



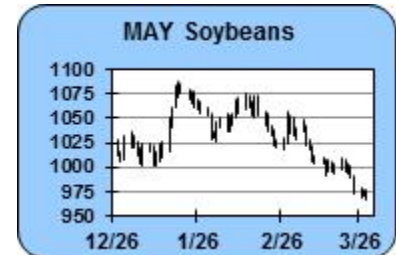
DAILY GRAINS COMMENTARY Thursday March 30, 2017

DAILY SOY COMPLEX COMMENTARY 03/30/17

New low for the move this morning

OVERNIGHT CHANGES THROUGH 6:05 AM (CT):
SOY BEANS -4.0, BEAN OIL -0.4, SOYMEAL -0.1

OVERNIGHT DEVELOPMENTS: May soybeans are trading down 3 3/4 cents this morning. China futures were trading 0.4% lower overnight and the most active contract is down 1.6% so far this week. Palm oil futures in Malaysia were down over 2.0% this morning. Outside market forces are negative with crude oil down 0.22% and the US dollar slightly higher.



NEAR-TERM MARKET FUNDAMENTALS: The soybean market is under pressure again this morning taking leadership from the soybean oil market which is down over 1.0%. May soybeans made a new low for the move at 964 this morning the lowest since October 13th. The average estimate for today's export sales are 350,000 to 700,000 tonnes. The November soybean/December corn ratio closed at 2.534 which is its lowest level since early October. With forecasts of a wet spring up in the Dakotas, spring wheat producers will look to plant more acres to soybeans. With Minneapolis wheat up 8 1/4 cents the trade is well aware of the potential further shift to soybeans.

The managed money trader category continues to shed length prior to the report and could be down to 25,000 contracts from 170,688 on February 14th. The Brazilian basis was down as much as 8 cents yesterday with the size of the Brazilian crop continuing to weigh on cash bids. Argentina's largest labor federation plans a one day strike today which could delay some deliveries into Rosario ports. As of March 28th, the Brazilian vessel lineup showed 124 vessels at major ports in Brazil which is up from 116 last week. Brazilian offers remain cheaper than US and China has been active this week buying Brazilian soybeans. Brazil's March soybean exports total could top 10.0 million tonnes.

TODAY'S MARKET IDEAS:

May soybeans continue lower going into the key Stocks and Plantings report tomorrow. The trade is gearing up for a bearish slant to the report, with March 1 stocks up 150 million bushels from last year and acres at 88.3 million up almost 5 million from a year ago. The market has lost over \$1.00 since January 18th, and bearish sentiment is at 100%. The trade could be setting up for a buy the news type trade on Friday, especially if the report is deemed neutral compared to the average estimates. The stochastics and RSI are depressed and could correct on a neutral report. First support is at 964 3/4 followed by 961 3/4.

NEW RECOMMENDATIONS:

None.

PREVIOUS RECOMMENDATIONS:

None.

SOYBEAN COMPLEX TECHNICAL OUTLOOK:

Note: Technical commentary is based solely on statistical indicators and does not necessarily correspond to any fundamental analysis that may appear elsewhere in this report.

SOYBEANS (MAY) 03/30/2017: 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. It is a slightly negative indicator that the close was lower than the pivot swing number. The next downside target is 961 3/4. With a reading under 20, the 9-day RSI indicates the market is extremely oversold. The next area of resistance is around 973 1/4 and 979, while 1st support hits today at 964 3/4 and below there at 961 3/4.

SOYBEAN OIL (MAY) 03/30/2017: Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. The close below the 9-day moving average is a negative short-term indicator for trend. The daily closing price reversal down is a negative indicator for prices. The market's close below the 1st swing support number suggests a moderately negative setup for today. The next downside target is now at 31.83. The next area of resistance is around 32.45 and 32.79, while 1st support hits today at 31.97 and below there at 31.83.

SOYMEAL (MAY) 03/30/2017: 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. The upside daily closing price reversal gives the market a bullish tilt. With the close higher than the pivot swing number, the market is in a slightly bullish posture. The next downside target is now at 313.3. More downside action may be limited by the RSI under 20 putting the market in extremely oversold territory. The next area of resistance is around 317.1 and 318.6, while 1st support hits today at 314.5 and below there at 313.3.

