

Hello Colorado Wheat.

Corn and soybean markets bounced last week, finally. The turn to significantly hot and dry weather makes one wonder if the potentially reduced yield in corn and beans tightened up the balance sheets.

Here's how the week ended, with KC Z needing a 20c rally to only finish a nickel lower. KC Sept wheat was down 2c (the KC U-Z continued tightening...), but corn was up 6c while beans gained 45c.

Crude oil so far unable to take out the double-top of resistance, and the stock market...getting a little more interesting on the downside, as the table shows this week's Red Line will become 4305, less than 100 points from this week's 4382 close:

	Dec '23 HRW	July '24 HRW	Dec'23 corn	July '24 corn	Chgo Z wheat	Springs Dec (Z)	Nov'23 soybean	July '24 Soybean	Crude oil	S&P
CLOSE	KWZ23	KWN24	CZ23	CN24	WZ23	MWZ23	SX23	SN24	CRD22	ES22
<b>08/18</b>	<b>\$7.61</b>	<b>\$7.50</b>	<b>\$4.93</b>	<b>\$5.19</b>	<b>\$6.39</b>	<b>\$8.18</b>	<b>\$13.53</b>	<b>\$13.70</b>	<b>\$81.25</b>	<b>\$4382</b>
08/11	\$7.66	\$7.66	\$4.87	\$5.15	\$6.54	\$8.30	\$13.08	\$13.25	\$83.19	\$4481
08/04	\$7.69	\$7.67	\$4.97	\$5.23	\$6.60	\$8.38	\$13.33	\$13.42	\$82.82	\$4498
07/28	\$8.69	\$8.33	\$5.30	\$5.51	\$7.28	\$9.07	\$13.83	\$13.74	\$80.58	\$4607
07/21	\$8.67	\$8.19	\$5.36	\$5.56	\$7.18	\$8.97	\$14.02	\$13.86	\$77.07	\$4565
07/14	\$8.34	\$7.92	\$5.14	\$5.36	\$6.81	\$8.90	\$13.71	\$13.54	\$75.42	\$4537
07/07	\$8.20	\$7.76	\$4.94	\$5.17	\$6.67	\$8.55	\$13.18	\$13.10	\$73.86	\$4434
06/30	\$8.00	\$7.68	\$4.95	\$5.16	\$6.69	\$8.27	\$13.43	\$13.08	\$70.64	\$4488
06/23	\$8.63	\$8.25	\$5.88	\$5.97	\$7.62	\$8.80	\$13.10	\$13.11	\$69.16	\$4389
06/16	\$8.37	\$8.06	\$5.98	\$6.04	\$7.16	\$8.69	\$13.42	\$13.18	\$71.78	\$4454
06/09	\$7.93	\$7.63	\$5.31	\$5.47	\$6.58	\$8.18	\$12.04	\$12.18	\$70.17	\$4305
06/02	\$8.04	\$7.79	\$5.41	\$5.57	\$6.52	\$8.12	\$11.84	\$12.00	\$71.74	\$4288
Year ago	\$8.01	\$8.01	\$5.93	\$5.93	\$7.70	\$9.79	\$13.40	\$13.40	\$75.57	\$4762

*Charts and discussions follow, with the goal of giving you useful information to help you with the business of marketing your crops. My disclaimer remains the same: these are my sometimes rapidly changing opinions. ALSO, USE THE BEST MANAGEMENT PRACTICES YOU CAN. STUDIES SHOW GOOD MANAGEMENT ADDS AN AVERAGE OF 13 BU/ACRE; IT PAYS FOR ITSELF*

