

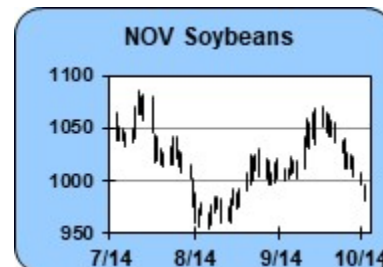
DAILY SOY COMPLEX COMMENTARY

10/17/2024

Strong trading volume and rising open interest bearish

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

OVERNIGHT DEVELOPMENTS: Soybeans (NOV 24) prices overnight are down -9 1/4; Soymeal (DEC 24) down -1.10; and Soyoil (DEC 24) down -0.07. Soybean open interest as of October 16 was up 15,512 contracts, soymeal up 9,519 contracts, and soybean oil up 1,744. Chinese Dalian (JAN 25) Soybeans up 0.25%, Soymeal down 0.17%, Soyoil up 0.41%, Palm oil up 0.47%. Malaysian Palm was down 0.83%.



NEAR-TERM MARKET FUNDAMENTALS: Bean market weakness continued overnight with November prices hitting their lowest level since late August. This week's break is coming on very strong daily trading volume and a significant increase in open interest, which are typically bearish indicators. Argentine and Brazilian rains over the next 10 days will be beneficial and the start of Brazil's monsoon season has stabilized any ideas of a crop decline due to delayed planting. Another reason for the market weakness is the export window for the US to sell beans to China will close soon as Brazil bean harvest will begin in late January. US harvest weather continues to look very good with temperatures warming after the cool weather moves out over the next couple days and mostly dry conditions, except for the Southwest Plains. The speedy harvest has farmers looking for storage and in places where elevators are full, farmers may be forced to sell beans out of the field, adding further pressure to prices. Low-quality beans out of the Delta are having to be mixed with better quality Midwestern beans and that is strengthening Gulf bids for high-quality supplies. EU countries signed off on the proposed EU deforestation rule delay, but parliament still needs to ratify the measure in November. November beans appear to be headed for the contract lows in August at 955. Prices have closed higher twice in the last 14 sessions and technical action suggests weakness will continue.

TODAY'S MARKET IDEAS:

Open interest has risen significantly over the last 3 days as new shorts pile on. The break since late September has offered very minimal rallies to sell and November prices are likely to test the contract lows at 955 before finding significant support. Stochastics is in oversold territory but still pointing to further losses in the near-term.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None

SOYBEAN COMPLEX TECHNICAL OUTLOOK:

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SOYBEANS (NOV) 10/17/2024: 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. The outside day down and close below the previous day's low is a negative signal. The market's close below the 1st swing support number suggests a moderately negative setup for today. The next downside target is now at 961 3/4. Some caution in pressing the downside is warranted with the RSI under 30. The next area of resistance is around 991 1/2 and 1008, while 1st support hits today at 968 1/2 and below there at 961 3/4.

SOYBEAN OIL (DEC) 10/17/2024: The downside crossover (9 below 18) of the moving averages suggests a developing short-term downtrend. Daily stochastics declining into oversold territory suggest the selling may be drying up soon. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The market could take on a defensive posture with the daily closing price reversal down. The close below the 1st swing support could weigh on the market. The next downside target is 40.65. The next area of resistance is around 42.35 and 43.36, while 1st support hits today at 41.00 and below there at 40.65.

SOYMEAL (DEC) 10/17/2024: 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 has a slightly positive tilt with the close over the swing pivot. The next downside target is now at 309.5. The next area of resistance is around 315.8 and 318.0, while 1st support hits today at 311.6 and below there at 309.5.

DAILY CORN COMMENTARY

10/17/2024

Open interest up 75k this week

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

OVERNIGHT DEVELOPMENTS: Corn (DEC 24) prices overnight are down -2. Corn open interest as of October 16 was up 25,913 contracts. Chinese Dalian (JAN 25) Corn was down 0.27%.



