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KANSAS CITY LEADS THE WAY HIGHER PROBABLY DUE TO UNWINDING OF CHICAGO/KC WHEAT SPREADS

Higher closes for Minneapolis, Kansas City and Chicago wheat along with corn and soybean meal while unchanged for soybeans and lower for oats, rough rice and soybean oil. POSSIBLE UNWINDING OF LONG CHICAGO/SHORT KC WHEAT SPREADS IS THE MAIN REASON I CAN COME UP WITH THE ACTION OF THE LATTER. ALSO WHEAT EXPORTS RUNNING OVER 20 % HIGHER FROM LAST YEAR DOESN'T HURT. THE DOLLAR HAS REACHED A DECENT RESISTANCE AREA AFTER RISING OVER THE LAST WEEK +. WHEN YOU LOOK AT EVERYTHING THE GRAIN COMPLEX DOESN'T SEEM, THOUGH, TO BE PAYING MUCH ATTENTION TO THE FUNDAMENTALS AT THIS TIME ANYWAY. Weather forecasts in the United States and South America, especially the latter, seem to continue on a similar course meaning fair harvest conditions in the USA. Technically, Minneapolis wheat looks like it's in a possible large bottoming formation for the long term while there is a possible M reversal formation down in the short term. On the other hand KC exploded sixteen cents higher acting like this was due to the unwinding of Chicago/KC spreads as mentioned above. I would expect KC to return to earth anytime soon. Still, this was KC's highest close since August 5th and does make this grain look good technically. Chicago has been plodding along over the last three weeks or so but, like the rest of the wheat complex, seems to be holding up. The main difference I see is Minneapolis has started to give back its gains over KC and Chicago at this time. Oats made a new CONTRACT HIGH before setting lower in REVERSAL TYPE ACTION but still look very strong overall and should continue higher. Rough Rice has been gradually falling since the middle of September but seems to have been consolidating over the last two weeks. I still need to see a close over 1250 and then 1260 for it to turn back higher at this time. Corn has also been falling since the middle of October with record low exports and the possibility of higher corn production than originally anticipated. The farmers are doing their best to hold cash corn prices as the basis indicates. I really see little change since my last report as the farmers are holding out for higher prices down the road. With this being said corn has remained between 360 and 400 (except for one session) since August 13th. Beans and meal have been falling since the middle of October while oil started stalling out on November 5th. complex but has been holding up well overall. I don't like to see oil stronger than meal but the outlook for the bean complex remains promising for higher prices down the road. DON'T FORGET NO MATTER WHAT ANYONE SAYS, WHEN THE TARIFF SITUATION GETS RESOLVED WHO KNOWS WHAT COULD BE THE END RESULT. OF COURSE, CHINA COULD BE DRAGGING THE NEGOTIATIONS WITH THE HOPE TRUMP WON'T GET RE ELECTED OR AT THE WORST, TRY TO HOLD TRUMP HOSTAGE WITH BAD PRESS BECAUSE OF THE HARM IT CAN DO THE USA'S ECONOMY DOWN THE ROAD. BUY SIGNALS FOR MINNEAPOLIS, KANSAS CITY AND CHICAGO WHEAT, OATS, CORN SOYBEANS, SOYBEAN MEAL AND SOYBEAN OIL. For additional charts, quotes, news, commentary & more, sign up for markethead.

MWZ19 - Spring Wheat - Daily Candlestick Chart



KEZ19 - Hard Red Wheat - Daily Candlestick Chart



ZWZ19 - Wheat - Daily Candlestick Chart



ZRF20 - Rough Rice - Daily Candlestick Chart



ZOZ19 - Oats - Daily Candlestick Chart



ZCZ19 - Corn - Daily Candlestick Chart



ZSF20 - Soybean - Daily Candlestick Chart



ZMF20 - Soybean Meal - Daily Candlestick Chart



ZLF20 - Soybean Oil - Daily Candlestick Chart

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