

LAKEFRONT

FUTURES

March 6, 2026

THIS ISSUE

Near Term:

Bullish: Corn
S&P
Bonds
Japanese Yen

Bearish: Wheat
Copper

Other:

The US Does Not Need to Tap the Crude Oil SPR.

MAJOR ECONOMIC EVENTS

March 9

- Chinese CPI/PPI

March 10

- Japanese GDP
- Chinese Trade Balance
- Existing Home Sales

March 11

- Consumer Price Index

March 12

- International Trade Balance
- Housing Starts
- Jobless Claims

March 13

- Canadian Unemployment
- Gross Domestic Product
- Durable Goods
- Personal Income
- JOLTS Survey
- Consumer Sentiment

Economic Focus

While the “fog of war” can cloud rational thought, the markets have probably overblown concerns about a long-lasting battle in the Persian Gulf and have also likely overstated the threat of spiraling inflation. Energy markets are embracing the idea of protracted fighting, a complete halt to Middle East oil exports, and very little negative impact on demand from deteriorating global psychology. However, extremely disappointing US nonfarm payroll data in February and the weakest Chinese government growth target since 1991 are major arguments for softening energy demand. We do not see any major surprises from the first full week of aggression that would suggest US officials' predictions of a two-week operation will be wrong. Nonetheless, crude oil prices above \$90 per barrel are fueling spiraling inflation concerns, which should have negative repercussions for equities, foreign currencies, and Treasuries.

On the other hand, Treasuries have become significantly oversold from a technical perspective, and much weaker-than-expected US nonfarm payrolls data suggest that

Treasury traders have overpriced the bearish case. With respect to gold and silver, the bull camp has been severely wounded with sizable corrective action following the launch of US attacks, and by Iran attacking 12 countries (many of which were not adversaries). We see bearish economic and financial market sentiment reaching an extreme over the next week, and we expect reversal action in financial markets, a resumption

of declines in gold and silver, and increasing pressure on industrial metals. While the grain markets face spotty dryness in South America, significant incoming precipitation in the southern Plains, the lower Midwest, and into the Eastern US growing belts, a surging US dollar, and severe short-term overbought technical conditions could subject soybeans, wheat, soybean oil, and corn to corrective action in the coming week.



OVERVALUED/UNDERVALUED

Fundamental	Technical	COT
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OVERVALUED

Crude Oil	Soybeans	Hogs
Wheat	Crude Oil	Cattle
Natural Gas	Soybean Oil	Soybean Oil

UNDERVALUED

Bonds	Japanese Yen	Sugar
Japanese Yen	Cocoa	Cotton
Notes	Soybean Meal	Notes

OUR OPINION... MARKET BY MARKET

Market		*
Stocks	Avoiding major losses highlights residual bullishness.	L
Bonds	Looking for key low; inflation & growth nearly priced.	L
Dollar	Flight to quality inflows are overdone.	S
Euro	Dismal GDP & \$ gains to limit corrective bounces.	L
Gold	A failure to fully rekindle historic rally signals a top.	S
Silver	A failure to fully rekindle historic rally signals a top	S
Copper	Massive supply builds, lower Chinese growth target.	S
Crude	Supply disruption fears are severely overblown.	S
Gasoline	Severely overbought; exaggerated supply concern.	S
Nat Gas	Sell rallies; North America severe cold likely over.	S
Soybeans	Vegoiil support could falter is crude oil pulls back.	L
Corn	Funds building net long, open interest rise bullish.	L
Wheat	Food security concern, but prices reaching tech obj.	S
Hogs	Limited upside follow thru, trend remains higher.	L
L Cattle	Stock mkt pressure forces late-week long liquidation.	L
Sugar	Ethanol demand should improve with \$90+ crude oil.	L
Coffee	Brazil 26/27 production may fall short of estimates.	L
Cocoa	El Nino, fertilizer shortage will hurt 26/27 output.	L
Cotton	Dollar pullback will strengthen US export outlook.	L

* For traders/commercials who need to be in a market, L = Long, S = Short, N = Neutral
 These reflect our opinions for the next 7 days. They may contradict longer term viewpoints expressed elsewhere in this publication.

OPTIONS SCAN

Undervalued

Buy May Soybean 1150/1120 bear put @ 7

Buy May Crude Oil \$72.00/\$66.00 bear put @ 1.70

Buy May Soybean Oil 66.00/60.00 bear put @ 2.20

Overvalued

Sell April Gold \$6,200 call @ \$55.00* (High Risk)**

Sell April Silver \$104 call @ \$1.28* (High Risk)**

Sell April Crude Oil \$108 call @ 37.00* (High Risk)**

Trend Reversals

Buy April Natural Gas \$3.00 put @ 0.100

Buy April Bond 116.00 call @ 0-60

Buy May Wheat 580/550 bear put @ 11

Only use these strategies during periods of high liquidity.

