



## DAILY GRAINS COMMENTARY Tuesday March 26, 2024

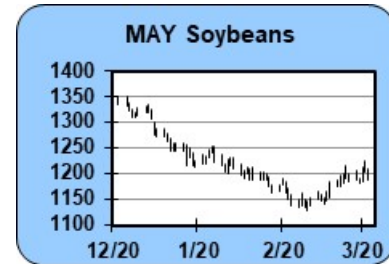
### DAILY SOY COMPLEX COMMENTARY 3/26/2024

**Report positioning likely to keep prices range-bound today**

**OVERNIGHT CHANGES THROUGH 4:10 AM (CT):  
SOY BEANS -0.1, BEAN OIL +0.0, SOYMEAL -0.3**

**OVERNIGHT DEVELOPMENTS:** Soybeans (MAY 24) prices overnight are down -5 3/4; Soymeal (MAY 24) down -1.30; and Soyoil (MAY 24) down -0.19. Soybean open interest as of March 25 was up 861 contracts, soymeal down 55 contracts, and soybean oil up 2,487. Chinese Dalian (MAY 24) Soybeans up 1.06%, Soymeal down 0.09%, Soyoil up 0.33%, Palm oil up 0.34%. Malaysian Palm was down 0.24%.

Overnight global equity markets were mixed again with the markets in Asia showing strength and European stocks trading around unchanged. Critical economic news released overnight included a significant drop in Australian Westpac Consumer Confidence for March, level Japanese corporate services price index readings for February, not as bad as feared German Gfk Consumer Confidence Survey readings for April, and as expected Spanish GDP readings for the fourth quarter. The North American session will start out with a weekly private survey of same store sales followed by February US durable goods which are expected to have a sizable uptick from January's -6.1% reading. The January Case-Shiller home price index is forecast to have a modest uptick from December's 6.1% year-over-year rate. The January FHFA house price index is expected to hold steady with December's 0.1% reading. The Conference Board's March reading on US consumer confidence is forecast to have a mild uptick from February's 106.7 reading. The Richmond Fed's March manufacturing index is expected to have a minimal uptick from February's -5 reading. February Canadian wholesale sales are forecast to have a minimal uptick from January's 0.1% reading. Earnings announcements will include McCormick & Company before the Wall Street opening.



**NEAR-TERM MARKET FUNDAMENTALS:** USDA report positioning is expected to keep prices range bound today, although we give the slight edge to the bull camp after yesterday's rebound off 50-day moving average support on May futures. Bloomberg's average estimate for Thursday's report for bean acres is 86.7 million, up 2.4 million from last year. This compares with recent estimates from Farm Futures at 86.0 million and Allendale at 85.832 million. Oftentimes, in years when crop profitability metrics favor beans, the acreage gain falls short of expectations. In addition, cotton and other specialty acres are expected to rise, which could rob some acres from both corn and beans. Our initial guess is Thursday's number is more likely to be below 86.0 million than above. The average guess for soybean stocks is 1.835 billion bushels, up from 1.687 billion in March of last year. Additional heavy precipitation fell in the central Midwest overnight centered on Iowa, Minnesota and Illinois. Clearly, US crop area under drought is shrinking this week. Dr Cordonnier left his Brazil and Argentine bean crops unchanged but said 10 - 15% of Argentina's crop has been negatively affected by recent excessive rains. Brazil has been on aggressive campaign to open up new export markets. A report from Brazil yesterday said since the start of 2023, the country has opened 100 new markets in 49 countries for Ag exports, including 36 new Asian markets, 35 in the Americas and 17 in Africa. By contrast, US export share of Ag products has been steadily declining, a worrisome long-term trend. Prior to the report, we expect rallies and breaks will struggle to extend as players position for a very volatile couple hours after the report Thursday, before the market closes for Good Friday and reopens Sunday night at regular time. May support has moved up to 1180 with resistance at 1227. Prices may stay inside that range until the USDA numbers are released.

Soybean export inspections for the week ending March 21 came in at 768,711 metric tonnes. Cumulative inspections year-to-date are 36,550,164 metric tonnes which is 18.7% below last year. This is 78.1% of the USDA's forecast for the 2023-24 marketing year versus the 5-year average of 73.9%.

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

Although end of month selloffs have been very common over the last year, we anticipate a choppy pattern today and tomorrow as traders anticipate spring volatility ramping up post-USDA report. With the technical picture slightly friendly, speculators may look to buy a break in the 1180 area on May if prices pull back today. Significant resistance is expected at last week's high of 1226 3/4.

### **NEW RECOMMENDATIONS:**

None.

### **PREVIOUS RECOMMENDATIONS:**

None.

