	18.85	20.93	47.77	48.37	50.49	52.83	54.23
WHAN23	622 1/4	44.00	42.56	31.58	27.69	611.31	626.81	632.57	665.36	675.60
WHAU23	634 1/2	44.12	42.66	32.43	28.27	623.69	639.03	644.42	676.95	686.91
RCAN23	16.690	26.17	33.98	29.62	12.01	16.98	17.50	17.74	17.44	17.38
KWAN23	841 3/4	49.41	50.65	66.59	57.60	837.13	860.67	832.88	835.44	827.04
MWAN23	820 3/4	44.41	45.35	55.82	43.82	815.69	839.69	828.78	848.38	848.65
OTAN23	321 1/2	41.52	43.19	64.96	49.89	324.00	332.56	326.92	337.32	338.88

Calculations based on previous session. Data collected 05/23/2023

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	558 1/4	569	575	586	591 3/4
CNAZ23	Corn	499 3/4	509 1/2	514 1/2	524	529 1/4
SSAN23	Soybeans	1299 3/4	1309 1/2	1325 1/2	1335 1/2	1351 1/4
SSAX23	Soybeans	1172 1/4	1179	1189 1/2	1196 1/2	1206 3/4
SMAN23	Soymeal	400.6	402.7	408.0	410.1	415.4
BOAN23	Soybean Oil	46.39	46.99	47.93	48.53	49.47
WHAN23	Wheat	585 1/2	607	616	637 1/2	646 1/2
WHAU23	Wheat	598 1/2	619 1/2	628 1/4	649 1/2	658
RCAN23	Rice	16.517	16.584	16.727	16.794	16.937
KWAN23	KC Wheat	799 3/4	823 1/2	836 1/2	860	873 1/4
MWAN23	MINN Wheat	785 1/4	804 1/2	818	837	850 3/4
OTAN23	Oats	306	314 1/2	320 1/4	328 1/2	334 1/2

Calculations based on previous session. Data collected 05/23/2023

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