



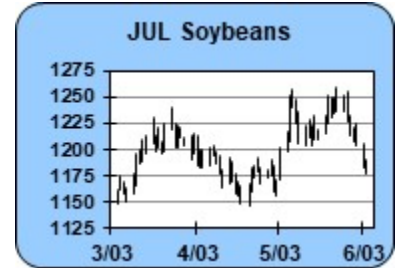
## DAILY GRAINS COMMENTARY Wednesday June 05, 2024

### DAILY SOY COMPLEX COMMENTARY 6/5/2024

#### Drier trend upcoming in US Midwest

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

**OVERNIGHT DEVELOPMENTS:** Soybeans (JUL 24) prices overnight are up 3 1/4; Soymeal (JUL 24) up 0.60; and Soyoil (JUL 24) down -0.06. Soybean open interest as of June 4 was up 10,414 contracts, soymeal down 7,194 contracts, and soybean oil up 1,347. Chinese Dalian (JUL 24) Soybeans up 0.26%, Soymeal up 0.67%, Soyoil down 0.38%, Palm oil up 0.05%. Malaysian Palm was down 0.36%.



**NEAR-TERM MARKET FUNDAMENTALS:** Downside momentum has been very aggressive over the last 5 trading sessions on nonthreatening weather in the US and weak demand. US bean prices remain well above South American origin. November beans were the weakest Tuesday on talk of potentially higher US bean acreage due to its lower cost of inputs. Crop scout, Dr. Cordonnier, raised his US bean acre estimate by 300,000 to 86.8 million acres, compared to USDA at 86.5. CONAB estimates the 2023/24 Brazil bean crop is 98.8% harvested. Rio Grande do Sul is 94% done. Weather forecasters say La Nina conditions may be in place in Brazil by the time the late summer/ early bean fall crop is being planted and previous La Nina events typically resulted in good conditions in the center part of Brazil and abnormal dryness in the South. Through the weekend, precipitation expected to be light across the bean belt with below normal temperatures. 8-14 day maps show a rebound in temperatures in the central and Western corn belt. Argentine farmers soy sales nearly doubled in May from April but are still the slowest in 9 years at 39% of the expected crop. Technical indicators are reaching oversold levels and a short-term recovery bounce is expected. Look for resistance on a rebound in July futures to 1200 and if prices sink below Tuesday's low, next major support is 1162.

#### TODAY'S MARKET IDEAS:

Open interest continues to rise on the downswing, but technical indicators on July are pushing down into oversold territory, with relative strength index testing its lowest level since late February. Bearish longer-term fundamentals come to the forefront when there is a lack of near-term bullish news and that will likely keep sellers active on rallies. Look for support at 1162 and 1156. Resistance at 1200 on July is a selling opportunity.

#### NEW RECOMMENDATIONS:

None.

#### PREVIOUS RECOMMENDATIONS:

None

#### SOYBEAN COMPLEX TECHNICAL OUTLOOK:

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SOYBEANS (JUL) 06/05/2024: A negative indicator was given with the downside crossover of the 9 and 18 bar moving average. Momentum studies are declining, but have fallen to oversold levels. A negative signal for trend short-term was given on a close under the 9-bar moving average. It is a slightly negative indicator that the close

was lower than the pivot swing number. The next downside objective is now at 1167 1/2. The next area of resistance is around 1185 3/4 and 1194 1/4, while 1st support hits today at 1172 1/4 and below there at 1167 1/2.

SOYBEAN OIL (JUL) 06/05/2024: Stochastics trending lower at midrange will tend to reinforce a move lower especially 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 market tilt is slightly negative with the close under the pivot. The next downside objective is 42.86. The next area of resistance is around 44.11 and 44.82, while 1st support hits today at 43.13 and below there at 42.86.

SOYMEAL (JUL) 06/05/2024: The close below the 40-day moving average is an indication the longer-term trend has turned down. 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 market's close below the 9-day moving average is an indication the short-term trend remains negative. The market's close below the 1st swing support number suggests a moderately negative setup for today. The next downside objective is 350.7. The next area of resistance is around 357.9 and 361.9, while 1st support hits today at 352.3 and below there at 350.7.

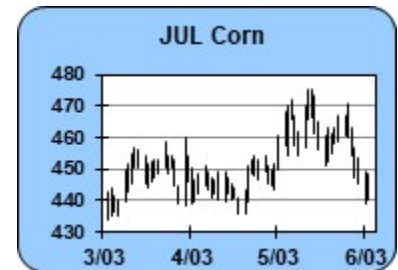
## DAILY CORN COMMENTARY

6/5/2024

### US corn for export cheapest through mid-summer

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

**OVERNIGHT DEVELOPMENTS:** Corn (JUL 24) prices overnight are down -2. Corn open interest as of June 4 was up 10,335 contracts. Chinese Dalian (JUL 24) Corn was unchanged.



