

Highlights:

- **Total weekly exports were 383,900 tons within trade expectations.**
- **Spring Wheat is being supported on the ideas that fieldwork will be delayed and reductions will be seen.**
- **The 5-7 forecast for the HRW areas are showing several rain chances.**

Minneapolis: Spring wheat pushed higher today though it was unable to keep up with KC and Chicago in the spot month. The May/July spread retreated today as selling showed up in force to apply pressure after the 7 cent jump yesterday. The constant inverse in the Minneapolis market has given some short hedgers fits, but this market continues to be the best example of convergence in any of the grain markets. The cash floor provides a constant reminder of this efficiency as 13 pro deliverable wheat traded 40 over the May today; that makes deliverable wheat pencil nearly exactly perfect to where the spread closed today. Open interest has been climbing consistently for the last two weeks and is now up almost 4k contracts from a month ago.

Kansas City: Kansas City closed strong today as the dollar was weaker, the Dow traded over 8000 as commodities in general all were higher. Exports on wheat were not large but the trade is focused on the weather and will continue to be tethered to the forecasts. Funds were buyers of 5000 Chicago wheat and approximately 1500 KC. Tomorrow is Friday and weekend positioning is expected.

Chicago: Wheat rallied today despite any fundamental bullish news in the market. Export sales were rather mundane, and the news wires are offering constant reminders of US wheat being over priced on the world market. There are some rumors of weather problems possibly hurting the SRW crop, but that is normal for this time of year. It looks as though wheat will continue to follow the outside markets much more than trade upon its own merits.

Basis: **Mpls:** 13 pro spring wheat closed 40 over the May today illustrating the present supply and demand situation and justifying the spread.

KC: Kansas City basis was 2 higher on the 13.0 pro, 5 higher on the 13.6's and 10 higher on the 14.0's.

Spreads: **Mpls:** K/N: 9 ¼ -10; N/U: 2 ¼ -1 ¾ ; U/Z: 8 ½ to 8.

KC: K/N: 10 -10 ½ ; N/U: 10 ¾ - 11; U/Z: 14 ¾ - 15 ¼ ; N/Z: 25 ¾ - 26 ¼ .

OUTLOOK: End of the week positioning expected and weather forecasts will be closely monitored.

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