



## DAILY GRAINS COMMENTARY

Thursday April 04, 2024

### DAILY SOY COMPLEX COMMENTARY

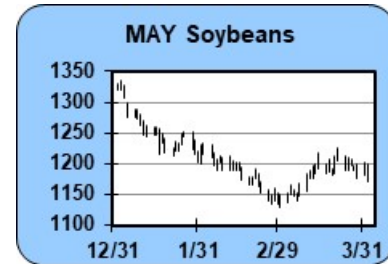
4/4/2024

#### Midwest planting weather window opens in week 2 forecast

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

**OVERNIGHT DEVELOPMENTS:** Soybeans (MAY 24) prices overnight are up 1/4; Soymeal (MAY 24) up 1.20; and Soyoil (MAY 24) down -0.13. Soybean open interest as of April 3 was up 174 contracts, soymeal up 3,524 contracts, and soybean oil down 2,041. Chinese Dalian Exchange closed.

Global equity markets overnight were higher except for the markets in China and Hong Kong which traded modestly lower. Critical economic news released overnight included higher-than-expected New Zealand building permits, stronger Japanese private bank positive and services PMI readings for March, a surprisingly large contraction in Australian building permits in February, lower than anticipated Swiss consumer price index readings for March, a clean sweep of much better than expected Spanish, Italian, French, German, and euro zone services and composite PMI readings for March! However, GBP S&P Global/CIPS Services and composite PMI readings for March were softer than expected. The North American session will start out with the March Challenger job cut survey followed by a weekly reading on initial jobless claims that are expected to have a minimal uptick from the previous 210,000 reading. Ongoing jobless claims are forecast to have a minimal weekly increase from the previous 1.819 million reading. The February US international trade balance is expected to have a modest downtick from January's \$67.4 billion monthly deficit. February Canadian international merchandise trade is forecast to have a mild uptick from January's monthly surplus. Philadelphia Fed President Harker will speak during morning US trading hours while Richmond Fed President Barkin, Chicago Fed President Goolsbee, Cleveland Fed President Mester and Minneapolis Fed President Kashkari will speak during the afternoon. Earnings announcements include Con-Agra Brands before the Wall Street opening.



**NEAR-TERM MARKET FUNDAMENTALS:** Improved technical action Wednesday after testing support gives the slight edge to the bull camp today. May beans reversed higher yesterday on good volume supported by Brazilian production cuts and a pullback in the US dollar. Datagro lowered their Brazil bean production to 146.3 million tonnes, down from 147.3 last month and well below USDA at 155 million. LSEG updated their Brazil crop production to 152 million tonnes, slightly higher than their previous estimate but also below USDA. A new 21-month high in Malaysian Palm Oil supported soybean oil and May meal tested its contract lows and reversed higher as well. Pre-report estimates for weekly export sales this morning are in the range of 200,000 to 600,000 tonnes on beans and 75,000 to 350,000 tonnes for meal. We wouldn't be surprised this morning's export sales underperform, due to the Good Friday holiday last week. More aggressive meal offers from South America may begin to pull exports away from the US. The 1-5 day outlook for the US Midwest shows light rains expected in many areas but later next week the pattern is more active especially for the Eastern corn belt. The 8-14 Midwest outlook has below normal precipitation and above normal temperatures, ideal for early planting. While short-term technical action is slightly positive, an open weather window after next week may result in some early planting bearishness that could limit market rallies. Look for selling if May prices challenge 1200.

#### TODAY'S MARKET IDEAS:

This morning's weekly export sales are not expected to be strong due to last week's holiday shortened week and weather forecasts look to be improving for early planting after next week, which is likely to keep sellers active if May challenges resistance at 1200. Technical support stands at Wednesday's low of 1168 1/2, which got very close to key support at 1166. Fading rallies may be the best strategy until we see adverse weather in the Midwest.

### NEW RECOMMENDATIONS:

None.

### PREVIOUS RECOMMENDATIONS:

None.

