

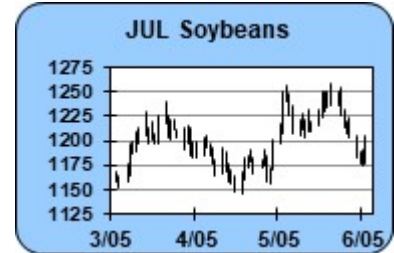


DAILY SOY COMPLEX COMMENTARY
6/7/2024

Brazil tax changes spark ideas of better US demand

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

OVERNIGHT DEVELOPMENTS: Soybeans (JUL 24) prices overnight are down -7 3/4; Soymeal (JUL 24) down -2.10; and Soyoil (JUL 24) down -0.29. Soybean open interest as of June 6 was up 1,999 contracts, soymeal down 374 contracts, and soybean oil down 2,524. Chinese Dalian (SEP 24) Soybeans up 0.30%, Soymeal up 0.69%, Soyoil up 1.65%, Palm oil up 2.12%. Malaysian Palm was up 0.40%.



NEAR-TERM MARKET FUNDAMENTALS: Soybeans are pulling back this morning after a very strong performance Thursday, mainly due to the Brazilian tax structure changes. The "Provisional Measure" as it is called, is getting criticized by many agribusiness groups that say it could lower prices paid to producers and have a negative impact on the soy value chain. The measure goes into effect immediately but must be approved by lawmakers within 4 months to remain valid. It has the potential to benefit US crusher profit margins and steer some export business to the US. Brazil's May bean exports were 13.45 million tonnes, down from 15.58 a year ago. April US bean exports were 1.770 million tonnes, compared to 3.054 in March and 2.513 million in April of last year. Meal exports for April were 1.257 million tonnes, compared to 1.499 in March and 1.124 last year in April. China demand remains weak and their May bean imports were 10.22 million tonnes, down 15% from May of last year and year to date bean imports are down 5.4%. The last 24 hours has featured near complete dryness over the Midwest and over the next 5 days the heaviest chances for precipitation are in Kansas, Missouri and Oklahoma. For the rest of the Midwest precipitation will be light and scattered. The 6 to 10 day outlook features below normal precipitation in the eastern belt with above normal temperatures moving into the Western belt. The 8 to 14 day forecast moves the above normal temperatures into the heart of the Midwest and that sparked some of yesterday's rally. Although July beans are slightly lower this morning, we expect the current forecast will keep support under the market going into next week. Close-in support today will be 1187 and look for resistance at 1207.

The Export Sales Report showed that for the week ending May 30, net soybean sales came in at 189,557 tonnes for the current marketing year and 73,803 for the next marketing year for a total of 263,360. Cumulative soybean sales have reached 93.8% of the USDA forecast for the 2023/2024 marketing year versus a 5 year average of 97.2%. Sales need to average 216,000 tonnes per week to reach the USDA forecast.

Net meal sales came in at 250,218 tonnes for the current marketing year and 4,101 for the next marketing year for a total of 254,319. Cumulative meal sales have reached 86.0% of the USDA forecast for the 2023/2024 marketing year versus a 5 year average of 86.1%. Sales need to average 114,000 tonnes per week to reach the USDA forecast.

Net oil sales came in at 5,968 tonnes for the current marketing year and 3,500 for the next marketing year for a total of 9,468. Cumulative oil sales have reached 73.6% of the USDA forecast for the 2023/2024 marketing year versus a 5 year average of 83.7%. Sales need to average 3,000 tonnes per week to reach the USDA forecast.

TODAY'S MARKET IDEAS:

The drier pattern and rising temperatures heading for the Midwest next week is giving weather traders their 1st reason to be long this season, despite a good soil moisture profile across nearly all the Midwest. Brazil's tax changes have traders talking about potential better demand for US soy products. July futures did not quite make it

to.382 retracement resistance at 1207 yesterday, but we expect that could be seen next week and possibly the 50% retracement level at 1217.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None

SOYBEAN COMPLEX TECHNICAL OUTLOOK:

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SOYBEANS (JUL) 06/07/2024: 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. 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 1166 3/4. The next area of resistance is around 1214 1/4 and 1223 1/2, while 1st support hits today at 1185 3/4 and below there at 1166 3/4.

SOYBEAN OIL (JUL) 06/07/2024: 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. 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 42.58. The next area of resistance is around 45.11 and 45.65, while 1st support hits today at 43.58 and below there at 42.58.

SOYMEAL (JUL) 06/07/2024: The cross over and close above the 40-day moving average is an indication the longer-term trend has turned positive. 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. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The next downside objective is now at 356.2. The next area of resistance is around 365.8 and 368.5, while 1st support hits today at 359.7 and below there at 356.2.

DAILY CORN COMMENTARY

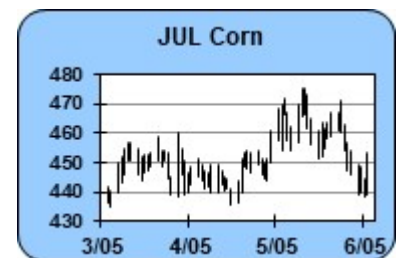
6/7/2024

Brazil tax changes spur better demand ideas

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):

CORN -0.1

OVERNIGHT DEVELOPMENTS: Corn (JUL 24) prices overnight are down -2 1/4. Corn open interest as of June 6 was down 1,424 contracts. Chinese Dalian (SEP 24) Corn was up 0.70%.