* When selling options, only risk to double the premium received.

*** High Risk Traders Only! Extremely Volatile Market!

TRADERS TOOLBOX

UPDATES TO PRIOR LONGER-TERM TRADE STRATEGIES

Original Trade Date	Trade	Action
Gold 2/6/26	Long an April Gold \$4,600/\$4,200 bear put spread at 18.10.	Use an objective of 300.00, and risk the option spread premium to 6.50.
Crude Oil 2/20/26	BOUGHT a May Crude Oil \$64.00 put at 2.42.	HIT PROTECTIVE STOP at 1.60 for a loss of 0.82 on the strategy.
S&P 3/6/26	BUY a March S&P 6,770/6,875 bull call spread at 50.00.	Use an objective of 150.00, and risk the trade to 25.00.
Bonds 3/6/26	BUY June Treasury Bonds at 114-17.	Use an objective of 116-21, and risk the trade to 113-31.
Copper 3/6/26	BUY a May Copper \$5.50/\$5.40 bear put spread at 0.0250.	Use an objective of 0.0600, and risk the trade to 0.0160.

Trade recommendations are only suggestions. This is not to be construed as a trading system or tracking account. No representation is being made that any account will or is likely to achieve profits or losses to those shown. By reading or following this report, you acknowledge and accept that all trading decisions are your own sole responsibility, and The Hightower Report or anybody associated with The Hightower Report cannot be held responsible for any losses that are incurred as a result. Trade fills are hypothetical. Traders may not be able to enter or exit the trades exactly at the prices indicated due to liquidity or market slippage.

S&P 500, BONDS, AND COPPER

Equities

We think the market has become “too negative” about the duration of Persian Gulf hostilities, and we also think US equities could hit significant lows soon. However, definitive disappointment from the nonfarm payroll report, spiraling fears of inflation, very little hope for Federal Reserve support at the March FOMC meeting, and the likelihood that significant fighting will continue for at least another week suggest traders need to wait for a sharp range-down washout in stocks. Investors remain disappointed with AI profitability prospects following news that a major AI defense contractor was declared a “supply chain risk” by the Pentagon. In addition, China is stepping up government support of its AI industry (which means US companies will not be able to totally dominate), and the environment for equities is negative with signs of a softer US jobs market, while prospects of help from the Fed are nearly nonexistent. On the other hand, we see the US running out of targets and expect Iran’s offensive capacity to be nearly extinguished within the two weeks of operations predicted by US officials. However, predicting an end to increased global anxiety is extremely difficult and has the potential for significant adversity if wrong!

Therefore, we suggest that would-be buyers require a major range down extension in the June S&P contract below 6,650 before approaching the long side.

Treasuries

Given the recent significant losses in US Treasury bonds, a disappointing (and concerning) monthly nonfarm payroll report, and runaway expectations of resurgent, spiraling inflation, we think bonds are both technically and fundamentally oversold. A loss of 92,000 jobs in February shifts a “Goldilocks economy” into one that appears to be faltering. While we acknowledge a growing case for a resurgence of spiraling inflation, energy markets have likely factored in a “full stop” to Middle Eastern crude oil exports, and we think the US Navy will soon exercise complete control over the Strait of Hormuz. In other words, inflation concerns should moderate, and Treasuries should begin to reflect a weakening US economy. With Treasury bond prices posting a high-to-low slide of 3 3/4 points this week, we see an opportunity to “buy weakness” directly ahead.

Copper

While the copper market has shown extremely stubborn bullishness over the last year, driven by consistent expectations of unending, dramatic supply-and-demand deficits, that argument has been completely extinguished by the surge in global copper exchange warehouse inventories. Current Shanghai exchange

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S&P 500, BONDS, AND COPPER

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copper warehouse inventories are at a record level, up by more than 50% in just two weeks. With global copper warehouse inventories surging, the argument for severe supply chain shortages stemming from an accident at Indonesia's Grasberg Mine has shifted from supportive to patently bearish. In addition to dramatically negative supply conditions, seeing the Chinese government's growth target pegged at the lowest level since 1991 severely undermines demand prospects for the world's largest copper consumer. Recent COT speculative positioning in copper has held near record-high net long levels, creating the potential for significant stop-loss selling on a violation of long-held key consolidation support in May copper around \$5.70.

With copper option premiums remaining elevated, we suggest traders wait for a corrective bounce in May copper back above \$6.00 to implement bear put spreads.

Suggested Long Term Trading Strategies

- 1) **BUY** a March S&P 6,770/6,875 bull call spread at 50.00 with an objective of 150.00. Risk the trade to 25.00.
- 2) **BUY** June Treasury Bonds at 114-17 with an objective of 116-21. Risk the trade to a tight risk of 113-31.
- 3) **BUY** a May Copper \$5.50/\$5.40 bear put spread at 0.0250 with an objective of 0.0600. Risk the trade to 0.0160.

