



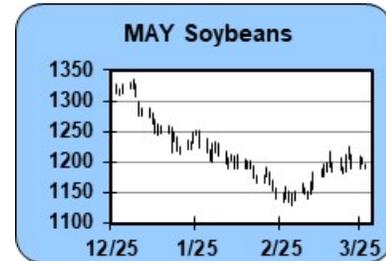
DAILY GRAINS COMMENTARY Thursday March 28, 2024

DAILY SOY COMPLEX COMMENTARY 3/28/2024

AgroConsult surprises with Brazil crop increase

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):
SOY BEANS -0.1, BEAN OIL +0.0, SOYMEAL -0.2

OVERNIGHT DEVELOPMENTS: Soybeans (MAY 24) prices overnight are down -4; Soymeal (MAY 24) down -1.60; and Soyoil (MAY 24) up 0.08. Soybean open interest as of March 27 was down 1,355 contracts, soymeal down 2,161 contracts, and soybean oil down 1,635. Chinese Dalian (MAY 24) Soybeans up 0.44%, Soymeal down 0.77%, Soyoil down 0.80% Global equity markets overnight were higher except for the markets in Japan and Russia with the losses in Japan significant at 1.73%. Critical economic news released overnight included slightly softer than expected Australian consumer inflation expectations, softer New Zealand activity outlook March, significantly softer ANZ business confidence readings for March, slightly higher Australian private sector credit, softer than expected Australian February retail sales, significantly weaker than expected German retail sales in February, as expected GBP GDP, a slight downtick in the Swiss KOF leading indicator for March, lower than expected German March unemployment, slightly better-than-expected Italian business confidence readings for March and slightly weaker than expected Italian consumer confidence readings for March. The North American session will start out with fourth quarter US gross domestic product which is expected to hold steady with the previous 3.2% annualized rate. Fourth quarter core personal consumption expenditures (a key Fed inflation gauge) are forecast to hold steady with the previous 2.1% reading. Initial jobless claims are expected to have a mild weekly uptick from the previous 210,000 reading. Ongoing jobless claims are forecast to have a minimal weekly increase from the previous 1.807 million reading. January Canadian GDP is expected to have a modest uptick from December's unchanged reading. The March Chicago PMI is forecast to have a modest uptick from February's 44 reading. February US pending home sales are expected to have a sizable uptick from January's -8.8% year-over-year rate. A private survey of March US consumer sentiment is forecast to have a mild downtick from February's 76.9 reading. The Kansas City Fed's March manufacturing index is expected to have a moderate downtick from February's 3 reading. Earnings announcements will include Walgreens Boots Alliance before the Wall Street opening.



NEAR-TERM MARKET FUNDAMENTALS: USDA report day is finally here, and the quarterly stocks and acreage intentions is typically one of the more volatile reports of the year since it's based on farmer surveys to determine acreage. Final acreage is often quite different from the March report dependent on spring weather and market movement post-report. The potential this year for an early wheat harvest is expected to increase double crop acres which could add to the final acreage total. Since the 2008 season, USDA final bean acreage has been below the average March intentions estimate in 11 of 16 years, including the last 6 in a row. In other words, odds favor today's acreage number eventually being reduced in the end of June final acreage report. Bloomberg's average estimate for acreage is 86.7 million, up 2.4 million from last year. Quarterly bean stocks average estimate is 1.835 billion bushels, up 8.4% from last year and 2-year high. An easing of drought conditions in the US Midwest has been a bearish factor this week as heavy precipitation fell on many of the dry areas. Over the next 5 days, additional precipitation chances will be seen in the eastern Midwest, with lighter chances in the West. Brazil weather looks generally favorable for the last third of harvest. AgroConsult surprised the trade by raising their Brazilian bean production estimate from 152.2 million tonnes to 156.5 million after estimating an expansion of planted area. Estimated Brazil bean acres rose to 46.4 million hectares, 1.2 million above CONAB's number. Weekly export sales will also be out this morning and the range of estimates is 300,000 to 700,000 tonnes for beans and 150,000 to 350,000 tonnes for meal. Soybean oil is expected anywhere from minus 5,000 tonnes to a positive 10,000 tonnes. Commitment of Traders data will be released on Friday even though markets will be

closed. Another bearish headwind over the next few weeks will be the Argentine bean harvest, which now stands at 4.4% done. Buckle up for a volatile day. A bearish report could extend prices down to retracement support at 1159. Last week's high of 1216 on May should hold, barring a major bullish surprise from USDA.

TODAY'S MARKET IDEAS:

A volatile day is expected with the USDA report released at 11 AM Chicago time. The bull camp needs surprise bullish numbers from the USDA today since post-report the markets must deal with the start of harvest in Argentina and Brazil's ongoing harvest. For today, speculators may consider selling a bounce above 1201, risking last week's high of 1216. If the report is bearish, a pullback to retracement support at 1159 should find buyers.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

SOYBEAN COMPLEX TECHNICAL OUTLOOK:

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SOYBEANS (MAY) 03/28/2024: Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The close below the 1st swing support could weigh on the market. The next downside objective is 1184 3/4. The next area of resistance is around 1196 3/4 and 1201 1/2, while 1st support hits today at 1188 1/4 and below there at 1184 3/4.

