



DAILY GRAINS COMMENTARY

Friday August 16, 2024

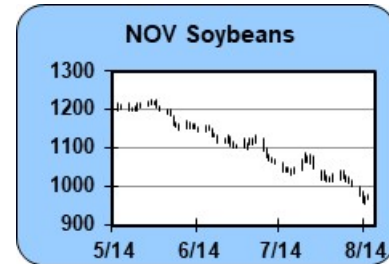
DAILY SOY COMPLEX COMMENTARY

8/16/2024

NOPA crush new record high for July

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 down -8 1/2; Soymeal (DEC 24) down -2.70; and Soyoil (DEC 24) down -0.55. Soybean open interest as of August 15 was up 2,686 contracts, soymeal up 3,097 contracts, and soybean oil up 2,521. Chinese Dalian (NOV 24) Soybeans down 0.47%, Soymeal up 0.31%, Soyoil up 0.44%, Palm oil up 0.80%. Malaysian Palm was down 0.05%.



NEAR-TERM MARKET FUNDAMENTALS: Thursday's limited follow-through to the upside after the reversal higher Wednesday is a disappointment to the bull camp and November prices are sinking this morning for another test of this week's lows. Weekly export sales yesterday for new crop were much stronger-than-expected, however, US outstanding sales to China for 2024/25 so far have reached only 1.098 million tonnes, significantly lower than last year at this time at 4.69 million. Chinese purchases from Brazil by contrast are up 3.5% year-over-year. The question is with huge Brazilian shipments to China this summer, will China's new crop demand for US beans continue to suffer? The answer to that may be tied to Trump's chances for victory in this fall's election. If Trump's poll numbers begin to rise, China may be more aggressive buying US beans, which are competitive with South America as Brazilian prices recently have not followed US prices lower, to hedge themselves against a potential trade war. Some Brazilian crushing plants report Brazil's bean quality is lower than expected and making it difficult to produce meal that meets export standards. July NOPA crush came in at a new record high for the month at 182.881 million bushels, slightly above the average guess of 182.3 and well above July 2023 at 173.3. Bean oil stocks were a surprise and came in at a 7-month low at 1.499 billion pounds, compared to the average guess of 1.608 and 1.527 a year ago. USDA is pushing for eased tax credit requirements regarding crops used for renewable fuels. Most of the Midwest has received at least some rain over the last 4 days and the 1-5 day forecast shows mostly dry conditions across the Midwest with a few chances in the far eastern belt. The 6 to 10 day continues to show below normal precipitation for the Eastern belt and below normal temperatures while the Western belt trends warmer. November prices hit a low of 955 1/4 on Wednesday of this week and if prices fall below that level, next nearby support would be 951. Rising US bean supply ideas means the bull camp needs to see more consistent demand to have a chance for a rally. So far, China's demand has improved this week but not enough to offer major support.

Weekly export sales this morning were below guesses in old crop beans but way above the highest guess on new crop. Meal came in as expected and bean oil below expectations. This week's break to new contract lows in beans and meal may result in solid sales this week as well. Yesterday's reversal higher in beans may have started a short covering rally, despite today's late weakness, and 1st resistance is 988 on November.

The Export Sales Report showed that for the week ending August 8, net soybean sales came in at 221,715 tonnes for the current marketing year and 1,344,197 for the next marketing year for a total of 1,565,912. Cumulative soybean sales have reached 11.8% of the USDA forecast for the 2024/2025 marketing year versus a 5-year average of 21.6%. Sales need to average 790,000 tonnes per week to reach the USDA forecast.

Net meal sales came in at 113,686 tonnes for the current marketing year and 140,096 for the next marketing year for a total of 253,782. Cumulative meal sales have reached 95.4% of the USDA forecast for the 2023/2024 marketing year versus a 5 year average of 96.1%. Sales need to average 87,000 tonnes per week to reach the

USDA forecast.

Net oil sales came in at 737 tonnes for the current marketing year and none for the next marketing year. Cumulative oil sales have reached 88.3% of the USDA forecast for the 2023/2024 marketing year versus a 5 year average of 89.3%. Sales need to average 3,900 tonnes per week to reach the USDA forecast.

