



DAILY GRAINS COMMENTARY

Monday April 01, 2024

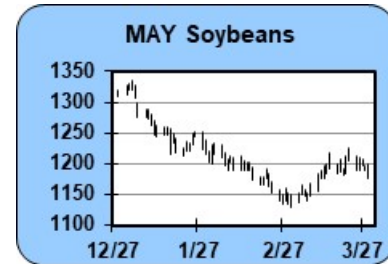
DAILY SOY COMPLEX COMMENTARY

4/1/2024

Neutral/bearish USDA report but prices hold

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

OVERNIGHT DEVELOPMENTS: Soybeans (MAY 24) prices overnight are up 5 3/4; Soymeal (MAY 24) down -0.40; and Soyoil (MAY 24) up 0.63. Soybean open interest as of March 28 was up 9,214 contracts, soymeal down 1,776 contracts, and soybean oil down 354. Chinese Dalian (MAY 24) Soybeans down 0.04%, Soymeal up 0.65%, Soyoil up 0.88%, Palm oil up 1.80%. Malaysian Palm was up 1.72%. Global equity markets overnight were mostly higher except for the markets in Spain which traded 0.33% lower. Critical economic news released overnight included a Japanese Tankan Large manufacturing index reading come in better than expectations as did the Japanese Tankan All Industry Capex showed and non-manufacturing index readings improved, the Chinese Caixin cactus in manufacturing PMI came in slightly better than expected. Many European markets and the Canadian market were closed for Easter Monday. Critical US economic data scheduled for release today includes S&P global manufacturing PMI for March, US construction spending for February, which is expected to gain of 0.6%, ISM Manufacturing employment index readings for March, ISM manufacturing new orders index for March, ISM manufacturing PMI which is expected to be up and ISM Manufacturing prices paid for March which is also expected to tick higher.



NEAR-TERM MARKET FUNDAMENTALS: Thursday's USDA quarterly stocks and intended acreage report did not offer much for the bull camp as acres were nearly right on the estimates and quarterly stocks were above guesses. Total US crop acres were down 6.4 million from last season as the lower prices has the farmer hesitant to plant marginal acres. On-farm stocks were up 24% from last year, while off-farm stocks were down 3%. Combined bean and corn acreage was 1.7 million acres below the total of 2023. US crop area under drought shrunk 9% last week to 21% and an active pattern is expected over the next week for the Eastern corn belt, with light showers in the West. NASS crush comes out after the close today and the average Reuters estimate is 196.40 million bushels and bean oil stocks 2.244 billion pounds. Our friends at Crushtraders.com estimate crush at 194.98 million bushels and bean stocks at 2.185 billion pounds. May prices did hold steady despite the neutral to bearish report Thursday but ample rains coming to the Eastern corn belt this week and ongoing harvest in South America will keep rallies and check.

TODAY'S MARKET IDEAS:

Thursday's USDA report was neutral/bearish, but prices did not sustain the post report break, which may be an indication that some further short covering is in order to start the week. Longer term support remains at 1150 on May beans and resistance at 1210. Speculators may consider selling May on a bounce above 1210, risking the March high of 1226 3/4.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change
Grains						
Soybeans	-141,044	+18,245	155,197	-18,316	-14,152	+72
Soymeal	-33,023	+17,295	14,012	-18,527	19,012	+1,233
Soyoil	-10,234	+11,607	6,404	-11,147	3,830	-459

SOYBEAN COMPLEX TECHNICAL OUTLOOK:

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SOYBEANS (MAY) 04/01/2024: 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 downside closing price reversal on the daily chart is somewhat negative. The market tilt is slightly negative with the close under the pivot. The next downside objective is now at 1167 1/2. The next area of resistance is around 1202 3/4 and 1212 1/4, while 1st support hits today at 1180 1/4 and below there at 1167 1/2.

SOYBEAN OIL (MAY) 04/01/2024: Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. The close below the 9-day moving average is a negative short-term indicator for trend. The upside daily closing price reversal gives the market a bullish tilt. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The next downside objective is now at 46.89. The next area of resistance is around 48.42 and 48.78, while 1st support hits today at 47.48 and below there at 46.89.

SOYMEAL (MAY) 04/01/2024: The major trend has turned down with the cross over back below the 40-day moving average. Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. The close below the 9-day moving average is a negative 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 now at 330.4. The next area of resistance is around 340.9 and 343.3, while 1st support hits today at 334.5 and below there at 330.4.

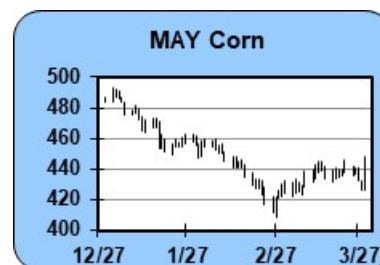
DAILY CORN COMMENTARY

4/1/2024

Bullish acreage but cattle flu spreads

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):
CORN -0.2

OVERNIGHT DEVELOPMENTS: Corn (MAY 24) prices overnight are down -2 3/4. Corn open interest as of March 28 was up 40,967 contracts. Chinese Dalian (MAY 24) Corn was up 0.04%.



