



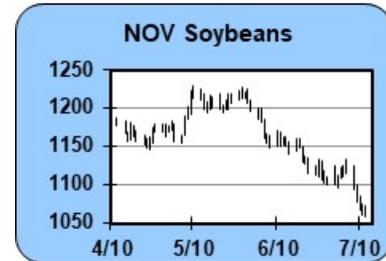
## DAILY GRAINS COMMENTARY Tuesday July 16, 2024

### DAILY SOY COMPLEX COMMENTARY 7/16/2024

#### US weather favorable for crop development

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

**OVERNIGHT DEVELOPMENTS:** Soybeans (NOV 24) prices overnight are up 4 1/4; Soymeal (DEC 24) up 0.20; and Soyoil (DEC 24) up 0.36. Soybean open interest as of July 15 was up 3,420 contracts, soymeal up 2,628 contracts, and soybean oil up 12,628. Chinese Dalian (SEP 24) Soybeans down 0.57%, Soymeal down 0.93%, Soyoil down 0.18%, Palm oil up 0.75%. Malaysian Palm was up 1.26%.



**NEAR-TERM MARKET FUNDAMENTALS:** Prices are finally seeing a small rebound overnight as severe weather moved through parts of Iowa, northern Illinois and northern Indiana with very high wind gusts. However, the storms did bring beneficial rains and the US Midwest 6-to-10-day outlook is calling for below normal temperatures. November beans hit another lower daily low overnight for the 7th session in a row. The 8-to-14-day outlook shows below normal precipitation for the Western bean belt and below normal temperatures for the southern bean belt, while temperatures in the Northwest belt will be above normal. The Delta and southeast states will be favored for precipitation over the next 10 days. The forecast is considered favorable overall but critical pod setting weather is still ahead. NOPA June crush yesterday morning came out at a monthly record of 175.599 million bushels, compared to pre-report estimates of 177.94 and 183.65 in May. Crop conditions were expected to improve 1% from last week but came in unchanged at 68% good/excellent. After this weekend's assassination attempt against presidential candidate Trump, traders have been wondering if China's fears of additional new tariffs, if Trump is elected, will result in China increasing their grain reserves before the election. So far, there has been no large China demand seen as of yet. Key pod setting weather is still ahead for the bean crop, but the current forecast looks very favorable and prices are likely to struggle to get more than a minor corrective rally. First retracement resistance on November beans is 1074 and then 1085. Look for support at 1031.

Soybeans rated good / excellent (G/EX) as of July 14 was unchanged at 68% and poor / very poor was unchanged at 8%. Current G/EX is up 5% versus the 10 year average and Poor / Very Poor is down 2% versus the 10 year average. Of the 18 reported states 8 reported better, 9 worse, and 1 unchanged G/EX ratings. The good / excellent ratings for the top producing states were: Illinois 73%(+7%), Iowa 72%(-4%), Minnesota 58%(-2%), Indiana 67%(+1%), Ohio 64%(-9%).

Soybean export inspections for the week ending July 11 came in at 168,593 metric tonnes. Cumulative inspections year-to-date are 42,016,293 metric tonnes which is 15.8% below last year. This is 90.8% of the USDA's forecast for the 2023-24 marketing year versus the five year average of 87.6%.

#### TODAY'S MARKET IDEAS:

Beneficial rains have fallen across the eastern bean belt over the last 24 hours, although there were some storm damage reports as well, those are likely to be more important for corn than beans. The US weather outlook does not show any excessive heat, except in the far northwest bean belt, for the next 10 days. Technical indicators for November beans are certainly deeply oversold and a correction rally is due. Look for 1st retracement resistance at 1074 and support at 1031. Sellers will be likely waiting for a rally as longer-term bearish fundamentals remain in place.

## NEW RECOMMENDATIONS:

None.

## PREVIOUS RECOMMENDATIONS:

None

## SOYBEAN COMPLEX TECHNICAL OUTLOOK:

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SOYBEANS (AUG) 07/16/2024: Daily stochastics declining into oversold territory suggest the selling may be drying up soon. A negative signal for trend short-term was given on a close under the 9-bar moving average. The gap lower price action on the day session chart is a bearish 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 now at 1058. The 9-day RSI under 30 indicates the market is approaching oversold levels. The next area of resistance is around 1090 1/2 and 1108 1/4, while 1st support hits today at 1065 1/2 and below there at 1058.