Global Copper Warehouse Stocks
Tonnes



TOP 12 AMMONIA PRODUCERS

In addition to a shutdown of crude oil and petroleum product exports, the Persian Gulf conflict has also raised concern over a potential global shortage of fertilizers later this year.

Courtesy of the USGS, here are the 12 largest producers of fixed nitrogen/ammonia during 2025 (in tonnes):

China	49,000,000
India	15,000,000
Russia	15,000,000
USA	14,000,000
Indonesia	6,000,000
Saudi Arabia	5,200,000
Iran	4,800,000
Egypt	4,000,000
Canada	3,800,000
Pakistan	3,800,000
Trinidad & Tobago	3,300,000
Qatar	3,000,000

GRAIN/SOY MARKET UPDATE AND WASDE PREVIEW

Corn Accelerates Higher on Energy Strength and Acreage Uncertainty

Corn prices made an important bullish shift this week, as the market benefited from being the cheapest of the major grains while investors are increasingly focused on global food security concerns. Strong energy markets have also supported corn through the ethanol sector, helping push prices to their highest levels of 2026. Open interest expanded sharply during the last half of the week, suggesting Managed Money traders may be building long positions after entering last week with only a modest short exposure. New-crop December corn has led the advance, reaching its highest level since May 2024. Part of the optimism stems from concerns that tightening global fertilizer supplies could reduce U.S. and international corn acreage more than previously expected.

Despite the bullish tone, several risks remain. The recent rally could reduce U.S. export competitiveness, particularly with the U.S. dollar holding near its strongest levels of the year. In addition, the Trump Administration has expressed concern about rising energy prices and could attempt to temper crude oil markets, creating potential headline risk for grain markets. Weather will also become increasingly important next week, as forecasts call for beneficial moisture across the central and eastern Midwest and the Delta, which could ease spring soil moisture concerns.

Next week's USDA supply and demand report is expected to show U.S. corn ending stocks near 2.136 billion bushels, only slightly above February's estimate of 2.127 billion. Major balance sheet revisions are unlikely, leaving the March acreage report as the next key fundamental catalyst. Corn's technical outlook has turned decisively positive, especially for new crop, and the fight for spring acres may push December corn to the major upside objective in the \$5.00 area.

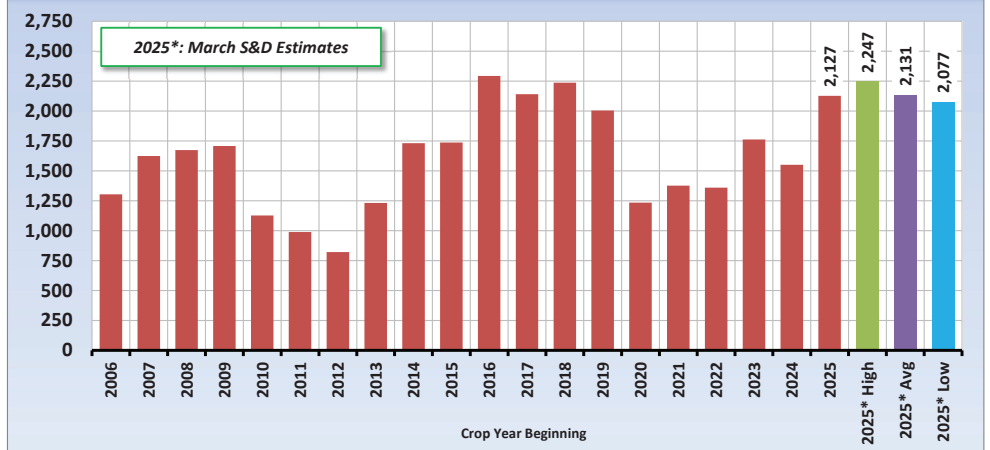
Suggested Trading Strategy

BUY December Corn futures on a pullback to 474. Risk 10 cents on the trade. Use an upside objective of 499.



US Corn Ending Stocks

Million Bushels



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GRAIN/SOY MARKET UPDATE AND WASDE PREVIEW

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Wheat Surges on War Premium Despite Ample Supplies

Wheat futures surged late this week, hitting new eight-month highs as geopolitical tensions added a fresh war premium to prices. Wheat has historically been the grain most sensitive to Middle East conflict because many countries across the region rely heavily on imported supplies. As tensions rise, concerns about food security and potential shipping disruptions often push prices higher.

However, underlying supply fundamentals remain far less supportive. Global wheat exports have been relatively slow in early 2026, and ample inventories remain available from major exporters in the Black Sea region, particularly with Russia. If geopolitical tensions stabilize and shipping routes return to normal, those supplies could quickly re-emerge as a bearish influence. Weather conditions in the United States are also improving. Increased soil moisture across key Hard Red Winter and Soft Red Winter wheat regions should support crop development in the weeks ahead.