NEAR-TERM MARKET FUNDAMENTALS: Thursday's bullish acreage number surprised the trade and corn stocks were slightly below estimates as well. However, more reports of avian flu in dairy cattle is a negative to start the week. Combined corn/bean acreage was down 1.7 million from last season. This could be the low-end of the corn acreage estimates for the year as an early planting start could increase corn acres in the end of June final report. The surprise low acreage number raises the importance of weather this season as a small drop in yield could have an outsized effect on price action. One reason why Thursday's post-report rally stalled was despite corn stocks being slightly below the average guess, they were still the highest in 5 years. On-farm stocks were up 24% from last

year, while off-farm stocks were down 1%. Over the weekend, there were further reports of avian flu in Michigan and Idaho dairy cattle. This could renew worries over cattle feed demand this week. The Eastern corn belt is expecting further beneficial rains this week. While May corn did briefly move above resistance Thursday, renewed worries over the cattle flu may keep prices under pressure today. A move above Thursday's May high of 448 would target next resistance at 463.

TODAY'S MARKET IDEAS:

This morning's upside follow-through, after Thursday's rally on bullish acreage numbers, has been disappointing as avian flu in dairy cattle spreads to additional states, renewing fears over demand. Technically, May corn did not close strong enough Thursday to breakout of the recent sideways action and needs a move above 448 to open the door for a rally to the 100-day moving average at 463. Buy zone support is 432 down to 428.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 3/19/2024 - 3/26/2024						
	Non-Commercial			Commercial		Non-Reportable
	Net Position	Weekly Net Change	Net Position	Weekly Net Change	Net Position	Weekly Net Change
Grains						
Corn	-194,595	-1,472	213,688	+16,604	-19,093	-15,132

CORN TECHNICAL OUTLOOK:

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CORN (MAY) 04/01/2024: The market now above the 40-day moving average suggests the longer-term trend has turned up. Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. The market now above the 18-day moving average suggests the intermediate-term trend has turned up. 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 next downside target is now at 417 1/2. The next area of resistance is around 453 and 461 1/2, while 1st support hits today at 431 and below there at 417 1/2.

CORN (JUL) 04/01/2024: The cross over and close above the 40-day moving average indicates the longer-term trend has turned up. Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. The cross over and close above the 18-day moving average is an indication the intermediate-term trend has turned positive. The outside day up and close above the previous day's high is a positive signal. There could be more upside follow through since the market closed above the 2nd swing resistance. The next downside objective is now at 430 1/2. The next area of resistance is around 465 1/4 and 473 1/4, while 1st support hits today at 443 3/4 and below there at 430 1/2.

DAILY WHEAT COMMENTARY

4/1/2024

No bull surprise from USDA

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):
WHEAT -0.63

OVERNIGHT DEVELOPMENTS: Chicago wheat (MAY 24) prices overnight are down -6 1/2; Kansas City (MAY 24) down -12 1/2; and Minneapolis (MAY 24) down -6 1/4. MATIF Milling Wheat(MAY 24) was up 1.4%. Chicago wheat open interest as of March 28 was down 7,850 contracts and Minneapolis wheat was up 601 contracts.



NEAR-TERM MARKET FUNDAMENTALS: Thursday's USDA report for wheat featured slightly larger than expected acreage and larger than expected stocks, offering little for the bull camp. The lone bright spot was a larger than expected decline in SRW acres. Spillover support from corn lifted the market as well as growing dryness in Russia/Ukraine wheat areas, which will see only very light showers over the next 10 days, Russian attacks on Ukraine port infrastructure continue. Over the weekend, the Russian government granted phytosanitary certificates to several RIF ships, and they were allowed to leave port with their grain cargoes. Weekly wheat condition reports begin this afternoon, and expectations are good/excellent conditions will be in a range of 53% to 61%. Some rains are expected over the southern Plains today with another shot this coming weekend. Other than the dryness creeping into Russia/Ukraine and too much rain in parts of the EU, there is no other major crop threats around the world for the bull camp to get excited about. In a bit of demand news, Saudi Arabia bought 795,000 tonnes of optional origin wheat with offers coming from the Americas, Black Sea, and the EU. Normally, large tenders like this are bullish, but now the numerous offers highlight plentiful world supplies instead. Farmers will be checking their fields this week for any damage from the cold temperatures last week. Prices are giving back a good bit of Thursday's report gains and significant resistance on May Chicago stands at 574.

With all wheat acres above guesses and stocks above guesses, longer-term bearish headwinds remain in place. But, for the short run, spillover strength from corn and short covering in wheat (as prices did not fall on the bearish report), are supportive factors heading into the week. May Chicago may find significant resistance at 575 and again at the 100-day moving average of 596. Post-report, traders will be watching for signs of damage in the southern Plains from this week's cold low temperatures. Supportive news this morning was the EU estimating their SRW crop for 2024/25 at 120.8 million tonnes, down 4% from the 125.6 million in the 2023/24 season. In addition, EU ending stocks for 24/25 are now expected at 12.1 million tonnes, compared to 19.9 million last season. Russian and Ukraine dryness must be monitored, although not a major market factor yet. Bearish plentiful world supplies are predicated on a large Russian crop and if their dryness continues into mid-April, the market will begin to pay attention.