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

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SOYBEANS (MAY) 03/26/2024: The major trend could be turning up with the close back above the 60-day moving average. A bullish signal was given with an upside crossover of the daily stochastics. Momentum studies are trending higher but have entered overbought levels. The market's close above the 9-day moving average suggests the short-term trend remains positive. The upside daily closing price reversal gives the market a bullish tilt. A positive setup occurred with the close over the 1st swing resistance. The next upside objective is 1225 3/4. The next area of resistance is around 1220 and 1225 3/4, while 1st support hits today at 1198 1/2 and below there at 1182 3/4.

SOYBEAN OIL (MAY) 03/26/2024: Stochastics turning bearish at overbought levels will tend to support lower prices if support levels are broken. A positive signal for trend short-term was given on a close over the 9-bar moving average. A positive signal was given by the outside day up. Market positioning is positive with the close over the 1st swing resistance. The next downside target is 47.13. The next area of resistance is around 49.79 and 50.21, while 1st support hits today at 48.25 and below there at 47.13.

SOYMEAL (MAY) 03/26/2024: The cross over and close above the 40-day moving average is an indication the longer-term trend has turned positive. Daily stochastics have risen into overbought territory which will tend to support reversal action if it occurs. The close above the 9-day moving average is a positive short-term indicator for trend. The daily closing price reversal up on the daily chart is somewhat positive. The close over the pivot swing is a somewhat positive setup. The near-term upside target is at 346.9. The next area of resistance is around 344.8 and 346.9, while 1st support hits today at 338.6 and below there at 334.5.

### **DAILY CORN COMMENTARY**

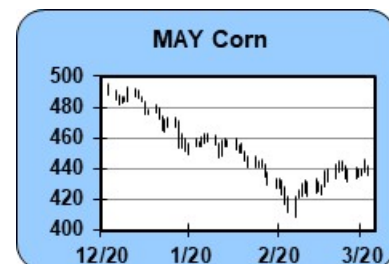
**3/26/2024**

**More heavy Midwest precision overnight, prices range-bound**

#### **OVERNIGHT CHANGES THROUGH 4:10 AM (CT):**

**CORN -0.1**

**OVERNIGHT DEVELOPMENTS:** Corn (MAY 24) prices overnight are down -1/2. Corn open interest as of March 25 was up 7,893 contracts. Chinese Dalian (MAY 24) Corn was down 0.58%.



**NEAR-TERM MARKET FUNDAMENTALS:** Similar last week, very

quiet action to start the week for corn as daily trading ranges have been extremely small. No doubt a breakout is coming Thursday but the market is offering a very neutral lean ahead of the report, meaning the chance of a surprise move is very high. Bloomberg average estimate for corn acreage is 91.8 million acres, down from last year's 94.6 million and above the Outlook forum number of 91 million. This compares with recent estimates from Pro farmer at 91.75 million, farm futures at 92.4 and Allendale at 93.472. The average estimate for corn stocks is 8.445 billion bushels, up from 7.396 billion in March of last year. Usage has been strong and we wouldn't be surprised to see a bullish stocks number. Heavy precipitation moved across Nebraska, Iowa, Minnesota and Illinois, shrinking the crop area under drought. The Eastern corn belt is favored in the extended forecast for more precipitation. A ship struck a support pillar on the Francis Scott Key Bridge in Baltimore overnight, collapsing the bridge and closing ship traffic. This is a key conduit to the high-volume container port in Baltimore and may snarl shipping in the area for some time. Dr Cordonnier left his Brazil and Argentina crop estimates unchanged and said 1st crop corn harvest in Brazil is now 75% complete, versus 58% done last year at this time. Weekly export inspections continued the recent solid trend and were in the upper end of the range of guesses. The inordinately small daily trading ranges look to continue today, raising the odds of a breakout on Thursday. May prices are caught between the 50-day moving average at 441 and the 20-day at 436 1/2.

Corn export inspections for the week ending March 21 came in at 1,227,955 metric tonnes. Cumulative inspections year-to-date are 24,408,375 metric tonnes which is 33.6% above last year. This is 45.8% of the USDA's forecast for the 2023-24 marketing year versus the 5-year average of 44.5%.

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

Another very quiet overnight session as traders sit on their hands and wait for the USDA stocks and acreage update on Thursday. Traders are not interested in taking aggressive positions pre-report with USDA numbers, 3-day holiday weekend, Brazil weather and US Midwest weather all on the table this week. Speculators can buy breaks on May futures below 432 if able before Thursday.

#### **NEW RECOMMENDATIONS:**

None.

#### **PREVIOUS RECOMMENDATIONS:**

None.

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

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CORN (MAY) 03/26/2024: Momentum studies trending lower from overbought levels is a bearish indicator and would 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 target is 434 1/4. The next area of resistance is around 439 3/4 and 442 1/2, while 1st support hits today at 435 3/4 and below there at 434 1/4.

