



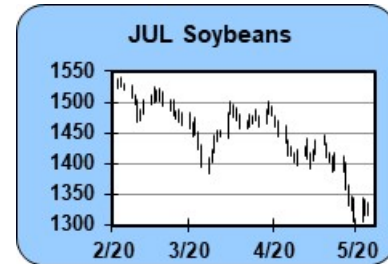
## DAILY GRAINS COMMENTARY Thursday May 25, 2023

### DAILY SOY COMPLEX COMMENTARY 5/25/2023

**Unlikely to see aggressive new selling with mostly dry forecast**

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

**OVERNIGHT DEVELOPMENTS:** July Soybeans overnight are down 6 cents; Soymeal (JUL 23) down -3.20; and Soyoil (JUL 23) up 0.43. Soybean open interest as of May 24 was up 2,449 contracts, soymeal up 3,276 contracts, and soybean oil up 4,152. Chinese Dalian Soybeans are down 0.06%, Soymeal down 0.69% and Soyoil down 0.60%. Malaysian Palm was up 2.67%. Global equity markets overnight were mostly lower with the markets in France, GBP, and Spain managing to buck the trend and track higher. Critical economic news released overnight included a slightly softer than expected German GfK consumer confidence survey for June, softer than expected German GDP and a softer than expected French business climate in manufacturing reading for May. The North American session will start out with a weekly reading on initial jobless claims which are expected to have a minimal uptick from the previous 242,000 reading. Ongoing jobless claims are forecast to have a modest weekly increase from the previous 1.799 million reading.



First quarter US gross domestic product is expected to hold steady with the previous 1.1% annualized rate. First quarter core personal consumption expenditures (a key Fed inflation gauge) are forecast to have a modest uptick from the previous 4.4% reading. The Chicago Fed's April national activity index is expected to have a moderate uptick from March's -0.19 reading. April pending home sales are expected to have a sizable uptick from March's -5.2% reading. The Kansas City Fed's May manufacturing index is forecast to have a moderate uptick from April's -21 reading. For the month to date wheat prices are down 30 1/4 in SRW, up 30 in HRW, down 6 3/4 in HRS; Corn is up 1 1/2; Soybeans down 102 1/4; Soymeal down \$32.40; Soyoil down 3.53. Year-To-Date nearby futures are down 23.6% in SRW, down 8.8% in HRW, down 14.9% in HRS; Corn is down 13.4%; Soybeans down 13.3%; Soymeal down 16.3%; Soyoil down 24.5%.

**NEAR-TERM MARKET FUNDAMENTALS:** November soybeans have consolidated over the past six trading sessions. There are some concerns with dry weather in the forecast for some areas of the Midwest, but many traders see the dry weather as a reason to suspect active plantings over the near term. December meal closed lower as well as traders remain concerned that excess wheat in China could water-down the meal and corn needs from livestock operations. The market fell to the lowest level since August 22nd this morning. For Iowa and the northern half of Illinois, there has been no rain for the past seven days. The 5-day forecast models show no rain for Iowa, Illinois and Indiana.

The 6-14 day forecast models are mostly hot and dry for the central part of the Corn Belt. For the weekly export sales report, traders see old crop soybean sales near -50,000 tonnes to +300,000 tonnes and new crop sales near 100,000-675,000 tonnes. Meal sales are expected near 150,000-400,000 tonnes for old crop and 0-150,000 tonnes for new crop. Oil sales are expected near 0-20,000 tonnes.

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

November soybeans are oversold and have consolidated for the last six trading sessions. Look for support near 1176 1/2, with 1235 3/4 as resistance. December meal support is at 375.50, with resistance at 394.40. December soybean oil support is at 46.81, with 49.46 and 50.63 as resistance.

#### **NEW RECOMMENDATIONS:**

None.

**PREVIOUS RECOMMENDATIONS:**

None.

**SOYBEAN COMPLEX TECHNICAL OUTLOOK:**

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SOYBEANS (JUL) 05/25/2023: Daily stochastics are showing positive momentum from oversold levels, which should reinforce a move higher if near term resistance is taken out. The market's short-term trend is negative as the close remains below the 9-day moving average. It is a slightly negative indicator that the close was lower than the pivot swing number. The next upside objective is 1347 1/4. The next area of resistance is around 1335 1/4 and 1347 1/4, while 1st support hits today at 1313 3/4 and below there at 1304.

SOYBEAN OIL (JUL) 05/25/2023: The stochastics indicators are rising from oversold levels, which is bullish and should support higher prices. The market's short-term trend is negative as the close remains below the 9-day moving average. It is a mildly bullish indicator that the market closed over the pivot swing number. The next upside objective is 49.48. The next area of resistance is around 48.69 and 49.48, while 1st support hits today at 47.31 and below there at 46.72.