### SOYBEAN COMPLEX TECHNICAL OUTLOOK:

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SOYBEANS (MAY) 04/04/2024: The market now above the 40-day moving average suggests the longer-term trend has turned up. Declining momentum studies in the neutral zone will tend to reinforce lower price action. A negative signal for trend short-term was given on a close under the 9-bar moving average. The upside daily closing price reversal gives the market a bullish tilt. The market has a slightly positive tilt with the close over the swing pivot. The next downside target is 1161 3/4. The next area of resistance is around 1191 1/4 and 1198, while 1st support hits today at 1173 1/4 and below there at 1161 3/4.

SOYBEAN OIL (MAY) 04/04/2024: Declining momentum studies in the neutral zone will tend to reinforce lower price action. The close above the 9-day moving average is a positive short-term indicator for trend. The market has a slightly positive tilt with the close over the swing pivot. The next downside objective is now at 47.82. The next area of resistance is around 49.34 and 49.79, while 1st support hits today at 48.36 and below there at 47.82.

SOYMEAL (MAY) 04/04/2024: The moving average crossover down (9 below 18) indicates a possible developing short-term downtrend. Momentum studies are declining, but have fallen to oversold levels. The close below the 9-day moving average is a negative short-term indicator for trend. The daily closing price reversal up on the daily chart is somewhat positive. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The next downside objective is 322.9. The next area of resistance is around 333.1 and 335.4, while 1st support hits today at 326.9 and below there at 322.9.

### DAILY CORN COMMENTARY

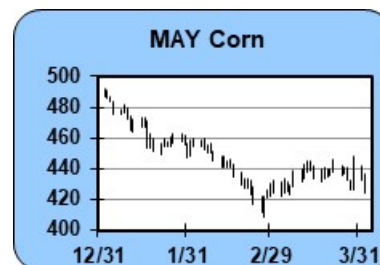
4/4/2024

#### US Dollar break supportive

#### OVERNIGHT CHANGES THROUGH 6:06 AM (CT):

CORN +0.1

**OVERNIGHT DEVELOPMENTS:** Corn (MAY 24) prices overnight are up 1/4. Corn open interest as of April 3 was down 13,855 contracts. Chinese Dalian (MAY 24) Corn was up 0.29%.



**NEAR-TERM MARKET FUNDAMENTALS:** A week ago, USDA released the bullish acreage intentions number and daily price action has remained inside the report day trading range since. Prices closed higher Wednesday despite several bearish headlines and an additional case of bird flu in Ohio, which appears to have come from cattle imported from Texas. Furthermore, the market ignored rumors that China was canceling some Ukraine corn purchases and the US dollar turned lower, which is important for corn as the US is the major global supplier at this stage of the year. Datagro estimated Brazil corn production at 114.9 million tonnes and LSEG updated their estimate to 119.5 million tonnes, below USDA at 124 million. Ethanol production was above guesses and hit a 5-week high and ethanol stocks were also above guesses and record high for this week of the year.

This morning's weekly export sales are expected in a range of 800,000 to 1,400,000 tonnes and we lean to the lower end due to the Good Friday holiday last week. A drier and warmer trend for the Midwest after next week should help early planting move ahead in earnest. December corn found buyers at the 0.382 retracement support of 467 1/2 and we look for a rebound back toward the 480 level. A close above 481 on December would open the door for a further rally.

Ethanol average daily production for the week ending March 29 averaged 1.073 million barrels. This is a new high daily production for this week of the year. The previous high was 1.038 million barrels per day in 2018. This was up 1.8% from last week and up 7.0% from last year. The 5-year average for this week is 0.962 million barrels per day. Ethanol production for the week was 7.511 million barrels. Ethanol stocks were 26.416 million barrels. This was a new high stocks level for this week of the year. The previous high was 25.903 million barrels in 2022. This was the highest since March 25, 2022. This was up 1.2% from last week and up 5.1% from last year. The 5-year average stocks for this week is 24.372 million barrels. The amount of corn used for the week is estimated at 106.50 million bushels. Cumulative corn use for the crop year has reached 3.104 billion bushels. Corn use needs to average 102.57 million bushels per week to meet the USDA's marketing year forecast of 5.375 billion bushels.