SOYBEAN OIL (MAY) 03/28/2024: 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 defensive setup, with the close under the 2nd swing support, could cause some early weakness. The next downside target is 46.75. The next area of resistance is around 48.19 and 48.83, while 1st support hits today at 47.15 and below there at 46.75.

SOYMEAL (MAY) 03/28/2024: Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. A positive signal for trend short-term was given on a close over the 9-bar moving average. The downside closing price reversal on the daily chart is somewhat negative. It is a slightly negative indicator that the close was lower than the pivot swing number. The next downside objective is now at 335.9. The next area of resistance is around 340.8 and 343.2, while 1st support hits today at 337.2 and below there at 335.9.

DAILY CORN COMMENTARY

3/28/2024

Bear report reaction may find good support ahead of spring

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):

CORN +0.0

OVERNIGHT DEVELOPMENTS: Corn (MAY 24) prices overnight are up 1/2. Corn open interest as of March 27 was down 828 contracts. Chinese Dalian (MAY 24) Corn was up 0.54%.



NEAR-TERM MARKET FUNDAMENTALS: Weakness this week heading into the report has been partly due to the worries over cattle feed demand due to the avian flu detected in dairy cattle. This was a new bearish force this week and price action may have been intensified by the lack of additional information on USDA's response. Today's quarterly grain stocks pre-report estimate is 8.445 billion bushels, 14% above last year and a 5-year high. With usage strong last quarter, we lean toward a USDA stocks number below the average guess. Bloomberg's average estimate for corn acres is 91.8 million, down from 94.6 last season. The last 2 years, final June acreage has been at least 3 1/2 million acres below March intentions. So, it is clear today's number is not set in stone and farmers will react to price considerations and weather this spring. While the Port of Baltimore does not see major import/exports of grain, it is the largest US port for farm equipment, which may result in spring delivery delays. Weekly export sales this morning are expected in a range of 800,000 to 1,300,000 tonnes. USDA will no doubt offer some sort of surprise today, but we think the February contract low in May corn should hold and prices may find buying support on a bearish report reaction below 415.

Ethanol average daily production for the week ending March 22 averaged 1.054 million barrels. This was up 0.8% from last week and up 5.1% from last year. The 5-year average for this week is 0.988 million barrels per day. Ethanol production for the week was 7.378 million barrels. Ethanol stocks were 26.092 million barrels. This was the highest since March 17, 2023. This was up 0.3% from last week and up 2.2% from last year. The 5-year average stocks for this week is 24.491 million barrels. The amount of corn used for the week is estimated at 104.62 million bushels. Cumulative corn use for the crop year has reached 2.997 billion bushels. Corn use needs to average 102.74 million bushels per week to meet the USDA's marketing year forecast of 5.375 billion bushels.

TODAY'S MARKET IDEAS:

Contract lows in late February should be held if prices see a bearish reaction to the report. With volatility expected to be high today, speculators can consider buying futures and or selling puts on a flush down to 415 or below on May. A bullish report should find heavy resistance above 440 and rallies can be faded with stops above 446. The looming 3-day holiday weekend will even further enhance volatility.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

CORN TECHNICAL OUTLOOK:

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CORN (MAY) 03/28/2024: Stochastics trending lower at midrange will tend to reinforce a move lower especially 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 setup is somewhat negative with the close under the 1st swing support. The next downside target is 422. The next area of resistance is around 429 3/4 and 434, while 1st support hits today at 423 3/4 and below there at 422.

CORN (JUL) 03/28/2024: Momentum studies trending lower at mid-range should accelerate a move lower if

support levels are taken out. The market's short-term trend is negative as the close remains below the 9-day moving average. The swing indicator gave a moderately negative reading with the close below the 1st support number. The next downside objective is 434 1/2. The next area of resistance is around 442 1/4 and 446 3/4, while 1st support hits today at 436 1/4 and below there at 434 1/2.

DAILY WHEAT COMMENTARY

3/28/2024

Traders look to USDA to offer direction

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):

WHEAT +0.0

OVERNIGHT DEVELOPMENTS: Chicago wheat (MAY 24) prices overnight are up 1/4; Kansas City (MAY 24) up 1 1/4; and Minneapolis (MAY 24) unchanged. MATIF Milling Wheat(MAY 24) was up 1.0%. Chicago wheat open interest as of March 27 was up 2,175 contracts and Minneapolis wheat was up 2,077 contracts.



NEAR-TERM MARKET FUNDAMENTALS: Perhaps today's report will finally result in a convincing breakout for the wheat market after several weeks of sideways action. Bloomberg's average estimate for wheat acres 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. Next week, farmers will be checking fields to see if this week's cold overnight temperatures did damage. Farmers we have spoken to in Kansas are worried about any wheat that was jointing. Weekly export inspections are expected in a range of minus 100,000 tonnes to a positive 300,000 tonnes. SovEcon says dryness in Russia is currently a minor concern, but if the pattern lasts a couple more weeks it could be a more significant issue. Over the last 10 years, the final USDA wheat acreage has been a mixed bag compared to the average pre-report estimates for March intentions, having been above the estimate 4 years and below in 6 years and a similar trend holds true with the quarterly stocks numbers. USDA will need to come up with a significant bullish surprise to override the bearish world supply situation.

