

Hello Colorado Wheat.

Last week I wrote about the Funds taking off some of their “long crude, short Ags”, maybe exiting some crude vs corn. Crude oil was acting topy and corn has been unable to close below \$4.75 even though it’s tried for almost a month. (Not wheat or beans though. Their charts weren’t showing any reason to cover any shorts in those markets).

This week kind of perpetuated that line of thought, with crude breaking \$8.00 and wheat bounced a bit, and corn’s 15c rise was probably good enough to trigger some buy signals, but beans...are the last leg of that crude/Ags spread, and still printing new Red Lines.

	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
<i>CLOSE</i>	KWZ23	KWN24	CZ23	CN24	WZ23	MWZ23	SX23	SN24	CRD22	ES22
10/02	\$6.74	\$6.92	\$4.92	\$5.06	\$5.68	\$7.21	\$12.66	\$13.20	\$82.79	\$4342
09/29	\$6.64	\$6.81	\$4.77	\$5.06	\$5.42	\$7.09	\$12.75	\$13.27	\$90.79	\$4326
09/22	\$7.11	\$7.11	\$4.77	\$5.06	\$5.80	\$7.71	\$12.96	\$13.33	\$90.03	\$4361
09/15	\$7.47	\$7.36	\$4.76	\$5.04	\$6.04	\$7.89	\$13.40	\$13.70	\$90.77	\$4498
09/08	\$7.32	\$7.23	\$4.84	\$5.10	\$5.96	\$7.71	\$13.63	\$13.85	\$87.51	\$4462
09/01	\$7.23	\$7.18	\$4.82	\$5.09	\$5.96	\$7.60	\$13.69	\$13.88	\$85.55	\$4522
08/25	\$7.65	\$7.54	\$4.88	\$5.15	\$6.22	\$7.76	\$13.88	\$14.00	\$80.25	\$4422
08/18	\$7.61	\$7.50	\$4.93	\$5.19	\$6.39	\$8.18	\$13.53	\$13.70	\$81.25	\$4382
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
<i>Year ago</i>	\$8.01	\$8.01	\$5.93	\$5.93	\$7.70	\$9.79	\$13.40	\$13.40	\$75.57	\$4762

Then this weekend, the terrorist group Hamas surprise attacked Israel, killing hundreds of civilians, and implicating Iran as an accomplice, which will put the breaks on further crude selling as the market gathers more information. The world is on alert.

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

Early Sunday night indeed shows crude oil up \$4.00, with corn a couple cents higher. Even beans were able to raise their head above water. Wheat (the “food grain”) was up 7c, depending on the flavor.

There is no direct confirmation that Russia is involved in this Hamas attack, although Russia openly hosted a Hamas delegation back in March <https://www.middleeastmonitor.com/20230316-hamas-sent-high-level-delegation-to-moscow-at-russias-invitation/>, but surely the Black Sea region increased tension

This is a KC Z wheat chart, with Sunday night’s action, currently up 8c.



There’s some POTENTIALLY interesting things here. We see some moving averages potentially crossing, with the 13 day offering some resistance at \$6.89...but we see 6 days of daily highs up to about \$6.92ish.

SO, IF...the moving averages do cross, that might be a small buy sign, combined with IF we get a daily close above that \$6.92 area, THEN...we could do a Price Count higher, and it would look like this:



Keep in mind, we don't see the buy signal yet. The moving averages haven't crossed, and KC Z hasn't closed above the intra-week daily highs, and to get any Funds interested, I think you'd at least need a close above the 4-week closing high, which is \$7.11.

But my point is...MAYBE...a farmer who didn't sell his wheat yet...might get an opportunity to unload it. That 3rd Tier Price Count is \$7.87, so IF a guy was still holding his wheat, he should go ahead and put in some resting sell paper at \$7.85.

I have no idea if things blow up bad enough for that to happen, and frankly I hope it doesn't, but using a sell target price while things aren't too emotional just yet seems like a good idea to me.

Fundamentally, the market is waiting for a reason to quit going down but might not get it. The October WASDE update comes out Thursday. I don't think we'll see much World Wheat changes, as the USDA dropped the Aussie, Canook and Argie wheat crops quite a bit in September. Possibly we get a bearish revision higher on the Russian wheat crop. The European analytical agency MARS increased their Russian wheat estimate to 89 million tonnes ; USDA was at 85 in September.