Next week's USDA report is expected to show only minor adjustments, with U.S. ending stocks projected to decline slightly from 931 million bushels to around 926 million. For now, wheat's rally appears driven primarily by geopolitical risk and technical momentum rather than tightening global supply. May Chicago is approaching significant technical resistance, and we prefer a low-risk bearish option position to capitalize on a pullback and a refocus on plentiful global supplies.

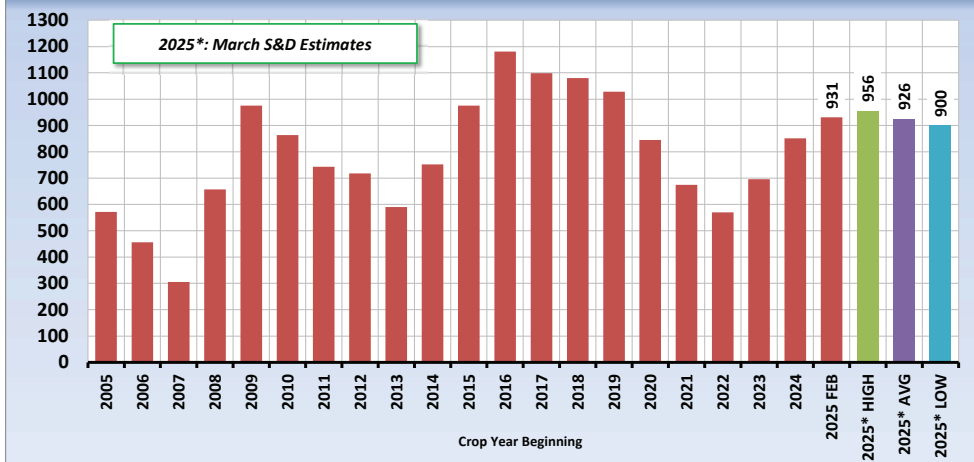
Suggested Trading Strategy

Option Trade: **BUY** the May Chicago Wheat 610/560 bear put spread at net cost of 21 cents. Risk 12 cents of the 21-cent premium. Take profits if May futures fall to 562.