NEAR-TERM MARKET FUNDAMENTALS: After the largest one-day sale to Mexico in over a year yesterday, prices have been unable to extend to the upside. Open interest has skyrocketed more than 75,000 contracts this week as new shorts enter the market, which may provide the fuel for a short covering rally once prices find solid support. US harvest weather remains very good with mostly dry conditions, except for the Southwest Plains and 8 to 14 day models show above normal precipitation moving into the Eastern belt. Cool temperatures over the last few days will give way to a warming trend in the 6-10 day timeframe. Weekly ethanol production this morning is expected at 1.046 million barrels, compared to 1.038 last week. Ethanol stocks, which dropped significantly last week, are expected at 22.331 million barrels. Agrimer says French corn stocks are expected to hit 2.42 million tonnes, down from their forecast of 2.60 last month. The Buenos Aires Grain Exchange says unusually strong polar winds could continue to dry out some of the ag growing regions over the next few weeks, however, forecasts indicate an increase in rain for Argentina over the next 10 days. China corn harvest is 70% complete and production expectations are for a 7% drop from last year. But the supply overhang will mitigate the bullishness of a smaller crop. December corn has found support at the 4.00 level this week, but the bear camp may try to push prices down into sell stops below 4.00. While we think the market has reached a fair value price, choppy action may continue until harvest is over due to the drag from lower energy prices and the higher US Dollar.

TODAY'S MARKET IDEAS:

Disappointing price action after yesterday's very large export sale to Mexico is an indication the market is not yet ready for a significant rally. US harvest, South American weather improvements, weak energy prices and the strong US Dollar are all significant negatives. The contract lows in August should be solid but prices could see a quick washout to the downside if the market falls below \$4.00 support. But expect the market to bounce back quickly if that were to happen. We still like probing the long side using futures or call options on any minor weakness.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

CORN TECHNICAL OUTLOOK:

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CORN (DEC) 10/17/2024: The downside crossover (9 below 18) of the moving averages suggests a developing short-term downtrend. 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. It is a mildly bullish indicator that the market closed over the pivot swing number. The next downside target is now at 398 3/4. The next area of resistance is around 407 1/2 and 410, while 1st support hits today at 402 and below there at 398 3/4.

CORN (MAR) 10/17/2024: Daily stochastics declining into oversold territory suggest the selling may be drying up soon. The close below the 9-day moving average is a negative short-term indicator for trend. It is a mildly bullish indicator that the market closed over the pivot swing number. The next downside objective is now at 415 1/4. The next area of resistance is around 423 and 425, while 1st support hits today at 418 and below there at 415 1/4.

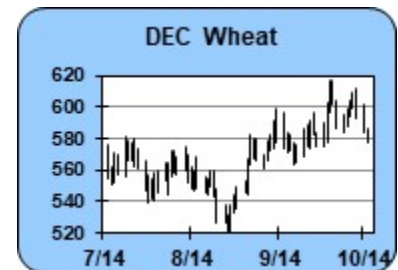
DAILY WHEAT COMMENTARY

10/17/2024

SW US Plains and Black Sea areas see better moisture chances

OVERNIGHT CHANGES THROUGH 6:06 AM (CT):
WHEAT -0.28

OVERNIGHT DEVELOPMENTS: Chicago wheat (DEC 24) prices overnight are down -3; Kansas City (DEC 24) down -2 1/4; and Minneapolis (DEC 24) up 1 3/4. MATIF Milling Wheat(DEC 24) was up 0.2%. Chicago wheat open interest as of October 16 was down 2,875 contracts and Minneapolis wheat was up 2,537 contracts.



NEAR-TERM MARKET FUNDAMENTALS: So far this morning, prices are not seeing any upside follow-through from yesterday's turn higher. Halfway through this month, SRW prices are down 1 cent and HRW up 3 1/2 cents. Rains are on tap this weekend for the dry Southwest Plains and along with some relief in Black Sea wheat areas, prices are finding willing sellers. Once the rain event in the Southwest Plains moves out early next week, the 6 to 10 day outlook shows below normal precipitation moving back into the area. Agrimer says French SRW stocks are now expected at 2.50 million tonnes, down from 2.75 last month. Russia has banned Kazakhstan grain imports but will allow transit of Kazakhstan grain to other countries. The Kazakhstan harvest is expected to be the largest since 2011. Other market moving news is limited today but if Chicago December prices can close higher on the day, technicals would point to a potential move back up to last week's highs. December prices must hold yesterday's low to avoid a further selloff.

