

FRONTIER FUTURES, INC.

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MGEX WHEAT RECAP Friday, January 15, 2010

Futures Settlements:

	Close	Chg	Today's Volume	AM O.I.	O.I Chg
MWH0	520' 4s	-16' 2	4195	17087	-1202
MWK0	532' 6s	-16' 0	902	7251	+94
MWN0	545' 0s	-15' 0	1465	10227	+648
MWU0	556' 0s	-15' 2	495	4522	+322
MWZ0	573' 0s	-16' 4	691	6793	-15
MWH1	588' 0s	-16' 4	56	509	+26
Totals:			7,819	46,726	-128

Cash Exchanges: 806

Wheat Receipts on the Exchange Floor:

128 cars and 3 trains. Year-ago was 33 and 0.

Cash	Delivered Rail Chicago/Beyond. Mpls is -15, Duluth -25.			
Protein:	13.0%	13.5%	14.0%	15%
Basis:	+0 +45	+75	+140 +220	+350 +370
Info:	singles	singles	singles	singles
Change:	dn 10-unch	dn 5-dn 35	dn 30-up 20	dn 15-unch
Mpls Truck	-45	+30	NQ	+70
Duluth Truck	NQ	NQ	NQ	NQ
Portland (H)	12%	13%	14%	15%
Cash Bids	NQ	5.31-5.43	6.51-6.63	7.51-7.63
Change		dn 16	dn 16	dn 16
Portland cash prices were dn 16 with lower MWH0 prices. Basis was steady.				

Commentary:

For the week, front month contracts have shed 48 cents in soybeans, 58 ½ cents in wheat, 51 ½ cents in corn, and 44 cents in oats. And index funds were supporting closing prices—to the tune of thousands upon thousands of contracts—on four out of five sessions this week. Seasonals are down, and the new fundamental inputs from Tuesday's USDA report have sounded the death knell for the high prices we've become accustomed to. Funds are still long row crops and could easily switch to a net short position over the next few weeks or months. Rallies are to be sold.



MH-WH has been steadily trending higher this month as flat price has weakened, and seasonals point to it continuing. The seasonal top for winter wheat is early to mid-January, right about perfect with this week's price action. Prices trend lower until early June. Spring wheat seasonals are steady through the spring planting season and then tumble lower in mid-May. This has the spring wheat-winter wheat intermarket spreads rally from mid-January to Mid-May in most years. Calendar spreads are also firming up here, with bullspreading in H-N a feature today.

—Austin Damiani

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