TODAY'S MARKET IDEAS:

November beans failed to close higher yesterday to confirm Wednesday's reversal and once again prices have been unable to follow through to the upside after a potential bullish technical signal. This week's low at 955 is key support. Look for initial resistance at 988. Each day there is a lack of morning flash sales sets a bearish tone as US demand is critical with the supply side seemingly growing each week.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None

SOYBEAN COMPLEX TECHNICAL OUTLOOK:

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SOYBEANS (SEP) 08/16/2024: A bullish signal was given with an upside crossover of the daily stochastics. The stochastics indicators are rising from oversold levels, which is bullish and should support higher prices. A negative signal for trend short-term was given on a close under the 9-bar moving average. The daily closing price reversal down is a negative indicator for prices. The market has a slightly positive tilt with the close over the swing pivot. The next upside objective is 964. With a reading under 30, the 9-day RSI is approaching oversold levels. The next area of resistance is around 956 3/4 and 964, while 1st support hits today at 946 1/4 and below there at 943 1/4.

SOYBEAN OIL (DEC) 08/16/2024: Daily stochastics declining into oversold territory suggest the selling may be drying up soon. 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 now at 37.67. The market is approaching oversold levels on an RSI reading under 30. The next area of resistance is around 39.04 and 39.83, while 1st support hits today at 37.97 and below there at 37.67.

SOYMEAL (DEC) 08/16/2024: 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. A positive setup occurred with the close over the 1st swing resistance. The next downside target is now at 301.0. The next area of resistance is around 310.9 and 313.7, while 1st support hits today at 304.5 and below there at 301.0.

DAILY CORN COMMENTARY

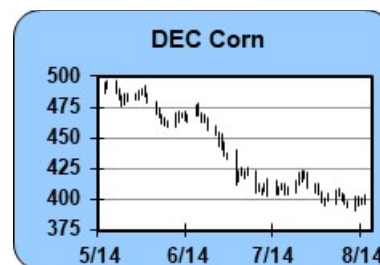
8/16/2024

No follow through after December hits new weekly high Thursday

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):

CORN -0.4

OVERNIGHT DEVELOPMENTS: Corn (DEC 24) prices overnight are down -3 1/4. Corn open interest as of August 15 was down 13,368 contracts. Chinese Dalian (NOV 24) Corn was down 0.04%.



NEAR-TERM MARKET FUNDAMENTALS: Prices are slipping lower this morning again after the move to new weekly highs yesterday failed to carry and ended in a weaker close. Heavy Managed Money shorts are not seeing any reason to exit positions as US weather looks nonthreatening and US exports are solid but have not yet increased enough to offset the larger US crop. US corn basis is slipping as farmer cash grain movement has increased to make space for the new harvest. The Midwest will be mostly dry over the next 5 days except for a few chances in the far eastern belt and temperatures and precipitation will be trending below normal in the east in the 6-10 day timeframe, while the western belt trends warmer.

The International Grains Council lowered world corn production 1mmt to 1.226 billion tonnes and lowered global grain harvest to 2.315 billion tonnes, down from 2.321 last month. They also lowered Russia's total grain exports by 1 million tonnes to 52.2 million, well down from 68.5 year ago. The Buenos Aires Grain Exchange says the Argentine corn crop is 98% harvested, having gathered 45.562 million tonnes so far. It appears Argentina's crop will not reach USDA's projection of 50 million tonnes. French corn conditions continue to struggle and were down another 1% this week to 76% good/excellent. Corn's choppy trend continues and December's trading range over the last 10 days has been squeezed to 390-404. Yesterday's upside follow-through failure was a disappointment and the bear camp remains in charge.

Weekly export sales this morning for last week were within the range of guesses and we expect sales to continue strong due to US competitiveness. Private weather forecasters say heat and dryness will continue to cut corn yields in 30% of the EU. Falling EU and Black Sea production is likely to shift some export sales to the US later this year. A demand led rally is possible once a harvest low has been made.

The Export Sales Report showed that for the week ending August 8, net corn sales came in at 120,477 tonnes for the current marketing year and 800,518 for the next marketing year for a total of 920,995. Cumulative sales have reached 11.7% of the USDA forecast for the 2024/2025 marketing year versus a 5 year average of 16.9%. Sales need to average 900,000 tonnes per week to reach the USDA forecast.

