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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 \$.06 3/4 higher; Kansas City wheat closed \$.19 higher and Minneapolis wheat \$.08 higher. Last week, exporters announced sales of 165,000 mts of HRW to China.

In the weekly export inspections report; U.S. wheat exports last week of 11.8 million bushels and fell well below the roughly 27.6 million bushels/week exports need to average if the USDA's 1.000 billion bushel export projection is to be met. Cumulative export inspections of 764 million bushels are now up just 7.2% from last year's 713 million with only 8 full weeks left in the 2019/20 marketing year. Last year's exports finished strong, averaging 24.7 million bushels/week during April-May.

In the USDA monthly supply/demand report; 2019/20 wheat stocks were increased by 30 mb from the March report to 970 mb. Feed usage was cut by 15 mb and exports were also cut by 15 mb amid the slowing pace of US exports. Exports could continue to soften and buyers are apt to wait for freshly harvested wheat this summer. The trade will be closely watching weather in the Black Sea region.

In the first USDA weekly crop progress and conditions report of the year, the USDA indicated winter wheat conditions were 62% g/e vs. 60% last year. Kansas is rated at 49% g/e; Oklahoma is 73% g/e; Texas at 62% g/e and Nebraska at 77%. SRW conditions are the best in four years and HRW conditions are the best since 2010. 26% of the oats crop has planted vs. 29% on average and 7% of nations cotton crop has been seeded vs. 5% average.

The Wheat Quality Council canceled the Hard Winter Wheat tour this year.

STRATEGY & OUTLOOK

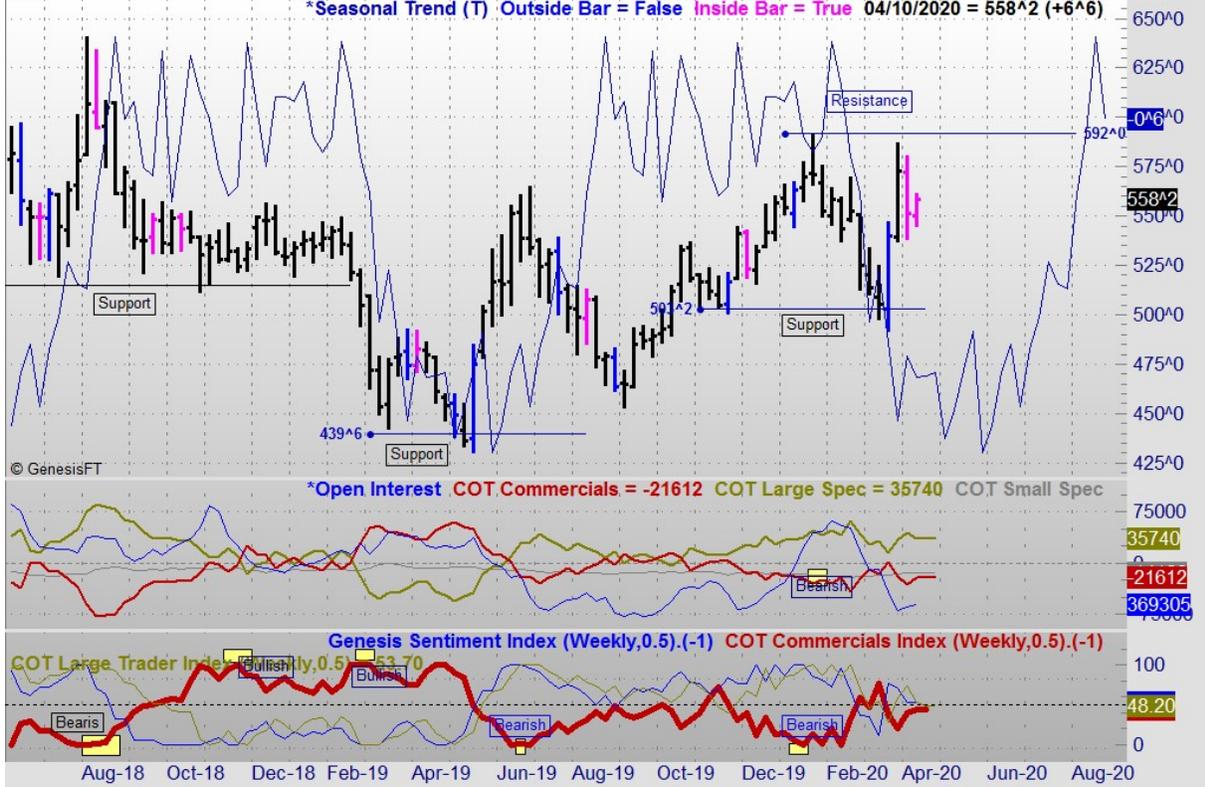
Any rally needs to be sold as the winter wheat crop is off to a great start and the Russian wheat crop appears to be the second largest on record, which will dominate world exports in the second half of 2020.

