

Fundamentals:

Chicago Board of Trade corn futures tumbled on Tuesday to their lowest level since 2020 after a weekly report from the U.S. government showed better-than-expected crop conditions.

Soybean futures also slid on improved U.S. crop ratings, while wheat reached its lowest level in more than two months.

A risk-averse sentiment across commodity and wider equity markets, along with concerns over China's economy, added pressure to grain futures, analysts said.

Declining crop prices benefit meat and poultry producers that use the harvests for livestock feed.

The U.S. Department of Agriculture's (USDA) weekly crop progress report, issued after trading ended on Monday, rated 59% of the corn crop as good to excellent. That was up from 57% a week ago and above analysts' estimates for 58%.

The USDA also rated 59% of the soybean crop as good to excellent, a jump from 54% last week. Analysts expected 55%.

The most-active corn contract ended down 12-1/4 cents at \$4.75-1/2 a bushel and reached its lowest price since Dec. 31, 2020.

Traders had been watching for the contract to fall below \$4.81 a bushel, which was Monday's low and matched a July low that was the weakest price since January 2021.

Soybeans lost 20-3/4 cents to close at \$13.05-1/4 a bushel. Wheat declined 17-1/2 cents to \$5.98-1/2 a bushel and hit its lowest price since June 1.

Analysts said tight U.S. supplies and an uptick in export sales should limit losses in soybean futures.

U.S. processors crushed more soybeans than expected last month, making it the largest July crush on record, National Oilseed Processors Association data showed on Tuesday.

Russian wheat exports reached an estimated two-year peak of 1.2 million metric tons in the week ending Aug. 10, said Andrey Sizov, managing director of SovEcon, a Black Sea agricultural research firm, in a note. The current level of Russian exports is a factor putting pressure on global prices, but the declining competitiveness of Russian wheat is likely to cause a slowdown in sales in the near term, Sizov said.

Corn and soybean crops for the 2023-24 marketing year are still likely to be large, even after the slightly lower-than-expected yield estimates in the August WASDE, said Betty Resnick of the American Farm Bureau Federation in a research note.

The 2023 corn crop is still expected to fall below \$5 per bushel after two years of prices at or above \$6, she said.

(Source: Reuters, Dow Jones Newswires)

Contract	Close	Chg	High	Low
Soybeans NOV 23	1,305.25	-21.50	1,334.50	1,303.00
Soybean Oil DEC 23	61.880	0.680	62.690	60.710
Soybean Meal DEC 23	380.50	-11.80	393.40	379.80
Corn DEC 23	475.50	-14.00	485.50	473.75
Wheat DEC 23	623.75	-18.50	644.50	621.75
US Dollar Index	103.207	0.017	103.274	102.817

Argentina & Brazil Weekly Export Statistic (metric ton)

Date	A. Corn	B. Corn	A. Soybean	B. Soybean	A. Wheat	B. Wheat
14/08/2023	542,000	743,000	40,000	581,000	#N/A	N/A
07/08/2023	299,000	245,000	32,000	1,078,000	0	55,000
31/07/2023	182,000	242,000	172,000	566,000	0	20,000
24/07/2023	321,000	409,000	84,000	512,000	0	33,000
17/07/2023	233,000	822,000	63,000	386,000	0	62,000
10/07/2023	474,000	547,000	30,000	1,131,000	0	37,000
03/07/2023	150,000	148,000	36,000	971,000	0	32,000
26/06/2023	513,000	143,000	79,000	766,000	0	56,000
19/06/2023	177,000	60,000	172,000	955,000	0	38,000
12/06/2023	340,000	198,000	271,000	1,739,000	0	216,000

US Weekly Export Statistic Data by USDA (,000 metric tons)

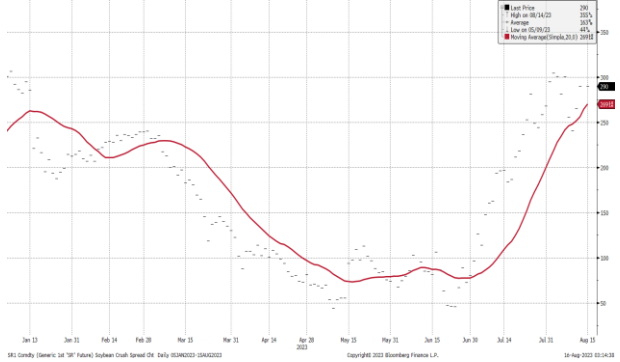
Date	Corn	Soybean	Soy Oil	Soy Meal	Wheat
03/08/2023	908.9	1503	-0.7	429.9	561.2
27/07/2023	456.4	2664.8	4.5	346.9	434.7
20/07/2023	647.7	690	2.1	273.8	233.2
13/07/2023	728.4	821.9	-0.8	407.7	170.7
06/07/2023	939.2	248.8	1.2	172.7	395.7
29/06/2023	669.7	724	-6.3	181.8	402.8
22/06/2023	263.9	244.4	1	173.6	155.1
15/06/2023	83.1	626.3	0.2	146.4	123.8
08/06/2023	294.3	526.9	1.9	225.9	165
01/06/2023	65.9	471.8	-0.1	267.6	234.8
25/05/2023	499.3	424.4	4.9	467.3	256
18/05/2023	-23.1	116.1	6.2	391.9	200.1

