## DAILY SOY COMPLEX COMMENTARY
5/26/2023

No sign of low yet but dry concerns might support bounce

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):
SOY BEANS +0.1, **BEAN OIL** +0.0, **SOYMEAL** +0.3

OVERNIGHT DEVELOPMENTS: Soybeans (JUL 23) prices overnight are up 11 1/2; Soymeal (JUL 23) up 2.80; and Soyoil (JUL 23) up 0.7. Soybean open interest as of May 25 was up 11,545 contracts, soymeal up 3,192 contracts, and soybean oil down 1,263. Chinese Dalian (JUL 23) Soybeans down 1.01%, Soymeal down 0.49% and Soyoil up 1.94%. Malaysian Palm was up 1.75%. Global equity markets overnight were mostly higher except for markets in Japan, Germany, Spain, and Hong Kong. Critical economic news released overnight included not as hot as expected Tokyo consumer price index readings for May, softer than expected Australian retail sales for April, better than expected Japanese coincident and leading economic index readings for March, better-than-expected GBP retail sales for April, lower than expected Swiss employment, a slight dip in French consumer confidence and softer than expected Italian business and consumer confidence readings for May.
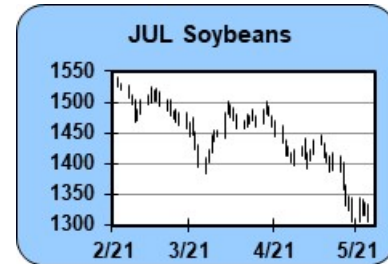
The North American session will start out with April personal income which is expected to have a minimal uptick from March's 0.3% reading, while April personal spending is forecast to have a moderate uptick from March's unchanged reading. April wholesale inventories are forecast to hold steady with the previous unchanged reading. April durable goods are expected to have a sizable downtick from March's 3.2% reading. The April goods trade balance is forecast to have a modest decline from March's $84.6 billion monthly deficit. A private survey of May consumer sentiment is expected to have a sizable downtick from April's 63.5 reading. For the month to date wheat prices are down 22 3/4 in SRW, up 55 1/2 in HRW, up 16 in HRS; Corn is up 9 1/2; Soybeans down 83 1/4; Soymeal down $32.60; Soyoil down 2.43. Year-To-Date nearby futures are down 22.9% in SRW, down 6.3% in HRW, down 12.7% in HRS; Corn is down 12.3%; Soybeans down 12.1%; Soymeal down 16.4%; Soyoil down 22.8%.

NEAR-TERM MARKET FUNDAMENTALS: November soybeans and December meal pushed sharply lower on the session yesterday and down into new lows for the move. With the very low Argentina crush pace, buyers may have switched to some US meal with weekly sales numbers coming in well above trade expectations. A continued strong US dollar was seen as a negative force, and traders do not seem too concerned with the drier pattern for parts of the Midwest. In fact, this will help get the crop planted ahead of schedule. The fast start to the crop and more talk of sluggish demand helped to pressure as China has reduced the use of soybean meal and corn in livestock feed in a drive to curb reliance on imports. With the market technically oversold, and open interest for meal at the highest level since February 2020, selling may slow as bearish traders take a wait and see attitude for the weather forecast.

The weekly export sales report showed that for the week ending May 18, net soybean sales came in at 115,042 tonnes for the current marketing year and 1,100 for the next marketing year for a total of 116,142. Cumulative soybean sales have reached 92.7% of the USDA forecast for the 2022/2023 marketing year versus a 5 year average of 97.0%. Net meal sales came in at 341,272 tonnes for the current marketing year and 50,625 for the next marketing year for a total of 391,897. This was well above trade expectations. Cumulative meal sales have reached 84.4% of the USDA forecast for the 2022/2023 marketing year versus a 5 year average of 83.4%. Net oil sales came in at 6,202 tonnes. Cumulative oil sales have reached 62.4% of the USDA forecast for the 2022/2023 marketing year versus a 5 year average of 82.2%.

TODAY'S MARKET IDEAS:

The next key support for December soymeal is all the way down at 366.70 which is the 50% mark of the contract range. Slow stochastic measures are at 15.5 and 16.3. Resistance is at 381.50 and 384.80. November soybeans may find support at the 50% mark of the contract range at 1153 1/2. There is some close-in support at 1172, and if the forecast stays dry over the long weekend, 1210 and 1224 1/2 are resistance levels.

NEW RECOMMENDATIONS:
None.

PREVIOUS RECOMMENDATIONS:
None.

SOYBEAN COMPLEX TECHNICAL OUTLOOK:

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SOYBEANS (JUL) 05/26/2023: Daily stochastics are showing positive momentum from oversold levels, which should reinforce a move higher if near term resistance is taken out. The close below the 9-day moving average is a negative short-term indicator for trend. The market tilt is slightly negative with the close under the pivot. The near-term upside target is at 1350. The next area of resistance is around 1338 1/4 and 1350, while 1st support hits today at 1309 3/4 and below there at 1293 1/4.

