



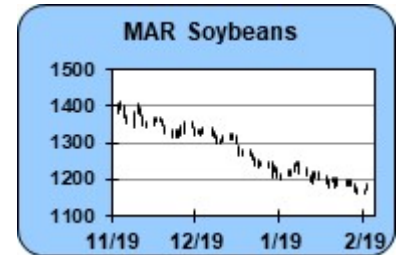
DAILY GRAINS COMMENTARY Wednesday February 21, 2024

DAILY SOY COMPLEX COMMENTARY 2/21/2024

China buys Brazil beans but US left out

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):
SOY BEANS -0.1, BEAN OIL +0.0, SOYMEAL -0.4

OVERNIGHT DEVELOPMENTS: Soybeans (MAY 24) prices overnight are down -7 3/4; Soymeal (MAY 24) down -4.20; and Soyoil (MAY 24) down -0.07. Soybean open interest as of February 20 was down 1,061 contracts, soymeal down 179 contracts, and soybean oil down 1,465. Chinese Dalian (MAY 24) Soybeans up 0.02%, Soymeal down 0.99%, Soyoil down 0.19%, Palm oil up 0.57%. Malaysian Palm was up 0.08%. Global equity markets overnight were mixed with Chinese markets posting a 7th straight gain, European markets generally higher, with UK and US markets starting out soft. Critical economic news released overnight included a much higher-than-expected New Zealand producer price index reading for their fourth quarter, a significant jump in January Japanese exports versus year ago levels, a larger than expected contraction in January year-over-year Japanese imports, a minimal contraction in an Australian Westpac leading index for January, as expected Australian wage price index readings, and a much smaller anticipated BP public-sector net borrowing reading in January. The North American session will start with weekly private surveys of same-store sales and mortgage applications. The January Canadian new housing price index is expected to have a minimal uptick from December's -0.9% year-over-year rate. The minutes from the January FOMC meeting will be released during early afternoon US trading hours. Atlanta Fed President Bostic will speak during morning US trading hours while Fed Governor Bowman speaks during the afternoon. Earnings announcements will include Analog Devices before the Wall Street opening while NVIDIA and Synopsys report after the close.



NEAR-TERM MARKET FUNDAMENTALS: China did return from their Lunar holiday in a buying mood; however, they bought multiple cargoes of Brazilian beans so far this week and the US has been left out, which is disappointing to the bull camp. AgroConsult lowered their Brazilian bean production to 152.2 million tonnes, down from their previous estimate of 153.8 million, and said their crop tour through Mato Grosso found yields down 17.7% from a year ago. CONAB estimated the Brazilian bean harvest at 29.4% done, outpacing last year's 23% on this date. Mato Grosso harvest is expected to be near 75% done by the end of this week. Prominent South American crop scout, Dr. Cordonnier, lowered his Brazilian bean production 2 million tonnes to 145 million, but left Argentine production unchanged. Brazilian and Argentine weather is seen as generally favorable for the next 2 weeks. Navigation on Argentina's Parana River was halted temporarily Tuesday after a ship ran aground. Navigation has been restarted but boats will temporarily need to load less grain, according to the Port Chamber. Weekly export inspections were in the upper end of the range of guesses, but total shipments compared to last year are down 23%. Last week's Forum numbers confirmed the recent trend of higher domestic usage in the US and lower exports. 2024/25 US bean exports were estimated to be down 12% from the 3-year average, while US bean crush is expected to be up 4%. US crush profit margins have dropped in half from the elevated levels of a year ago. The bull camp will be tested today as yesterday's short covering bounce has stalled and prices for March need to remain above 1170 to keep the short-term picture from turning lower again. Key support for March is 1160.

Soybean export inspections for the week ending February 15 came in at 1,185,885 metric tonnes. Cumulative inspections year-to-date are 31,969,302 metric tonnes which is 22.8% below last year. This is 68.3% of the USDA's forecast for the 2023-24 marketing year versus the 5-year average of 66.5%.

