

Hello Colorado Wheat.

This is a guess. We don't get the weekly FAS reports anymore, although we do get AMS reports, which include inspections...BUT the FAS report was showing an additional 200,000 mt of both HRS and HRW more than the AMS reports...that's about 8.3 mt a week. And the AMS report does not show season accumulations by class of wheat.

<b>THIS WEEK's (01/10)</b>	Weekly loadings	Accumulated in season (estimate)	USDA projection	Amount needed	# of weeks remaining	Bu per week needed
HRW	9.538	145.9	320.0	174.1	20	8.70
HRS	6.665	154.8	300.0	145.2	20	7.25
<b>2 WEEKS AGO (01/03)</b>	Weekly loadings	Accumulated in season (estimate)	USDA projection	Amount needed	# of weeks remaining	Bu per week needed
HRW	2.623	136.4	320.0	183.6	21	8.74
HRS	5.486	148.2	300.0	151.8	21	7.23

IF I'm close...then a guy might conclude USA wheat exports ARE ON TRACK to meet the last WASDE export forecast we saw in December. Notice this week's BIG export loadings of HRW.

Supporting that thought is a 3c uptick in the Gulf bid; ords are up 9c in the past month:

GULF			
date	12 pro	ords	diff
1/18/2019	141	125	16
1/11/2019	139	122	17
1/4/2019	141	122	19
12/28/2018	140	116	24
12/21/2018	140	116	24

Hmm. I'm leaning towards things are about to get interesting.

***Charts and discussions follow, with the goal of giving you useful information to help you with your business. My disclaimer remains the same: these are my sometimes rapidly changing opinions, but I believe you should: 1.be willing to store your wheat, 2. apply 30# of N at planting, and if it's a wet spring, re-apply 30# 3. don't sell your wheat unless you have discussed protein premiums***

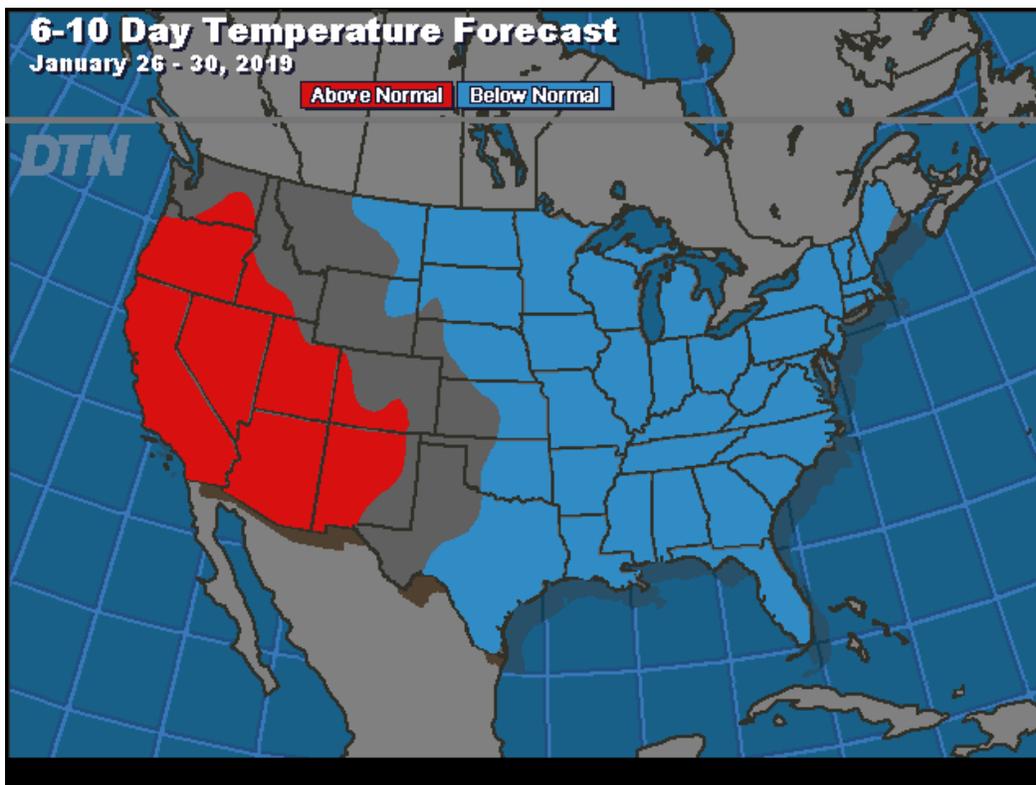
We see a few posted bids in the country (Cheyenne Wells, and Salina, KS) responding to the better Gulf bid (the futures were a penny higher this week), and the Roggen area is up a dime:

