



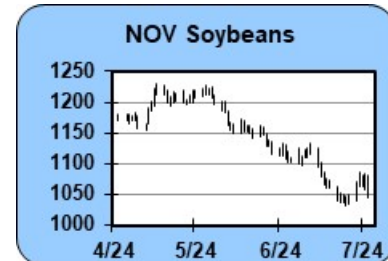
## DAILY GRAINS COMMENTARY Wednesday July 31, 2024

### DAILY SOY COMPLEX COMMENTARY 7/31/2024

#### US lawmakers urge biofuel tax credit changes

**OVERNIGHT CHANGES THROUGH 6:06 AM (CT):**  
SOY BEANS +0.1, BEAN OIL +0.0, SOYMEAL +0.3

**OVERNIGHT DEVELOPMENTS:** Soybeans (NOV 24) prices overnight are up 7 1/2; Soymeal (DEC 24) up 2.70; and Soyoil (DEC 24) up 0.22. Soybean open interest as of July 30 was down 3,156 contracts, soymeal up 1,870 contracts, and soybean oil down 81. Chinese Dalian (SEP 24) Soybeans down 0.07%, Soymeal down 0.39%, Soyoil down 0.10%, Palm oil down 0.10%. Malaysian Palm was down 0.18%.



**NEAR-TERM MARKET FUNDAMENTALS:** Some light buying in the bean complex overnight after 3 days of weak price action, but the bear camp retains the advantage. Several Midwest lawmakers are urging Treasury Secretary Yellen to limit biofuel tax credits to domestic ingredients only to limit Chinese used cooking oil imports. Liquidation of August positions before 1st notice day has run its course and August open interest has dropped 50,000 contracts in the last 3 days. There were 44 bean deliveries overnight and 936 bean oil. US crop weather looks similar to yesterday featuring dryness and heat in the Plains but Iowa and the eastern belt wet. In the 6 to 10 and 8 to 14 day timeframe's hot temperatures will be pushed to the southern Plains and moderate temperatures move into the northern half of the Midwest. Similar to yesterday's ADM earnings miss, Bunge also missed their profit expectations in the 2nd quarter due to lower crush margins. June NASS crush will be out tomorrow afternoon and the pre-report expectation is 184.8 million bushels, up 5.8% from June year ago. China says their allocating another \$277 million for disaster relief funding due to drought and flooding across several regions in the country. Datagro says Brazil's 2024/25 bean planted area this fall could increase 1.5% from last year, the 18th straight year of higher planted area. The larger area is expected to increase production to 166.64 million tonnes, up from USDA's 153 million forecast for the 2023/24 crop. The Fed will make their rate announcement this afternoon and expectations of hints of a rate cut has reduced macro pressure on commodities today and pressured the US Dollar and could give grains a chance to have at least a minor rebound. November Bean gap resistance is 1045.

#### TODAY'S MARKET IDEAS:

No change to the generally favorable US weather outlook. November beans tested support just under 1020 overnight and are rebounding this morning. The Fed may hint at rate cuts this afternoon at the conclusion of the FOMC meeting and that has pushed the US dollar lower today and may be a supportive factor for the soy complex, despite longer-term bearish fundamentals. Gap resistance is 1045.

#### NEW RECOMMENDATIONS:

None.

#### PREVIOUS RECOMMENDATIONS:

None

#### SOYBEAN COMPLEX TECHNICAL OUTLOOK:

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**SOYBEANS (SEP) 07/31/2024:** A crossover down in the daily stochastics is a bearish signal. 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 swing indicator gave a moderately negative reading with the close below the 1st support number. The next downside objective is now at 991 1/2. The 9-day RSI under 30 indicates the market is approaching oversold levels. The next area of resistance is around 1023 1/4 and 1040 1/4, while 1st support hits today at 998 3/4 and below there at 991 1/2.

**SOYBEAN OIL (DEC) 07/31/2024:** 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. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The next downside objective is 40.67. The 9-day RSI under 30 indicates the market is approaching oversold levels. The next area of resistance is around 42.47 and 42.94, while 1st support hits today at 41.33 and below there at 40.67.

**SOYMEAL (DEC) 07/31/2024:** Momentum studies are rising from mid-range, which could accelerate a move higher if resistance levels are penetrated. A negative signal for trend short-term was given on a close under the 9-bar moving average. The daily closing price reversal down puts the market on the defensive. The close below the 1st swing support could weigh on the market. The next upside objective is 326.7. The next area of resistance is around 321.7 and 326.7, while 1st support hits today at 314.3 and below there at 311.9.