TODAY'S MARKET IDEAS:

In our opinion, today is a pivotal day for the beans with Sunday night's upside March chart gap now filled, and

buyers will need to step in on today's break if the short covering rally is going to continue. Close-in resistance on March is 1198 with key support at 1160. Brazil soy premiums have risen but are still cheaper than US and China is taking advantage. Stochastics turned up yesterday from oversold territory, but several recent false buy signals may give reason for traders to be wary.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

SOYBEAN COMPLEX TECHNICAL OUTLOOK:

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SOYBEANS (MAR) 02/21/2024: The daily stochastics gave a bullish indicator with a crossover up. Daily stochastics are showing positive momentum from oversold levels, which should reinforce a move higher if near term resistance is taken out. A negative signal for trend short-term was given on a close under the 9-bar moving average. Follow through buying looks likely if the market can hold yesterday's gap on the day session chart. With the close over the 1st swing resistance number, the market is in a moderately positive position. The near-term upside objective is at 1194 1/2. The next area of resistance is around 1186 1/4 and 1194 1/2, while 1st support hits today at 1171 3/4 and below there at 1165 3/4.

SOYBEAN OIL (MAR) 02/21/2024: 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. It is a slightly negative indicator that the close was lower than the pivot swing number. The next downside objective is 44.32. The next area of resistance is around 45.98 and 46.60, while 1st support hits today at 44.84 and below there at 44.32.

SOYMEAL (MAR) 02/21/2024: The crossover up in the daily stochastics is a bullish signal. 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. The market has a slightly positive tilt with the close over the swing pivot. The next upside objective is 354.5. The next area of resistance is around 350.5 and 354.5, while 1st support hits today at 344.6 and below there at 342.5.

DAILY CORN COMMENTARY

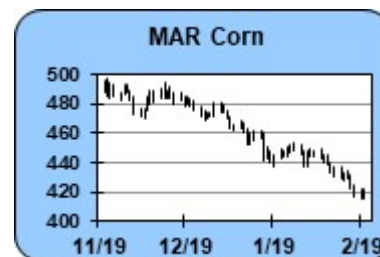
2/21/2024

Bullish arguments lacking

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):

CORN -0.1

OVERNIGHT DEVELOPMENTS: Corn (MAY 24) prices overnight are down -2. Corn open interest as of February 20 was down 5,021 contracts. Chinese Dalian (MAY 24) Corn was up 0.75%.



NEAR-TERM MARKET FUNDAMENTALS: Disappointing market action yesterday as March prices could not get above Friday's highs, despite the solid rally in wheat. CONAB estimated Safrinha corn planting at 45.3% done, above the 33.3% average. Prominent South American crop scout, Dr. Cordonnier, left his Brazil corn production estimate unchanged at 112 million tonnes and said 25-30% of the crop may be planted outside the ideal window.

Weekly export inspections were in the middle of the range of guesses. USDA announced a new sale of 155,000 tonnes of 2024/25 corn to Japan this morning. Although the Biden Administration is expected to make it tougher for corn ethanol to qualify for subsidies in the production of sustainable aviation fuel, Ag Secretary Vilsak says he is confident there is a path forward for corn ethanol to qualify but gave no other specifics. Approval of year-round E-15 sales in 2025 is expected. Well above normal temperatures are expected across the Midwest over the next 2 weeks and there are some correlations that warmer than average winter temperatures contribute to a hotter than normal summer. With little follow-through after yesterday's minor rally off new contract lows in March, prices remain in a downtrend with little enthusiasm from either the bear or bull camp.

Corn export inspections for the week ending February 15 came in at 918,610 metric tonnes. Cumulative inspections year-to-date are 18,118,948 metric tonnes which is 31.9% above last year. This is 34.0% of the USDA's forecast for the 2023-24 marketing year versus the 5-year average of 33.8%.