US Wheat Ending Stocks

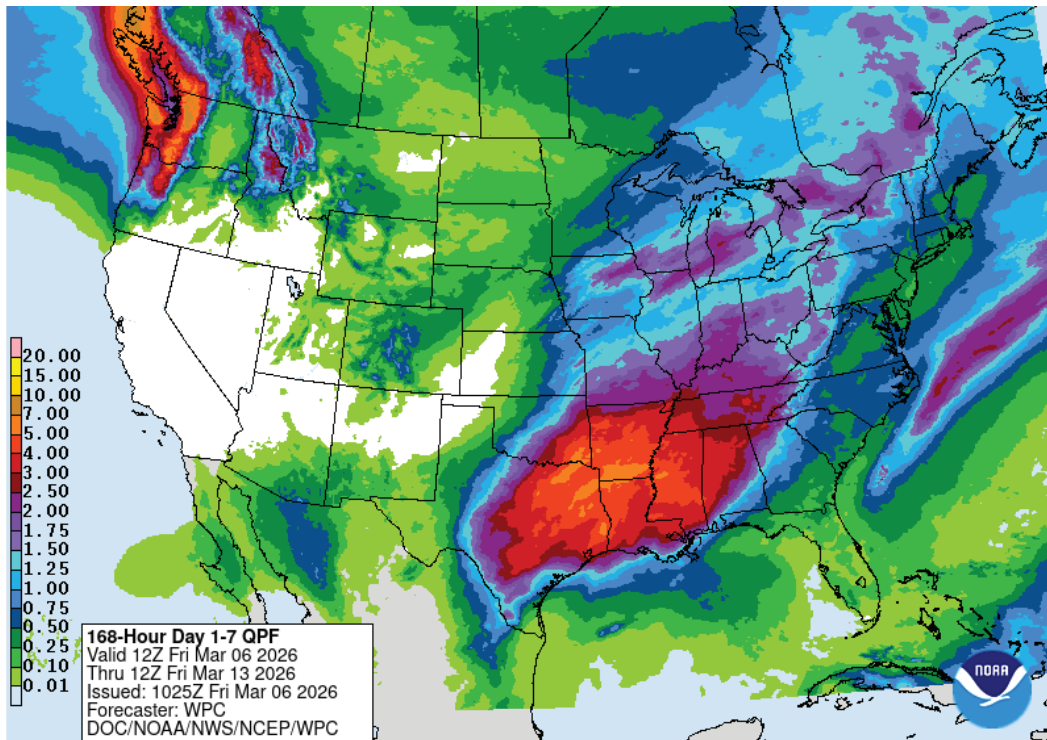
Million Bushels



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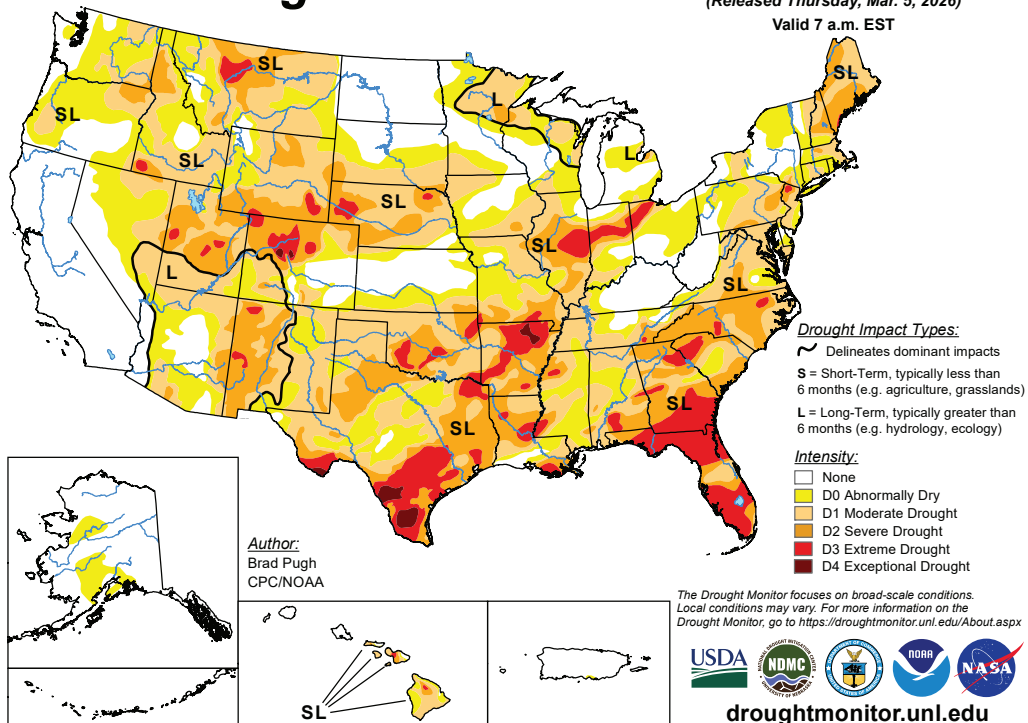
GRAIN/SOY MARKET UPDATE AND WASDE PREVIEW

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U.S. Drought Monitor

March 3, 2026
 (Released Thursday, Mar. 5, 2026)
 Valid 7 a.m. EST



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GRAIN/SOY MARKET UPDATE AND WASDE PREVIEW

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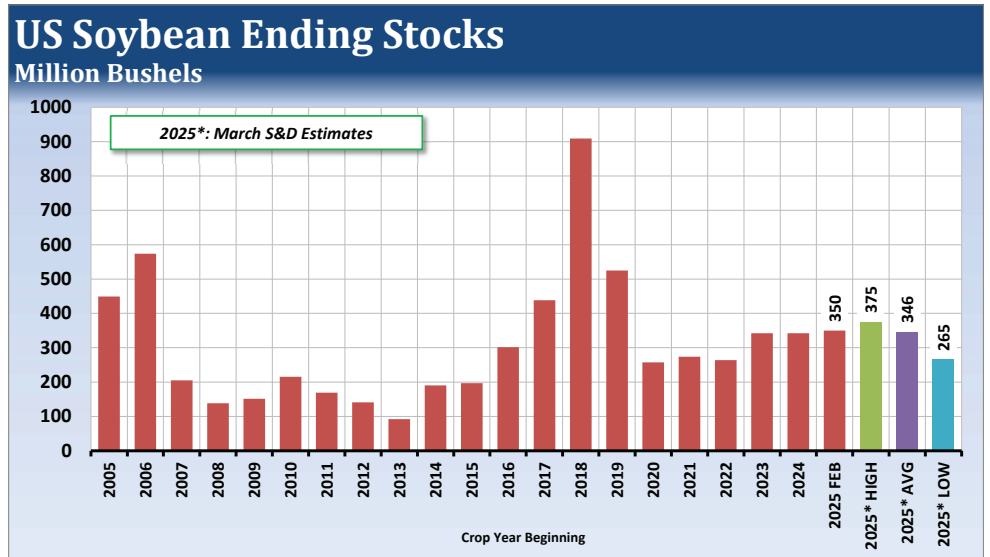
Bean Oil Strength Lifts Beans to a 21-Month High

Strength in global vegetable oil markets has been a major driver behind the recent soybean rally, pushing May futures to their highest level since spring 2024. The soy complex has been supported by this week's sharp rally in crude oil, while new-crop November beans have posted steady or higher daily lows for 11 consecutive trading sessions, highlighting strong technical momentum. Periods of heightened geopolitical uncertainty often trigger capital rotation from financial assets into physical commodities, particularly towards food and energy markets. That dynamic appears to be developing across the grain and oilseed sector as global food security concerns intensify.

