
Highlights:

- Wheat trade was extremely light today with prices dipping after a tumultuous week. Prices looked to even out as profit taking caused a setback before more heavy fund buying emerged on the close.
- USDA attaché in Argentina reports that their 2009/10 wheat production is supposed to jump to 11 million tonnes vs. expectations of 6 million tonnes in 2008/09 citing higher yields over a smaller harvested area.

Minneapolis: Spring wheat closed the choppy wheat on a lower note. Prices ended up 3-4 cents lower on what amounted to light trade volume. Prices spent the whole day in a rather tight range of about a dime. Hedging out of the Dakotas slowed down considerably from its relatively brisk pace it had been on earlier in the week. Next week will bring more melting and continued talk of flooding in far eastern North Dakota. The May/July spread rebounded slightly after closing to its lowest level in months yesterday.

Kansas City: HRW settled 2-3 lower as late session buying surged prices through resistance levels. Prices opened weaker, slumping even further through thin trade as light volume and lack of follow-through buying kept traders at bay. Mid session activity was exceptionally light with hedge pressure only appearing at/near the \$6.00 KWK level. Prices rebounded nicely on the close as specs bought KWK and then bear-spread the K/Z spread 500 times, effectively buying KWZ outright. US\$ weakness continues to be the talk and traders are keeping a watchful eye on weather updates for any moisture that may help the drought-stricken southern growing areas.

Chicago: The wheat market surrendered a nickel of yesterday's gains in a very slow Friday of trade. The recently weaker US dollar has given rise to the hope that US wheat may become competitive on the world market again. These hopes may be short lived, however, if other countries choose to follow the lead of America and install inflationary monetary policies of their own. Wheat will be coming out of dormancy in the next couple weeks and some wet weather would be beneficial in the near term for the SRW growing areas.

Basis: **Mpls:** Basis ended a down week and another soft note with 14's down again on the Minneapolis spot floor.

KC: Spot bids are -2 in low 11's, otherwise unchanged while gulf bids remain unchanged.

Spreads: **Mpls:** K/N: 4-5; N/U: 6-5 1/2; U/Z: 11-10.

KC: K/N: 11-10 3/4, N/U: 10 1/4-9 3/4, U/Z: 15-14 3/4, N/Z: 25 1/4-24 3/4.

OUTLOOK: **Weekend weather activity will dictate price direction on Monday...**

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