DAILY CORN COMMENTARY

03/30/17

Exports today, last two weeks have seen good totals

OVERNIGHT CHANGES THROUGH 6:05 AM (CT):

CORN -1.0

OVERNIGHT DEVELOPMENTS: May corn is trading down 1 cent this morning. Dalian corn futures are down 0.77% this morning. Outside market forces look mixed with crude oil down 0.10% and the dollar slightly higher.



NEAR-TERM MARKET FUNDAMENTALS: May corn has seen a fairly quiet trade overnight in light volume. The open interest went up 12,695 contracts yesterday which could be end user type buyers ahead of the report tomorrow. The export sales estimates for today are 850,000 to 1.3 million tonnes. The market traded up to a five session high at 360 3/4 yesterday, with corrective action from technically oversold readings. China may release corn from their reserves in order to alleviate high prices in the country's southern ports. The recent reduction in corn planted area has caused domestic cash corn prices in the southern port of Shenzhen to rise to levels not seen since last year. Heavy rains falling in the southern Corn Belt is slowing early planting, but most producers welcome the moisture prior to seeding. Rains in Argentina need to be monitored closely as harvest progress will be slowed and possibly some low lying crop damage. Ethanol production for the week ending March 24th averaged 1.054 million barrels per day. This is up 0.96% vs. last week and up 6.25% vs. last year. Stocks as of March 24th were 23.257 million barrels which is the highest level since March 2016, as well as being up 2.93% vs. last week and up 1.02% vs. last year.

TODAY'S MARKET IDEAS:

End user interest is improving with prices at two month lows and this is no surprise, especially going into a volatile government report tomorrow. Last year, on the day of the March stocks and planting report, May 2016 corn traded down to a 347 1/2 low and three weeks later traded to a high of 402. Volatility is the only thing we can be certain of for Friday. The slow stochastics gave a buy signal from deeply oversold levels on Tuesday and continue to track higher yesterday. A bounce to 360 1/2 to 362 3/4 is possible prior to Friday's report.

NEW RECOMMENDATIONS:

None

PREVIOUS RECOMMENDATIONS:

Long 2 May Corn 400 calls for a net cost of 3 1/2 cents each after exiting May futures for a loss of 13 cents.

CORN TECHNICAL OUTLOOK:

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CORN (MAY) 03/30/2017: Rising from oversold levels, daily momentum studies would support higher prices, especially on a close above resistance. A negative signal for trend short-term was given on a close under the 9-bar moving average. The market has a slightly positive tilt with the close over the swing pivot. The near-term upside objective is at 362 3/4. The next area of resistance is around 360 1/2 and 362 3/4, while 1st support hits today at 356 1/2 and below there at 354 1/2.

DAILY WHEAT COMMENTARY

03/30/17

Minneapolis wheat with a new high overnight

OVERNIGHT CHANGES THROUGH 6:05 AM (CT):

WHEAT -1.4

OVERNIGHT DEVELOPMENTS: May wheat is down 3/4 cents this morning. Outside market forces are slightly negative with crude oil lower and the dollar up slightly. MATIF futures are trading down 0.15% 166.00 Euro.



NEAR-TERM MARKET FUNDAMENTALS: May wheat traded to a five session high of 427 1/2 yesterday. The market has traded slightly lower this morning in light volume. The average estimate for today's weekly export sales are 250,000 to 600,000 tonnes. The open interest went down 1,478 contracts yesterday with short covering noted. In export business, Algeria bought as much as 200,000 tonnes of durum from US and Canada, Tunisia is tendering for 100,000 tonnes of soft wheat and Jordan is tendering for 50,000 tonnes of wheat from Black Sea region exporters. Turkey and Russia will be holding talks soon to try and smooth over the recent trade issues that have halted wheat exports to Turkey. Continued rains are falling in the hard red winter wheat belt favoring the Northern regions with Colorado, Nebraska and the Dakotas getting beneficial moisture after Texas, Oklahoma and Kansas received excellent coverage and amounts earlier in the week. The Minneapolis spring wheat market closed 8 1/4 cents higher yesterday and traded up over 3 cents this morning on concerns of further shifts of spring wheat acres to soybean acres in the Dakotas due to a probable wet spring and also the economic advantage in planting soybeans over spring wheat.

TODAY'S MARKET IDEAS:

May wheat was able to close higher for the second day in a row yesterday. With the large speculative short interest, breaks below 420 should find support from these traders. For Friday's USDA report March 1st stocks estimate is at 1.627 billion bushels, 255 million bushels above last year. A number that large would make it difficult for the bull camp. But, to put it into perspective, the May 2016 contract was trading at 475 last year going into the March 31st report, so much of the bearish sentiment could already be baked into prices. The next support level for May wheat is at 423 followed by 420 1/4.

