



DAILY GRAINS COMMENTARY

Wednesday March 27, 2024

DAILY SOY COMPLEX COMMENTARY

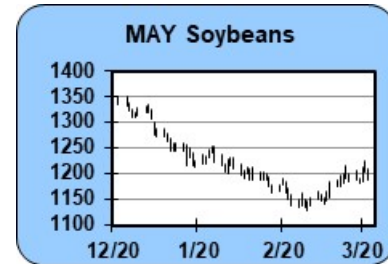
3/27/2024

Both longs and shorts reducing risk before USDA Thursday

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

OVERNIGHT DEVELOPMENTS: Soybeans (MAY 24) prices overnight are down -6; Soymeal (MAY 24) down -0.30; and Soyoil (MAY 24) down -0.66. Soybean open interest as of March 26 was up 11,057 contracts, soymeal down 4,647 contracts, and soybean oil up 1,312. Chinese Dalian (MAY 24) Soybeans down 0.65%, Soymeal down 0.21%, Soyoil down 1.58%, Palm oil down 1.37%. Malaysian Palm was down 2.38%.

Global equity markets overnight were mostly higher except for the markets in Shanghai, Hong Kong, and Paris with the losses in China particularly significant. Critical economic news released overnight included a minimally positive Australian Westpac Leading Index for February, an unchanged but slightly softer than expected Australian monthly consumer price index reading, minimally better-than-expected French consumer confidence readings for March, a hotter than expected Spanish consumer price index reading for March (preliminary), a much stronger-than-expected Spanish retail sales reading for February, and a slightly better-than-expected Swiss ZEW survey of expectations for March. The North American session will start out with a weekly private survey of mortgage applications and have no major US or Canadian economic numbers on the schedule. Earnings announcements will include Cintas and Carnival before the Wall Street opening.



NEAR-TERM MARKET FUNDAMENTALS: Rather than net shorts paring down their positions before tomorrow's USDA report, it appears longs are reducing risk as well, anticipating significant volatility tomorrow and likely next week. Month-to-date bean prices are down \$0.52. Bloomberg's average estimate 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. USDA's bean acreage intention number has been above the range of estimates only 3 times in the last 15 years. The average guess for bean stocks is 1.835 billion bushels, up from 1.687 billion in March of last year. CONAB pegged Brazil bean harvest at 66% done and said harvest is lagging well behind in the north and northeastern crop areas. China's February sow herd was down 0.6% from the prior month and Feb slaughter was down 6.9% from Feb a year ago. China's recent efforts to reduce hog oversupply seems to be working but isn't a great sign for future soybean demand. Much-needed heavy precipitation last weekend and so far, this week was a bull's-eye on the driest areas of the central Midwest, which will reduce the drought area somewhat. Follow-up rains for the Eastern belt are in the forecast for early next week. Temperatures across the Midwest will remain below normal for the next week. Support on May futures comes in today at 1182. A choppy day is expected as traders gear up for tomorrow's report.

TODAY'S MARKET IDEAS:

Pre-report positioning should keep rallies and breaks in check today as a significant ramp up in volatility is expected tomorrow and may carry through to next week. USDA quarterly stocks and acreage intentions report be released at 11 AM Chicago time tomorrow. Bean acreage will be the most important number, in our opinion, to drive price direction. Technical support on May is 1182 with more important support further down at 1166.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

SOYBEAN COMPLEX TECHNICAL OUTLOOK:

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SOYBEANS (MAY) 03/27/2024: The market back below the 60-day moving average suggests the longer-term trend could be turning down. The daily stochastics have crossed over down which is a bearish indication. Momentum studies trending lower from overbought levels is a bearish indicator and would tend to reinforce lower price action. The close above the 9-day moving average is a positive short-term indicator for trend. It is a slightly negative indicator that the close was lower than the pivot swing number. The next downside objective is 1190 3/4. The next area of resistance is around 1204 and 1211, while 1st support hits today at 1194 and below there at 1190 3/4.

SOYBEAN OIL (MAY) 03/27/2024: Stochastics turning bearish at overbought levels will tend to support lower prices if support levels are broken. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The daily closing price reversal down is a negative indicator for prices. The market tilt is slightly negative with the close under the pivot. The next downside objective is 47.82. The next area of resistance is around 48.80 and 49.37, while 1st support hits today at 48.03 and below there at 47.82.

SOYMEAL (MAY) 03/27/2024: The daily stochastics have crossed over down which is a bearish indication. Momentum studies trending lower at mid-range should accelerate a move lower if support levels are taken out. The market's close above the 9-day moving average suggests the short-term trend remains positive. It is a slightly negative indicator that the close was under the swing pivot. The next downside objective is 336.8. The next area of resistance is around 341.4 and 343.1, while 1st support hits today at 338.2 and below there at 336.8.