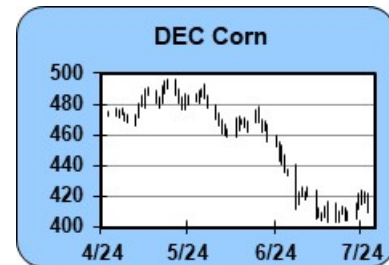
## DAILY CORN COMMENTARY

7/31/2024

**Managed Money traders likely back to holding a record short**

**OVERNIGHT CHANGES THROUGH 6:06 AM (CT):**  
CORN -0.1

**OVERNIGHT DEVELOPMENTS:** Corn (DEC 24) prices overnight are down -1/2. Corn open interest as of July 30 was up 8,711 contracts. Chinese Dalian (SEP 24) Corn was down 0.09%.



**NEAR-TERM MARKET FUNDAMENTALS:** December prices are hovering just above the 2024 lows at 403 as the US weather forecast continues to show crop stress limited to the US Plains. Iowa and the Eastern corn belt will see rain chances over the next 5 days and cooler temperatures be moving into the northern Midwest in the 6 to 10 day timeframe. Above normal temperatures will be featured in the southern half of the corn belt over the next 2 weeks. Today's ethanol production is expected at 1.086 million barrels per day, slightly down from last week's 1.095 and stocks are expected at 23.764 million barrels, above last week's 23.723. Datagro says 2024/25 1st crop corn area in Brazil is expected at 3.894 million ha, down from 4.053 last season and production is expected to be down 1% from last year at 23.35 million tonnes. The 1st crop in Brazil represents less than 25% of Brazil's total corn production. Corn used for ethanol in June is expected around 450 million bushels, above 442.1 in May. The Center for Disease Control says they will spend \$10 million to curb farm worker bird flu infections with half of that money going toward vaccinations. Outside markets may provide a boost for corn today as crude oil is sharply higher and the US dollar lower. Bearish supply fundamentals remain in place, and prices will need to move above last week's high at 423 3/4 to turn the technical outlook higher. For now, buyers have no reason to be aggressive.

### TODAY'S MARKET IDEAS:

Favorable US weather forecasts have kept buyers sitting on their hands this week, despite prices hitting their lowest levels since January 2021. Favorable US weather is coming at a time when there is little other bullish news to offset growing supply ideas. If December prices fall below this month's low at 403, contract low support is 395 1/2. With Managed Money traders likely record short again, a sharp spike down is not expected at this time and any further break is more likely to be a slow grind lower.

### **NEW RECOMMENDATIONS:**

None.

### **PREVIOUS RECOMMENDATIONS:**

None.

### **CORN TECHNICAL OUTLOOK:**

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CORN (SEP) 07/31/2024: The daily stochastics have crossed over down which is a bearish indication. Momentum studies are still bearish but are now at oversold levels and will tend to support reversal action if it occurs. 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 objective is 381. The next area of resistance is around 393 1/2 and 399 3/4, while 1st support hits today at 384 and below there at 381.

CORN (DEC) 07/31/2024: The daily stochastics have crossed over down which is a bearish indication. Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. The close below the 18-day moving average is an indication the intermediate-term trend has turned down. The market setup is somewhat negative with the close under the 1st swing support. The next downside target is 398. The next area of resistance is around 409 1/4 and 415 1/4, while 1st support hits today at 400 3/4 and below there at 398.

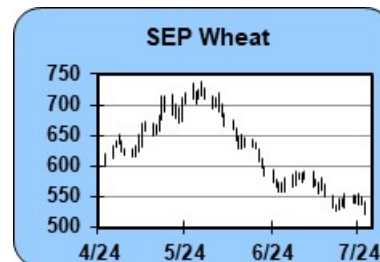
### **DAILY WHEAT COMMENTARY**

**7/31/2024**

#### **Middle East tensions increase after Israeli strikes**

**OVERNIGHT CHANGES THROUGH 6:06 AM (CT):**  
**WHEAT -0.25**

**OVERNIGHT DEVELOPMENTS:** Chicago wheat (SEP 24) prices overnight are down -2 1/2; Kansas City (SEP 24) down -4; and Minneapolis (SEP 24) down -4. MATIF Milling Wheat(SEP 24) was up 0.6%. Chicago wheat open interest as of July 30 was up 4,340 contracts and Minneapolis wheat was up 1,274 contracts.



**NEAR-TERM MARKET FUNDAMENTALS:** December Chicago wheat prices are holding steady just above the contract lows set this week. An Israeli airstrike killed a key Hamas leader in Iran overnight and a bombing in Beirut may have killed another, which is escalating tensions further in the region and could draw Iran deeper into the conflict. Surprisingly, the wheat market has had little reaction so far. Sinograin says they will be increasing domestic wheat storage facilities in China. Australia rains are seen boosting production but Argentine wheat has suffered from dryness and now cold temperatures threaten the crop as well. Furthermore, the French wheat crop may only reach 26 million tonnes due to weather problems, which be the lowest output in over 35 years. French farmers are calling on the government to provide more farmer financial aid. India's wheat prices are rising again and pressure on the government to lower import duties may increase if prices continue to rise. Global demand has picked up on the break with Tunisia buying 125,000 tonnes of SRW and 50,000 tonnes of Durum and Jordan purchasing 50,000 tonnes of wheat as well. Jordan tendered for another 120,000 tonnes of feed barley this morning but passed. Overnight market volatility was surprisingly tame after the Israeli strikes and the technical picture remains bearish. December Chicago prices are not in oversold territory yet but a close above 557 would likely encourage short-term rebound.

