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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 \$.09 1/2 higher; Kansas City wheat closed \$.02 1/2 higher and Minneapolis wheat \$.02 1/2 higher. Last week, exporters did not announce any export sales.

In the weekly export inspections report; U.S. wheat exports last week were 18.4 million bushels but were below the roughly 20.8 million bushels/week wheat exports will need to average through the end of May in order to reach the USDA's 1.000 billion bushel export projection. Cumulative exports of 652 million bushels are up 12.5% from last year's 579 million. Wheat exports from this point forward last year averaged 22.1 million bushels/week. ABARES reduced their estimate of 2019 Australian wheat production to 15.2 MMTs from their December forecast of 15.85 MMTs. Texas winter wheat crop is currently rated 35% g/e vs. 24% g/e last week and 30% g/e last year. At the USDA Outlook Conference, the UDSA predicted wheat acres at 45.2 million acres, down from 47 million a year ago. Using a yield forecast of 48.2 bpa, this resulted in total production of 1.836 bb with total usage forecast at 2.139 bb. This resulted in ending stocks at 777 mb, which if realized, would be the lowest since the 2014/15 marketing year.

STRATEGY & OUTLOOK

Weekly reversals have put an end to the speculative buying. Prices have turned lower as the fundamentals do not suggest current price levels will be sustained.

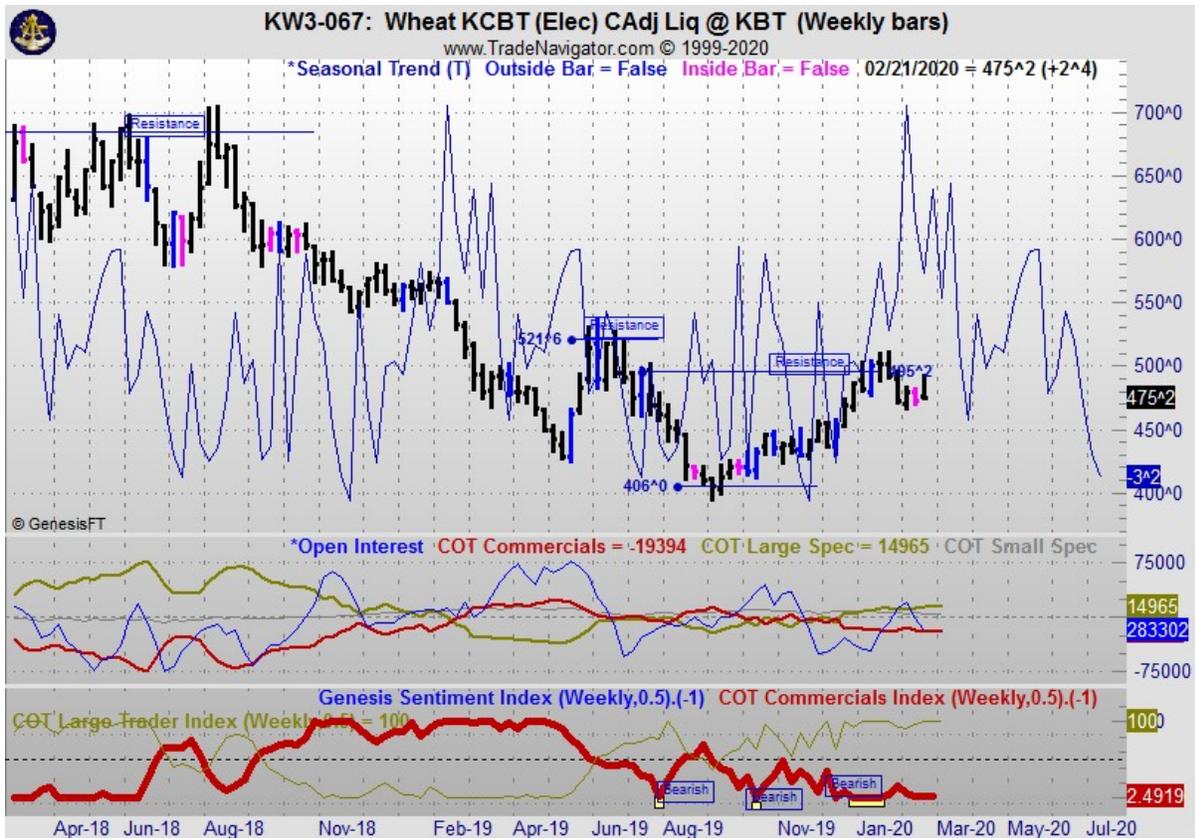


ZW-067: Wheat CBT (Elec) Cadj Liq @ CBOT (Weekly bars)

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*Seasonal Trend (T) Outside Bar = False Inside Bar = False 02/21/2020 = 552^6 (+9^2)





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