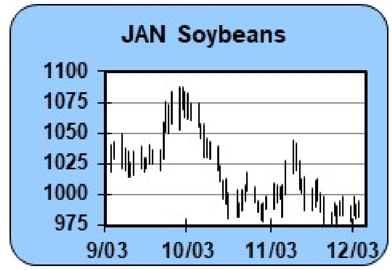
LAKEFRONT FUTURES

DAILY GRAINS COMMENTARY
Friday December 06, 2024

DAILY SOY COMPLEX COMMENTARY
12/6/2024

EU and Mercosur nations finalize trade deal ahead of possible Trump tariffs



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

OVERNIGHT DEVELOPMENTS: Soybeans (JAN 25) prices overnight are up 1/2; Soymeal (JAN 25) down -1.90; and Soyoil (JAN 25) up 0.46. Soybean open interest as of December 5 was up 6,281 contracts, soymeal up 1,975 contracts, and soybean oil up 577. Chinese Dalian (JAN 25) Soybeans up 0.42%, Soymeal down 0.45%, Soyoil up 0.28%, Palm oil down 0.43%. Malaysian Palm was down 0.14%.

NEAR-TERM MARKET FUNDAMENTALS: The soy complex looks to be finishing the week with more sideways action, save for bean oil which made a new 2-week high overnight. Continued strength in Palm oil is supporting bean oil prices but that is about the only bullish news around for beans. Adding further support to bean oil, the Treasury Department seemed to contradict the Biden Administration's indication earlier this week that they would not be offering new biofuel tax credit guidance before Trump's Administration gets in office. Bean oil rallied on the news as Biden's guidance would likely be more friendly for biofuels than Trump's are expected to be. The Buenos Aries Grain Exchange says Argentine bean planting is 53.8% done and conditions are 64% excellent and 36% normal versus last year at this time at 54% and 46%. The South American weather picture remains the same with good conditions in Brazil and drying trend in Argentina for the next 10 days. Brazil's November bean exports were 2.553 million tonnes down 51% from last year's 5.196. Meal exports were 1.75 million tonnes compared to 1.871 last year. US census exports for October were 9.427 million tonnes compared to inspection data of 9.895 million. The EU and the Mercosur block of south American countries are set to finalize a trade deal. Though the deal has been in the works for many years, it appears the two sides wanted to get something done before Trump gets in office, perhaps to use as leverage for any possible future tariffs. There were 50 meal deliveries overnight. While bean oil should see continued support from tightening world vegetable oil supplies, beans on the other hand have bearish fundamentals and it is debatable whether strength in bean oil can keep beans supported enough to avoid a move below the August contract lows about $0.20 lower from today's current prices. The 10-day sideways range between 975-999 may hold until Tuesday's USDA December supply/demand report. There is little reason to expect a significant rally at this time.

The Export Sales Report showed that for the week ending November 28, net soybean sales came in at 2,312,720 tonnes for the current marketing year and 160 for the next marketing year for a total of 2,312,880. Cumulative soybean sales have reached 72.9% of the USDA forecast for the 2024/2025 marketing year versus a 5 year average of 68.7%. Sales need to average 342,000 tonnes per week to reach the USDA forecast.

Net meal sales came in at 276,040 tonnes for the current marketing year and 4,500 for the next marketing year for a total of 280,540. Cumulative meal sales have reached 46.1% of the USDA forecast for the 2024/2025 marketing year versus a 5 year average of 42.1%. Sales need to average 195,000 tonnes per week to reach the USDA forecast.

Net oil sales came in at 19,514 tonnes for the current marketing year and none for the next marketing year. Cumulative oil sales have reached 154.2% of the USDA forecast for the 2024/2025 marketing year versus a 5 year average of 28.3%.

TODAY'S MARKET IDEAS:
Range-bound trade has been the feature all week and there doesn't appear to be any new news today that would suggest a breakout. The November low in January beans at 975 1/4 remains initial support, just above the

contract low from back in August at 973 1/2. This week's high of 999 is first resistance and a breach of that level may encourage some minor short covering with the possibility of a bounce to longer-term moving average resistance at 1019. A rally above that level is unlikely at this time unless South American weather turns stressful.

NEW RECOMMENDATIONS:
None.

PREVIOUS RECOMMENDATIONS:
None

SOYBEAN COMPLEX TECHNICAL OUTLOOK:

Note: Data is collected using the closing values of the previous session and calculations and analysis are run at the same time. Technical commentary is based solely on statistical indicators and does not necessarily correspond to any fundamental analysis that may appear elsewhere in this report. Data sources can and do produce bad ticks that can cause computation errors. Please verify before use.