TODAY'S MARKET IDEAS:

Disappointing market action yesterday with a low range close after a new weekly high on the December contract. The bull camp is struggling to maintain any bullish momentum off the reversal seen last week on December and if contract low support gives way at 390 1/4, a move down to longer term support at 380 is possible. Although US demand has been solid recently, a significant increase in demand will be needed to work through the larger US crop and the competitive position of US corn will help. However, in the short-term we have not yet seen the needed demand increase.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

CORN TECHNICAL OUTLOOK:

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CORN (SEP) 08/16/2024: A crossover down in the daily stochastics is a bearish signal. 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 outside day down and close below the previous day's low is a negative signal. The close below the 1st swing support could weigh on the market. The next downside target is 368. The next area of resistance is around 379 1/2 and 386, while 1st support hits today at 370 1/2 and below there at 368.

CORN (DEC) 08/16/2024: Rising from oversold levels, daily momentum studies would support higher prices, especially on a close above resistance. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The daily closing price reversal down is a negative indicator for prices. The market setup is somewhat negative with the close under the 1st swing support. The near-term upside target is at 406. The next area of resistance is around 400 3/4 and 406, while 1st support hits today at 393 1/4 and below there at 391.

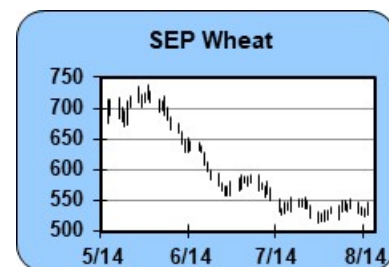
DAILY WHEAT COMMENTARY

8/16/2024

Egypt financing requirements derailing purchase deal

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):
WHEAT +0.15

OVERNIGHT DEVELOPMENTS: Chicago wheat (DEC 24) prices overnight are up 1/2; Kansas City (DEC 24) down -1 1/4; and Minneapolis (DEC 24) up 3/4. MATIF Milling Wheat(DEC 24) was up 0.6%. Chicago wheat open interest as of August 15 was up 1,749 contracts and Minneapolis wheat was down 2,106 contracts.



NEAR-TERM MARKET FUNDAMENTALS: A tough day for the bull camp yesterday as prices rallied early in the session on the Russian missile strike in Odessa but were unable to hold the gains and closed weak. We hear reports Egypt's financing term requirements on their planned large private wheat purchase is derailing any deal and that has weakened EU wheat prices, which have fallen the equivalent of \$0.50 a bushel this week. Ukraine's Ag Ministry says their wheat harvest is complete and output was 21.7 million tonnes, near unchanged from last year's 21.6. They also projected 2024 total Ukraine grain production at 56 million tonnes, up from 52.4 in their previous forecast. On the other hand, German Farm Cooperatives say the 2024 wheat crop will be the smallest since 2018 at 18.76 million tonnes, down 12.8% from year ago. Also, the International Grains Council lowered 2024/25 global production 2mmt to 799 million tonnes and lowered Russia's total grain harvest to 119.4 million tonnes, down from 121.7 last month. The Buenos Aires Grain Exchange says good/excellent conditions for Argentina's wheat fell 8% last week to 31% compared to 24% year ago. Upcoming dryness in western areas of Argentina wheat growing regions are expected to further hamper crop development. December Chicago wheat has been range-bound this month between 539 1/2-574 3/4. There is no doubt US wheat supplies will be plentiful this winter and crop sizes in Australia, Argentina and Russia will have a major effect on global export flows over the next 6 months. Further market consolidation is likely until fresh news or a major technical breakout gives traders a reason to position more aggressively.

The Export Sales Report showed that for the week ending August 8, net wheat sales came in at 339,925 tonnes for the current marketing year and -66,790 for the next marketing year for a total of 273,135. Cumulative sales have reached 39.8% of the USDA forecast for the 2024/2025 marketing year versus a 5 year average of 38.2%. Sales need to average 244,000 tonnes per week to reach the USDA forecast.

TODAY'S MARKET IDEAS:

Chicago wheat trading volume Wednesday hit a 2-month high but yesterday's weak close kept the technical outlook in neutral until prices can break out of the 540-580 recent range. A price move outside those boundaries would suggest a run of \$0.40 in the breakout direction. Look for initial support at 539 1/2 and initial resistance 575.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

WHEAT TECHNICAL OUTLOOK:

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WHEAT (SEP) 08/16/2024: The daily stochastics have crossed over down which is a bearish indication. Declining momentum studies in the neutral zone will tend to reinforce lower price action. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The downside closing price reversal on the daily chart is somewhat negative. It is a slightly negative indicator that the close was under the swing pivot. The next downside target is 512 1/4. The next area of resistance is around 538 1/2 and 553 1/2, while 1st support hits today at 518 and below there at 512 1/4.

