

### DAILY SOY COMPLEX COMMENTARY

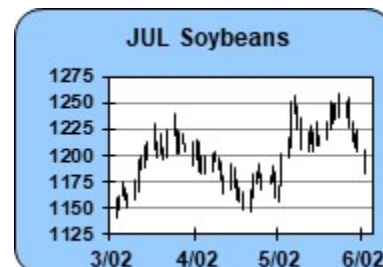
6/4/2024

#### US planting pace remains above average

#### OVERNIGHT CHANGES THROUGH 6:06 AM (CT):

SOY BEANS -0.0, BEAN OIL +0.0, SOYMEAL -0.2

**OVERNIGHT DEVELOPMENTS:** Soybeans (JUL 24) prices overnight are down -1/2; Soymeal (JUL 24) down -1.00; and Soyoil (JUL 24) down -0.16. Soybean open interest as of June 3 was up 6,652 contracts, soymeal down 1,837 contracts, and soybean oil up 2,125. Chinese Dalian (JUL 24) Soybeans up 0.02%, Soymeal down 0.26%, Soyoil down 1.50%, Palm oil down 2.16%. Malaysian Palm was down 3.83%.



**NEAR-TERM MARKET FUNDAMENTALS:** The bear camp retains a tight grip as planting progress stays above average and prices continue to slip lower. Rising open interest on the current 6-day decline is bearish as well. Soybeans planted as of June 02 was up 10% at 78%. This is down 11% versus last year and up 2% versus the 10-year average. The top producing states report Illinois 81%(+9%), Iowa 84%(+11%), Minnesota 80%(+8%), Indiana 81%(+12%), Ohio 79%(+12%). Over the next week, the bulk of the Midwest will see only light showers giving farmers a chance to finish getting the crop in the ground. Soyoil took the brunt of the selling yesterday due to some newswire reports that biofuel manufacturer's margins are sinking quickly, and some are rethinking expansion plans. NASS crush came in above the highest guess at 177.74 million bushels. Soyoil stocks were well above the highest guess. Emater says Rio Grande do Sul flood losses were 2.7 million tonnes and revised their crop estimate for the state to 19.53 million tonnes, down from 22-24 million before the flooding. StoneX lowered their Brazil crop production number to 149 million tonnes, down from 150.8 last month. Weekly export inspections were at the top of the pre-report estimates. The technical outlook has weakened after prices fell below the mid-May low Monday. Retracement support did not hold yesterday and the next significant support level stands at 1162 on July.

US soybean crush for April was 177.74 million bushels. This was above the high-end of pre-report estimates. The April average is 177.39 million bushels. US soybean crush pace for April was 5.93 million bushels. The April average crush pace is 5.91 million bushels per day. The cumulative crush for the marketing year has reached 1.55 billion bushels 67.4% of the USDA's current estimate for the marketing year. As of April last year, the cumulative crush had reached 70.4% of the USDA forecast of 1.49 billion bushels.

US soybean oil stocks in April came in at 2.311 billion pounds versus 2.369 last month and 2.540 last year. The average stock level for this time of year is 2.448 billion pounds. The largest stock level for this month was 2.601 (2020) and lowest was 2.240 (2017). Current stock levels are running at 0.14% of USDA ending stocks estimates for the year.

Soybean export inspections for the week ending May 30 came in at 348,644 metric tonnes. Cumulative inspections year-to-date are 40,294,971 metric tonnes which is 17.2% below last year. This is 87.1% of the USDA's forecast for the 2023-24 marketing year versus the five year average of 82.9%.

#### TODAY'S MARKET IDEAS:

July prices have fallen for 6 consecutive days on rising open interest, which is a bearish sign. The market is below all 3 of the major moving averages and a bounce back up to 1200 may be the next selling opportunity. The lack of a US weather threat will keep a lid on rallies. Look for support at 1162 and 1156.

#### NEW RECOMMENDATIONS:

None.

## PREVIOUS RECOMMENDATIONS:

None

## SOYBEAN COMPLEX TECHNICAL OUTLOOK:

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**SOYBEANS (JUL) 06/04/2024:** The close under the 60-day moving average indicates the longer-term trend could be turning down. Momentum studies are still bearish but are now at oversold levels and will tend to support reversal action if it occurs. The close below the 9-day moving average is a negative short-term indicator for trend. The market is in a bearish position with the close below the 2nd swing support number. The next downside objective is 1166 1/4. The next area of resistance is around 1196 and 1212 1/4, while 1st support hits today at 1173 and below there at 1166 1/4.

