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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 \$14 lower; Kansas City wheat closed \$.13 lower and Minneapolis wheat \$.05 1/2 lower. Last week, Egypt bought 120,000 mts of Russian wheat.

In the weekly export inspections report; U.S. wheat exports, in the first week of the 2020/21 marketing year, were modest at 15.9 million bushels and below last year's same-week exports of 17.6 million bushels. Based on the USDA's 950 million bushel export projection, wheat exports will need to average roughly 17.7 million bushels/week throughout the course of the marketing year. Finishing out 2019/20, export inspections totaled roughly 927 million bushels.

In the USDA weekly crop progress and conditions report; U.S. spring wheat crop conditions improved 2% to 82% g/e vs 80% expected, 80% last week and 81% last year. Minnesota improved 2% to 83%, North Dakota improved 2% to 84% while South Dakota fell 10% to 64% g/e. U.S. spring wheat planting is virtually complete at 97% finished vs 96% expected, 96% last week, 96% last year and 99% average. Emergence is 81% vs. the average of 91%.

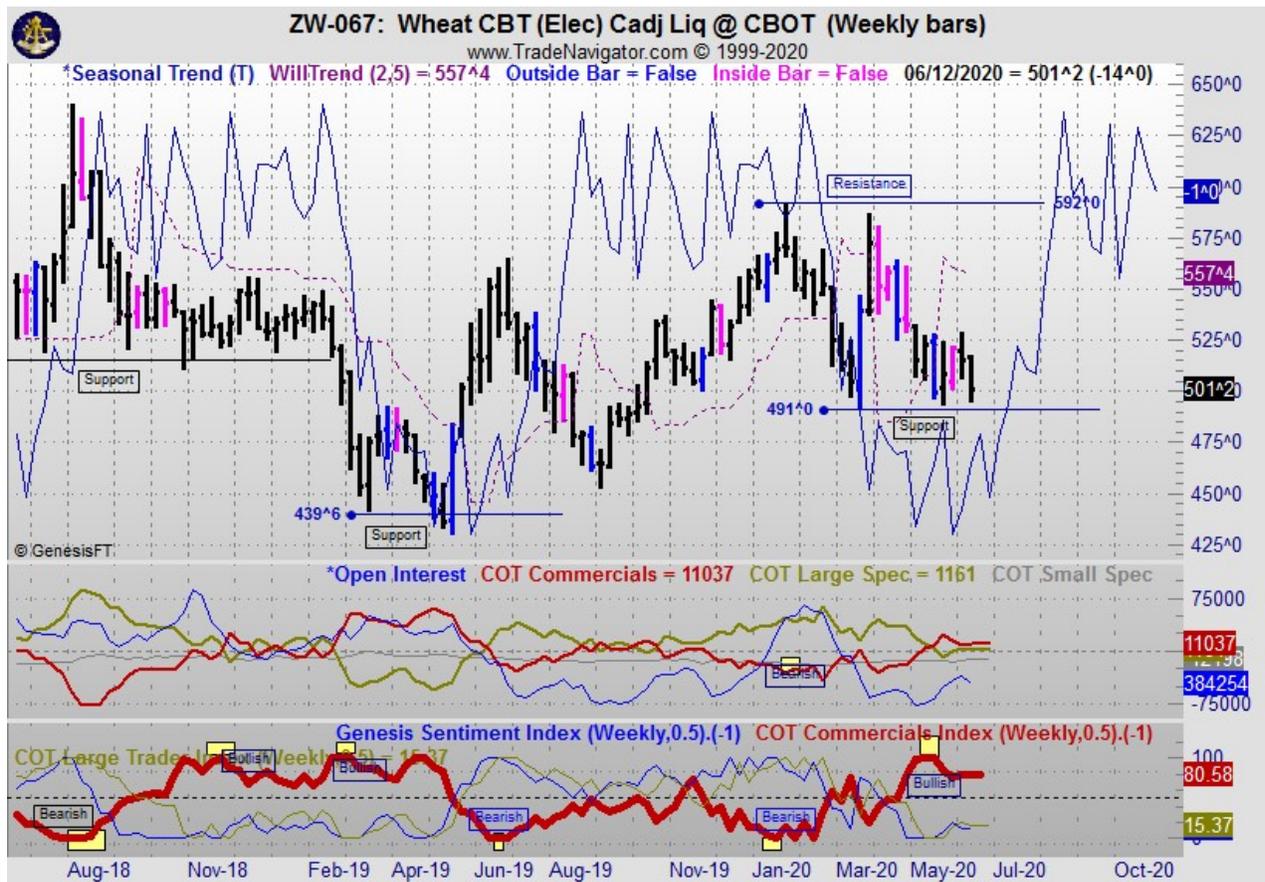
Winter wheat conditions were unchanged at 51% good/excellent vs 50% expected, 51% last week and 64% last year. Kansas remained at 42%, Oklahoma fell 10% to 46%, Texas was down 1% to 38%, while Nebraska improved 2% to 66% g/e. Harvest is only 7% done nationwide, below the estimate of 12% but right at the average of 7%. Texas is 36% harvested and Oklahoma is 19% done.