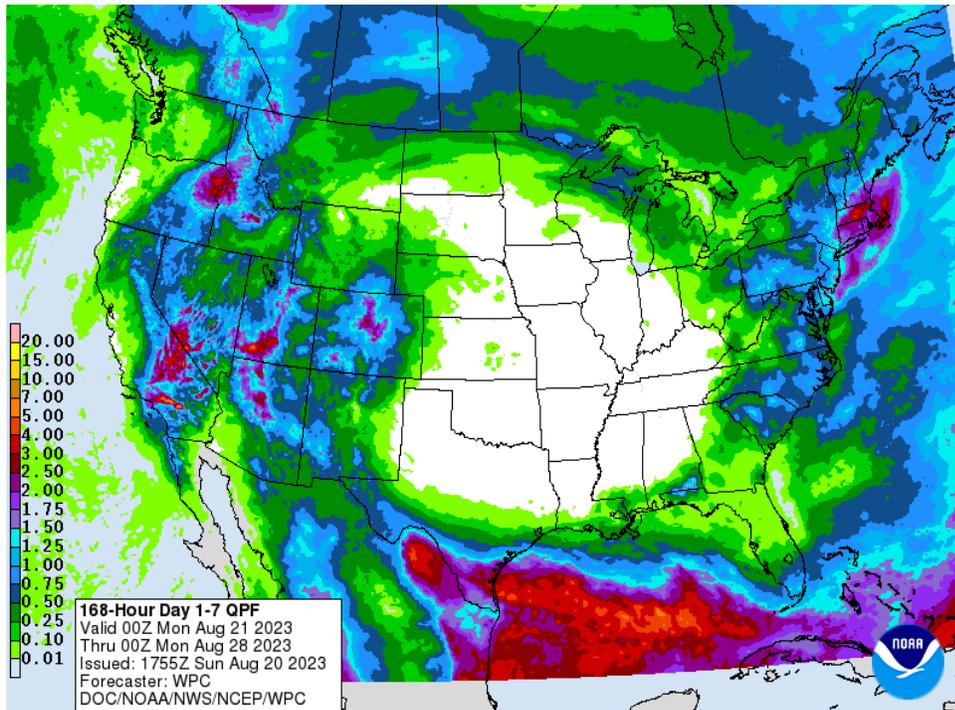
Here's the E mini S&P 500 (stock market) chart...looks like channel trendline support was broken. I drew the 11-week Closing Low Red Line of support at 4305, which...IF CLOSED BELOW...would be ominous.



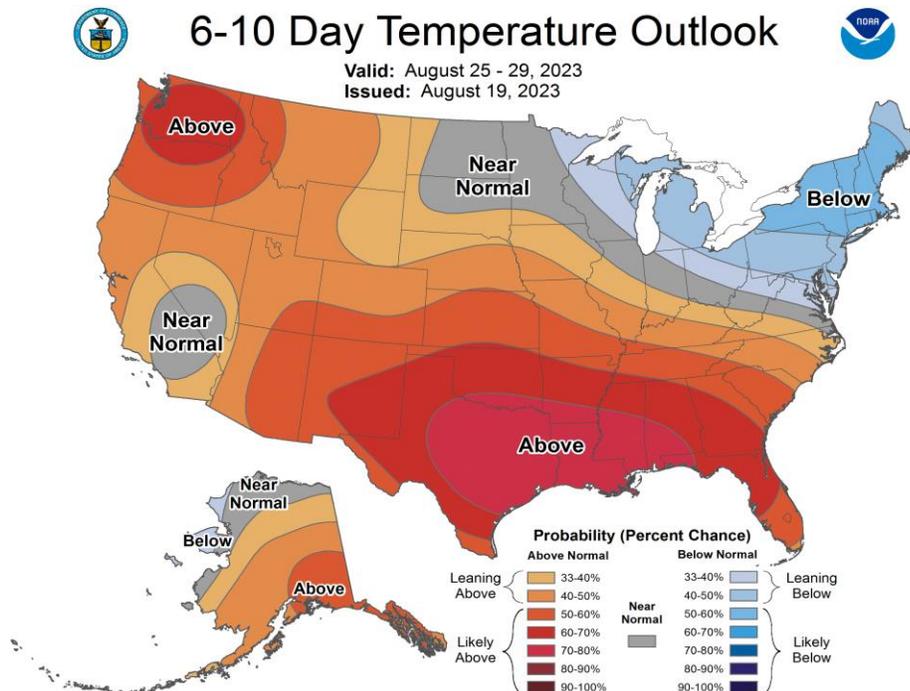
Here I'm showing a weekly E mini, and while I'm no expert on Price Counts, IF a guy drew in a Price Count Down...he might come up with a weekly chart showing there's about a 1 in 3 chance of the stock market collapsing and revisiting the lows from last October and removing ALL of the gains for the year...yikes. So I think it's important the Red Line from the daily chart at 4305 needs to hold.