SOYBEAN OIL (JUL) 05/26/2023: 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 close above the 9-day moving average suggests the short-term trend remains positive. It is a mildly bullish indicator that the market closed over the pivot swing number. The next upside target is 49.66. The next area of resistance is around 49.10 and 49.66, while 1st support hits today at 47.94 and below there at 47.33.

SOYMEAL (JUL) 05/26/2023: Momentum studies are still bearish but are now at oversold levels and will tend to support reversal action if it occurs. The close below the 9-day moving average is a negative short-term indicator for trend. The close below the 1st swing support could weigh on the market. The next downside objective is 389.0. Some caution in pressing the downside is warranted with the RSI under 30. The next area of resistance is around 402.1 and 408.7, while 1st support hits today at 392.3 and below there at 389.0.
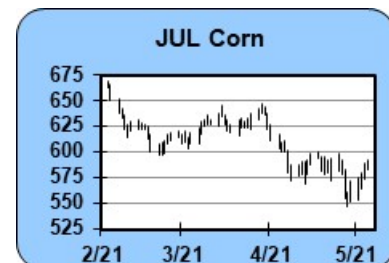
DAILY CORN COMMENTARY
5/26/2023

Will need good rain event after June 8th to avoid short-covering

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):
CORN +0.3

OVERNIGHT DEVELOPMENTS: Corn (JUL 23) prices overnight are up 3 cents. Corn open interest as of May 25 was up 9,348 contracts. Chinese Dalian (JUL 23) Corn was up 1.36%.

NEAR-TERM MARKET FUNDAMENTALS: While there is talk of short-covering, open interest is up sharply since the May 18th low. July corn closed higher for a 5th session in a row yesterday as traders see continued tightness in the cash market. However, December corn pushed lower day as traders see the recent rally as overbought, and the market is seen

selling pressure from strength in the US dollar and a sharp break in energy markets. Traders believe that more normal weather after June 7th will leave the production and stocks outlook burdensome.

The weekly export sales report showed that for the week ending May 18, net corn sales came in at -75,153 tonnes (cancelations) for the current marketing year and 52,099 for the next marketing year for a total of -23,054. Cumulative sales have reached just 84.2% of the USDA forecast for the 2022/2023 marketing year versus a 5 year average of 92.1%. Sales need to average 474,000 tonnes per week to reach the USDA forecast.

TODAY'S MARKET IDEAS:
December corn close in support is at 509, with 533 1/2 and 543 1/2 as next resistance. July corn support is at 579 3/4, 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) 05/26/2023: Positive momentum studies in the neutral zone will tend to reinforce higher price action. 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 599. The next area of resistance is around 595 1/2 and 599, while 1st support hits today at 586 and below there at 580.

CORN (DEC) 05/26/2023: 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 positive on the close above the 9-day moving average. It is a slightly negative indicator that the close was under the swing pivot. The next upside target is 526 3/4. The next area of resistance is around 520 3/4 and 526 3/4, while 1st support hits today at 511 1/4 and below there at 507 1/2.

DAILY WHEAT COMMENTARY
5/26/2023

July KC wheat holds support and Kansas abandonment supports

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):
WHEAT +0.78

OVERNIGHT DEVELOPMENTS: Chicago wheat (JUL 23) prices overnight are up 7; Kansas City (JUL 23) up 14 1/4; and Minneapolis (JUL 23) up 12 3/4. MATIF Milling Wheat(SEP 23) was up 1.2%. Chicago wheat open interest as of May 25 was up 3,799 contracts and Minneapolis wheat was up 1,109 contracts.

JUL Wheat
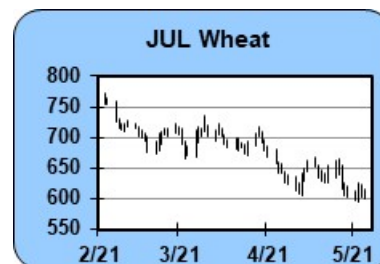
NEAR-TERM MARKET FUNDAMENTALS: July wheat closed slightly lower on the session yesterday after choppy and two-sided trade. The market has remained in a tight consolidation for the last seven trading sessions. July Kansas City wheat managed to hold key support at 806, and closed higher on the day. This is a bullish technical development. The strong US dollar was seen as a negative force, but traders remain concerned with the southern Plains wheat crop even though there is more rain in the forecast. China's wheat imports soared 80 percent in the first four months of the year, according to the latest official data. China imported nearly 6 million

tonnes of wheat in the four months ended April 30, accounting for 60 percent of the total throughout last year. In April, the figure saw a 141 percent annual jump to 4.7 million tonnes.

