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THE MARKET INSIDER WEEKLY NEWSLETTER

by: Brian Hoops, President

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WHEAT

ANALYSIS

For the week, Chicago wheat closed \$.02 1/4 lower; Kansas City wheat closed \$.05 1/4 lower and Minneapolis wheat \$.06 lower. Last week, private exporters did not announce any export sales.

In the weekly export inspections report; the USDA reported inspections of 11.465 million bushels of wheat inspections vs. 18.0 mb that is needed each week to reach the USDA annual forecast. The winter wheat crop is now in dormancy until March when warmer temperatures bring wheat out of dormancy. The January 10 report will show updated USDA demand projections and the USDA will give us the first glimpse of how many winter wheat acres have been seeded this year by U.S. producers. With increasing global wheat stocks amid global wheat production, the wheat market can afford to have smaller seeded acres in 2020. There is a strong seasonal tendency for wheat to rally during the first two weeks of January, before turning lower until wheat begins to break dormancy. Kansas winter wheat conditions slipped to 40% g/e from 44% in November; Nebraska dipped to 70% vs. 74% in November; Oklahoma is rated 40% vs. 52% in November.

STRATEGY & OUTLOOK

Chicago and KC wheat both rallied and failed at key weekly resistance at a time when the commercials have become aggressive sellers. This should put an end to the rally that prices have been seeing as the fundamentals do not support the current values.



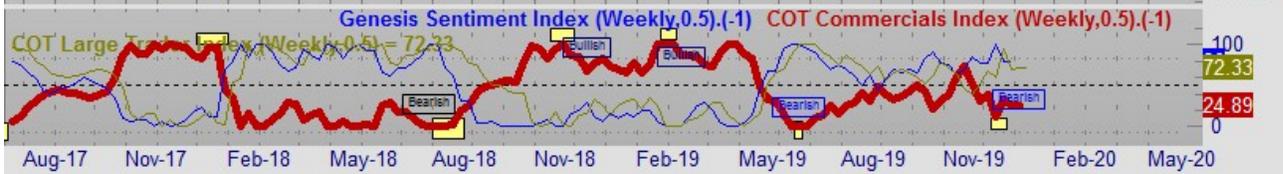
ZW-067: Wheat CBT (Elec) Cadj Liq @ CBOT (Weekly bars)

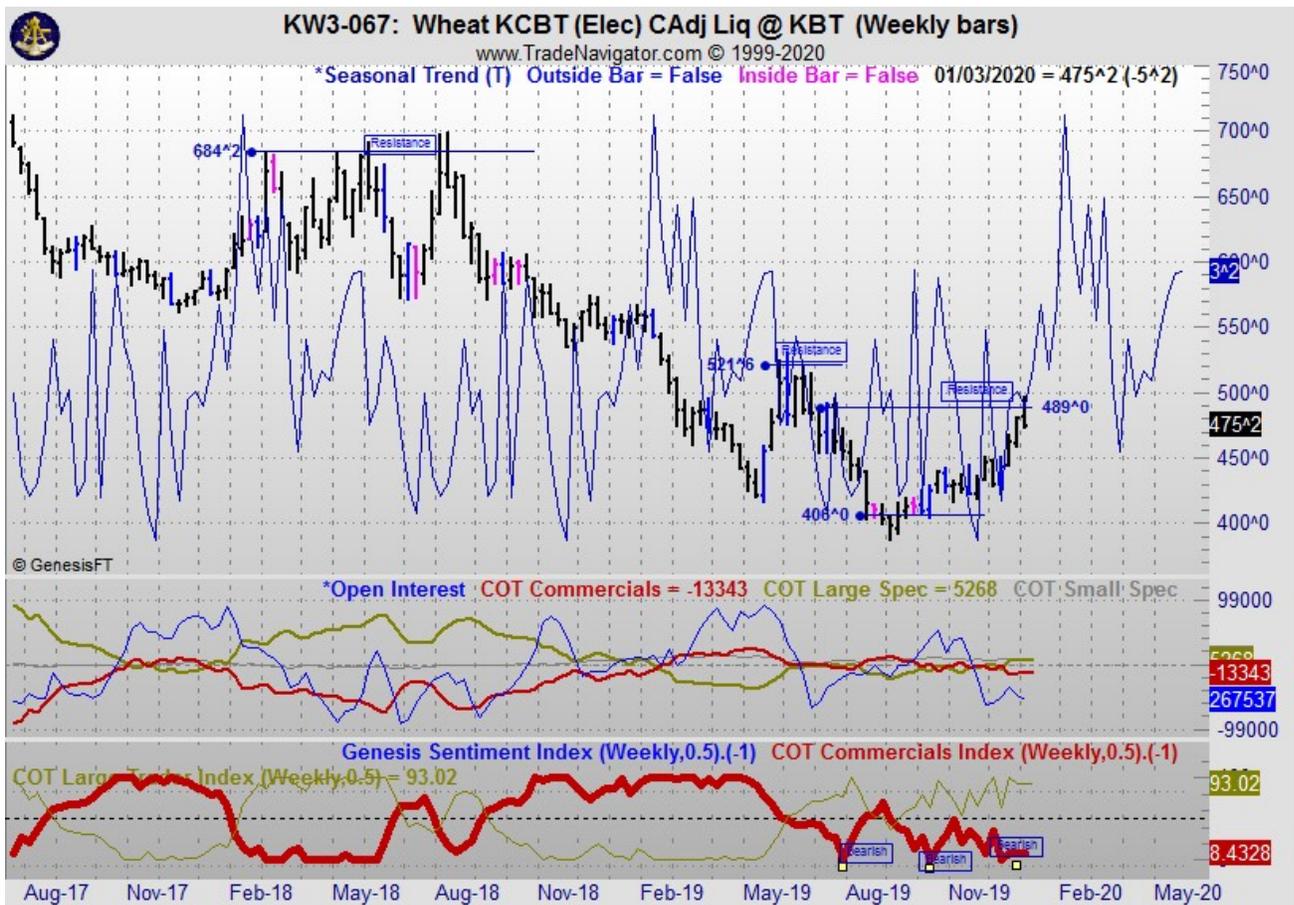
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*Seasonal Trend (T) Outside Bar = False Inside Bar = False 01/03/2020 = 555^2 (-2^2)



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