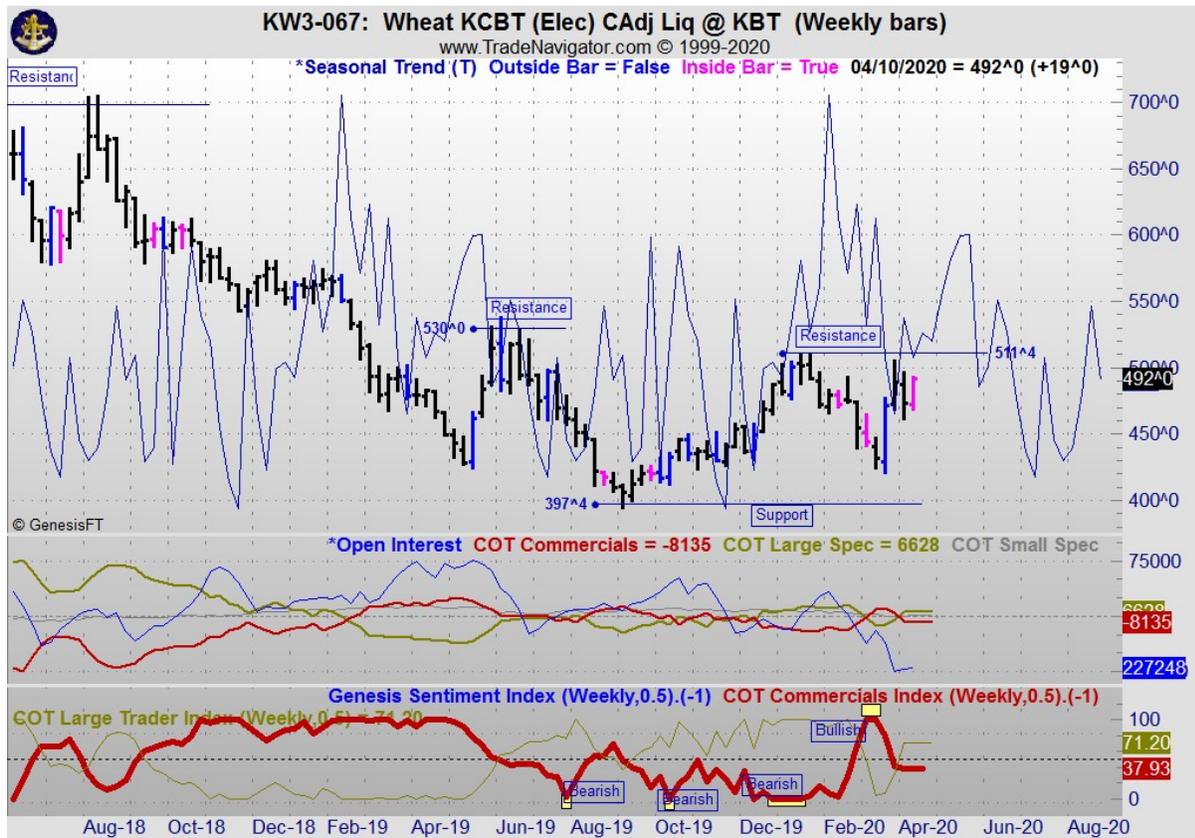


ZW-067: Wheat CBT (Elec) Cadj Liq @ CBOT (Weekly bars)

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*Seasonal Trend (T) Outside Bar = False Inside Bar = True 04/10/2020 = 558^2 (+6^6)





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