CORN (JUL) 03/26/2024: Momentum studies are trending lower from high levels which should accelerate a move lower on a break below the 1st swing support. The close above the 9-day moving average is a positive short-term indicator for trend. The market's close below the pivot swing number is a mildly negative setup. The next downside objective is now at 448. The next area of resistance is around 453 and 455 1/4, while 1st support hits today at 449 1/2 and below there at 448.

#### **DAILY WHEAT COMMENTARY**

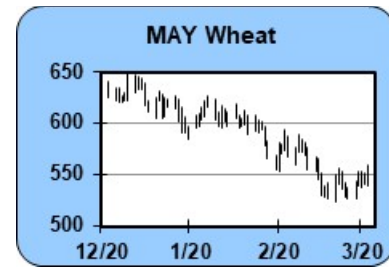
**3/26/2024**

## Kansas conditions fall but surrounding states improve

### OVERNIGHT CHANGES THROUGH 4:10 AM (CT):

WHEAT -0.03

**OVERNIGHT DEVELOPMENTS:** Chicago wheat (MAY 24) prices overnight are unchanged; Kansas City (MAY 24) down -4 1/2; and Minneapolis (MAY 24) down -2 3/4. MATIF Milling Wheat(MAY 24) was down -0.9%. Chicago wheat open interest as of March 25 was down 2,957 contracts and Minneapolis wheat was down 2,031 contracts.



**NEAR-TERM MARKET FUNDAMENTALS:** Monday's early rally failed to follow through higher after closing above the 20-day moving average. A strong close today would help the technical picture regain positive footing. Bear news items surfaced again yesterday, including weekly export inspections once again at the low end of the range of guesses and SovEcon estimating Russian March wheat exports will be very strong at 5 million tonnes, well above last month's 4.1 million. In addition, While EU's wheat crop has suffered from excessively wet conditions, EU consultancy MARS says yields will be up 2% from last year's drought-stricken crop. Kansas wheat conditions fell 2% last week to 53% good/excellent, however, Texas improved 5% and Oklahoma improved 9%. Kansas was only 7% jointing, which means chilly overnight temperatures are not likely to do any significant damage. Russian grain trader RIF says 400,000 tonnes of Russian grain is stuck in port as the dispute with the government continues. This is grain that will eventually be shipped, and the dispute is not likely to cause a major bullish reaction. Bloomberg's average estimate for wheat acres Thursday is 47.3 million acres down from 49.6 last season. Average guess for wheat stocks is 1.047 billion bushels, up from 941 million in March of last year. The same bearish fundamental themes of plentiful global supplies and weak world prices has not changed; however, the technical picture is improved, and funds are likely to continue their short covering into Thursday's report as their net shorts hit a 15-week high last week.

Wheat export inspections for the week ending March 21 came in at 315,395 metric tonnes. Cumulative inspections year-to-date are 14,166,669 metric tonnes which is 15.1% below last year. This is 71.8% of the USDA's forecast for the 2023-24 marketing year versus the 5-year average of 77.0%.

### TODAY'S MARKET IDEAS:

Notably, Paris wheat futures closed above its 50-day moving average for the 1st time in more than 6 months. Key close-in moving average support is 548 on May Chicago. 577 is the next upside target if May gets a close over 556. We think technical support will be seen on weakness heading into Thursday's report.

### NEW RECOMMENDATIONS:

None.

### PREVIOUS RECOMMENDATIONS:

None.

### WHEAT TECHNICAL OUTLOOK:

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WHEAT (MAY) 03/26/2024: Momentum studies are trending higher from mid-range, which should support a move higher if resistance levels are penetrated. A positive signal for trend short-term was given on a close over the 9-bar moving average. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The near-term upside objective is at 574. The next area of resistance is around 563 3/4 and 574, while 1st support hits today at 546 1/4 and below there at 539 1/4.

KC WHEAT (MAY) 03/26/2024: Momentum studies are trending higher from mid-range, which should support a move higher if resistance levels are penetrated. The market's short-term trend is positive on the close above the

9-day moving average. The market has a slightly positive tilt with the close over the swing pivot. The next upside objective is 609. The next area of resistance is around 599 1/4 and 609, while 1st support hits today at 582 1/4 and below there at 575.

MINN WHEAT (MAY) 03/26/2024: The moving average crossover down (9 below 18) indicates a possible developing short-term downtrend. Momentum studies are trending higher from mid-range, which should support a move higher if resistance levels are penetrated. The market's short-term trend is positive on the close above the 9-day moving average. The daily closing price reversal down is a negative indicator for prices. The market has a slightly positive tilt with the close over the swing pivot. The near-term upside objective is at 673. The next area of resistance is around 665 1/2 and 673, while 1st support hits today at 653 1/2 and below there at 648 3/4.