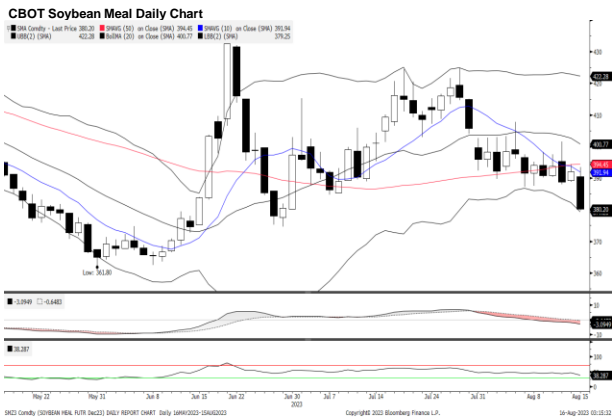
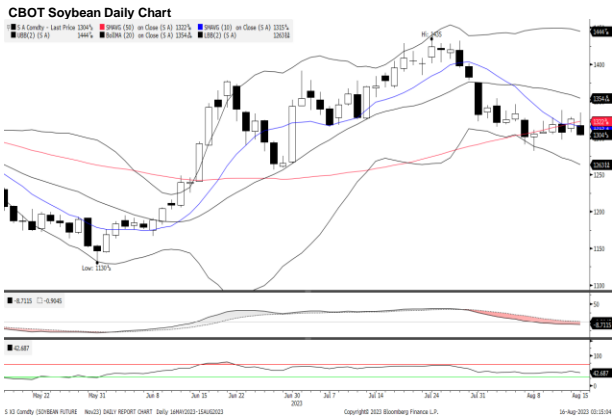
Historical Volatility	10 Days	30 Days	60 Days	90 Days
Soybean Futures	19.66	24.12	29.23	25.26
Soybean Oil Futures	24.89	32.11	39.37	35.76
Soybean Meal Futures	23.62	24.28	32.39	27.25
Corn Futures	20.14	40.03	42.36	35.99
Wheat Futures	32.05	50.61	45.60	40.87

Normalised Soybean Oil vs Crude Palm Oil Spread in U.S. Dollar Metric Tonne



Soybean Synthetic Crush Spread





Technical Analysis

Soybean			Soybean Oil				
1st Resistance:	1324.83	2nd Resistance:	1344.41	1st Resistance:	62.81	2nd Resistance:	63.74
1st Support:	1285.67	2nd Support:	1266.09	1st Support:	60.95	2nd Support:	60.02
MACD:	-8.712			MACD:	0.561		
MACD DIFF:	-7.807			MACD DIFF:	-0.257		
RSI:	42.693			RSI:	56.807		
Soybean Meal			Corn				
1st Resistance:	386.21	2nd Resistance:	391.92	1st Resistance:	482.63	2nd Resistance:	489.77
1st Support:	374.79	2nd Support:	369.09	1st Support:	468.37	2nd Support:	461.24
MACD:	-3.092			MACD:	-12.863		
MACD DIFF:	-2.448			MACD DIFF:	-3.434		
RSI:	38.295			RSI:	33.968		
Wheat							
1st Resistance:	633.11	2nd Resistance:	642.46				
1st Support:	614.39	2nd Support:	605.04				
MACD:	-15.124						
MACD DIFF:	-8.060						
RSI:	35.431						

Strategy

	Long:	Profit target:	Stop-loss:	Long:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:
Soybean	1285.67	1298.53	1,279.24	1266.09	1278.75	1,259.76	1324.83	1311.58	1,331.45	1344.41	1330.96	1,351.13
Soybean Oil	60.95	61.56	60.65	60.02	60.62	59.72	62.81	62.18	63.12	63.74	63.10	64.06
Soybean Meal	374.79	378.54	372.92	369.09	372.78	367.24	386.21	382.35	388.14	391.92	388.00	393.87
Corn	468.37	473.05	466.03	461.24	465.85	458.93	482.63	477.81	485.05	489.77	484.87	492.21
Wheat	614.39	620.54	611.32	605.04	611.09	602.01	633.11	626.78	636.27	642.46	636.04	645.67

Kenanga Futures Sdn Bhd (353603-X)
 Dealing Desk: (603) 2172 3820 Fax: (603) 2172 2729 Email: futures@kenanga.com.my
 Disclaimer: This document has been prepared for general circulation based on information obtained from sources believed to be reliable but we do not make any representations as to its accuracy or completeness. Any recommendation contained in this document does not have regard to the specific investment objectives, financial background and the particular needs of any person who may read this document. This document is for the information of addressees only and is not to be taken in substitution for the exercise of judgement and assessment by addressees in relation to any investment decision. Kenanga Futures Sdn Bhd accepts no liability whatsoever for any direct or consequential loss arising from any use of this document or any solicitations of an offer to buy or sell any securities/underlying securities. Kenanga Futures Sdn Bhd and its associates, their directors, and/or employees may have positions in, and may effect transactions in securities/underlying securities mentioned herein from time to time in the open market or otherwise, and may receive brokerage fees or act as principal or agent in dealings with respect to these companies."