TODAY'S MARKET IDEAS:

Prices defied the mostly bearish report and rallied following the corn Thursday. Russia/Ukraine dryness could be an issue if it continues into mid-April, but longer-term bearish fundamentals have yet to change. Speculators can consider selling May Chicago on a bounce to 572. Support sits at 538 1/2.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

Commitment of Traders - Futures and Options - 3/19/2024 - 3/26/2024						
	Non-Commercial		Net Position	Commercial		Non-Reportable
	Net Position	Weekly Net Change		Weekly Net Change	Net Position	Weekly Net Change
Grains						
KC Wheat	-36,478	-5,658	37,269	+4,111	-790	+1,548
Wheat	-65,027	-5,797	64,150	+3,560	878	+2,238

WHEAT TECHNICAL OUTLOOK:

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WHEAT (MAY) 04/01/2024: 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. The market's close above the 2nd swing resistance number is a bullish indication. The near-term upside target is at 582 1/4. The next area of resistance is around 572 1/4 and 582 1/4, while 1st support hits today at 548 1/4 and below there at 534 1/2.

KC WHEAT (MAY) 04/01/2024: The cross over and close above the 40-day moving average indicates the longer-term trend has turned up. The upside crossover of the 9 and 18 bar moving average is a positive signal. Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. The intermediate trend could be turning up with the close back above the 18-day moving average. 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 next downside objective is now at 567 3/4. The next area of resistance is around 596 and 604, while 1st support hits today at 578 and below there at 567 3/4.

MINN WHEAT (MAY) 04/01/2024: 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. The downside closing price reversal on the daily chart is somewhat negative. The close below the 1st swing support could weigh on the market. The next downside objective is 631 3/4. The next area of resistance is around 653 1/4 and 665, while 1st support hits today at 636 3/4 and below there at 631 3/4.

RICE (MAY) 04/01/2024: Daily stochastics declining into oversold territory suggest the selling may be drying up soon. The close below the 9-day moving average is a negative short-term indicator for trend. There could be some early pressure today given the market's negative setup with the close below the 2nd swing support. The next downside target is 16.063. The 9-day RSI under 20 suggests the market is extremely oversold. The next area of resistance is around 16.549 and 16.822, while 1st support hits today at 16.170 and below there at 16.063.

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	442	58.06	54.53	56.69	51.83	434.75	437.06	436.75	438.30	444.81
CNAN24	454 1/2	58.20	55.04	58.63	53.26	447.50	449.92	449.13	449.29	455.38
SSAK24	1191 1/2	50.48	50.64	66.85	57.84	1198.06	1197.72	1188.47	1185.46	1200.78
SSAN24	1205 1/4	51.08	51.34	68.24	59.69	1211.50	1211.44	1201.39	1196.29	1210.82
SMAK24	337.7	49.13	48.30	62.43	57.05	339.55	338.88	337.27	340.30	346.35
BOAK24	47.95	51.32	52.62	70.35	63.37	48.27	48.37	47.73	46.81	47.19
WHAK24	560 1/4	57.45	51.79	53.48	62.84	551.56	549.78	544.22	571.48	581.47
WHAN24	575 3/4	59.55	53.94	60.43	67.33	567.13	565.00	558.04	578.77	588.81
RCAK24	16.360	9.74	18.56	3.99	2.84	16.70	17.21	17.55	18.17	18.08
KWAK24	587	52.77	50.55	54.84	52.79	582.56	582.17	580.72	589.76	597.13
MWAK24	645	38.69	40.55	30.98	20.98	650.69	653.53	655.96	668.32	678.38
OTAK24	357	43.56	44.53	22.63	18.97	357.69	356.75	361.36	364.72	365.19

Calculations based on previous session. Data collected 03/28/2024
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	417 1/2	431	439 1/2	453	461 1/2
CNAN24	Corn	430 1/2	443 3/4	452	465 1/4	473 1/2
SSAK24	Soybeans	1167 1/2	1180 1/4	1190	1202 3/4	1212 1/2

SSAN24	Soybeans	1181 1/2	1194 1/4	1203 1/2	1216 1/4	1225 1/2
SMAK24	Soymeal	330.3	334.4	336.8	340.9	343.3
BOAK24	Soybean Oil	46.88	47.47	47.83	48.42	48.78
WHAK24	Wheat	534 1/2	548 1/4	558 1/2	572 1/4	582 1/2
WHAN24	Wheat	550 1/2	564	573 3/4	587 1/2	597
RCAK24	Rice	16.062	16.169	16.442	16.549	16.822
KWAK24	KC Wheat	567 3/4	578	586	596	604 1/4
MWAK24	MINN Wheat	631 1/2	636 1/2	648 1/4	653 1/2	665
OTAK24	Oats	351 1/2	354	357 1/2	360	363 1/2

Calculations based on previous session. Data collected 03/28/2024

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