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

While price action has been sideways on December corn for the last week, technical action points to a test of 480. Speculators that bought the break can bring stops up to breakeven if December prices hit 480. Buying support should remain strong under 468.

#### **NEW RECOMMENDATIONS:**

None.

#### **PREVIOUS RECOMMENDATIONS:**

None.

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

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CORN (MAY) 04/04/2024: Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. The market's close below the 9-day moving average is an indication the short-term trend remains negative. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The next downside target is now at 423 1/2. The next area of resistance is around 435 1/4 and 437 3/4, while 1st support hits today at 428 1/4 and below there at 423 1/2.

CORN (JUL) 04/04/2024: 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. It is a mildly bullish indicator that the market closed over the pivot swing number. The next downside objective is now at 437 1/2. The next area of resistance is around 448 1/4 and 450 3/4, while 1st support hits today at 441 3/4 and below there at 437 1/2.

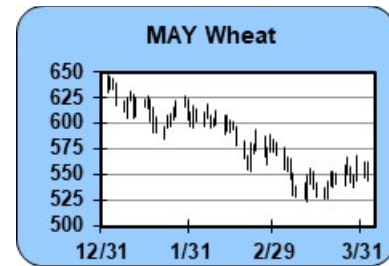
#### **DAILY WHEAT COMMENTARY**

**4/4/2024**

## SW US Plains forecast trends drier

**OVERNIGHT CHANGES THROUGH 6:06 AM (CT):**  
**WHEAT** -0.05

**OVERNIGHT DEVELOPMENTS:** Chicago wheat (MAY 24) prices overnight are down -1/2; Kansas City (MAY 24) up 3; and Minneapolis (MAY 24) up 6 3/4. MATIF Milling Wheat(MAY 24) was down -0.4%. Chicago wheat open interest as of April 3 was up 4,029 contracts and Minneapolis wheat was up 3,275 contracts.



**NEAR-TERM MARKET FUNDAMENTALS:** A drier forecast for the Southwest US Plains and reports of a Ukrainian drone attack on a Russian grain elevator in Rostov gives the edge to the bull camp today. Yesterday, newswires reported another Russian grain trading firm's ships were halted due to grain quality issues, which increased worries over export disruptions. However, the firm's executives denied the report overnight and said exports continue as normal. Weekly export sales today are expected in a range of -100,000 tonnes to a positive 400,000 tonnes.

Ukraine's grain exports in March were down 10% from February and Russian strikes on the Odessa port slowed loadings there. Ukraine's new second-generation drones have reached targets as far as 800 miles into Russia. LSEG expects 2024/25 US winter wheat production up 2% from their previous update to 35.6 million tonnes. Their winter wheat acreage number is 35.28 million acres, up from USDA's figure last week of 34.14 million. Wednesday's strong performance suggests further technical strength and a possible run up to May Chicago moving average resistance at 571. Kansas City May wheat is testing the important 50-day moving average this morning, which it has not closed convincingly above since early August of last year. A close above 571 on May Chicago or 590 on May Kansas City could trigger a new round of short covering.

### TODAY'S MARKET IDEAS:

Sideways action looks to continue in May Chicago wheat with important moving average resistance at 571 and yesterday's minor reversal higher suggests a test of that level. We don't expect much from today's weekly export sales, but open interest did increase on yesterday's rally, which is a slight positive for the short term.

### NEW RECOMMENDATIONS:

None.

### PREVIOUS RECOMMENDATIONS:

None.

### WHEAT TECHNICAL OUTLOOK:

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**WHEAT (MAY) 04/04/2024:** Stochastics are at mid-range but trending higher, which should reinforce a move higher if resistance levels are taken out. The cross over and close above the 18-day moving average indicates the intermediate-term trend has turned up. The upside closing price reversal on the daily chart is somewhat bullish. Market positioning is positive with the close over the 1st swing resistance. The near-term upside target is at 572 1/2. The next area of resistance is around 565 3/4 and 572 1/2, while 1st support hits today at 546 1/4 and below there at 533 1/2.