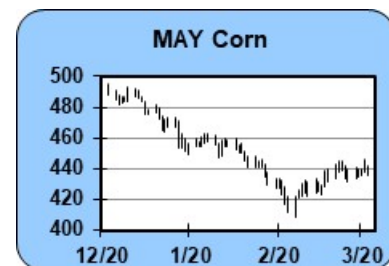
DAILY CORN COMMENTARY

3/27/2024

Avian flu in cattle sparks demand worries

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):
CORN -0.5

OVERNIGHT DEVELOPMENTS: Corn (MAY 24) prices overnight are down -4. Corn open interest as of March 26 was up 2,573 contracts. Chinese Dalian (MAY 24) Corn was down 0.04%.



NEAR-TERM MARKET FUNDAMENTALS: A new bearish force appeared Wednesday as reports of avian flu in dairy cattle brought worries over future cattle feed demand to the forefront. The flu has reportedly been so far contained to dairy cattle in Kansas, Texas and Mexico, but concerns whether the virus can spread cattle to cattle resulted in significant market pressure. This is a very fluid situation and updates from USDA and what their response will be are awaited. Bloomberg's average estimate for corn acres tomorrow is 91.8 million acres, down from last year's 94.6 and above the Outlook forum number of 91.0. Over the last week we have seen estimates from Pro farmer at 91.75 million acres, farm futures at 92.4 and Allendale at 93.47. As farmers made their planting decisions last fall and over the winter, crop metrics would suggest a significant reduction in corn acres. However, history tells us that farmers love planting corn and although this report may show a significant acreage decline, the June final acreage report, depending on spring weather, could be higher. The average estimate for corn stocks is 8.445 billion bushels, up from 39.6 billion in March of last year. Usage has been strong, and we lean toward a bullish corn stocks number. Brazil safrinha crop weather is generally favorable and US central Midwest precipitation since last weekend has fallen right at the heart of the dry areas. Today's ethanol production is expected at 1.045 million barrels per day, compared to 1.046 million last week and stocks are expected at 26.053 million barrels per

day, compared to 26.009 last week. Hedgepoint updated their Brazil corn production to 119.1 million tonnes, down from 121.5 million in their previous forecast and below USDA at 124 million. The avian flu issue keeps the bear camp in control into tomorrow's report and raises the risk for longs. This new bearish element could push prices lower than expected, depending on USDA's response.

TODAY'S MARKET IDEAS:

Worries over future cattle feed demand due to the avian flu is a new negative development which raises the risk of a further price decline. Speculators may consider keeping their powder dry today until risks can be more defined. USDA numbers will be out before a 3-day holiday weekend, which will add to the market volatility post-report.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

CORN TECHNICAL OUTLOOK:

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CORN (MAY) 03/27/2024: The major trend has turned down with the cross over back below the 40-day moving average. 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 2nd swing support number puts the market on the defensive. The next downside target is now at 425 3/4. The next area of resistance is around 436 3/4 and 443, while 1st support hits today at 428 1/4 and below there at 425 3/4.

CORN (JUL) 03/27/2024: The market back below the 40-day moving average suggests the longer-term trend could be turning down. Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. The close below the 18-day moving average is an indication the intermediate-term trend has turned down. The market is in a bearish position with the close below the 2nd swing support number. The next downside objective is 438 1/2. The next area of resistance is around 449 1/4 and 455 1/4, while 1st support hits today at 440 3/4 and below there at 438 1/2.

DAILY WHEAT COMMENTARY

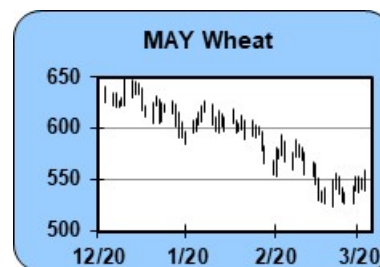
3/27/2024

S Plains rains in extended forecast

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):

WHEAT -0.35

OVERNIGHT DEVELOPMENTS: Chicago wheat (MAY 24) prices overnight are down -2 1/2; Kansas City (MAY 24) down -3 1/4; and Minneapolis (MAY 24) down -1/2. MATIF Milling Wheat(MAY 24) was down -0.6%. Chicago wheat open interest as of March 26 was up 852 contracts and Minneapolis wheat was up 1,564 contracts.



NEAR-TERM MARKET FUNDAMENTALS: The bear camp remains in charge in wheat and tomorrow's USDA report is unlikely to change the bearish narrative. Month-to-date SRW prices are down 36 1/2 cents and HRW down 13 1/4 cents. Bloomberg's average estimate for wheat acres tomorrow is 47.3 million, down from 49.6 last year. The average guess for wheat stocks is 1.047 billion bushels, up from 941 million in March of last year.

Southern Plains rains are showing in the 11 to 15 day forecast and recent moisture is expected to improve conditions this week. Ukraine says consistent port attacks in the Odessa region may slow exports in the March - May time period. If weather holds out for the Russian crop, it will be the 3rd consecutive large harvest and exportable supplies will continue to be abundant. March Russian exports are expected to be a record 5 million tonnes. In a bit of bullish news, India's government wheat stocks have fallen to a 16-year low after additional sales into the domestic market to cool prices. Unfortunately for the bull camp, we think there are too many bearish fundamentals factors for wheat to have a significant rally at this time.