SOYMEAL (JUL) 05/25/2023: Momentum studies are declining, but have fallen to oversold levels. The market's short-term trend is negative as the close remains below the 9-day moving average. The close below the 1st swing support could weigh on the market. The next downside objective is 394.1. With a reading under 30, the 9-day RSI is approaching oversold levels. The next area of resistance is around 407.1 and 413.8, while 1st support hits today at 397.3 and below there at 394.1.

**DAILY CORN COMMENTARY**

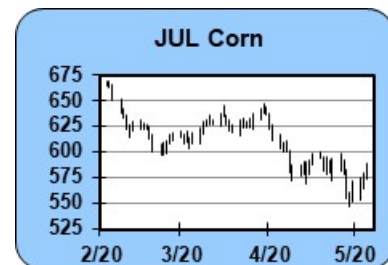
5/25/2023

**Short-covering threat continues with mostly dry forecast**

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

**CORN** +0.1

**OVERNIGHT DEVELOPMENTS:** Corn (JUL 23) prices overnight are up 2 1/4. Corn open interest as of May 24 was up 12,912 contracts. Chinese Dalian (JUL 23) Corn was down 0.12%.



**NEAR-TERM MARKET FUNDAMENTALS:** December corn closed higher on the session yesterday, but well off of the early highs. The buying pushed the market up to the highest level since May 9. Some concerns for too much dryness in the Midwest helped to provide support, and short covering may have added to the positive tone. The weak demand tone helped to limit the advance, and a very strong US dollar along with weakness in the stock market were seen as negative forces. Taiwan bought 65,000 tonnes of corn and traders suspect it was sourced from Brazil. Yields in the European Union are also poised to recover from last year's drought-stricken season, and the current Brazilian harvest is due to top last year.

Average daily ethanol production for the week ending May 19 averaged 0.983 million barrels. This was down 0.4% from last week and down 3.1% from last year. Ethanol production for the week was 6.881 million barrels. Ethanol stocks were 22.041 million barrels which was the lowest since November 11, 2022. This was down 5.0% from last week and down 7.0% from last year. The amount of corn used for the week is estimated at 98.80 million

bushels. Cumulative corn use for the crop year has reached 3.712 billion bushels. Corn use needs to average 103.5 million bushels per week to meet the USDA's marketing year forecast of 5.250 billion bushels. For the weekly export sales report, traders see old crop corn sales near -500,000 tonnes to +400,000 tonnes. New crop sales are expected near 0-300,000 tonnes.

#### **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 513 1/4 and 509, with 533 1/2 and 543 1/2 as next resistance. July corn support is at 573 1/2, with 597 1/4 and 607 1/2 as resistance.

#### **NEW RECOMMENDATIONS:**

None.

#### **PREVIOUS RECOMMENDATIONS:**

None.

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

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CORN (JUL) 05/25/2023: Momentum studies are rising from mid-range, which could accelerate a move higher if resistance levels are penetrated. The cross over and close above the 18-day moving average is an indication the intermediate-term trend has turned positive. With the close over the 1st swing resistance number, the market is in a moderately positive position. The next upside target is 600 1/4. The next area of resistance is around 595 and 600 1/4, while 1st support hits today at 579 1/2 and below there at 569.

CORN (DEC) 05/25/2023: Momentum studies are rising from mid-range, which could accelerate a move higher if resistance levels are penetrated. The market now above the 18-day moving average suggests the intermediate-term trend has turned up. It is a mildly bullish indicator that the market closed over the pivot swing number. The near-term upside objective is at 532 1/4. The next area of resistance is around 525 3/4 and 532 1/4, while 1st support hits today at 514 1/4 and below there at 509.

#### **DAILY WHEAT COMMENTARY**

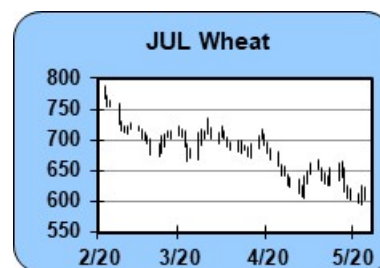
**5/25/2023**

**Mixed trade with talk of big Russia crop; sluggish demand**

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

**WHEAT -0.18**

**OVERNIGHT DEVELOPMENTS:** Chicago wheat (JUL 23) prices overnight are unchanged; Kansas City (JUL 23) down -3 1/2; and Minneapolis (JUL 23) down -1 1/2. MATIF Milling Wheat(SEP 23) was up 0.4%. Chicago wheat open interest as of May 24 was up 5,032 contracts and Minneapolis wheat was down 1,571 contracts.



**NEAR-TERM MARKET FUNDAMENTALS:** July wheat closed sharply lower on the session yesterday and gave back all of Tuesday's gains. A very strong rally in the US dollar and weakness in financial markets helped to pressure. In addition, weakness in European milling wheat futures due to ample supply from Russia to compete on the world market helped to pressure. Renewed tensions in the Black Sea region over exports failed to provide much in the way of support. More rain in the southern Plains in the forecast was also seen as a negative force.