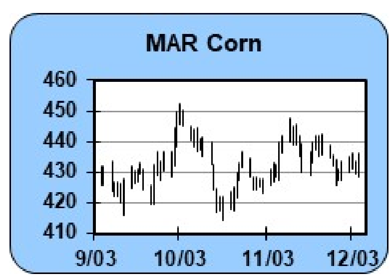
SOYBEANS (JAN) 12/06/2024: Momentum studies are trending higher from mid-range, which should support a move higher if resistance levels are penetrated. The close above the 9-day moving average is a positive short-term indicator for trend. The market setup is supportive for early gains with the close over the 1st swing resistance. The near-term upside target is at 1003 1/2. The next area of resistance is around 1000 and 1003 1/2, while 1st support hits today at 987 1/2 and below there at 978 3/4.

SOYBEAN OIL (JAN) 12/06/2024: Daily stochastics are showing positive momentum from oversold levels, which should reinforce a move higher if near term resistance is taken out. The market's short-term trend is positive on the close above the 9-day moving average. The outside day up is somewhat positive. A positive setup occurred with the close over the 1st swing resistance. The near-term upside objective is at 43.21. Short-term indicators suggest buying pullbacks today. The next area of resistance is around 42.89 and 43.21, while 1st support hits today at 41.73 and below there at 40.88.

SOYMEAL (JAN) 12/06/2024: Momentum studies are trending higher from mid-range, which should support 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 market's close below the pivot swing number is a mildly negative setup. The next upside target is 294.1. The next area of resistance is around 292.5 and 294.1, while 1st support hits today at 289.7 and below there at 288.6.

DAILY CORN COMMENTARY
12/6/2024

UN world food index hits 19 month high in November



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

OVERNIGHT DEVELOPMENTS: Corn (MAR 25) prices overnight are up 3/4. Corn open interest as of December 5 was down 3,074 contracts. Chinese Dalian (JAN 25) Corn was up 0.97%.

NEAR-TERM MARKET FUNDAMENTALS: The corn market saw a nice rally yesterday despite trading volume being well below average. Spillover strength from wheat was a positive factor along with yesterday morning's very strong weekly export sales, which reinforces the idea USDA needs to raise their US export number as current sales are 58% of the USDA total for the year, compared to 46% average for this week. US October corn exports were 4.048 million tonnes, slightly below 4.279 in September and well above last year's 2.773. The UN world food index hit a 19-

month high in November, up 5.7% year-over-year. The UN said global cereal production is estimated at 2.841 billion tonnes, slightly down from 2.848 in their previous forecast. The French corn harvest is 94% complete compared to 98% average. Brazil's November corn exports were only 4.726 million tonnes, well below November of last year at 7.406. The Buenos Aries Grain Exchange says Argentine planting now stands at 47.8% done. March prices made a 2-week high this morning and after holding support this week, the market may be ready for a move to the upside and test of long-term resistance at 451. With seasonal trends positive in December, the path of least resistance looks higher.

The Export Sales Report showed that for the week ending November 28, net corn sales came in at 1,732,394 tonnes for the current marketing year and 22,098 for the next marketing year for a total of 1,754,492. Cumulative sales have reached 57.9% of the USDA forecast for the 2024/2025 marketing year versus a 5-year average of 46.3%. Sales need to average 631,000 tonnes per week to reach the USDA forecast.

TODAY'S MARKET IDEAS:
Corn market strength yesterday suggests prices may continue to bounce into the weekend ahead of next Tuesday's USDA supply/demand report. December 1st notice day as well behind us and the 10-year seasonal suggest positive price action this month. Speculators who bought corn yesterday under 430 can use a sell stop at 423.

NEW RECOMMENDATIONS:
None.

PREVIOUS RECOMMENDATIONS:
Bought March Corn at 429 or better. Move sell stop to 423. Use an objective of 451.

CORN TECHNICAL OUTLOOK:

Note: Data is collected using the closing values of the previous session and calculations and analysis are run at the same time. Technical commentary is based solely on statistical indicators and does not necessarily correspond to any fundamental analysis that may appear elsewhere in this report. Data sources can and do produce bad ticks that can cause computation errors. Please verify before use.