**NEAR-TERM MARKET FUNDAMENTALS:** Corn prices held steady yesterday inside the range of Monday, and while US weather is nonthreatening, Black Sea and central Brazil dryness remain as problem areas. Safrina crop areas in central Brazil will be warm/dry for the next 10 days. China's state grain buyer, SinoGrain, says they are buying domestic corn to add to stockpiles. Weather issues in Brazil and Russia and forecasts for limited rainfall across central and northern China may be behind the purchases. Crop scout, Dr Cordonnier, lowered his US corn acreage by 500,000 to 89.5 million acres due to excess rains in pockets of the Midwest, compared to USDA at 90 million. Heavy rains in Europe have raised the Rhine river water levels and shipping has been halted in certain areas. Over the next 5 days, the US Midwest will see mostly dry conditions except for the southern corn belt. The 6 to 10 day forecast has below normal precipitation for the Midwest and below normal temperatures for the central and eastern corn belt. Ukraine corn prices have risen above US prices, resulting in some EU buyers turning to US corn. US is the cheapest supplier through mid-summer. Today's ethanol production is expected at 1.063 million barrels per day and stocks are projected at 23.439 million barrels. July corn's downside momentum has stalled, however, new shorts are not likely to aggressively cover their positions until the market shows that it can move above resistance, which stands at 452. Global corn production uncertainty and the strong US export pace may keep prices from falling much further at this stage of the growing season. Key support remains at the April low of 435 3/4.

### TODAY'S MARKET IDEAS:

Technical indicators on July corn have reached oversold levels and the relative strength index is the lowest since February 26, the day the contract low was made at 422 1/4. Prices look ripe for a bounce higher but need a bullish spark to start the rally. The April low of 435 3/4 on July is the next major support level. Longer-term, we believe the February low at 422 1/4 will hold until the US crop is made and speculators can step into the long side with defined risk.

### NEW RECOMMENDATIONS:

None.

## PREVIOUS RECOMMENDATIONS:

None.

## CORN TECHNICAL OUTLOOK:

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CORN (JUL) 06/05/2024: 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 market's close below the pivot swing number is a mildly negative setup. The next downside target is now at 435 1/4. The next area of resistance is around 446 1/2 and 451 1/2, while 1st support hits today at 438 1/2 and below there at 435 1/4.

CORN (DEC) 06/05/2024: Momentum studies are declining, but have fallen to oversold levels. A negative signal for trend short-term was given on a close under the 9-bar moving average. The market tilt is slightly negative with the close under the pivot. The next downside objective is now at 456. The 9-day RSI under 30 indicates the market is approaching oversold levels. The next area of resistance is around 465 1/4 and 469 1/4, while 1st support hits today at 458 3/4 and below there at 456.

## DAILY WHEAT COMMENTARY

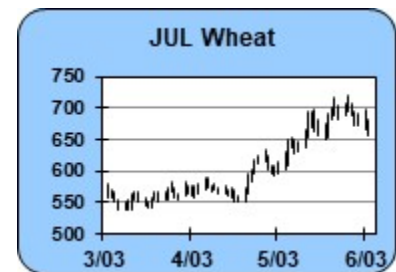
6/5/2024

### SinoGrain buying domestic wheat to build stocks

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

WHEAT -0.13

**OVERNIGHT DEVELOPMENTS:** Chicago wheat (JUL 24) prices overnight are down -1; Kansas City (JUL 24) down -3; and Minneapolis (JUL 24) up 1. MATIF Milling Wheat(SEP 24) was down -1.1%. Chicago wheat open interest as of June 4 was down 4,713 contracts and Minneapolis wheat was up 2,125 contracts.



**NEAR-TERM MARKET FUNDAMENTALS:** The bear camp remains in charge as the wheat pullback is ongoing and prices have closed lower for the last 5 trading sessions. SinoGrain says they will be buying domestic wheat in major production areas to rebuild stocks. This may be in response to the Black Sea weather issues and reports China's wheat crop was poorer than expected. Tuesday's Egypt tender found cheaper Black Sea offers than expected and highlights there is still available exportable supply in the region, despite the recent rise in prices and weather issues. Egypt's purchase totaled 470,000 tonnes, split between Romanian, French, Ukraine and Bulgaria. Algeria also bought 800,000 tonnes of optional origin milling wheat. Putin said 1% of Russian crops were destroyed by frost but the Russian Ag Minister left total grain production at 132 million tonnes. Ukraine/Russian dryness continues for at least the next 10 days. EU SRW exports for 2023/24 since July 1 have reached 28.17 million tonnes, down 5% from the previous season. US harvest has reached 33% in Texas and 22% in Oklahoma and will be moving north into Kansas. Seasonal harvest pressure will be an increasing factor over the next couple weeks. July Chicago hit a 2-week low yesterday and is testing 1st retracement support at 656. If the break continues, next support is 642. The recent price decline, while Black Sea stress is ongoing, is a sign traders have digested the known crop damage. However, since Russia is responsible for more than one quarter of global wheat trade, their weather issues are much more important than other areas of the world.