IKAR raised its Russian 2023 wheat crop estimate to 86 million tonnes from 84 million previously. They also

raised their export potential to 44 million tonnes from 42 million previous. For the weekly export sales report, traders see sales near 125,000-600,000 tonnes as compared with 294,625 tonnes last week. For the last COT update, Managed Money traders are net short 112,769 contracts.

**TODAY'S MARKET IDEAS:**

July wheat support is at 594 1/4 and then 581 1/2. Resistance is at 648 and 664 3/4. July Kansas City wheat support is at 806, with resistance at 849.

**NEW RECOMMENDATIONS:**

None.

**PREVIOUS RECOMMENDATIONS:**

None.

**WHEAT TECHNICAL OUTLOOK:**

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WHEAT (JUL) 05/25/2023: 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 swing indicator gave a moderately negative reading with the close below the 1st support number. The next downside objective is now at 587 3/4. The next area of resistance is around 617 1/4 and 632, while 1st support hits today at 595 1/4 and below there at 587 3/4.

KC WHEAT (JUL) 05/25/2023: The close below the 60-day moving average is an indication the longer-term trend has turned down. Momentum studies trending lower at mid-range should accelerate a move lower if support levels are taken out. The close under the 18-day moving average indicates the intermediate-term trend could be turning down. The close below the 1st swing support could weigh on the market. The next downside target is 782. The next area of resistance is around 830 1/4 and 856, while 1st support hits today at 793 1/4 and below there at 782.

MINN WHEAT (JUL) 05/25/2023: Momentum studies trending lower at mid-range should accelerate a move lower if support levels are taken out. A negative signal for trend short-term was given on a close under the 9-bar moving average. The close below the 1st swing support could weigh on the market. The next downside objective is now at 777 3/4. The next area of resistance is around 812 1/2 and 831 3/4, while 1st support hits today at 785 1/2 and below there at 777 3/4.

RICE (JUL) 05/25/2023: Daily stochastics declining into oversold territory suggest the selling may be drying up soon. 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 next downside target is 16.454. With a reading under 30, the 9-day RSI is approaching oversold levels. The next area of resistance is around 16.717 and 16.863, while 1st support hits today at 16.513 and below there at 16.454.

**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	587 1/4	53.99	48.97	38.40	51.66	572.56	574.11	581.28	605.97	608.37
CNAZ23	520	52.88	46.55	31.50	44.77	511.38	508.25	516.42	541.08	546.26
SSAN23	1324 1/2	31.82	32.53	13.17	13.54	1323.88	1346.72	1382.67	1424.09	1439.69
SSAX23	1185	29.02	29.71	11.97	12.40	1186.31	1197.97	1231.69	1270.45	1289.28
SMAN23	402.2	23.98	28.11	15.34	7.85	407.48	417.78	421.88	437.67	445.58
BOAN23	48.00	37.88	37.08	19.90	21.98	47.95	48.02	50.28	52.64	54.03

WHAN23	606 1/4	37.63	38.43	28.95	23.69	609.94	624.47	631.04	663.44	673.80
WHAU23	619	37.86	38.60	29.69	24.21	622.31	636.81	642.97	675.11	685.15
RCAN23	16.615	25.03	33.00	22.38	7.90	16.80	17.31	17.70	17.42	17.37
KWAN23	811 3/4	40.55	44.44	59.61	45.67	825.94	857.42	834.88	835.56	827.13
MWAN23	799	37.54	40.55	48.06	32.54	808.31	835.50	828.51	847.38	847.60
OTAN23	329 3/4	49.93	48.89	59.98	50.03	322.00	332.19	327.90	336.77	338.74

Calculations based on previous session. Data collected 05/24/2023

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	568 3/4	579 1/2	584 1/2	595	600 1/4
CNAZ23	Corn	509	514	520 3/4	526	532 1/2
SSAN23	Soybeans	1304	1313 1/2	1325 3/4	1335 1/2	1347 1/2
SSAX23	Soybeans	1169	1176 1/2	1186	1193 1/2	1203
SMAN23	Soymeal	394.0	397.2	403.9	407.1	413.8
BOAN23	Soybean Oil	46.72	47.31	48.10	48.69	49.48
WHAN23	Wheat	587 1/2	595	609 3/4	617 1/2	632
WHAU23	Wheat	601 1/4	608 1/2	622 1/2	629 1/2	643 3/4
RCAN23	Rice	16.453	16.512	16.658	16.717	16.863
KWAN23	KC Wheat	782	793 1/4	819	830 1/4	856
MWAN23	MINN Wheat	777 3/4	785 1/2	804 3/4	812 1/2	831 3/4
OTAN23	Oats	319	325 1/4	328	334 1/4	337

Calculations based on previous session. Data collected 05/24/2023

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