As far as grains go...this week's precipitation map says there's a big dry hole in the USA for all week:



And we know it's going to stay hot:



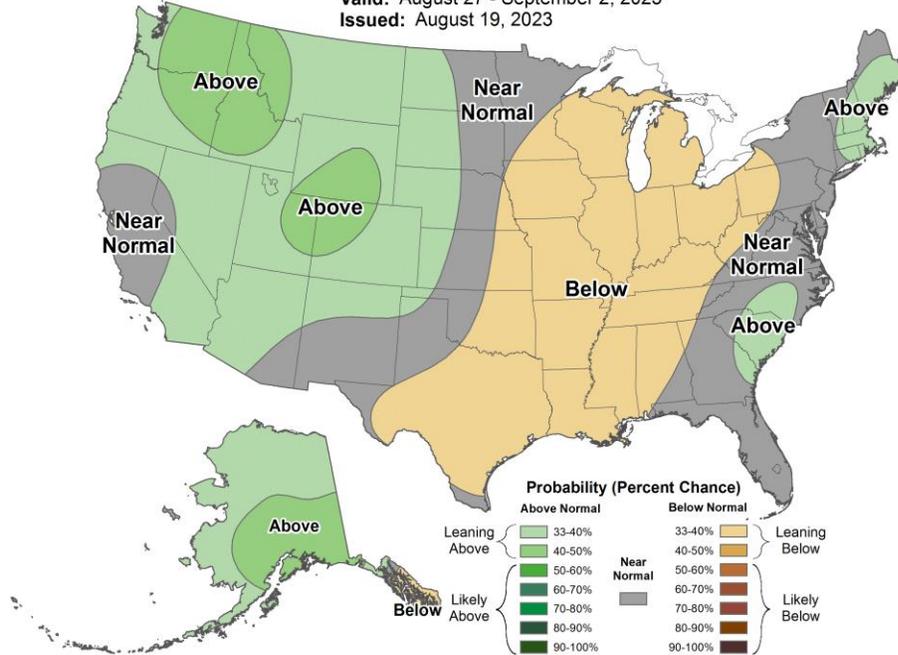
The 8–14-day outlooks show moderating temps (still pretty warm, but not quite as killer hot), but certainly the bias is dry weather to finish August into Labor Day:



# 8-14 Day Precipitation Outlook



Valid: August 27 - September 2, 2023  
Issued: August 19, 2023



Combine that with some better new-crop soybean export sales...and we get a November soybean chart that is now looking a little different. It's important to note that this week's old red line of \$12.00 becomes \$12.18 when the week starts, BUT THAT WILL ONLY BE FOR ONE WEEK, and THEN...the key red line of support becomes a double bottom at \$13.08 from 6/30 and \$13.10 from 7/07, and THAT IS the red line I've drawn in on this current X beans chart. The gap gets filled at \$13.79, up another 26c. I've sold half my beans, and am willing to sit on the balance, but that old gap might be a good spot for a resting sell order to get "caught up" if you need to.