Food grain production in India, the world's second-biggest grower of rice and wheat, is likely to rise to a record 330.5 million tonnes in 2022-23, from 315.62 million tonnes a year earlier. The government earlier estimated food grain output at 323.55 million tonnes. Wheat output is seen rising to an all-time high of 112.7 million from 107.74 million a year earlier. The weekly export sales report showed that for the week ending May 18, net wheat sales came in at -45,083 tonnes (cancelations) for the current marketing year and 245,136 for the next marketing year for a total of 200,053. Cumulative sales have reached just 89.3% of the USDA forecast for the 2022/2023 marketing year versus a 5 year average of 96.7%.

TODAY'S MARKET IDEAS:
July wheat support is at 594 1/4 and then 581 1/2. Resistance is at 622 3/4 and 631 1/2. July Kansas City wheat support is at 813 and 806, with resistance at 847 and 860 3/4.

NEW RECOMMENDATIONS:
None.

PREVIOUS RECOMMENDATIONS:
None.

WHEAT TECHNICAL OUTLOOK:
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WHEAT (JUL) 05/26/2023: 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 market's close below the pivot swing number is a mildly negative setup. The next downside objective is 588 1/2. The next area of resistance is around 613 and 623 1/2, while 1st support hits today at 595 1/2 and below there at 588 1/2.

KC WHEAT (JUL) 05/26/2023: Declining momentum studies in the neutral zone will tend to reinforce lower price action. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The daily closing price reversal up on the daily chart is somewhat positive. The market has a slightly positive tilt with the close over the swing pivot. The next downside objective is 790 1/4. The next area of resistance is around 834 3/4 and 847 1/4, while 1st support hits today at 806 1/4 and below there at 790 1/4.

MINN WHEAT (JUL) 05/26/2023: 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. 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 788. The next area of resistance is around 813 3/4 and 821 1/4, while 1st support hits today at 797 1/4 and below there at 788.

RICE (JUL) 05/26/2023: 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. It is a slightly negative indicator that the close was under the swing pivot. The next downside target is now at 16.440. Some caution in pressing the downside is warranted with the RSI under 30. The next area of resistance is around 16.705 and 16.860, while 1st support hits today at 16.495 and below there at 16.440.

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	590 3/4	56.28	50.68	46.30	62.09	581.63	574.61	581.63	605.50	607.79

CNAZ23	516	48.51	44.03	37.02	48.05	515.44	509.06	515.90	540.23	545.38
SSAN23	1324	31.69	32.44	13.29	13.55	1328.06	1339.39	1376.92	1421.84	1437.02
SSAX23	1172 1/4	25.28	27.14	11.51	10.58	1185.50	1192.25	1225.99	1268.22	1286.17
SMAN23	397.2	21.01	25.81	12.26	6.11	404.50	413.81	419.86	436.57	444.52
BOAN23	48.52	42.29	39.96	21.45	24.56	48.26	47.91	50.10	52.50	53.83
WHAN23	604 1/4	36.88	37.93	26.02	20.18	609.75	621.06	630.26	661.88	671.91
WHAU23	617 1/4	37.19	38.16	26.71	20.76	622.38	633.44	642.26	673.59	683.29
RCAN23	16.600	24.78	32.79	16.65	5.19	16.69	17.10	17.64	17.41	17.35
KWAN23	820 1/2	42.82	45.85	51.98	36.73	824.38	850.86	838.25	835.98	827.28
MWAN23	805 1/2	40.63	42.51	40.87	26.50	808.69	831.00	829.32	846.76	846.68
OTAN23	336	55.39	52.76	58.49	55.52	325.44	332.28	329.64	336.30	338.70

Calculations based on previous session. Data collected 05/25/2023
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DAILY SWING STATISTICS

Contract		Support 2	Support 1	Pivot	Resist 1	Resist 2
GRAIN COMPLEX						
CNAN23	Corn	580	586	589 1/2	595 1/2	599
CNAZ23	Corn	507 1/2	511	517 1/4	521	527
SSAN23	Soybeans	1293	1309 3/4	1321 1/2	1338 1/4	1350
SSAX23	Soybeans	1151	1161	1173 1/4	1183 1/2	1195 1/2
SMAN23	Soymeal	388.9	392.2	398.8	402.1	408.7
BOAN23	Soybean Oil	47.32	47.93	48.49	49.10	49.66
WHAN23	Wheat	588 1/2	595 1/2	606	613	623 1/2
WHAU23	Wheat	601 1/2	608 1/2	618 3/4	626	636
RCAN23	Rice	16.439	16.494	16.650	16.705	16.860
KWAN23	KC Wheat	790 1/4	806 1/4	818 3/4	834 3/4	847 1/4
MWAN23	MINN Wheat	788	797	804 3/4	814	821 1/2
OTAN23	Oats	320 1/2	328 1/2	335 1/2	343 1/2	350 1/2

Calculations based on previous session. Data collected 05/25/2023
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