TODAY'S MARKET IDEAS:

Although bearish sentiment may be reaching a peak, there is no bullish news to reverse the trend and prices remain in a sideways/lower drift. Technical indicators are deep in oversold territory but have not yet turned up. Key support for March is 405 and resistance rests at 436.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

CORN TECHNICAL OUTLOOK:

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CORN (MAR) 02/21/2024: Momentum studies are declining, but have fallen to oversold levels. A negative signal for trend short-term was given on a close under the 9-bar moving average. The upside closing price reversal on the daily chart is somewhat bullish. It is a mildly bullish indicator that the market closed over the pivot swing number. The next downside target is now at 411 3/4. Some caution in pressing the downside is warranted with the RSI under 30. The next area of resistance is around 422 and 425, while 1st support hits today at 415 1/2 and below there at 411 3/4.

CORN (JUL) 02/21/2024: 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. A positive signal was given by the outside day up. With the close over the 1st swing resistance number, the market is in a moderately positive position. The next downside objective is now at 436 1/4. With a reading under 30, the 9-day RSI is approaching oversold levels. The next area of resistance is around 446 1/4 and 448 1/2, while 1st support hits today at 440 1/4 and below there at 436 1/4.

DAILY WHEAT COMMENTARY

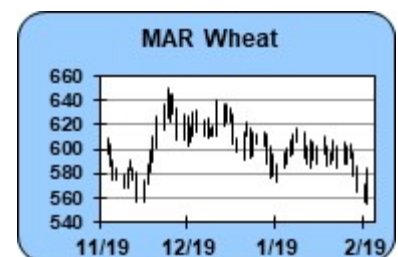
2/21/2024

Strong reversal higher suggests support on breaks

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):

WHEAT -0.45

OVERNIGHT DEVELOPMENTS: Chicago wheat (MAY 24) prices overnight are down -4 1/2; Kansas City (MAY 24) down -3; and Minneapolis (MAY 24) down -4. MATIF Milling Wheat(MAY 24) was down -1.0%. Chicago wheat open interest



as of February 20 was down 7,872 contracts and Minneapolis wheat was up 1,274 contracts.

NEAR-TERM MARKET FUNDAMENTALS: The bull camp has to be encouraged by the solid reversal higher yesterday off of new contract lows in March Chicago. The reason for Tuesday's sharp rally is elusive, as is oftentimes the case in wheat, but could be tied to cold weather in Russia and simple short covering after technical indicators reached extreme oversold levels. Attacks on shipping in the Red Sea also may be contributing to underlying support. On the bear side, IKAR says Russian FOB wheat prices are down \$5 a tonne this week to \$219 per tonne. Furthermore, Russia's Ag Minister says total grains exports could be 70 million tonnes, up from his previous forecast of 66 million. Upgrades to the Russian wheat crop are an indication heavy export competition from the Black Sea will continue and world inventories are unlikely to shrink dramatically. Weekly export inspections were in the bottom of the range of guesses. Yesterday's strong reversal may bring buyers to the table on pullbacks; however, very weak Russian prices are a bearish factor the market will have difficulty overcoming in the short-term without some new bull news.

Wheat export inspections for the week ending February 15 came in at 380,774 metric tonnes. Cumulative inspections year-to-date are 12,091,334 metric tonnes which is 17.5% below last year. This is 61.3% of the USDA's forecast for the 2023-24 marketing year versus the 5-year average of 67.9%.

TODAY'S MARKET IDEAS:

Technical signals were oversold extremely late last week, resulting in a significant upside chart reversal Tuesday. Prices may have fallen enough to uncover some demand. Key moving average resistance on March Chicago is 603. Pullback support should be seen at 570. Weak Russian prices will limit chances for any major advance.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

WHEAT TECHNICAL OUTLOOK:

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WHEAT (MAR) 02/21/2024: The crossover up in the daily stochastics is a bullish signal. The stochastics indicators are rising from oversold levels, which is bullish and should support higher prices. A negative signal for trend short-term was given on a close under the 9-bar moving average. The outside day up is somewhat positive. There could be more upside follow through since the market closed above the 2nd swing resistance. The next upside target is 606. The next area of resistance is around 597 1/2 and 606, while 1st support hits today at 568 and below there at 546 3/4.