TODAY'S MARKET IDEAS:

Southwest US Plains beneficial rains are slated for this weekend which may keep some selling pressure over the market today, however, once the rain event is over by early next week, the dry pattern resumes. Significant moving average support stands at 572 on Chicago December, which held the previous break in mid-September. Speculators can consider buying on a break below 574 today, risking 10 cents.

NEW RECOMMENDATIONS:

None

PREVIOUS RECOMMENDATIONS:

None.

WHEAT TECHNICAL OUTLOOK:

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WHEAT (DEC) 10/17/2024: Stochastics trending lower at midrange will tend to reinforce a move lower especially 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 daily closing price reversal up on the daily chart is somewhat positive. With the close over the 1st swing resistance number, the market is in a moderately positive position. The next downside objective is now at 571. The next area of resistance is around 591 and 595 1/4, while 1st support hits today at 579 and below there at 571.

KC WHEAT (DEC) 10/17/2024: Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. The close below the 9-day moving average is a negative short-term indicator for trend. The daily closing price reversal up is a positive indicator that could support higher prices. It is a mildly bullish indicator that the market closed over the pivot swing number. The next downside target is 575. The next area of resistance is around 593 3/4 and 598 1/4, while 1st support hits today at 582 1/4 and below there at 575.

MINN WHEAT (DEC) 10/17/2024: Declining momentum studies in the neutral zone will tend to reinforce lower price action. The market's short-term trend is negative as the close remains below the 9-day moving average. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The next downside target is 612 3/4. The next area of resistance is around 624 1/2 and 628, while 1st support hits today at 617 and below there at 612 3/4.

RICE (NOV) 10/17/2024: 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 upside closing price reversal on the daily chart is somewhat bullish. The market has a slightly positive tilt with the close over the swing pivot. The next downside target is 14.784. The next area of resistance is around 15.207 and 15.333, while 1st support hits today at 14.933 and below there at 14.784.

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										
CNAZ24	404 3/4	35.03	41.25	37.17	20.41	407.50	415.67	418.18	408.52	407.58
CNAH25	420 1/2	32.68	39.49	34.88	18.20	423.94	432.53	435.46	426.51	425.15
SSAX24	980	23.37	32.94	19.40	8.72	993.13	1010.61	1030.74	1008.81	1012.68
SSAF25	994	21.86	31.75	18.70	7.90	1007.50	1026.83	1047.90	1026.45	1029.96
SMAZ24	313.7	34.50	40.31	16.41	10.71	313.98	318.97	327.02	320.13	319.75
BOAZ24	41.68	41.76	46.30	45.52	29.43	42.34	43.09	43.16	41.28	41.32
WHAZ24	585	46.64	49.81	46.46	33.74	587.19	592.06	591.35	572.67	569.30
WHAH25	605 1/4	45.50	49.32	49.60	35.69	608.75	614.58	612.78	593.04	589.66
RCAX24	15.070	45.73	47.20	34.01	32.89	15.05	15.09	15.14	15.11	15.15
KWAZ24	588	46.05	49.36	56.05	44.79	591.56	599.00	593.82	578.00	576.24
MWAZ24	620 3/4	41.89	46.76	61.62	47.02	626.81	637.06	630.71	615.26	614.08
OTAZ24	379	50.28	54.65	58.91	46.81	377.13	383.64	382.03	356.56	346.33

Calculations based on previous session. Data collected 10/16/2024

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					

CNAZ24	Corn	398 1/2	402	404 1/4	407 1/2	410
CNAH25	Corn	415	418	420	423	425
SSAX24	Soybeans	961 3/4	968 1/2	985	991 1/2	1008 1/4
SSAF25	Soybeans	977 1/2	983 3/4	998	1004 1/4	1018 1/2
SMAZ24	Soymeal	309.4	311.5	313.7	315.8	318.0
BOAZ24	Soybean Oil	40.64	40.99	42.00	42.35	43.36
WHAZ24	Wheat	571	579	583 1/4	591	595 1/2
WHAH25	Wheat	592 1/2	599 1/2	603 3/4	611	615
RCAX24	Rice	14.783	14.932	15.058	15.207	15.333
KWAZ24	KC Wheat	574 3/4	582	586 1/2	594	598 1/4
MWAZ24	MINN Wheat	612 1/2	617	620 1/4	624 1/2	628
OTAZ24	Oats	369 1/2	373 1/2	380 3/4	384 1/2	392

Calculations based on previous session. Data collected 10/16/2024

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