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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 \$.18 1/4 lower; Kansas City wheat closed \$.19 1/2 lower and Minneapolis wheat \$.11 lower. Last week, Egypt bought 180,000 mts of wheat from France.

In the weekly export inspections report; U.S. wheat exports last week were poor at only 8.2 mb and a new marketing year low through 34 weeks of 2019/20. Last week's exports were also well below the roughly 18.7 million bushels/week average "needed" to reach the USDA's 975 million bushel export projection. Cumulative exports of 596 million bushels up nearly 13% from last year's 529 million vs the USDA export projection reflecting an expected 4% increase on the year. Major winter wheat producing states issued their monthly crop condition ratings last week. Kansas declined to 34% from 40% g/e; Oklahoma declined to 36% g/e from 40%; Texas dropped to 20% from 23% g/e and Nebraska fell to 59% g/e from 70% g/e. February is the last month before the winter wheat crop breaks dormancy, and grows into the June harvest. Thus with winter wheat still in the dormant stage, price direction will come from demand. Demand trends have been consistent but unimpressive due to the large supplies of wheat worldwide.

STRATEGY & OUTLOOK

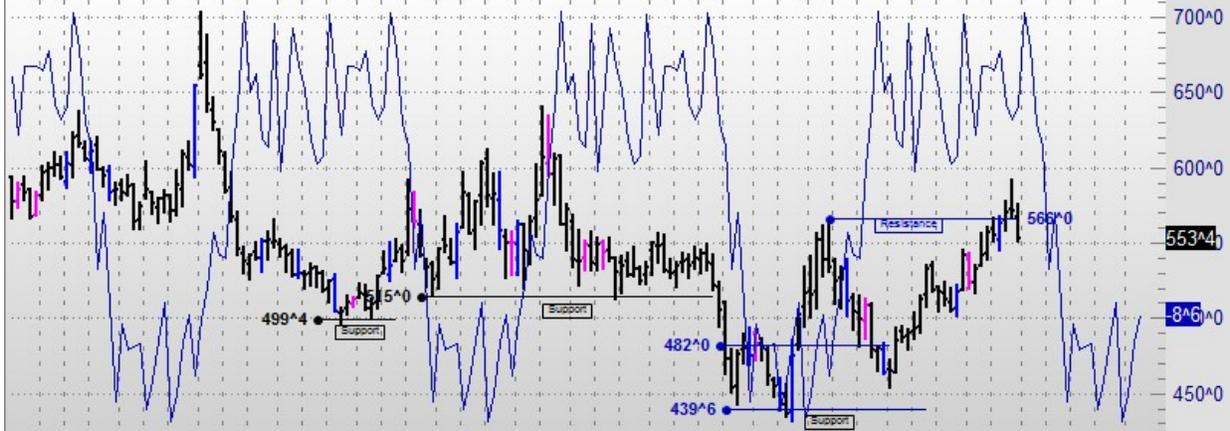
The fundamentals do not suggest current price levels will be sustained. Prices have moved higher amid large speculative buying.



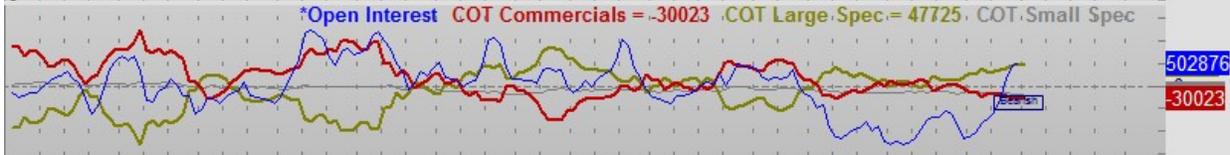
ZW-067: Wheat CBT (Elec) Cadj Liq @ CBOT (Weekly bars)

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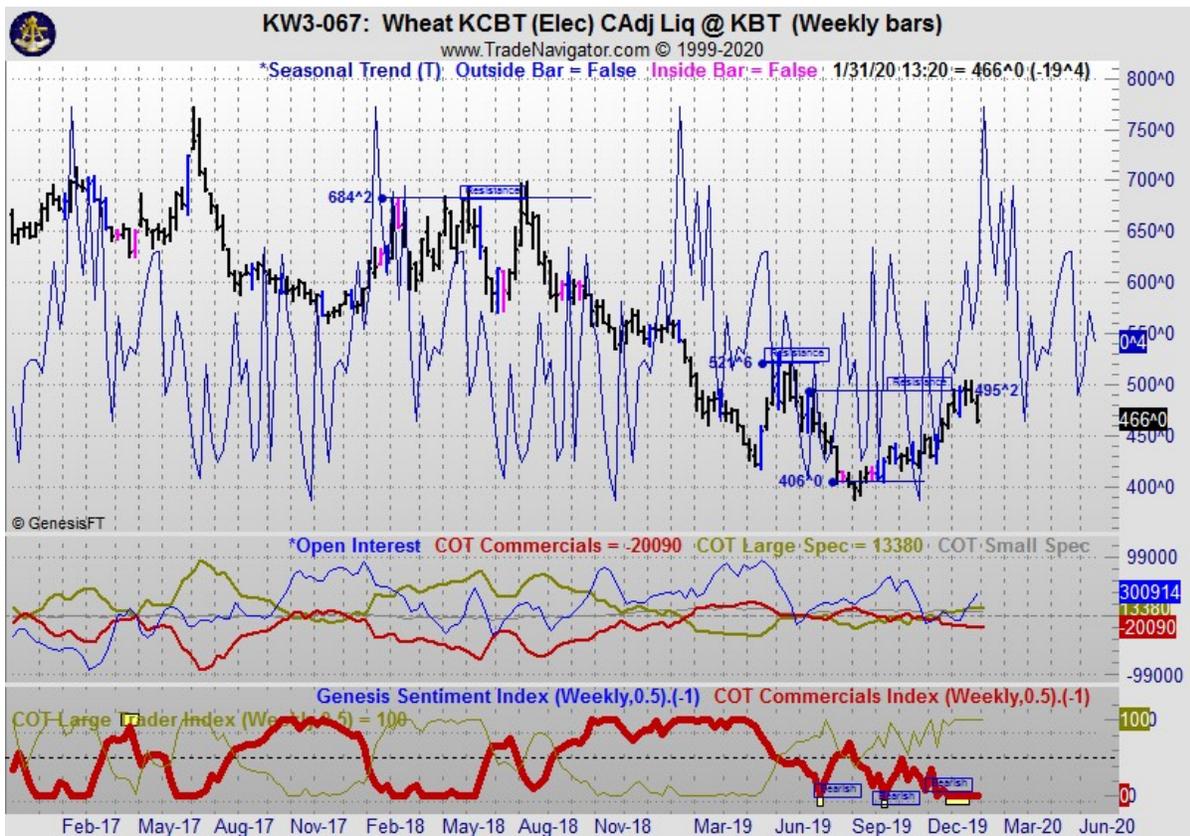
*Seasonal Trend (T) Outside Bar = False Inside Bar = False 1/31/20 13:19 = 553^4 (-18^2)



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Feb-17 May-17 Aug-17 Nov-17 Feb-18 May-18 Aug-18 Nov-18 Mar-19 Jun-19 Sep-19 Dec-19 Mar-20 Jun-20



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