Traders are also closely watching the planned early-April summit between the United States and China. Some market participants remain hopeful that renewed dialogue could result in additional Chinese soybean purchases. However, the stronger the rally in U.S. prices, the less competitive American beans are relative to South American supplies, meaning any Chinese buying would likely be politically motivated rather than purely economic. Technically, soybeans remain strong, but the rally has become increasingly tied to the energy complex. A meaningful pullback in crude oil could quickly weaken the soy complex, particularly soybean oil, which has been leading the advance.

Attention this coming week turns to the USDA's March supply and demand report. Analysts expect U.S. soybean ending stocks to edge slightly lower to around 344 million bushels from 350 million last month, while global stocks could also decline modestly. However,

the USDA may choose to leave the balance sheet largely unchanged until trade clarity emerges after the Trump-Xi meeting. The March 31 planting intentions report may ultimately carry much greater influence, as the recent price rally could encourage farmers to shift marginal acres toward soybeans. We do not think it is time yet to step in front of the rally.



JAPANESE YEN SETTING UP FOR AN UPSIDE MOVE

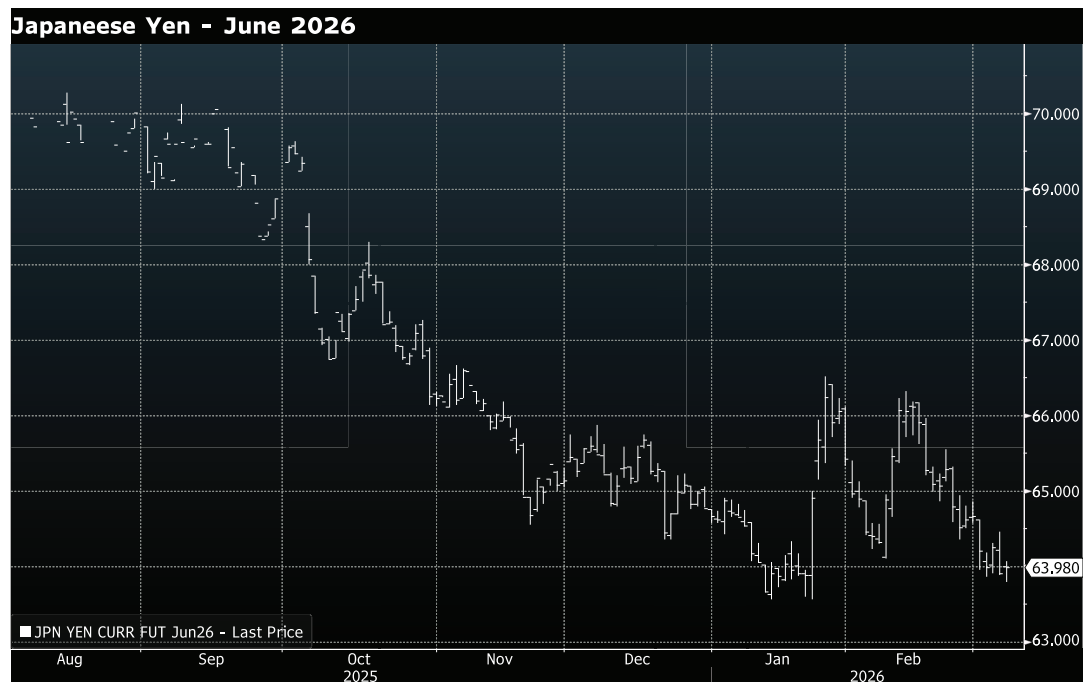
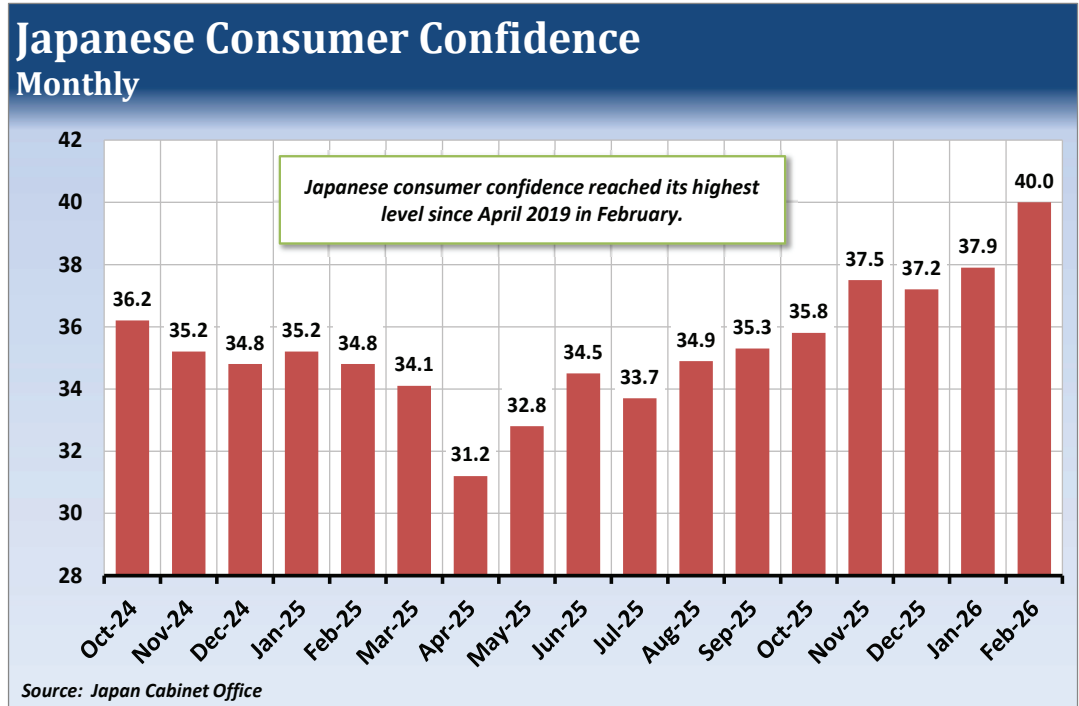
Following this week's safe-haven inflows, the Dollar's 2026 rebound has run out of steam in the wake of disappointing US jobs data. There may be further upside if the Persian Gulf conflict continues, but the Dollar is already showing signs of being top-heavy at these levels. Once hostilities cease, the Dollar is likely to have a sizable pullback, and the Japanese Yen is likely to be a major beneficiary.