NEAR-TERM MARKET FUNDAMENTALS: Corn prices saw their strongest daily upside move since late March as Brazil's tax structure changes and potential rising temperatures late next week in the US Midwest sparked heavy buying. Newly planted crops can have trouble emerging if they are planted in moist conditions and things dry out, creating a crust on the topsoil. With yesterday's Drought Monitor showing only 3% of US corn area under drought, soil moisture is certainly abundant across most of the Midwest and crop concerns are low. But weather traders notoriously have an itchy trigger finger and are looking for any reason to buy this time of year. April US corn exports were 6.432 million tonnes, compared to 5.894 in March and 5.024 in April of last year. However,

world corn inventories are expected to rise 3.5% year-over-year to 324.5 million tonnes, according to FAO-AMIS. USDA announced a Thursday morning flash sale of 152,000 tonnes of old crop corn to Unknown. Brazil's new export tax structure, which went into effect this week but must be approved by lawmakers within 4 months to remain valid, has the potential to spur additional US export business on lower profit margins for Brazilian producers. Thursday's weekly export sales were in the upper half of the range of guesses. Corn prices are beginning their 1st weather rally of the season, and we expect to see buying on any pullback below 445 on July futures.

The Export Sales Report showed that for the week ending May 30, net corn sales came in at 1,180,938 tonnes for the current marketing year and 113,257 for the next marketing year for a total of 1,294,195. Cumulative sales have reached 93.9% of the USDA forecast for the 2023/2024 marketing year versus a 5 year average of 93.1%. Sales need to average 252,000 tonnes per week to reach the USDA forecast.

TODAY'S MARKET IDEAS:

Forecasts for drier weather and rising temperatures late next week along with Brazil's changes to their tax structure potentially benefiting US exports, brought in strong buying yesterday which may be the start of the 1st weather rally of the season. Stochastics turned higher yesterday from oversold levels, and we expect strong support on a pullback below 445 on July. Significant support at the April low of 435 3/4 on July has held earlier this week and speculative buyers can put stops below that level to protect long positions.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

CORN TECHNICAL OUTLOOK:

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CORN (JUL) 06/07/2024: The major trend could be turning up with the close back above the 60-day moving average. The daily stochastics gave a bullish indicator with a crossover up. Daily momentum studies are on the rise from low levels and should accelerate a move higher on a push through the 1st swing resistance. The close above the 9-day moving average is a positive short-term indicator for trend. The market's close above the 2nd swing resistance number is a bullish indication. The near-term upside target is at 463 1/2. The next area of resistance is around 459 1/4 and 463 1/2, while 1st support hits today at 444 3/4 and below there at 434 1/2.

CORN (DEC) 06/07/2024: Momentum studies are still bearish but are now at oversold levels and will tend to support reversal action if it occurs. The market's short-term trend is negative as the close remains below the 9-day moving average. The outside day up is somewhat positive. The market's close above the 2nd swing resistance number is a bullish indication. The next downside objective is 454 1/2. The next area of resistance is around 475 3/4 and 479 1/2, while 1st support hits today at 463 1/4 and below there at 454 1/2.

DAILY WHEAT COMMENTARY

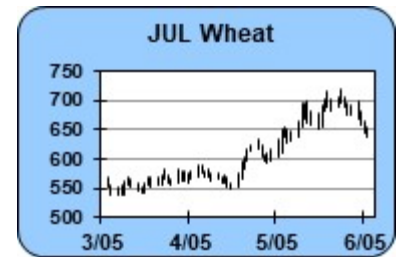
6/7/2024

US harvest and precip chances in Russia pressure

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):

WHEAT -1.08

OVERNIGHT DEVELOPMENTS: Chicago wheat (JUL 24) prices overnight are down -13; Kansas City (JUL 24) down -14 3/4; and Minneapolis (JUL 24) down -6. MATIF Milling Wheat(SEP 24) was down -3.2%. Chicago wheat open interest as of June 6 was down 1,000 contracts and Minneapolis wheat was up 33 contracts.



NEAR-TERM MARKET FUNDAMENTALS: Wheat prices are pulling back on some scattered showers late next week in the Russian forecast and ongoing US harvest pressure. Winter wheat under drought fell 4% to 21% this week, compared to 47% last year. Turkey says they will halt wheat imports through October to protect their domestic farmer producer prices. The global food index was up.9% in May, its 3rd monthly gain in a row. Thursday, prices saw some unwinding of long wheat/short corn spreads. April US wheat exports were 1.925 million tonnes, down from 2.099 in March and up from 1.438 million in April year ago. Although French wheat conditions rose 1% this week to 62% good/excellent, Ag officials said persistent rains could damage 12-20% of the crop area. StoneX lowered their Brazilian wheat crop forecast to 7.79 million tonnes, down from 8.59 million previously on lower planted area due to the recent flooding in southern Brazil. Russia says they are boosting financial support for farmers hurt by recent frost and dryness, but no export ban has been planned. Russia's hard red spring wheat areas in the north are seeing their slowest planting pace in 5 years. China wheat harvest is 57% complete. The Russian Ag minister said there should be no issues in fulfilling export commitments despite the recent weather challenges. Chicago July has fallen to moving average support this morning, but we look for a weak close today on ongoing US harvest pressure. Look for layers of support from 615 to 624 on July Chicago.