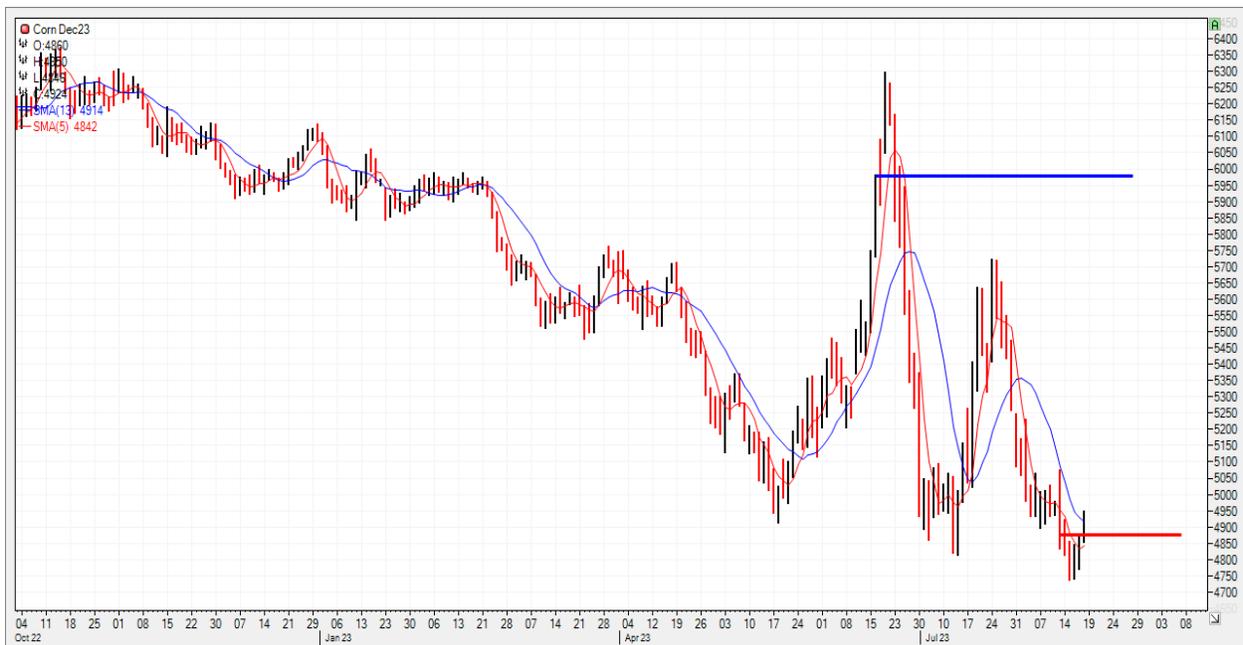


The export pace update with only 3 weeks to go shows nothing new, although corn exports being overstated by 100 million bu for 22/23 is NOT impossible, and that will go to the old-crop carryout. Beans look like a small downward revision will be needed; not very much, just finetuning. Wheat exports need a shot in the arm...

WEEK ENDED (08/10/23)	Weekly loadings	Accumulated in season (FGIS)	Estimated fudge factor	Total loaded est*	USDA projection	Amount needed	Weeks to go	Bu per week needed
Corn	15.6	<b>1401.9</b>	<b>60</b>	1458	<b>1,625</b>	167	<b>03</b>	<b>55.7</b>
Soybeans	10.9	<b>1877.6</b>	30	1906	<b>1,980</b>	74	<b>03</b>	<b>24.6</b>
All wheat	6.7	<b>118.2</b>	45	127	<b>700</b>	573	<b>42</b>	<b>13.6</b>
Milo	4.6	<b>96.7</b>	5	101	<b>100</b>	3	<b>03</b>	<b>0</b>
LAST WEEK								
Corn	14.8	<b>1385.8</b>	<b>60</b>	1441	<b>1,625</b>	184	04	<b>46.0</b>
Soybeans	10.4	<b>1866.5</b>	30	1894	<b>1,980</b>	86	04	<b>21.5</b>
All wheat	10.1	<b>110.8</b>	45	118	<b>700</b>	582	43	<b>13.5</b>
Milo	1.3	<b>92.0</b>	5	97	<b>100</b>	3	04	<b>0.8</b>

I mentioned new-crop bean sales are doing better. This week bean sales were almost 52 mil bu for the new year, and China was a buyer. Corn new-crop sales were 27.7 mil bu, and are only 2/3's of what is on the books for new-crop beans, and thus are relatively in much worse shape than new-crop soybean sales. The return of El Nino could negatively impact South America which theoretically could help us be more competitive... <https://foreignpolicy.com/2023/08/18/el-nino-forecast-weather-season-global-impact-conflict-food-supply-health-disease/>

So far, China hasn't been spooked enough to start buying USA corn. This Dec corn shows a potential moving average crossing, which could be supportive.