Suggested Trading Strategy

BUY a May Japanese Yen 65.00/68.00 bull call spread at 0.44 with an objective of 2.20. Risk the entire option spread premium on the strategy.

Japanese consumer confidence was improving before the Middle East conflict began, with February's 40.0 reading the highest result since April 2019. If Middle East hostilities can conclude over the next few weeks and the region stabilizes enough to allow for reliable crude oil shipping, energy prices will decline, and that should keep the Bank of Japan in a hawkish policy stance. In contrast, the Federal Reserve is likely to shift to a more dovish stance to support the US economy once fighting in the Persian Gulf concludes.

Japan imports most of its crude oil from the Middle East, so a likely post-conflict decline in energy prices will clearly benefit the Japanese economy. With lower energy prices, Japan's Ministry of Finance will have more confidence in intervening to support the Japanese Yen. With the Bank of Japan expected to hike benchmark Japanese rates next month, the Japanese Yen could climb well clear the January lows and the 39-year lows reached in July of 2024.



THE US DOES NOT NEED TO TAP THE CRUDE SPR

This week's massive rally in petroleum complex prices has prompted calls for the Department of Energy to begin drawing down crude oil supply from the Strategic Petroleum Reserve (SPR). As of last Friday, SPR crude oil holdings were 415.441 million barrels. While the SPR has not seen inflows in three of the past five weeks, it is at its highest level since September 2022 and well above the 43-year low of 346.758 million barrels reached in early July 2023.

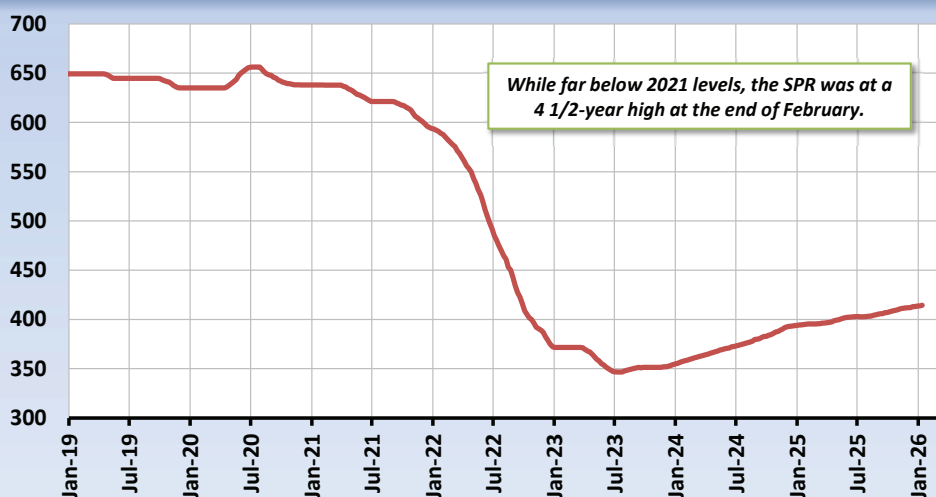
The last major longer-term SPR withdrawal came during 2022 and 2023 following Russia's invasion of Ukraine. Despite calls during the 2024 Presidential campaign to rebuild the SPR, crude oil holdings have risen by only 20.875 million barrels since the start of the Trump Administration in January 2025. In contrast to recent levels, the SPR stayed above 600 million barrels from May 2003 through December 2021 and reached an all-time high of 726.617 million barrels in January 2010.