The Export Sales Report showed that for the week ending May 30, net wheat sales came in at -228,999 tonnes (cancelations) for the current marketing year and 616,904 for the next marketing year for a total of 387,905. Cumulative sales have reached 21.3% of the USDA forecast for the 2024/2025 marketing year versus a 5 year average of 21.3%. Sales need to average 254,000 tonnes per week to reach the USDA forecast.

TODAY'S MARKET IDEAS:

Chicago July has fallen to 50-day moving average support at 624 with additional 200-day support just under at 619. Furthermore, .618 retracement support from the April to May rally stands at 615. With layers of support under the market we expect to see a rebound by early next week. However, anticipation of possible Russian showers in the extended forecast and ongoing US harvest is likely to keep strong pressure on the market today.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

WHEAT TECHNICAL OUTLOOK:

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WHEAT (JUL) 06/07/2024: A negative indicator was given with the downside crossover of the 9 and 18 bar moving average. Momentum studies are still bearish but are now at oversold levels and will tend to support reversal action if it occurs. 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 downside objective is 627 1/4. The next area of resistance is around 647 1/4 and 658 1/2, while 1st support hits today at 631 3/4 and below there at 627 1/4.

KC WHEAT (JUL) 06/07/2024: 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. The market's close below the pivot swing number is a mildly negative setup. The next downside target is now at 662. The next area of resistance is around 685 1/2 and 696, while 1st support hits today at 668 1/2 and below there at 662.

MINN WHEAT (JUL) 06/07/2024: Momentum studies are still bearish but are now at oversold levels and will tend to support reversal action if it occurs. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The market tilt is slightly negative with the close under the pivot. The next downside target is 696. The next area of resistance is around 713 3/4 and 724, while 1st support hits today at 699 3/4 and below there at 696.

RICE (JUL) 06/07/2024: The cross over and close above the 60-day moving average indicates the longer-term trend has turned up. The daily stochastics have crossed over up which is a bullish indication. The stochastics indicators are rising from oversold levels, which is bullish and should support higher prices. 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 objective is at 19.178. The next area of resistance is around 18.792 and 19.178, while 1st support hits today at 17.728 and below there at 17.049.

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										
CNAN24	452	49.36	48.74	19.12	20.84	444.31	450.53	456.14	452.81	451.83
CNAZ24	469 1/2	44.02	44.74	15.63	15.62	463.31	471.50	478.32	475.77	474.81
SSAN24	1200	45.71	47.12	20.38	16.29	1185.19	1205.22	1217.14	1200.10	1202.04
SSAX24	1167	37.31	40.60	17.43	13.24	1159.31	1182.06	1195.72	1186.44	1186.84
SMAN24	362.8	45.76	48.42	18.38	15.16	359.23	366.38	369.26	358.44	353.96
BOAN24	44.35	46.86	46.91	43.35	31.81	43.81	44.76	44.88	45.20	46.16
WHAN24	639 1/2	32.45	43.16	37.90	19.04	654.31	674.11	676.89	629.22	612.60
WHAZ24	688	33.58	44.55	40.33	21.07	701.81	719.33	720.92	672.34	654.39
RCAN24	18.260	53.06	50.23	10.67	18.62	17.69	17.84	18.32	18.33	18.11
KWAN24	677	42.54	50.02	49.13	34.21	685.38	703.56	696.32	647.58	628.98
MWAN24	706 3/4	33.37	42.88	42.08	22.01	719.13	735.61	733.88	701.04	689.90
OTAN24	359	37.35	41.69	19.25	15.88	362.94	373.58	379.07	367.38	363.97

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

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						
CNAN24	Corn	434 1/2	444 3/4	449	459 1/4	463 1/2
CNAZ24	Corn	454 1/2	463 1/4	467	475 3/4	479 1/2
SSAN24	Soybeans	1166 1/2	1185 3/4	1195	1214 1/4	1223 1/2
SSAX24	Soybeans	1142	1156	1164	1178	1186
SMAN24	Soymeal	356.2	359.6	362.4	365.8	368.5
BOAN24	Soybean Oil	42.57	43.57	44.11	45.11	45.65
WHAN24	Wheat	627	631 1/2	642 3/4	647 1/2	658 1/2
WHAZ24	Wheat	676 3/4	681	691	695	705 1/4
RCAN24	Rice	17.048	17.727	18.113	18.792	19.178
KWAN24	KC Wheat	662	668 1/2	679	685 1/2	696
MWAN24	MINN Wheat	696	699 3/4	710	713 3/4	724
OTAN24	Oats	350 1/2	355 1/4	358	362 3/4	365 1/2

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

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