Date	SE Colorado	Chey. Wells	Burlington	Holyoke area	Roggen area
<b>01/18</b>	<b>\$4.26-\$4.66</b>	<b>\$4.83</b>	<b>\$4.51-\$4.61</b>	<b>\$4.43-\$4.66</b>	<b>\$4.93-\$4.96</b>
01/11	\$4.25-\$4.65	\$4.80	\$4.49-\$4.60	\$4.42-\$4.65	\$4.85-\$4.85
01/04	\$4.26-\$4.66	\$4.81	\$4.51-\$4.61	\$4.43-\$4.66	\$4.85-\$4.86
12/28	\$4.16-\$4.51	\$4.71	\$4.41-\$4.51	\$4.32-\$4.56	\$4.76-\$4.76
12/21	\$4.23-\$4.58	\$4.78	\$4.48-\$4.58	\$4.40-\$4.63	\$4.83-\$4.83
12/14	\$4.38-\$4.73	\$4.93	\$4.37-\$4.73	\$4.55-\$4.78	\$4.98-\$4.98
12/07	\$4.32-\$4.62	\$4.82	\$4.29-\$4.52	\$4.49-\$4.67	\$4.82-\$4.87
BASIS	SE Colorado	Chey. Wells	Burlington	Holyoke	Roggen area
<b>01/18(H)</b>	<b>-80, -40</b>	<b>-23</b>	<b>-55, -45</b>	<b>-63, -40</b>	<b>-13, -10</b>
01/11(H)	-80, -40	-25	-55, -45	-63, -40	-20, -20
01/04(H)	-80, -40	-25	-55, -45	-63, -40	-20, -20
12/28 (H)	-80, -45	-25	-55, -45	-63, -40	-20, -20
12/21 (H)	-80, -45	-25	-55, -45	-63, -40	-20, -20
12/14 (H)	-80, -45	-25	-81, -45	-63, -40	-20, -20
12/07 (H)	-80, -50	-30	-83, -60	-63, -45	-30, -25
Date	Concordia	Salina	Hutchinson	Wichita	Ark City
<b>01/18</b>	<b>-25</b>	<b>-15, -13</b>	<b>-34, -10</b>	<b>-18, -10</b>	<b>-22</b>
01/11	-25	-20, -15	-34, -10	-18, -10	-22
01/04(H)	-25	-20, -15	-34, -15	-18, -15	-22
12/28(H)	-25	-20, -15	-34, -25	-20, -18	-22
12/21(H)	-25	-20, -15	-34, -25	-20, -18	-22
12/14(H)	-25	-20, -15	-35, -34	-20, -18	-25
12/07(H)	-35	-25, -22	-39, -35	-25, -23	-27

Here's our updated 11-week closing futures table; wheat and corn are unchanged the last 3 weeks. This thing is either going to be a heckova ceiling, or floor. Beans are hopeful the Trade Wars continue making progress and will drag corn with them this spring planting season either way.

CLOSE	KWH19	KWN19	KWZ19	CH19	CN19	CZ19	WH19	MWH19	MWZ19	SH19
<b>01/18</b>	<b>\$5.06</b>	<b>\$5.25</b>	<b>\$5.53</b>	<b>\$3.82</b>	<b>\$3.97</b>	<b>\$4.04</b>	<b>\$5.18</b>	<b>\$5.74</b>	<b>\$6.05</b>	<b>\$9.17</b>
01/11	\$5.05	\$5.26	\$5.54	\$3.78	\$3.94	\$4.02	\$5.20	\$5.70	\$6.01	\$8.99
01/04	\$5.06	\$5.28	\$5.57	\$3.83	\$3.98	\$4.04	\$5.17	\$5.70	\$6.03	\$9.10
12/28	\$4.96	\$5.20	\$5.50	\$3.76	\$3.91	\$3.98	\$5.12	<b>\$5.51</b>	<b>\$5.86</b>	\$8.96
12/21	\$5.03	\$5.26	\$5.55	\$3.79	\$3.94	\$3.99	\$5.14	<b>\$5.61</b>	<b>\$5.95</b>	\$8.98
12/14	<b>\$5.18</b>	<b>\$5.39</b>	<b>\$5.67</b>	\$3.85	<b>\$3.99</b>	<b>\$4.04</b>	\$5.30	<b>\$5.84</b>	<b>\$6.12</b>	\$9.14
12/07	\$5.12	\$5.32	\$5.62	<b>\$3.86</b>	<b>\$3.99</b>	\$4.03	<b>\$5.31</b>	\$5.82	\$6.09	<b>\$9.29</b>
11/30	\$5.00	\$5.22	\$5.50	\$3.78	\$3.92	\$4.00	\$5.16	\$5.76	\$6.10	<b>\$9.08</b>
11/23	<b>\$4.86</b>	<b>\$5.11</b>	<b>\$5.44</b>	<b>\$3.71</b>	<b>\$3.86</b>	<b>\$3.95</b>	<b>\$5.00</b>	<b>\$5.71</b>	<b>\$6.08</b>	<b>\$8.95</b>
11/16	<b>\$5.07</b>	<b>\$5.29</b>	<b>\$5.64</b>	\$3.76	\$3.90	\$3.98	\$5.07	<b>\$5.74</b>	<b>\$6.11</b>	<b>\$9.06</b>
11/09	<b>\$5.09</b>	<b>\$5.34</b>	<b>\$5.67</b>	\$3.81	\$3.96	\$4.03	<b>\$5.02</b>	<b>\$5.77</b>	<b>\$6.12</b>	\$9.00

And "winter kill" chatter is mildly supportive to winter wheat...