The US is in much better shape than nations such as India, which depend on Persian Gulf crude oil for their refinery feedstock. The latest reading on US crude oil production was 13.696 million barrels per day (bpd), a 4-month low but only mildly below the record high of 13.853 million bpd in December. In comparison, during 2009-2010, when the SPR was close to or at record highs, US crude oil production was around 5.4 to 5.5 million bpd.

With domestic production more than doubling over the past 15 years, the US no longer needs to import as much crude oil. From 2003 to 2008, the US consistently recorded weekly crude oil imports above 10 million bpd. In contrast, US crude oil imports averaged 6.578 million bpd during February, with most of that supply arriving in pipelines from Canada (averaging 3.994 million bpd). Last month, crude oil imports from Saudi Arabia were 542,000 bpd while imports from Iraq were 234,000 bpd.

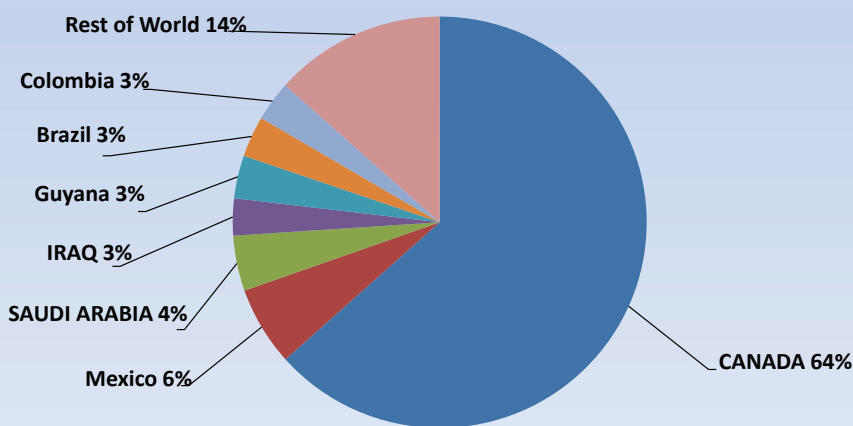
While domestic grades may be more difficult for some refineries to process, US crude oil exports averaged 4.160 million bpd during February, a portion of which could be diverted toward domestic needs. US non-SPR crude oil stocks were at 439.279 million barrels, the highest since May. There may be some temptation to release SPR supply to deflate domestic fuel prices, but from a "strategic" standpoint, the US does not need to draw down the SPR anytime soon.

U.S. Strategic Petroleum Reserve Million Barrels/Weekly



Source: EIA

U.S. Crude Oil Imports 2025 Total by % Share



Source: EIA



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COMMITMENTS OF TRADERS

Data As of March 3, 2026
 Non-Commercial & Non-Reportable
 Combined Futures & Options

Market	Net Position	Net Change	4-Wk Net Change	52-Wk Ranking
Grains				
CBOT Grains	182,106	76,793	202,234	49
Corn	32,348	72,185	94,852	42
KC Wheat	-2,230	-8,454	20,220	51
Minn Wheat	7,215	11,412	21,267	52
Rice	-3,965	-692	-1,837	32
Soybeans	176,357	10,396	59,731	46
Soyoil	78,232	10,303	33,356	47
Soymeal	87,654	18,813	67,715	52
Wheat	-26,599	-5,788	47,651	51
Livestock				
Cattle	100,336	-7,809	-497	10
Feeder Cattle	5,356	-2,634	-2,672	9
Hogs	114,629	8,334	-8,863	33
Metals				
Copper	69,732	-2,911	8,750	45
Gold	203,812	-2,327	8,969	4
Platinum	20,052	479	1,677	10
Silver	39,057	-337	-1,783	1
Softs				
Cocoa	-15,776	-4,927	1,064	4
Coffee	11,361	-545	-3,788	1
Cotton	-25,468	654	24,197	46
Milk	-6,355	-342	524	41
OJ	1,510	55	-211	20
Sugar	-235,422	8,936	-4,276	3
Currencies				
Canadian	21,772	-6,268	3,842	50
Dollar	-5,257	-2,638	-3,189	20
Euro	133,248	-51,111	-78,098	19
Energies				
Crude Oil	301,856	12,401	78,429	50
Gas (RBOB)	105,703	-6,041	1,343	49
Heating Oil	43,932	3,063	4,809	37
Natural Gas	-184,809	-716	-24,778	1
Financials				
Bonds	166,189	-11,187	49,758	50
E-Mini S&P	-57,940	4,678	-78,629	22
Dow Jones \$5	229	-5,456	-3,284	28
T-Notes	-687,777	144,254	99,942	30
	Extreme			Ranking 1 = Shortest Short
	5% of Extreme			52 = Longest Long