TODAY'S MARKET IDEAS:

Sideways action for the last few weeks may end today with a breakout one way or the other with the other on the USDA numbers. We are not expecting any sort of major bullish surprise in the stocks figures. Acreage will be more of a wildcard and will likely be the driving factor for market direction today. Unless Russia and Ukraine dryness worsens, ideas of plentiful world supplies will cap rallies. On any bullish report reaction May Chicago should find heavy resistance between 567 - 574 and speculators can consider selling in that range risking \$0.11. Contract low support sits at 523 1/2.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

WHEAT TECHNICAL OUTLOOK:

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WHEAT (MAY) 03/28/2024: A positive indicator was given with the upside crossover of the 9 and 18 bar moving average. Momentum studies are rising from mid-range, which could accelerate a move higher if resistance levels are penetrated. The intermediate trend could be turning up with the close back above the 18-day moving average. The upside closing price reversal on the daily chart is somewhat bullish. The market has a slightly positive tilt with

the close over the swing pivot. The near-term upside objective is at 556 3/4. The next area of resistance is around 553 and 556 3/4, while 1st support hits today at 542 and below there at 534 3/4.

KC WHEAT (MAY) 03/28/2024: Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The upside closing price reversal on the daily chart is somewhat bullish. It is a slightly negative indicator that the close was under the swing pivot. The next downside target is now at 569 1/4. The next area of resistance is around 583 and 586, while 1st support hits today at 574 1/2 and below there at 569 1/4.

MINN WHEAT (MAY) 03/28/2024: Daily stochastics are trending lower but have declined into oversold territory. 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. It is a mildly bullish indicator that the market closed over the pivot swing number. The next downside target is now at 642. The next area of resistance is around 655 and 658, while 1st support hits today at 647 and below there at 642.

RICE (MAY) 03/28/2024: The daily stochastics have crossed over down which is a bearish indication. Momentum studies are declining, but have fallen to oversold levels. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The swing indicator gave a moderately negative reading with the close below the 1st support number. The next downside target is 16.399. Selling may soon dry up since the RSI is under 20 indicating the market is extremely oversold. The next area of resistance is around 16.702 and 16.868, while 1st support hits today at 16.468 and below there at 16.399.

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	426 3/4	32.95	38.12	59.12	40.77	434.06	436.47	436.08	438.76	445.39
CNAN24	439 1/4	33.00	38.52	61.32	42.78	446.88	449.31	448.39	449.65	455.94
SSAK24	1192 1/2	51.12	51.05	71.36	66.23	1198.31	1198.47	1186.44	1186.68	1202.27
SSAN24	1206 1/2	51.92	51.87	72.51	67.57	1211.56	1212.25	1199.17	1197.35	1212.17
SMAK24	339.0	51.82	49.85	65.11	62.20	339.90	338.54	337.04	340.86	347.03
BOAK24	47.67	48.86	51.01	73.85	68.51	48.19	48.53	47.57	46.81	47.21
WHAK24	547 1/2	47.80	45.40	48.79	53.53	550.19	546.25	544.43	572.81	582.45
WHAN24	562 3/4	49.78	47.38	56.98	58.99	565.56	561.47	557.57	579.89	589.65
RCAK24	16.585	11.48	20.64	4.56	3.71	16.94	17.37	17.66	18.20	18.11
KWAK24	578 3/4	47.02	47.14	55.86	51.89	583.88	580.06	580.44	590.71	597.90
MWAK24	651	43.77	43.68	35.98	28.97	654.69	653.69	656.76	669.74	679.71
OTAK24	355	39.41	42.19	24.45	19.18	358.00	357.72	362.00	364.84	365.48

Calculations based on previous session. Data collected 03/27/2024
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	422	423 3/4	428	429 3/4	434
CNAN24	Corn	434 1/4	436	440 1/2	442 1/2	446 3/4
SSAK24	Soybeans	1184 1/2	1188 1/4	1193	1196 3/4	1201 1/2
SSAN24	Soybeans	1199	1202 1/2	1207	1210 1/2	1215
SMAK24	Soymeal	335.8	337.1	339.5	340.8	343.2
BOAK24	Soybean Oil	46.75	47.15	47.79	48.19	48.83
WHAK24	Wheat	534 3/4	542	545 3/4	553	556 3/4
WHAN24	Wheat	551 3/4	558	561 1/4	567 1/2	570 3/4
RCAK24	Rice	16.398	16.467	16.633	16.702	16.868
KWAK24	KC Wheat	569	574 1/2	577 1/2	583	586
MWAK24	MINN Wheat	642	647	650	655	658
OTAK24	Oats	350 1/4	352 1/2	355	357 1/2	359 3/4

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