**SOYBEAN OIL (JUL) 06/04/2024:** The major trend has turned down with the cross over back below the 40-day moving average. A bearish signal was triggered on a crossover down in the daily stochastics. Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. The close below the 18-day moving average is an indication the intermediate-term trend has turned down. The close below the 2nd swing support number puts the market on the defensive. The next downside objective is 42.96. The next area of resistance is around 44.88 and 45.95, while 1st support hits today at 43.39 and below there at 42.96.

**SOYMEAL (JUL) 06/04/2024:** 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 market setup is somewhat negative with the close under the 1st swing support. The next downside target is 354.3. The next area of resistance is around 362.6 and 366.8, while 1st support hits today at 356.4 and below there at 354.3.

## DAILY CORN COMMENTARY

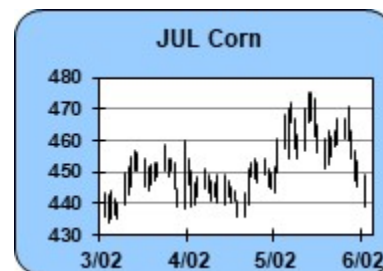
6/4/2024

**Conditions rating best since 2018 to start the season**

**OVERNIGHT CHANGES THROUGH 6:06 AM (CT):**

**CORN -0.2**

**OVERNIGHT DEVELOPMENTS:** Corn (JUL 24) prices overnight are down -1 1/2. Corn open interest as of June 3 was up 24,353 contracts. Chinese Dalian (JUL 24) Corn was down 0.12%.



**NEAR-TERM MARKET FUNDAMENTALS:** The price slide continues for the 6th consecutive day on the very strong initial condition ratings for the US crop, the highest rating for this time of year since 2018. Corn planted was up 8% at 91%, very near expectations, but down 4% versus from last year and unchanged versus the 10-year average. The top producing states report Iowa 93%(+5%), Illinois 89%(+9%), Nebraska 96%(+5%), Minnesota 93%(+4%), Indiana 87%(+14%). There are 8 million acres across the Midwest left to plant. Corn rated good / excellent (G/EX) as of June 02 was 75% and poor / very poor was 4% and compared to last year at 64%. Current G/EX is up 2% versus the 10-year average and Poor / Very Poor is unchanged versus the 10-year average. The Western corn belt is seeing some scattered rains this morning but over the next week showers are expected to be light and planting should be wrapping up. The 8 to 14 day forecast has below normal precipitation and temperatures. USDA announced a morning flash sale Monday of 110,000 tonnes of corn to Spain, an indication rising Ukraine prices have turned some buyers to the US. Weekly export inspections were very strong and above the highest pre-report guess. Corn used for ethanol in April was 416,920,000 bushels, up.7% from April year ago. DDG production was 1.756 million tonnes, up 8.4% from April a year ago. StoneX lowered their Brazilian safrinha crop estimate to 93.5 million tonnes, down from 97.3 million last month and dropped their total Brazil corn crop to

121.75 million tonnes, down from 125.6 last month. USDA stands at 122 million. Safrinha harvest is just beginning at 4.7% done, compared to 1.4% done at this time last year. With no US heat/dryness for the Midwest, traders are factoring in the high condition rating. However, US export competitiveness, Mexico's deepening drought and talk US farmers may be planting less corn due to higher input costs should stem the slide and offer a chance for a rebound.

Corn export inspections for the week ending May 30 came in at 1,374,391 metric tonnes. Cumulative inspections year-to-date are 37,741,401 metric tonnes which is 26.1% above last year. This is 69.1% of the USDA's forecast for the 2023-24 marketing year versus the five year average of 69.3%.

#### **TODAY'S MARKET IDEAS:**

The April low of 435 3/4 on July is the next major support level. Open interest has risen sharply on the recent decline and Managed Money may be adding to their net short positions. Now that the condition report is out-of-the-way, look for a bounce over the next couple days. Longer-term, we believe the February low at 422 1/4 will hold until the US crop is made.

#### **NEW RECOMMENDATIONS:**

None.

#### **PREVIOUS RECOMMENDATIONS:**

None.

#### **CORN TECHNICAL OUTLOOK:**

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CORN (JUL) 06/04/2024: 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. The market's close below the pivot swing number is a mildly negative setup. The next downside target is 433 3/4. The next area of resistance is around 448 1/2 and 453 3/4, while 1st support hits today at 438 1/2 and below there at 433 3/4.