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

December Chicago failed to close higher yesterday to confirm the potential upside reversal Monday and prices remain adrift just above the contract lows. Israeli strikes on Hamas leaders overnight may result in retaliation by Iran and could provide the market some underlying support. Weather issues are in play in Argentina and France but Australia is trending better. December Chicago support is 531 and look for resistance now at 557.

**NEW RECOMMENDATIONS:**

None.

**PREVIOUS RECOMMENDATIONS:**

None.

**WHEAT TECHNICAL OUTLOOK:**

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WHEAT (SEP) 07/31/2024: 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. It is a slightly negative indicator that the close was lower than the pivot swing number. The next downside target is 511 1/4. The next area of resistance is around 530 1/4 and 536, while 1st support hits today at 517 3/4 and below there at 511 1/4.

KC WHEAT (SEP) 07/31/2024: 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 market tilt is slightly negative with the close under the pivot. The next downside target is now at 528 1/2. The next area of resistance is around 557 3/4 and 564 3/4, while 1st support hits today at 539 3/4 and below there at 528 1/2.

MINN WHEAT (SEP) 07/31/2024: Declining momentum studies in the neutral zone will tend to reinforce lower price action. The close below the 9-day moving average is a negative short-term indicator for trend. The market's close below the 1st swing support number suggests a moderately negative setup for today. The next downside target is 569 1/4. The next area of resistance is around 591 3/4 and 598 1/2, while 1st support hits today at 577 1/4 and below there at 569 1/4.

RICE (SEP) 07/31/2024: Momentum studies are trending higher but have entered overbought levels. The market's close above the 9-day moving average suggests the short-term trend remains positive. It is a mildly bullish indicator that the market closed over the pivot swing number. The next upside objective is 15.367. The next area of resistance is around 15.315 and 15.367, while 1st support hits today at 15.155 and below there at 15.048.

**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	388 3/4	34.79	35.12	34.39	28.76	396.38	397.08	397.43	425.73	437.37
CNAZ24	405	36.86	36.53	39.68	35.02	412.00	412.00	411.43	438.95	450.53
SSAU24	1011	28.56	30.45	25.13	21.27	1039.38	1047.97	1057.10	1110.11	1135.55
SSAX24	1021 1/4	30.73	32.00	27.22	23.93	1047.19	1052.89	1061.64	1112.79	1137.13
SMAZ24	318.0	44.04	41.94	51.26	58.16	323.85	319.28	317.92	337.17	345.94
BOAZ24	41.90	29.52	35.07	16.23	15.26	42.47	43.58	44.82	44.78	44.93
WHAU24	524	33.82	34.54	20.28	18.41	529.06	536.89	547.28	597.71	619.43
WHAZ24	549	33.32	34.04	20.49	18.50	553.81	561.67	571.65	621.77	643.35
RCAU24	15.235	66.83	58.90	67.26	85.94	15.17	14.82	14.70	15.17	15.25
KWAU24	548 3/4	36.24	36.54	28.22	26.22	552.69	561.06	565.96	615.63	634.46
MWAU24	584 1/2	35.45	36.41	41.58	33.31	592.06	603.06	603.96	647.66	668.94
OTAZ24	317	45.33	44.83	52.13	43.39	316.81	323.53	318.90	335.07	345.78

Calculations based on previous session. Data collected 07/30/2024  
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## DAILY SWING STATISTICS

Contract		Support 2	Support 1	Pivot	Resist 1	Resist 2
<b>GRAIN COMPLEX</b>						
CNAU24	Corn	381	384	390 1/2	393 1/2	400
CNAZ24	Corn	398	400 1/2	406 3/4	409 1/2	415 1/2
SSAU24	Soybeans	991 1/2	998 3/4	1016	1023 1/4	1040 1/2
SSAX24	Soybeans	1002	1009 1/2	1025 3/4	1033	1049 1/2
SMAZ24	Soymeal	311.9	314.3	319.3	321.7	326.7
BOAZ24	Soybean Oil	40.66	41.33	41.80	42.47	42.94
WHAU24	Wheat	511	517 3/4	523 1/2	530 1/4	536
WHAZ24	Wheat	535 3/4	542 1/2	548 1/2	555 1/2	561 1/4
RCAU24	Rice	15.047	15.155	15.207	15.315	15.367
KWAU24	KC Wheat	528 1/2	539 1/2	546 3/4	558	565
MWAU24	MINN Wheat	569	577	583 3/4	592	598 1/2
OTAZ24	Oats	305 1/2	311 3/4	316	322 1/4	326 1/2

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