Until we get another rain, both corn and beans will find probing the upside easier than probing the downside.

I've sold 75% of my corn at an average of \$5.41. The last 25% chunk too cheap. I wish I...waited a little longer, but it seemed like a good idea at the time.

Wheat...it took a big rally Friday to claw back to almost, but not quite...unchanged for the week. This is KC Dec wheat. If you haven't sold this year's crop yet, you'd like to see last Friday's rally hold.

I think the \$7.88ish area will offer some tough resistance IF KC has quit going down. That's not quite 30c higher, and a decent place to put in some resting sell paper if you have wheat instore a commercial elevator that's charging you storage.



It's hard to get a good handle on what wheat has to do; short of NATO completely stopping all traffic in the Black Sea, almost everything currently feels bearish.

This story says Ukraine and Romania are working together to export Ukrainian grain through Romanian ports... <https://www.arkansasonline.com/news/2023/aug/19/ukraine-romania-sign-deal-to-boost-kyiv-grain/> and Moldova is helping too. [https://news.yahoo.com/moldova-modernises-railway-infrastructure-ukrainian-130912299.html?fr=sycsrp\\_catchall](https://news.yahoo.com/moldova-modernises-railway-infrastructure-ukrainian-130912299.html?fr=sycsrp_catchall) and I saw a story saying the vessel Joseph Schulte, which has been stuck in Odessa since Feb of '22...has finally sailed towards Istanbul. <https://wtop.com/russia-ukraine-war-news/2023/08/russia-hits-ukrainian-grain-depots-again-as-a-foreign-ship-tries-out-kyivs-new-black-sea-corridor/>

Turkey's leader Erdogan needs cheap Russian wheat, period.

And India...?? What the heck is going on?

A couple weeks ago I said I heard a rumor which said India was going to import 5 million tonnes of wheat, then next week they abolished their wheat import tax, and now...Reuters said India wants to import 5 to 9 million tonnes of wheat from Russia at “a discounted price”. This is not the Reuters story, but it’s pretty good read: <https://www.msn.com/en-us/money/markets/india-to-buy-a-record-9mn-tonnes-of-discounted-russian-wheat-to-head-off-domestic-price-spike/ar-AA1fr7Vu#:~:text=India%20is%20reportedly%20in%20confidential%20talks%20with%20Russia,very%20eep%20discount%2C%20Reuters%20reported%20on%20August%202017.>

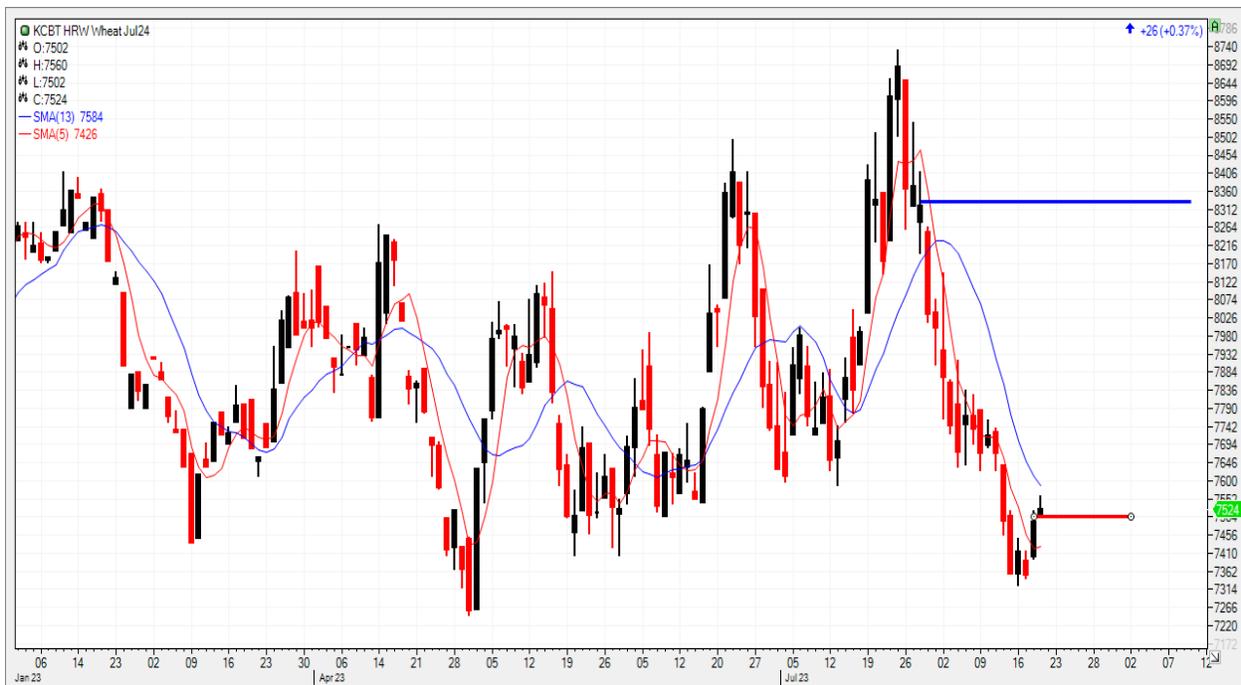
This is the actual Reuters story <https://www.reuters.com/markets/commodities/india-considers-wheat-imports-russia-discount-calm-prices-sources-2023-08-17/>