CORN (DEC) 06/04/2024: 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. The market setup is somewhat negative with the close under the 1st swing support. The next downside target is now at 455. Some caution in pressing the downside is warranted with the RSI under 30. The next area of resistance is around 467 1/4 and 473, while 1st support hits today at 458 1/4 and below there at 455.

#### **DAILY WHEAT COMMENTARY**

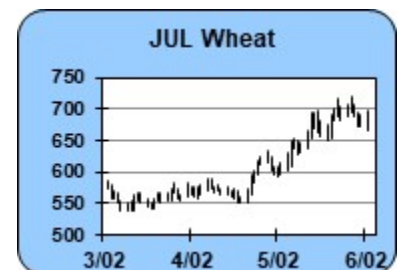
6/4/2024

#### **US harvest pressure likely to increase**

#### **OVERNIGHT CHANGES THROUGH 6:06 AM (CT):**

WHEAT -0.63

**OVERNIGHT DEVELOPMENTS:** Chicago wheat (JUL 24) prices overnight are down -3; Kansas City (JUL 24) down -6 1/4; and Minneapolis (JUL 24) down -4 3/4. MATIF Milling Wheat(SEP 24) was down -0.7%. Chicago wheat open interest as of June 3 was up 607 contracts and Minneapolis wheat was down 2,440 contracts.



**NEAR-TERM MARKET FUNDAMENTALS:** Prices are slightly weaker after Monday's early rally ended with a low

range close. Winter wheat conditions were up 1% to 49% good/excellent compared to expectations of unchanged. Winter wheat harvest was reported 6% done and harvest hedge pressure will be increasing over the next couple weeks. Dryness and rising temperatures in Russia are supportive but the current losses have been factored in. Ukraine says their Ag exports in May were down 11% from the previous month. Egypt is tendering for wheat this week and India projected their 2024 wheat crop at 112.9 million tonnes, up from 112.0 last month. Weekly export inspections were near the high end of pre-report estimates. Polish farmers say they will block one Ukraine border crossing later this week as Ukraine grain is still entering the country. The Australian Agriculture Bureau raised their wheat forecast to 29.1 million tonnes for 2024/25, 12% more than the previous year and 10% above the average of the last 10 years. Monday's weak close points to a further pullback with 1st retracement support at 655 on July Chicago.

Winter Wheat harvest has begun and stands at 6% done as of June 02. This is up 3% versus last year. Winter Wheat rated good / excellent (G/EX) as of June 02 was up 1% at 49% and poor / very poor was down 1% at 18%. Pre-report guesses were unchanged. Current G/EX is up 4% versus the 10-year average and Poor / Very Poor is down 6% versus the 10 year average. Of the 18 reported states 8 reported better, 6 worse, and 4 unchanged G/EX ratings. The good / excellent ratings for the top producing states were: Kansas 34%(+2%), Washington 48%(0%), Montana 49%(-13%), Illinois 73%(+10%), Idaho 68%(+1%).

Spring Wheat planted as of June 02 was up 6% at 94%. This is up 3% versus last year. The top producing states report North Dakota 91%(+7%), Minnesota 98%(+2%), Montana 94%(+6%), South Dakota 100%(+2%), Idaho 100%(+4%). Spring Wheat rated good / excellent (G/EX) as of June 02 was 74% and poor / very poor was 2%. Current G/EX is up 6% versus the 10-year average and Poor / Very Poor is down 4% versus the 10 year average.

Wheat export inspections for the week ending May 30 came in at 416,010 metric tonnes. Cumulative inspections year-to-date are 18,709,295 metric tonnes which is 5.5% below last year. This is 95.5% of the USDA's forecast for the 2023-24 marketing year versus the five year average of 94.3%.

#### **TODAY'S MARKET IDEAS:**

Black Sea stress will continue over the next 10 days but market action is suggesting the known losses are factored in. The short-term technical outlook has turned in favor of the bear camp and points to the potential for a test of the 382% retracement support at 655 on July Chicago and possibly the 50% retracement at 635. A close above 701 is needed restart the recent rally.

#### **NEW RECOMMENDATIONS:**

None.

#### **PREVIOUS RECOMMENDATIONS:**

None.