Sideways patterns, with narrowing ranges...have wheat, corn and beans all within striking distance of some big buy-stops...although the easiest way out is Epic Fail if the blue resistance lines hold again.

March soybeans, in a 34c range; I think the trendline shown is valid.



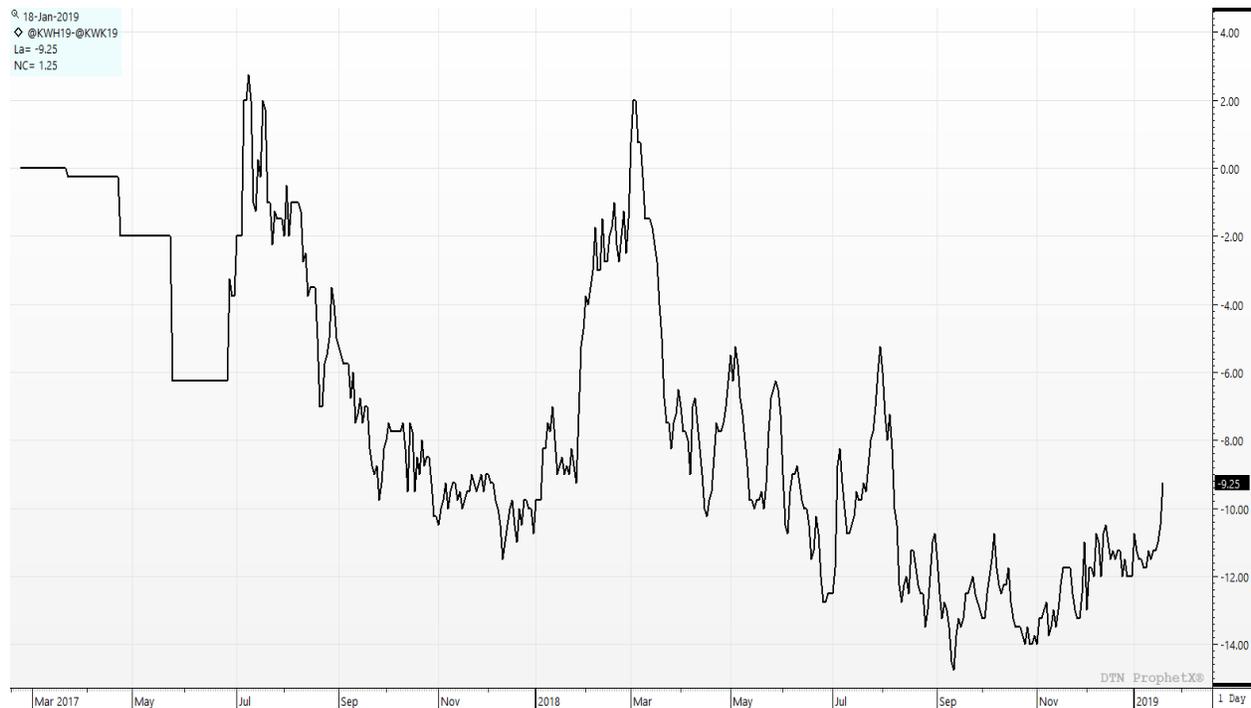
And March corn, stuck in a very tight 15c range, will go with beans, IF beans actually break out...:



Finally, KC March wheat. Also stuck in a tight 32c range:



The KC H-K calendar spread shows no chance of widening, which means delivery storage charges will narrow from 11c/month to 8c per month, effective on March deliveries, effective March 19:



Narrowing calendar spreads removes incentive to store wheat. Will KC wheat spreads narrow further?

Chicago SRW storage is already in to 8c/month, and will be decreasing to 5c/month effective March 19, which is the minimum. For KC to reduce storage rates to 5c/month, the May-July would have to trade and stay at about 10c. It settled Friday at -9.25 (!)

This is the KC May-July spread; I drew in a red line at -10c...



I would assume “Big Concrete” prefers the May-July to not narrow, as that would affect storage on July-Sept (new-crop), etc, but with the strong basis on the posted bids in the country, reflecting good current demand at the Gulf, they may not be able to prevent it. How this plays out will be keenly watched this spring. I suspect this will be a great battle later this summer.

So, this week? ...we had 3 weeks of closing unchanged, higher Gulf bids, better terminal bids, tighter calendar spreads, and huge export loadings last week...can this be the week we breakout to the upside?

Or does tough resistance about 12c higher hold, and we fail miserably again?

I’m not sure how the story ends, but I think we have to at least go test the resistance. Should be fun.

Have a good week.