TODAY'S MARKET IDEAS:

Retracement support on May Chicago at 540 was tested overnight but unless USDA pulls a bullish rabbit out of their hat tomorrow, the path of least resistance looks lower. US prices could not build on the positive technical developments in EU wheat with its 1st close above the 50-day moving average in more than 6 months. May prices have moved back down into the recent consolidation range weakening the technical picture back to neutral.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

WHEAT TECHNICAL OUTLOOK:

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WHEAT (MAY) 03/27/2024: Stochastics are at mid-range but trending higher, which should reinforce a move higher if resistance 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 near-term upside objective is at 561 1/2. The next area of resistance is around 550 3/4 and 561 1/2, while 1st support hits today at 536 1/4 and below there at 532 1/4.

KC WHEAT (MAY) 03/27/2024: The close below the 40-day moving average is an indication the longer-term trend has turned down. A negative indicator was given with the downside crossover of the 9 and 18 bar moving average. The daily stochastics gave a bearish indicator with a crossover down. Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. The market back below the 18-day moving average suggests the intermediate-term trend could be turning down. The market's close below the 1st swing support number suggests a moderately negative setup for today. The next downside objective is 566 1/4. The next area of resistance is around 584 and 594 1/2, while 1st support hits today at 570 and below there at 566 1/4.

MINN WHEAT (MAY) 03/27/2024: A crossover down in the daily stochastics is a bearish signal. Declining momentum studies in the neutral zone will tend to reinforce lower price action. The close under the 18-day moving average indicates the intermediate-term trend could be turning down. There could be some early pressure today given the market's negative setup with the close below the 2nd swing support. The next downside objective is now at 637 1/4. The next area of resistance is around 653 3/4 and 663 1/2, while 1st support hits today at 640 3/4 and below there at 637 1/4.

RICE (MAY) 03/27/2024: The stochastics indicators are rising from oversold levels, which is bullish and should support higher prices. 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 upside target is 17.293. More downside action may be limited by the RSI under 20 putting the market in extremely oversold territory. The next area of resistance is around 17.002 and 17.293, while 1st support hits today at 16.598 and below there at 16.484.

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										
CNAK24	432 1/2	41.21	43.64	68.30	58.15	437.56	437.25	435.97	439.42	446.35
CNAN24	445	41.36	44.21	70.58	60.64	450.56	450.08	448.22	450.24	456.85
SSAK24	1199	55.16	53.65	73.92	71.97	1203.19	1198.78	1184.15	1187.89	1204.18
SSAN24	1212 1/2	55.79	54.37	74.99	72.86	1216.38	1212.61	1196.65	1198.41	1213.95
SMAK24	339.8	53.42	50.78	66.57	66.29	341.23	338.37	336.67	341.34	347.80
BOAK24	48.42	55.54	55.73	76.52	74.81	48.47	48.61	47.43	46.83	47.22
WHAK24	543 1/2	44.28	43.21	46.42	52.76	550.00	544.56	545.00	574.13	583.98
WHAN24	559 1/4	46.70	45.43	55.97	60.29	565.38	559.75	557.49	581.00	591.04
RCAK24	16.800	13.54	22.92	4.98	5.11	17.18	17.51	17.77	18.23	18.12
KWAK24	577	46.19	46.65	57.85	57.33	584.75	579.67	579.68	591.63	599.00
MWAK24	647 1/4	39.34	41.04	39.48	33.82	656.06	654.17	656.36	670.91	681.07
OTAK24	357 1/2	42.91	44.36	27.08	23.68	357.63	359.56	362.93	365.07	365.92

Calculations based on previous session. Data collected 03/26/2024

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						
CNAK24	Corn	425 3/4	428	434 1/2	437	443 1/4
CNAN24	Corn	438 1/2	440 3/4	447	449 1/4	455 1/2
SSAK24	Soybeans	1190 3/4	1194	1201	1204	1211 1/4
SSAN24	Soybeans	1205	1207 3/4	1214 1/2	1217 1/4	1224
SMAK24	Soymeal	336.7	338.2	339.9	341.4	343.1
BOAK24	Soybean Oil	47.81	48.02	48.59	48.80	49.37
WHAK24	Wheat	532	536	546 3/4	551	561 1/2
WHAN24	Wheat	547 3/4	552	562 1/2	566 1/2	577 1/4
RCAK24	Rice	16.483	16.597	16.888	17.002	17.293
KWAK24	KC Wheat	566	570	580 1/4	584	594 1/2
MWAK24	MINN Wheat	637 1/4	640 1/2	650 1/2	654	663 3/4
OTAK24	Oats	353	354 3/4	358 1/2	360 1/4	364

Calculations based on previous session. Data collected 03/26/2024

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