#### TODAY'S MARKET IDEAS:

Black Sea stress will continue over the next 10 days and the current price break has reached first support at 656 on July Chicago. If the pullback extends lower, next retracement support is 642. Traders can watch for a reversal higher as the signal the uptrend is resuming. Chicago wheat open interest fell nearly 5000 contracts Tuesday,

indicating long liquidation. A close above 701 is needed restart a new rally phase.

**NEW RECOMMENDATIONS:**

None.

**PREVIOUS RECOMMENDATIONS:**

None.

**WHEAT TECHNICAL OUTLOOK:**

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WHEAT (JUL) 06/05/2024: 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 under the swing pivot. The next downside target is 640 1/2. The next area of resistance is around 670 and 687 1/4, while 1st support hits today at 646 1/2 and below there at 640 1/2.

KC WHEAT (JUL) 06/05/2024: 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. It is a slightly negative indicator that the close was under the swing pivot. The next downside objective is 672 1/2. The next area of resistance is around 696 3/4 and 710 1/2, while 1st support hits today at 677 3/4 and below there at 672 1/2.

MINN WHEAT (JUL) 06/05/2024: 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. It is a slightly negative indicator that the close was lower than the pivot swing number. The next downside objective is 710 3/4. The next area of resistance is around 731 1/4 and 741 1/2, while 1st support hits today at 715 3/4 and below there at 710 3/4.

RICE (JUL) 06/05/2024: Momentum studies are still bearish but are now at oversold levels and will tend to support reversal action if it occurs. A negative signal for trend short-term was given on a close under the 9-bar moving average. It is a mildly bullish indicator that the market closed over the pivot swing number. The next downside objective is 17.325. The market is approaching oversold levels on an RSI reading under 30. The next area of resistance is around 17.720 and 17.905, while 1st support hits today at 17.430 and below there at 17.325.

**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>										
CNAN24	442 1/2	30.72	38.26	22.36	13.65	445.25	454.31	458.08	452.69	452.10
CNAZ24	462	26.93	35.01	20.09	9.57	465.69	476.17	480.74	476.01	475.10
SSAN24	1179	30.26	38.28	29.27	12.47	1194.56	1217.25	1219.93	1200.23	1202.43
SSAX24	1156	23.44	32.91	25.79	9.83	1173.56	1195.03	1200.65	1187.42	1187.55
SMAN24	355.1	34.77	41.97	24.31	10.39	360.73	370.00	370.51	357.18	353.32
BOAN24	43.62	36.55	41.08	58.76	43.29	44.75	45.16	44.86	45.45	46.29
WHAN24	658 1/4	41.15	49.94	56.79	40.21	672.63	685.75	677.71	625.83	609.86
WHAZ24	705 3/4	42.94	51.79	59.32	43.63	718.31	729.28	721.17	668.66	651.12
RCAN24	17.575	29.75	37.00	8.51	4.56	17.64	18.01	18.46	18.27	18.11
KWAN24	687 1/4	46.74	53.24	64.45	51.72	701.38	709.78	694.69	642.58	626.00
MWAN24	723 1/2	43.00	50.32	61.62	47.14	734.75	742.42	734.13	698.06	688.73
OTAN24	365 1/2	37.86	43.28	23.92	20.09	378.38	376.28	384.68	366.88	364.22

Calculations based on previous session. Data collected 06/04/2024

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>						
CNAN24	Corn	435	438 1/2	443 1/4	446 1/2	451 1/2
CNAZ24	Corn	455 3/4	458 1/2	462 1/2	465 1/2	469 1/4
SSAN24	Soybeans	1167 1/2	1172 1/4	1181	1185 3/4	1194 1/2
SSAX24	Soybeans	1145	1149 1/4	1158 1/2	1162 3/4	1172
SMAN24	Soymeal	350.7	352.3	356.3	357.9	361.9
BOAN24	Soybean Oil	42.86	43.13	43.84	44.11	44.82
WHAN24	Wheat	640 1/2	646 1/2	664	670	687 1/2
WHAZ24	Wheat	689 1/2	695	710 3/4	716 1/2	732
RCAN24	Rice	17.325	17.430	17.615	17.720	17.905
KWAN24	KC Wheat	672 1/2	677 3/4	691 1/2	696 3/4	710 1/2
MWAN24	MINN Wheat	710 1/2	715 3/4	726	731 1/4	741 1/2
OTAN24	Oats	358 1/2	361	367 1/2	370	376 1/2

Calculations based on previous session. Data collected 06/04/2024

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