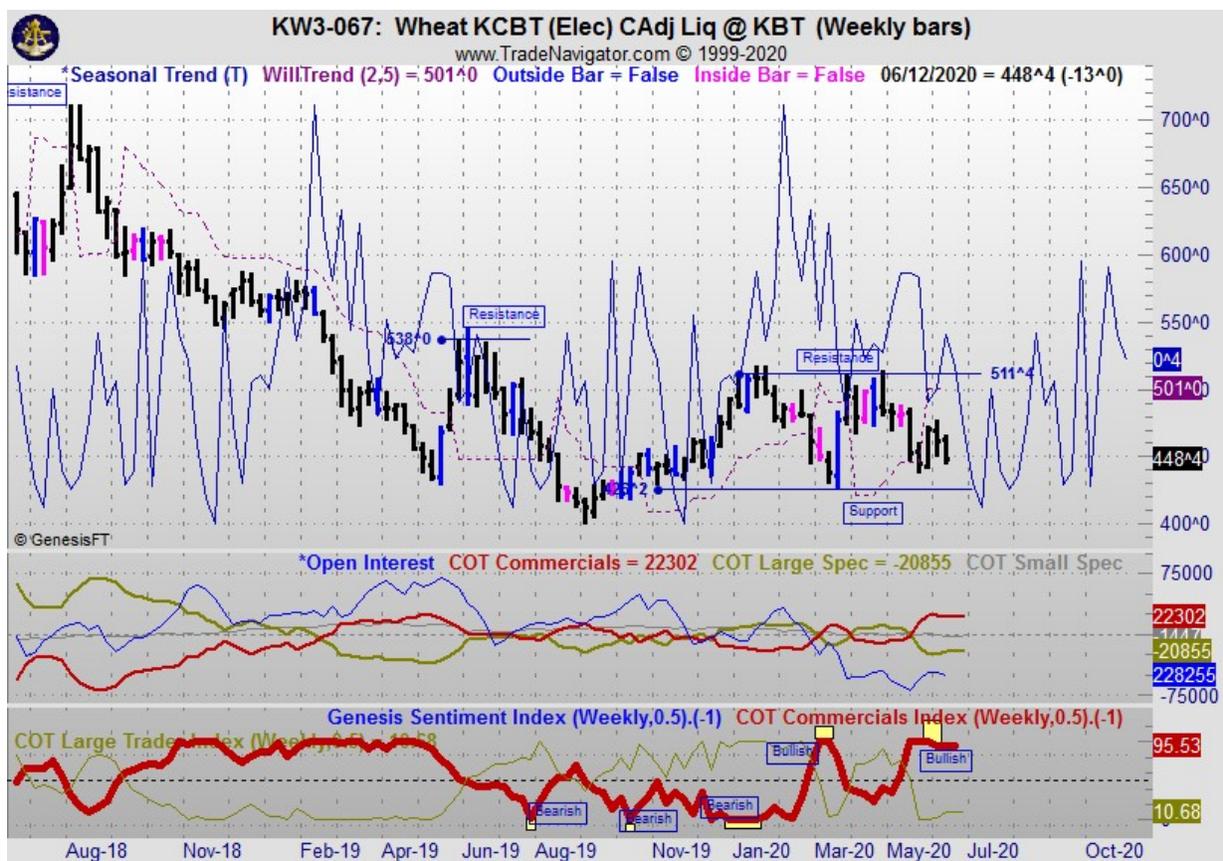
In the monthly supply/demand report; 2019/20 wheat exports were lowered 5 mb to bump ending stocks

by 5 mb while new crop wheat production was increased by 11 mb with yields increased to 49.8 bpa. This resulted in ending stocks up 16 mb to 925 mb for 2020/21. HRW ending stocks were unchanged at 510 mb; SRW increased by 1 mb to 119 mb and HRS stocks increased 5 mb to 248 mb as exports were lowered by 4 mb and supply was up 1 mb. 2020/21 class by class breakdown start in the July report.

STRATEGY & OUTLOOK

Harvest has started in Texas and moved into Oklahoma. So far, yields have been slightly above expectations. Yields are likely to fall when harvest moves to Kansas. The COT report has turned decidedly bullish but it is hard to rally markets in the early stages of harvest.





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