SOYBEAN OIL (DEC) 07/16/2024: The close below the 60-day moving average is an indication the longer-term trend has turned down. Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. The market back below the 18-day moving average suggests the intermediate-term trend could be turning down. The gap down on the day session chart is bearish with more selling pressure possible today. The close below the 1st swing support could weigh on the market. The next downside objective is 43.44. The next area of resistance is around 45.61 and 46.24, while 1st support hits today at 44.21 and below there at 43.44.

SOYMEAL (DEC) 07/16/2024: Daily stochastics are trending lower but have declined into oversold territory. The close below the 9-day moving average is a negative short-term indicator for trend. The defensive setup, with the close under the 2nd swing support, could cause some early weakness. The next downside target is 302.1. The 9-day RSI under 20 suggests the market is extremely oversold. The next area of resistance is around 312.1 and 317.4, while 1st support hits today at 304.5 and below there at 302.1.

## DAILY CORN COMMENTARY

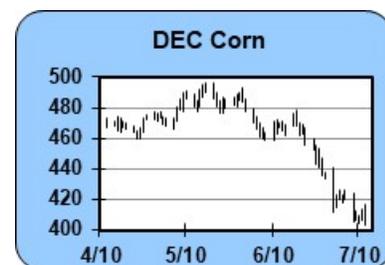
7/16/2024

### Storm damage in heart of Midwest may ease bear pressure

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

CORN +0.4

**OVERNIGHT DEVELOPMENTS:** Corn (DEC 24) prices overnight are up 4 1/2. Corn open interest as of July 15 was down 5,796 contracts. Chinese Dalian (SEP 24) Corn was down 0.71%.



**NEAR-TERM MARKET FUNDAMENTALS:** Prices are seeing a minor bounce this morning and we give the edge to the bull camp today after storms caused some crop damage in the heart of the Midwest. Damage reports across Iowa, northern Illinois and northern Indiana from very high winds yesterday are reminiscent of the derecho that moved across Iowa in August 2020, damaging crops, although that storm had a wider swath than yesterday's. As was the case in 2020, it will take some time to assess the scale of the damage and how much greensnap occurred. At the very least, the storm may relieve some of the extreme bearish pressure the market has seen lately and offer a chance for a recovery. The US Midwest weather outlook is favorable for pollination as any extreme heat stays in the far northwest corn belt while the rest of the Midwest enjoys mild temperatures. Crop conditions were unchanged last

week and still the highest rated since 2020. Brazil's center - south corn harvest is 74% complete, way above last year's 36%. The Ukraine Agrarian Minister says Ukraine's late crops, including corn, may suffer 20-30% losses due to the recent heat and dryness. Excessive heat in the Black Sea growing areas is the lone bullish weather story, other than US storm damage overnight, which may be enough to get a minor rally started. However, a more sustained rally will take additional China demand or a significant weather change in the US. Look for resistance on December corn at 419 and support remains at 390 5/2.

Corn rated good / excellent (G/EX) as of July 14 was unchanged at 68% and poor / very poor was unchanged at 9%. Current G/EX is up 1% versus the 10 year average and Poor / Very Poor is unchanged versus the 10 year average. Of the 18 reported states 2 reported better, 14 worse, and 2 unchanged G/EX ratings. The good / excellent ratings for the top producing states were: Iowa 74%(-2%), Illinois 73%(+6%), Nebraska 78%(-2%), Minnesota 58%(-1%), Indiana 67%(0%).

Corn export inspections for the week ending July 11 came in at 1,078,911 metric tonnes. Cumulative inspections year-to-date are 44,592,041 metric tonnes which is 31.3% above last year. This is 78.9% of the USDA's forecast for the 2023-24 marketing year versus the five year average of 80.5%.

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

Farmer reports of greensnap and wind damage in the Midwest may give recent shorts a reason to cover and at least a minor short covering rally is likely. Pollination weather looks favorable with very little extreme heat to stress the crops and that may limit the extent of the bounce at this time. Look for 1st resistance at 419 on December. Long-term support remains at 395 1/2.

#### **NEW RECOMMENDATIONS:**

None.

#### **PREVIOUS RECOMMENDATIONS:**

None.