KC WHEAT (MAR) 02/21/2024: Momentum studies are still bearish but are now at oversold levels and will tend to support reversal action if it occurs. The market's short-term trend is negative as the close remains below the 9-day moving average. There could be more upside follow through since the market closed above the 2nd swing resistance. The next downside objective is now at 559. The next area of resistance is around 597 3/4 and 604 1/4, while 1st support hits today at 575 1/4 and below there at 559.

MINN WHEAT (MAR) 02/21/2024: The daily stochastics have crossed over up which is a bullish indication. Daily stochastics are showing positive momentum from oversold levels, which should reinforce a move higher if near term resistance is taken out. A negative signal for trend short-term was given on a close under the 9-bar moving average. The outside day up is somewhat 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 near-term upside target is at 680. The next area of resistance is around 674 1/2 and 680, while 1st support hits today at 656 1/2 and below there at 644.

RICE (MAR) 02/21/2024: 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 market's close below the pivot swing number is a mildly negative setup. The next downside target is 17.880. The next area of resistance is around 18.340 and 18.540, while 1st support hits today at 18.010 and below there at 17.880.

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										
CNAH24	418 3/4	22.51	25.39	9.48	8.10	419.31	426.11	435.60	451.66	459.45
CNAN24	443 1/4	27.19	27.99	10.97	10.36	442.63	448.39	456.24	472.84	480.59
SSAH24	1179	41.21	38.84	14.82	18.00	1171.00	1181.03	1193.57	1240.28	1266.10
SSAN24	1192	39.05	36.85	12.29	15.58	1184.56	1195.92	1210.11	1256.94	1283.57
SMAH24	347.6	43.79	41.33	19.02	19.22	344.00	346.09	352.56	367.17	377.34
BOAH24	45.41	38.07	40.22	44.67	36.17	45.84	46.61	46.23	47.63	48.47
WHAH24	582 3/4	46.00	45.63	28.32	28.71	573.94	586.44	592.85	602.53	603.24
WHAN24	580	38.84	39.29	16.01	18.72	574.00	589.19	601.24	616.92	619.47
RCAH24	18.175	45.30	50.06	58.86	44.39	18.44	18.53	18.35	17.88	17.76
KWAH24	586 1/2	39.63	40.16	17.89	17.80	579.13	592.28	607.86	617.54	623.16
MWAH24	665 1/2	35.69	36.52	14.48	15.52	660.19	673.25	685.39	700.04	706.16
OTAH24	380	53.44	52.94	76.91	74.29	381.88	380.44	376.58	373.70	372.96

Calculations based on previous session. Data collected 02/20/2024

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						
CNAH24	Corn	411 3/4	415 1/2	418 1/2	422	425 1/4
CNAN24	Corn	436 1/4	440	442 1/2	446 1/2	448 3/4
SSAH24	Soybeans	1165 1/2	1171 3/4	1180	1186 1/4	1194 1/2
SSAN24	Soybeans	1178	1185	1192 1/4	1199	1206 1/2
SMAH24	Soymeal	342.5	344.5	348.5	350.5	354.5
BOAH24	Soybean Oil	44.32	44.84	45.46	45.98	46.60
WHAH24	Wheat	546 3/4	568	576 1/2	597 1/2	606 1/4
WHAN24	Wheat	548 1/2	567	574 3/4	593	601
RCAH24	Rice	17.880	18.010	18.210	18.340	18.540
KWAH24	KC Wheat	558 3/4	575	581 1/2	598	604 1/4
MWAH24	MINN Wheat	644	656 1/2	662	674 1/2	680
OTAH24	Oats	371 1/4	375 1/4	380 3/4	384 3/4	390 1/4

Calculations based on previous session. Data collected 02/20/2024

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