NEW RECOMMENDATIONS:

None

PREVIOUS RECOMMENDATIONS:

Long the July Wheat 470/540 bull call spread from 12 1/2 cents with an objective of 29 cents. Risk to 6 cents.

WHEAT TECHNICAL OUTLOOK:

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WHEAT (MAY) 03/30/2017: Rising from oversold levels, daily momentum studies would support higher prices, especially on a close above resistance. The market's short-term trend is negative as the close remains below the 9-day moving average. It is a mildly bullish indicator that the market closed over the pivot swing number. The next upside objective is 430 1/4. The next area of resistance is around 428 and 430 1/4, while 1st support hits today at 423 and below there at 420 1/4.

KC WHEAT (MAY) 03/30/2017: 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. It is a slightly negative indicator that the close was lower than the pivot swing number. The next downside objective is now at 418. The market is approaching oversold levels on an RSI reading under 30. The next area of resistance is around 426 1/2 and 429 3/4, while 1st support hits today at 420 1/2 and below there at 418.

MINN WHEAT (MAY) 03/30/2017: The daily stochastics gave a bullish indicator with a crossover up. 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. 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 next upside target is 550 1/2. The next area of resistance is around 547 3/4 and 550 1/2, while 1st support hits today at 538 3/4 and below there at 532 1/4.

RICE (MAY) 03/30/2017: The cross over and close above the 60-day moving average is an indication the longer-term trend has turned positive. Momentum studies trending lower at mid-range should accelerate a move lower if support levels are taken out. A positive signal for trend short-term was given on a close over the 9-bar moving average. Market positioning is positive with the close over the 1st swing resistance. The next downside target is 9.703. The next area of resistance is around 9.935 and 9.982, while 1st support hits today at 9.795 and below there at 9.703.

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										
CNAK7	358 1/2	37.19	38.80	11.05	14.08	357.06	359.56	363.71	370.91	370.30
CNAZ7	382	38.92	40.27	13.73	16.42	380.81	382.86	385.97	391.34	390.79
SSAK7	969	16.04	24.36	7.80	6.14	972.06	986.67	999.25	1028.01	1032.08
SSAX7	968	20.56	27.50	10.31	6.67	972.06	984.83	994.36	1009.01	1009.18
SMAK7	315.8	19.20	26.79	6.30	5.09	316.15	321.12	325.47	334.65	334.14
BOAK7	32.21	38.77	39.85	34.56	31.83	32.30	32.68	32.80	33.59	34.11
WHAK7	425 1/2	39.53	40.56	11.74	15.08	423.88	425.75	433.96	442.91	441.75
WHAN7	438 1/2	36.66	38.84	10.48	12.19	437.56	440.33	448.90	456.97	455.90
RCAK7	9.865	58.24	55.61	68.22	66.78	9.80	9.82	9.75	9.75	9.82
KWAK7	423 1/2	26.00	31.55	8.14	7.77	424.19	432.69	444.85	455.26	454.18
MWAK7	543 1/4	53.22	49.95	36.57	39.38	536.75	540.11	539.26	549.59	550.71
OTAK7	231 1/4	27.22	34.69	39.07	20.93	238.25	245.22	246.04	247.26	244.92

Calculations based on previous session. Data collected 03/29/2017

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						
CNAK7	Corn	354 1/4	356 1/2	358 1/2	360 1/2	362 3/4
CNAZ7	Corn	378	380	382	384	386
SSAK7	Soybeans	961 1/2	964 1/2	970 1/4	973 1/2	979

SSAX7	Soybeans	960 1/2	963 1/2	969 3/4	972 1/2	979
SMAK7	Soymeal	313.2	314.4	315.9	317.1	318.6
BOAK7	Soybean Oil	31.83	31.97	32.31	32.45	32.79
WHAk7	Wheat	420 1/4	423	425 1/4	428	430 1/4
WHAN7	Wheat	433 3/4	436	438 1/2	441	443 1/4
RCAK7	Rice	9.702	9.795	9.842	9.935	9.982
KWAK7	KC Wheat	418	420 1/2	424	426 1/2	430
MWAK7	MINN Wheat	532 1/4	538 1/2	541 1/2	548	550 3/4
OTAK7	Oats	226	228 1/2	231 1/2	234	237

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