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

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CORN (SEP) 07/16/2024: The daily stochastics gave a bearish indicator with a crossover down. Momentum studies are declining, but have fallen to oversold levels. The market's short-term trend is negative as the close remains below the 9-day moving average. The market's close below the 1st swing support number suggests a moderately negative setup for today. The next downside target is 380. With a reading under 30, the 9-day RSI is approaching oversold levels. The next area of resistance is around 397 1/4 and 406 3/4, while 1st support hits today at 383 3/4 and below there at 380.

CORN (DEC) 07/16/2024: A crossover down in the daily stochastics is a bearish signal. Daily stochastics are trending lower but have declined into oversold territory. A negative signal for trend short-term was given on a close under the 9-bar moving average. The market's close below the 1st swing support number suggests a moderately negative setup for today. The next downside objective is now at 394 1/4. With a reading under 30, the 9-day RSI is approaching oversold levels. The next area of resistance is around 410 1/2 and 419 1/2, while 1st support hits today at 398 and below there at 394 1/4.

#### **DAILY WHEAT COMMENTARY**

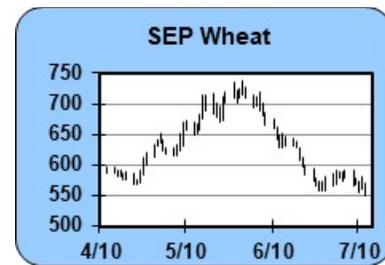
**7/16/2024**

## Chicago December closes in new contract lows

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

**WHEAT** +0.38

**OVERNIGHT DEVELOPMENTS:** Chicago wheat (SEP 24) prices overnight are up 4 1/4; Kansas City (SEP 24) up 2 3/4; and Minneapolis (SEP 24) up 4 1/2. MATIF Milling Wheat(DEC 24) was up 1.0%. Chicago wheat open interest as of July 15 was up 4,593 contracts and Minneapolis wheat was up 1,177 contracts.



**NEAR-TERM MARKET FUNDAMENTALS:** Both Chicago and Kansas City made new contract lows yesterday following the bearish USDA data last Friday and the edge remains with the bear camp. US winter wheat harvest is 71% complete, below expectations of 74% and way above last year at 53% and the 5-year average at 62%. HRS conditions were up 2% to 77% good/excellent, well above last year's 51% this week. Asian wheat importers are stepping up on the break with Thailand, Vietnam and the Philippines tendering for wheat, along with Egypt. Ukraine's food exports in the 1st half of July reach 2.3 million tonnes, compared to June's total exports of 5 million tonnes. Russia's spring wheat areas have been enduring hot temperatures which have negatively impacted the crop, although yesterday IKAR raised their Russian production to 83.2 million tonnes from 82.0 last month. SovEcon says Russian wheat shipments last week were 510,000 tonnes down from 700,000 tonnes the week before. They now estimate July Russian wheat exports to only reach 2.8 million tonnes, compared to a record 4.5 million in July year ago. Monday's close at new contract lows on December Chicago keeps the technical outlook bearish, although prices are mildly oversold and may see a short covering bounce if corn and beans can see some support. In the current environment, we do not look for any major rally without some significant new bullish news.

Winter Wheat harvested as of July 14 was up 8% at 71%. This is up 18% versus last year and up 4% versus the 10 year average. The top producing states report Kansas 97%(+5%), Washington 5%(+3%), Montana 0%(0%), Illinois 96%(+3%), Idaho 3%(+2%).

Spring Wheat rated good / excellent (G/EX) as of July 14 was up 2% at 77% and poor / very poor was down 1% at 3%. Current G/EX is up 16% versus the 10 year average and Poor / Very Poor is down 12% versus the 10 year average. Of the 6 reported states 3 reported better, 3 worse, and 0 unchanged G/EX ratings. The good / excellent ratings for the top producing states were: North Dakota 82%(+1%), Minnesota 81%(-7%), Montana 73%(+8%), South Dakota 66%(-9%), Idaho 74%(+7%).

Wheat export inspections for the week ending July 11 came in at 533,828 metric tonnes. Cumulative inspections year-to-date are 2,266,366 metric tonnes which is 26.3% above last year. This is 10.1% of the USDA's forecast for the 2024-25 marketing year versus the five year average of 10.0%.

### TODAY'S MARKET IDEAS:

Several global tenders are an indication at least some additional demand is being seen on this price break; however, much more significant bullish news will be needed to offset the bearish supply fundamentals. Look for support on December Chicago 541. A rally to resistance at 578 may be the next selling opportunity.