#### **WHEAT TECHNICAL OUTLOOK:**

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WHEAT (JUL) 06/04/2024: Momentum studies trending lower at mid-range could accelerate a price break if support levels are broken. The close under the 18-day moving average indicates the intermediate-term trend could be turning down. A negative signal was given by the outside day down. It is a slightly negative indicator that the close was lower than the pivot swing number. The next downside objective is 647 1/2. The next area of resistance is around 687 3/4 and 707 3/4, while 1st support hits today at 657 3/4 and below there at 647 1/2.

KC WHEAT (JUL) 06/04/2024: Stochastics trending lower at midrange will tend to reinforce a move lower especially if support levels are taken out. The market's close below the 9-day moving average is an indication the short-term trend remains negative. A negative signal was given by the outside day down. The market's close below the pivot swing number is a mildly negative setup. The next downside objective is now at 675 1/2. The next area of resistance is around 715 1/2 and 737 1/2, while 1st support hits today at 684 1/2 and below there at 675 1/2.

MINN WHEAT (JUL) 06/04/2024: 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. The outside day down is somewhat negative. The market's close below the pivot swing number is a mildly negative setup. The next downside target is 715 1/4. The next area of resistance is around 745 1/2 and 762 1/2, while 1st support hits today at 722 and below there at 715 1/4.

RICE (JUL) 06/04/2024: 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 swing indicator gave a moderately negative reading with the close below the 1st support number. The next downside objective is 17.288. The 9-day RSI under 30 indicates the market is approaching oversold levels. The next area of resistance is around 17.635 and 17.827, while 1st support hits today at 17.365 and below there at 17.288.

## 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
<b>GRAIN COMPLEX</b>										
CNAN24	443 1/2	31.65	38.95	26.71	15.58	448.44	456.03	458.97	452.84	452.25
CNAZ24	462 3/4	27.52	35.50	25.36	11.78	469.88	478.42	481.81	476.29	475.26
SSAN24	1184 1/2	32.11	39.76	37.67	18.18	1203.31	1223.61	1222.64	1200.68	1202.70
SSAX24	1163 3/4	26.03	35.25	33.77	15.05	1183.75	1201.36	1203.82	1188.01	1187.85
SMAN24	359.5	38.54	44.85	31.27	16.04	364.23	371.91	371.81	356.78	353.14
BOAN24	44.14	40.40	43.71	66.49	57.85	45.32	45.40	44.87	45.56	46.34
WHAN24	672 3/4	49.93	56.09	65.08	52.88	681.25	690.11	676.36	623.93	608.06
WHAZ24	718 1/2	51.72	57.88	67.16	55.72	725.94	733.06	719.76	666.54	649.07
RCAN24	17.500	26.59	35.40	10.49	4.02	17.71	18.12	18.51	18.25	18.12
KWAN24	700	54.00	58.09	70.81	61.49	709.50	711.36	692.54	640.00	624.12
MWAN24	733 3/4	50.61	55.67	68.85	58.59	741.88	744.11	732.97	696.30	687.78
OTAN24	374 3/4	44.75	48.18	25.84	25.90	383.13	375.89	386.46	366.58	364.03

Calculations based on previous session. Data collected 06/03/2024

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

## DAILY SWING STATISTICS

Contract		Support 2	Support 1	Pivot	Resist 1	Resist 2
<b>GRAIN COMPLEX</b>						
CNAN24	Corn	433 3/4	438 1/2	443 3/4	448 1/2	453 3/4
CNAZ24	Corn	455	458 1/4	464	467 1/4	473
SSAN24	Soybeans	1166 1/4	1173	1189 1/4	1196	1212 1/4
SSAX24	Soybeans	1144 1/2	1151 3/4	1168 1/2	1175 3/4	1192 1/2
SMAN24	Soymeal	354.2	356.3	360.5	362.6	366.8
BOAN24	Soybean Oil	42.95	43.38	44.45	44.88	45.95
WHAN24	Wheat	647 1/2	657 1/2	677 3/4	688	708
WHAZ24	Wheat	693 3/4	703 3/4	723 1/4	733 1/4	752 3/4
RCAN24	Rice	17.287	17.365	17.557	17.635	17.827
KWAN24	KC Wheat	675 1/2	684 1/2	706 1/2	715 1/2	737 1/2
MWAN24	MINN Wheat	715	722	738 3/4	745 1/2	762 1/2
OTAN24	Oats	362	367 1/2	376 3/4	382	391 1/2

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