**KC WHEAT (MAY) 04/04/2024:** 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. The outside day up and close above the previous day's high is a positive signal. The market setup is supportive for early gains with the close over the 1st swing resistance. The next downside target is now at 555. The next area of resistance is around 592 1/4 and 597 3/4, while 1st support hits today at 570 3/4 and below there at 555.

MINN WHEAT (MAY) 04/04/2024: Daily stochastics are trending lower but have declined into oversold territory. The market's short-term trend is negative as the close remains below the 9-day moving average. The upside closing price reversal on the daily chart is somewhat bullish. Market positioning is positive with the close over the 1st swing resistance. The next downside objective is now at 616 1/4. The next area of resistance is around 650 1/4 and 659 1/4, while 1st support hits today at 628 3/4 and below there at 616 1/4.

RICE (MAY) 04/04/2024: 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. The close below the 9-day moving average is a negative short-term indicator for trend. The outside day up is a positive signal. The market's close above the 2nd swing resistance number is a bullish indication. The next upside objective is 16.987. The next area of resistance is around 16.799 and 16.987, while 1st support hits today at 16.220 and below there at 15.828.

## 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
<b>GRAIN COMPLEX</b>										
CNAK24	431 3/4	46.51	46.52	42.83	33.30	433.94	434.75	436.79	436.66	442.53
CNAN24	445	46.80	47.07	45.66	35.88	447.44	447.92	449.58	448.03	453.29
SSAK24	1182 1/4	46.10	47.46	45.04	31.24	1183.38	1193.19	1192.83	1183.03	1196.05
SSAN24	1195 1/4	45.93	47.63	46.38	32.09	1196.94	1206.64	1206.32	1194.20	1206.46
SMAK24	330.0	38.01	40.96	41.82	28.25	332.35	337.03	337.11	338.75	344.11
BOAK24	48.85	59.28	57.79	63.24	60.28	48.41	48.35	48.22	46.92	47.20
WHAK24	556	53.43	50.07	59.56	62.56	554.63	551.78	546.88	567.52	578.02
WHAN24	572 1/4	55.26	52.00	63.92	65.69	570.63	567.42	561.85	575.51	585.78
RCAK24	16.510	31.02	30.81	5.50	10.55	16.31	16.73	17.28	18.03	18.01
KWAK24	581 1/2	50.72	49.36	43.56	38.59	576.13	580.19	581.78	586.21	594.36
MWAK24	639 1/2	41.44	41.42	20.04	18.38	636.69	646.89	652.97	663.53	674.09
OTAK24	344 1/4	27.37	33.94	16.97	14.18	352.44	355.03	360.00	364.21	364.63

Calculations based on previous session. Data collected 04/03/2024

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	423 1/4	428	430 1/2	435 1/2	437 3/4
CNAN24	Corn	437 1/4	441 1/2	444	448 1/2	450 3/4
SSAK24	Soybeans	1161 3/4	1173	1180	1191 1/2	1198 1/4
SSAN24	Soybeans	1175 1/2	1186 1/2	1193 1/4	1204	1211
SMAK24	Soymeal	322.8	326.8	329.1	333.1	335.4
BOAK24	Soybean Oil	47.81	48.35	48.80	49.34	49.79
WHAK24	Wheat	533 1/2	546 1/4	553	565 3/4	572 1/2
WHAN24	Wheat	551	563	569 1/4	581 1/2	587 1/2
RCAK24	Rice	15.827	16.219	16.407	16.799	16.987
KWAK24	KC Wheat	555	570 3/4	576 1/2	592 1/4	598
MWAK24	MINN Wheat	616 1/4	628 3/4	637 3/4	650 1/4	659 1/4
OTAK24	Oats	330	336 3/4	345	351 3/4	360

Calculations based on previous session. Data collected 04/03/2024

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