### NEW RECOMMENDATIONS:

None.

### PREVIOUS RECOMMENDATIONS:

None.

### WHEAT TECHNICAL OUTLOOK:

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WHEAT (SEP) 07/16/2024: 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 close below the 2nd swing support number puts the market on the defensive. The next downside objective is 515 3/4. Some caution in pressing the downside is warranted with the RSI under 30. The next area of resistance is around 543 1/4 and 558 1/2, while 1st support hits today at 521 3/4 and below there at 515 3/4.

KC WHEAT (SEP) 07/16/2024: The daily stochastics have crossed over down which is a bearish indication. 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 close below the 1st swing support could weigh on the market. The next downside target is now at 536 1/2. The next area of resistance is around 565 3/4 and 579 1/2, while 1st support hits today at 544 1/4 and below there at 536 1/2.

MINN WHEAT (SEP) 07/16/2024: Daily stochastics are trending lower but have declined into oversold territory. A negative signal for trend short-term was given on a close under the 9-bar moving average. The market is in a bearish position with the close below the 2nd swing support number. The next downside objective is 566. Some caution in pressing the downside is warranted with the RSI under 30. The next area of resistance is around 590 and 603 1/4, while 1st support hits today at 571 1/2 and below there at 566.

RICE (SEP) 07/16/2024: The daily stochastics have crossed over up which is a bullish indication. 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 market has a slightly positive tilt with the close over the swing pivot. The near-term upside objective is at 15.052. The next area of resistance is around 14.870 and 15.052, while 1st support hits today at 14.530 and below there at 14.373.

## 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>										
CNAU24	390 1/2	25.39	26.95	10.72	10.21	397.13	399.97	415.25	444.08	448.48
CNAZ24	404 1/4	25.39	26.53	10.26	9.77	409.25	413.11	427.89	456.94	461.57
SSAQ24	1078	22.11	27.49	17.66	8.40	1103.31	1129.75	1137.47	1177.35	1181.09
SSAX24	1040	17.52	22.25	11.44	6.48	1060.00	1087.08	1101.18	1151.24	1158.98
SMAZ24	308.3	14.97	20.75	5.09	4.01	313.58	320.49	330.33	350.00	352.18
BOAZ24	44.91	43.69	46.79	60.67	49.97	45.56	46.68	45.37	45.24	45.22
WHAU24	532 1/2	27.44	30.28	19.32	13.15	554.00	567.11	572.22	636.30	634.17
WHAZ24	556 1/2	26.88	29.62	20.51	14.12	578.06	590.94	595.68	659.91	658.08
RCAU24	14.700	36.01	36.70	10.22	10.97	14.63	14.73	15.11	15.37	15.32
KWAU24	555	31.66	33.03	17.84	17.31	568.13	578.03	585.18	649.32	648.13
MWAU24	580 3/4	24.87	27.38	22.21	15.50	602.00	614.44	616.49	681.28	686.06
OTAZ24	313 3/4	41.93	39.92	30.89	37.22	313.38	314.89	317.29	349.32	352.66

Calculations based on previous session. Data collected 07/15/2024

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>						
CNAU24	Corn	380	383 3/4	393 1/2	397 1/4	407
CNAZ24	Corn	394 1/4	398	407	410 1/2	419 3/4
SSAQ24	Soybeans	1058	1065 1/2	1083 1/4	1090 1/2	1108 1/2
SSAX24	Soybeans	1020	1027 1/4	1045 1/2	1052 3/4	1071
SMAZ24	Soymeal	302.0	304.4	309.7	312.1	317.4
BOAZ24	Soybean Oil	43.44	44.21	44.84	45.61	46.24
WHAU24	Wheat	515 1/2	521 3/4	537	543 1/4	558 1/2
WHAZ24	Wheat	539 1/2	545 3/4	561	567 1/4	582 1/2
RCAU24	Rice	14.372	14.530	14.712	14.870	15.052

KWAU24	KC Wheat	536 1/2	544 1/4	558	565 3/4	579 1/2
MWAU24	MINN Wheat	566	571 1/2	584 3/4	590	603 1/2
OTAZ24	Oats	305 1/2	309	314 3/4	318 1/2	324

**Calculations based on previous session. Data collected 07/15/2024**

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