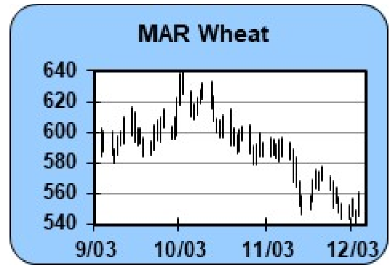
CORN (MAR) 12/06/2024: The major trend could be turning up with the close back above the 60-day moving average. The daily stochastics have crossed over up which is a bullish indication. Momentum studies are trending higher from mid-range, which should support a move higher if resistance levels are penetrated. The intermediate trend could be turning up with the close back above the 18-day moving average. The outside day up and close above the previous day's high is a positive signal. The market's close above the 2nd swing resistance number is a bullish indication. The near-term upside objective is at 441 1/4. The next area of resistance is around 438 3/4 and 441 1/4, while 1st support hits today at 431 1/4 and below there at 426.

CORN (MAY) 12/06/2024: The market now above the 40-day moving average suggests the longer-term trend has turned up. The crossover up in the daily stochastics is a bullish signal. Positive momentum studies in the neutral zone will tend to reinforce higher price action. The market's short-term trend is positive on the close above the 9-day moving average. The outside day up is somewhat positive. 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 near-term upside objective is at 446 1/4. The next area of resistance is around 444 and 446 1/4, while 1st support hits today at 437 and below there at 432.

DAILY WHEAT COMMENTARY

12/6/2024

Trader focus turns to poor Russian conditions



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

OVERNIGHT DEVELOPMENTS: Chicago wheat (MAR 25) prices overnight are up 3/4; Kansas City (MAR 25) up 1/2; and Minneapolis (MAR 25) down -1 1/2. MATIF Milling Wheat(MAR 25) was down -0.1%. Chicago wheat open interest as of December 5 was down 2,313 contracts and Minneapolis wheat was up 3,381 contracts.

NEAR-TERM MARKET FUNDAMENTALS: Yesterday's rally pushed March Chicago prices up to key 20-day moving average resistance which the market has not closed above since October 11. Stats Canada wheat production numbers yesterday morning were slightly below the Reuters pre-report estimates and poor Russian wheat conditions dominated the media headlines, raising fears of tightening global supplies in 2025. Russia raised their export tax for next week by 32% for wheat. Argus estimated Russia's crop at 81.5 million tonnes, unchanged from USDA's number. Ukraine production was estimated at 23.7 million tonnes, compared to 22.4 last year and USDA at 22.90. The Buenos Aries Grain Exchange said Argentine harvest is 48.1% done and better yield reports may push the wheat crop estimates higher. There were 7 deliveries of SRW wheat overnight. October US census exports were 1.423 million tonnes, down from 2.453 in September and up from last year's 1.033. The US Plains will remain dry over the next week, but temperatures will be warming to above normal levels in the 6 to 10 day timeframe and precipitation is expected normal to above normal in the 8 to 14 day outlook. This week's rebound off new contract lows may push prices above moving average resistance today and the shifting focus from US Plains weather to poor Russian conditions is a positive. In our opinion, the odds favor a continuation of the rebound seen over the last few days.

The Export Sales Report showed that for the week ending November 28, net wheat sales came in at 378,232 tonnes for the current marketing year and none for the next marketing year. Cumulative sales have reached 69.2% of the USDA forecast for the 2024/2025 marketing year versus a 5-year average of 65.5%. Sales need to average 175,000 tonnes per week to reach the USDA forecast.

TODAY'S MARKET IDEAS:
The technical outlook for March Chicago wheat has improved after the rebound late this week but so far prices have stalled at initial moving average resistance at 560. A close above that level would suggest a run to 585. The focus on poor Russian crop conditions may push prices above initial resistance today but it's simply too early to say the downtrend is over until we see more chart confirmation.

NEW RECOMMENDATIONS:
None.

PREVIOUS RECOMMENDATIONS:
None.

WHEAT TECHNICAL OUTLOOK:

Note: Data is collected using the closing values of the previous session and calculations and analysis are run at the same time. Technical commentary is based solely on statistical indicators and does not necessarily correspond to any fundamental analysis that may appear elsewhere in this report. Data sources can and do produce bad ticks that can cause computation errors. Please verify before use.

WHEAT (MAR) 12/06/2024: The crossover up in the daily stochastics is a bullish signal. Daily momentum studies are on the rise from low levels and should accelerate a move higher on a push through the 1st swing resistance. 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 target is at 570 1/4. The next area of resistance is around 565 1/2 and 570 1/4, while 1st support hits today at 551 and below there at 541.