RICE (MAY) 03/26/2024: The daily stochastics have crossed over up which is a bullish indication. 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. The defensive setup, with the close under the 2nd swing support, could cause some early weakness. The next upside target is 17.685. Selling may soon dry up since the RSI is under 20 indicating the market is extremely oversold. The next area of resistance is around 17.340 and 17.685, while 1st support hits today at 16.750 and below there at 16.505.

### DAILY TECHNICAL STATISTICS

|                      | CLOSE    | 9 DAY<br>RSI | 14 DAY<br>RSI | 14 DAY<br>SLOW<br>STOCH D | 14 DAY<br>SLOW<br>STOCH K | 4 DAY<br>M AVG | 9 DAY<br>M AVG | 18 DAY<br>M AVG | 45 DAY<br>M AVG | 60 DAY<br>M AVG |
|----------------------|----------|--------------|---------------|---------------------------|---------------------------|----------------|----------------|-----------------|-----------------|-----------------|
| <b>GRAIN COMPLEX</b> |          |              |               |                           |                           |                |                |                 |                 |                 |
| CNAK24               | 437 3/4  | 51.76        | 49.74         | 73.37                     | 70.81                     | 439.19         | 438.22         | 435.81          | 439.95          | 447.25          |
| CNAN24               | 451 1/4  | 54.75        | 51.95         | 75.56                     | 73.38                     | 452.38         | 451.03         | 448.01          | 450.68          | 457.70          |
| SSAK24               | 1209 1/4 | 62.01        | 57.98         | 74.90                     | 75.12                     | 1205.81        | 1198.53        | 1180.92         | 1188.65         | 1206.23         |
| SSAN24               | 1221 3/4 | 62.14        | 58.39         | 76.05                     | 75.82                     | 1219.06        | 1212.36        | 1193.25         | 1199.05         | 1215.84         |
| SMAK24               | 341.7    | 57.13        | 52.96         | 66.71                     | 70.05                     | 341.90         | 337.99         | 336.08          | 341.69          | 348.62          |
| BOAK24               | 49.02    | 61.52        | 59.83         | 77.37                     | 76.55                     | 48.61          | 48.63          | 47.25           | 46.84           | 47.22           |
| WHAK24               | 555      | 53.51        | 48.40         | 43.26                     | 55.84                     | 550.38         | 544.64         | 546.82          | 575.53          | 585.63          |
| WHAN24               | 570 3/4  | 56.89        | 51.21         | 53.81                     | 66.49                     | 565.63         | 559.64         | 558.60          | 582.17          | 592.51          |
| RCAK24               | 17.045   | 16.55        | 25.96         | 4.92                      | 6.78                      | 17.40          | 17.64          | 17.86           | 18.25           | 18.14           |
| KWAK24               | 590 3/4  | 55.71        | 52.13         | 58.10                     | 63.45                     | 585.56         | 580.81         | 580.24          | 592.38          | 600.13          |
| MWAK24               | 659 1/2  | 50.99        | 47.84         | 42.31                     | 45.21                     | 658.00         | 655.97         | 657.01          | 672.19          | 682.53          |
| OTAK24               | 361 1/4  | 48.68        | 47.79         | 28.79                     | 25.23                     | 356.56         | 361.28         | 363.68          | 365.43          | 366.38          |

Calculations based on previous session. Data collected 03/25/2024

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> |             |           |           |          |          |          |
| CNAK24               | Corn        | 434 1/4   | 435 1/2   | 438 1/2  | 440      | 442 3/4  |
| CNAN24               | Corn        | 448       | 449 1/2   | 451 3/4  | 453      | 455 1/2  |
| SSAK24               | Soybeans    | 1182 3/4  | 1198 1/2  | 1204 1/4 | 1220     | 1225 3/4 |
| SSAN24               | Soybeans    | 1195      | 1211      | 1216 3/4 | 1232 1/2 | 1238 1/2 |
| SMAK24               | Soymeal     | 334.5     | 338.6     | 340.7    | 344.8    | 346.9    |
| BOAK24               | Soybean Oil | 47.13     | 48.25     | 48.67    | 49.79    | 50.21    |
| WHAK24               | Wheat       | 539       | 546 1/4   | 556 1/2  | 563 3/4  | 574      |
| WHAN24               | Wheat       | 556       | 562 1/2   | 572 1/4  | 579      | 588 1/2  |
| RCAK24               | Rice        | 16.505    | 16.750    | 17.095   | 17.340   | 17.685   |
| KWAK24               | KC Wheat    | 575       | 582 1/4   | 592      | 599 1/4  | 609      |
| MWAK24               | MINN Wheat  | 648 3/4   | 653 1/2   | 661      | 665 1/2  | 673 1/4  |
| OTAK24               | Oats        | 357 1/2   | 359 1/2   | 361      | 363      | 364 1/2  |

Calculations based on previous session. Data collected 03/25/2024

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