

FRONTIER FUTURES, INC.

880D Grain Exchange Building, 301 4th Ave S, Minneapolis, MN 55415

612-672-9868

adamiani@ffutures.com

MGEX WHEAT RECAP Friday, February 26, 2010

Futures Settlements:

	Close	Chg	Today's Volume	AM O.I.	O.I Chg
MWH0	516' 6s	13' 6	616	1720	-958
MWK0	529' 4s	13' 2	2572	16225	+243
MWN0	541' 0s	13' 6	604	10143	-3
MWU0	552' 0s	12' 6	172	5330	+84
MWZ0	569' 4s	13' 2	442	6028	-97
MWH1	585' 6s	12' 4	66	761	+34
Totals:			4,857	40,798	-710

Cash Exchanges: 364 (17 H)

Wheat Receipts on the Exchange Floor:

81 cars and 0 trains. Year-ago was 76 and 0.

Cash	Delivered Rail Chicago/Beyond. Mpls is -15, Duluth -25.			
Protein:	13.0%	13.5%	14.0%	15%
Basis (K):	+20 +30	+75B +90B	+180 +190	+340 +375
Info:	singles	bids	singles	singles
Change:	no comp	no comp	no comp	no comp
Mpls Truck	-35	+40	NQ	+80
Duluth Truck	NQ	NQ	NQ	NQ
Portland (K)	12%	13%	14%	15%
Cash Bids	NQ	5.65-5.90	6.85-6.90	7.70-7.90
Change		up 14	up 14	up 14
Portland cash prices were mostly up 14 with MWK0.				

Commentary:

Wheat rallied to sharply higher levels today, presumably just because it was lower yesterday. A weaker dollar and higher trade in metals and energies also helped. With the large net short position held by the funds, we would have expected some propping of those positions for month-end, but instead there appears to have been more covering, or perhaps index fund buying. Volume was heavy on the close in WK0. Monday could bring additional short-covering and/or index fund allocations. We still feel like prices are way too high and will inevitable move lower given current fundamentals. We also don't like getting run over, though, so we choosing to buy spring wheat and sell Chicago and KC as way to position ourselves for what we feel is the inevitable break. Spring wheat actually held up well today



given the strength in Chicago, and we did not trade through recent support points on the intermarket spreads. As the market begins to shift toward spring plantings, we will have to bid for acres. —Austin Damiani

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