Anyway...in 2006 India imported a chunk of wheat, and wheat prices went berserk...but this “discounted price” concept doesn’t sound super bullish. BUT WHO KNOWS?

India is saying August '23 was the driest on record, and the monsoons have been disappointing ... <https://www.msn.com/en-us/weather/topstories/exclusive-india-faces-record-low-august-rains-threatening-summer-crops/ar-AA1frePq>

One thing that did happen for sure... was last week I said I was going to raise my sell-stop on KC July '24 to \$7.66, and thus I’ve started selling next year’s wheat. Now we need to get it planted and emerged, and hopefully make a good stand going into winter.

This KC July'24 chart points out I did NOT sell the exact bottom. So far, that’s the good news...



Gulf bids are steady...

GULF date	12 pro	ords	diff	
8/18/2023	90	90	0	
8/11/2023	90	90	0	
8/4/2023	65	65	0	
7/28/2023	73	73	0	NQ

And so was the posted basis in the country:

Date	SE Colorado	Chey. Wells	Burlington	Holyoke area	Roggen area
<b>08/18</b>	<b>\$6.69-\$6.84</b>	<b>\$6.84</b>	<b>\$6.69-\$6.79</b>	<b>\$6.49-\$6.59</b>	<b>\$6.84-\$7.34</b>
08/11	\$6.71-\$6.86	\$6.86	\$6.71-\$6.81	\$6.51-\$6.61	\$6.86-\$7.36
08/04	\$6.68-\$6.83	\$6.93	\$6.73-\$6.83	\$6.48-\$6.63	\$6.88-\$7.33
07/28	\$7.71-\$8.01	\$8.01	\$7.81-\$7.91	\$7.61-\$7.78	\$7.96-\$8.36
BASIS	SE Colorado	Chey. Wells	Burlington	Holyoke	Roggen area
<b>08/18(U)</b>	<b>-85, -70</b>	<b>-70</b>	<b>-85, -75</b>	<b>-105, -95</b>	<b>-70, -20</b>
08/11(U)	-85, -70	-70	-85, -75	-105, -95	-70, -20
08/04(U)	-85, -70	-60	-80, -70	-105, -90	-65, -20
07/28(U)	-85, -55	-55	-75, -65	-95, -78	-60, -20
Date	Concordia	Salina	Hutch/Wichita	Ark City	
<b>08/18(U)</b>	<b>-50</b>	<b>-27, -15</b>	<b>-45, -10</b>	<b>-53</b>	
08/11(U)	-50	-27, -15	-45, -10	-53	
08/04(U)	-45	-25, -10	-41, -10	-50	
07/28(U)	-45	-25, -10	-41, -10	-50	

Have a good week. Stay Safe. Slow Down.

PS: Sunday night saw corn open 12c higher and beans were up almost 25c. Wheat was up 8, but was backing off last I looked.