KC WHEAT (MAR) 12/06/2024: 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. The market's close above the 9-day moving average suggests the short-term trend remains positive. There could be more upside follow through since the market closed above the 2nd swing resistance. The next upside objective is 564. The next area of resistance is around 560 and 564, while 1st support hits today at 546 1/2 and below there at 536 3/4.

MINN WHEAT (MAR) 12/06/2024: The daily stochastics have crossed over up which is a bullish indication. 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 cross over and close above the 18-day moving average indicates the intermediate-term trend has turned up. The market's close above the 2nd swing resistance number is a bullish indication. The next upside target is 607. The next area of resistance is around 603 3/4 and 607, while 1st support hits today at 593 1/4 and below there at 585 3/4.

RICE (JAN) 12/06/2024: The daily stochastics have crossed over down which is a bearish indication. Momentum studies are trending lower from high levels which should accelerate a move lower on a break below the 1st swing support. 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 now at 15.015. The next area of resistance is around 15.225 and 15.295, while 1st support hits today at 15.085 and below there at 15.015.

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										
CNAH25	435	53.74	52.29	35.18	39.39	432.44	431.89	434.85	432.74	432.73
CNAK25	440 1/2	51.11	50.29	31.22	32.77	438.25	438.39	441.67	440.28	440.95
SSAF25	993 3/4	51.20	48.51	24.64	30.72	988.63	987.28	993.81	1003.93	1015.47
SSAH25	999	48.48	46.20	21.73	26.22	994.25	994.50	1002.60	1015.47	1027.56
SMAF25	291.1	44.53	41.85	29.61	31.16	290.33	291.93	292.04	303.26	309.97
BOAF25	42.31	46.15	45.95	16.11	18.99	41.82	41.76	43.44	43.78	43.26
WHAH25	558 1/4	47.61	43.37	21.56	27.01	550.31	552.92	558.76	584.04	588.74
WHAK25	566 3/4	46.43	42.54	21.10	26.13	559.00	562.28	568.19	594.58	599.38
RCAF25	15.155	54.19	53.65	78.51	77.15	15.22	15.16	15.06	15.03	15.13
KWAH25	553 1/4	45.32	42.21	22.01	25.22	544.31	549.31	555.99	582.19	585.80
MWAH25	598 1/2	48.43	44.28	24.67	28.01	591.44	594.25	597.24	623.76	628.22
OTAH25	364	45.07	46.13	49.36	53.21	373.19	368.44	365.90	375.86	374.56

Calculations based on previous session. Data collected 12/05/2024
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						
CNAH25	Corn	425 3/4	431	433 1/2	439	441 1/4
CNAK25	Corn	432	437	439 1/4	444	446 1/2
SSAF25	Soybeans	978 1/2	987 1/2	991	1000	1003 1/2
SSAH25	Soybeans	984 1/2	993	996 1/4	1005	1008
SMAF25	Soymeal	288.5	289.7	291.3	292.5	294.1
BOAF25	Soybean Oil	40.87	41.72	42.04	42.89	43.21
WHAH25	Wheat	541	551	555 3/4	565 1/2	570 1/2
WHAK25	Wheat	550 1/2	560	564	573 1/2	577 1/2
RCAF25	Rice	15.015	15.085	15.155	15.225	15.295
KWAH25	KC Wheat	536 3/4	546 1/2	550 1/2	560	564 1/4
MWAH25	MINN Wheat	585 3/4	593	596 1/2	604	607 1/4
OTAH25	Oats	347 3/4	353 3/4	368 1/4	374 1/4	388 3/4

Calculations based on previous session. Data collected 12/05/2024
Data sources can & do produce bad ticks. Verify before use.

****This report includes information from sources believed to be reliable and accurate as of the date of this publication, but no independent verification has been made and we do not guarantee its accuracy or completeness. Opinions expressed are subject to change without notice. Any information or recommendation contained herein: (i) is not based on, or tailored to, the commodity interest or cash market positions or other circumstances or characterizations of particular investors or traders; (ii) is not customized or personalized for any such investor or trader; and (iii) does not take into consideration, among other things, risk tolerance, net worth, or available risk capital. Any use or reliance upon the information or recommendations is at the sole discretion and election of the subscriber. The risk of loss in trading futures contracts or commodity options can be substantial, and traders should carefully consider the inherent risks of such trading in light of their financial condition. Any reproduction or retransmission of this report without the express written consent of Lakefront Futures is strictly prohibited.*