KC WHEAT (SEP) 08/16/2024: 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 outside day down and close below the previous day's low is a negative signal. There could be some early pressure today given the market's negative setup with the close below the 2nd swing support. The next downside objective is now at 519. The market is approaching oversold levels on an RSI reading under 30. The next area of resistance is around 546 3/4 and 563 1/4, while 1st support hits today at 524 3/4 and below there at 519.

MINN WHEAT (SEP) 08/16/2024: Momentum studies are rising from mid-range, which could accelerate a move higher if resistance levels are penetrated. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The outside day down and close below the previous day's low is a negative signal. The swing indicator gave a moderately negative reading with the close below the 1st support number. The next upside objective is 606 3/4. The next area of resistance is around 595 and 606 3/4, while 1st support hits today at 577 1/2 and below there at 572.

RICE (SEP) 08/16/2024: Momentum studies trending lower at mid-range should accelerate a move lower if support levels are taken out. A negative signal for trend short-term was given on a close under the 9-bar moving average. The swing indicator gave a moderately negative reading with the close below the 1st support number. The next downside target is now at 14.457. The next area of resistance is around 14.852 and 15.046, while 1st support hits today at 14.558 and below there at 14.457.

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										
CNAU24	375	35.14	35.50	18.66	17.37	379.25	381.75	387.71	405.69	419.28
CNAZ24	397	40.09	39.11	24.38	26.64	399.13	400.17	404.79	420.26	433.48
SSAU24	951 1/2	22.58	25.75	8.21	8.23	955.56	983.92	1010.35	1061.06	1091.80
SSAX24	968 1/2	24.80	27.60	9.47	9.76	971.38	998.06	1020.94	1067.06	1096.19
SMAZ24	307.7	41.45	41.03	23.87	18.45	303.80	313.16	317.22	324.98	334.36
BOAZ24	38.51	22.54	27.70	16.50	11.14	39.24	40.00	41.32	43.52	43.98
WHAU24	528 1/4	39.94	39.89	50.62	47.40	532.13	536.61	535.21	558.67	591.22
WHAZ24	550 1/4	37.54	38.16	46.97	42.54	554.50	559.67	559.00	582.37	615.00
RCAU24	14.705	42.78	44.41	50.21	40.21	14.75	14.94	15.00	15.02	15.16
KWAU24	535 3/4	27.62	32.59	36.07	27.65	544.81	551.33	553.90	574.86	608.05
MWAU24	586 1/4	41.26	40.92	32.91	37.03	590.88	589.36	592.43	609.56	641.04
OTAZ24	305	31.86	37.07	16.60	11.15	306.31	310.89	315.51	319.27	332.06

Calculations based on previous session. Data collected 08/15/2024

Data sources can & do produce bad ticks. Verify before use.

DAILY SWING STATISTICS

Contract		Support 2	Support 1	Pivot	Resist 1	Resist 2
GRAIN COMPLEX						
CNAU24	Corn	368	370 1/2	377	379 1/2	386
CNAZ24	Corn	391	393 1/4	398 1/2	400 3/4	406
SSAU24	Soybeans	943	946 1/4	953 1/2	956 3/4	964
SSAX24	Soybeans	960	963	970 3/4	974	981 1/2
SMAZ24	Soymeal	300.9	304.5	307.3	310.9	313.7
BOAZ24	Soybean Oil	37.67	37.97	38.75	39.04	39.83
WHAU24	Wheat	512	518	532 3/4	538 1/2	553 1/2
WHAZ24	Wheat	534 3/4	540 1/2	554 1/4	560	573 3/4
RCAU24	Rice	14.456	14.557	14.751	14.852	15.046
KWAU24	KC Wheat	519	524 1/2	541 1/4	547	563 1/2
MWAU24	MINN Wheat	572	577 1/2	589 1/2	595	607
OTAZ24	Oats	300 3/4	302 1/2	305 1/2	307 1/2	310 1/4

Calculations based on previous session. Data collected 08/15/2024

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