<https://www.reuters.com/article/russia-grains-eu-estimates-idAFL8N30X4PM>

And the USDA will incorporate the Sept.30 Small Grain Summary USA wheat production estimates, including the bigger USA spring wheat crop. **However, this updated USA Export Pace scorecard shows there's actually a chance the USDA will up their USA wheat export forecast.**

WEEK ENDED (09/28/23)	Weekly loadings	Accumulated in season (FGIS)	Estimated fudge factor	Total loaded est*	USDA projection	Amount needed	Weeks to go	Bu per week needed
Corn	24.6	103.9	175	279	2,050	1771	48	36.9
Soybeans	24.4	72.5	60	133	1,790	1657	48	34.5
All wheat	14.6	222.7	100	323	700	377	35	10.8
Milo	.1	7.3	5	12	255	243	48	5.0
LAST WEEK								
Corn	26.0	77.3	175	252	2,050	1798	49	36.7
Soybeans	17.7	47.2	60	107	1,790	1683	49	34.3
All wheat	16.6	206.8	100	307	700	393	36	10.9
Milo	.1	7.3	5	12	255	243	49	5.0

Will the USDA revise their USA corn and bean forecasts lower? I don't think so, just yet. Export sales last week were big for corn, 71 mil bu, as Mexico bot a chunk. (Wheat export sales were not good, only 10 mi bu, kinda putting a damper on my hope for a wheat increase to export forecast, but...we'll see.)

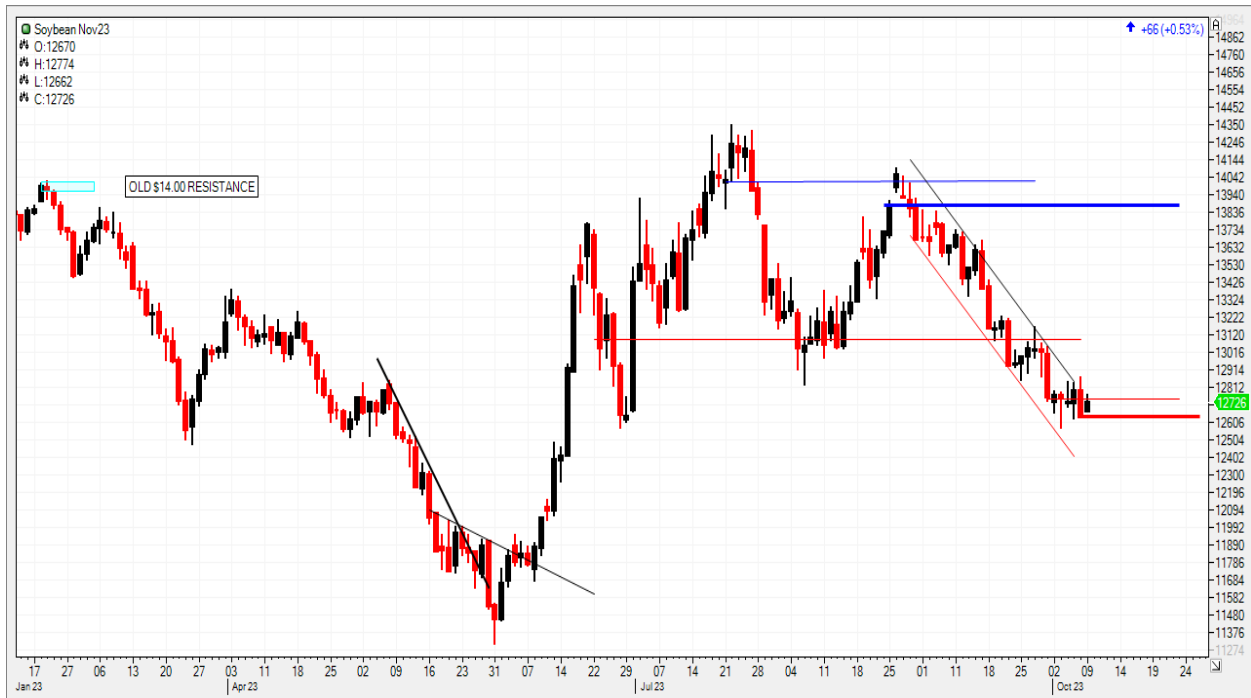
Gulf posted bids are unchanged:

GULF				
date	12 pro	ords	diff	
10/6/2023	80	80	80	0
9/29/2023	80	80	80	0
9/22/2023	80	80	80	0
9/15/2023	80	80	80	0

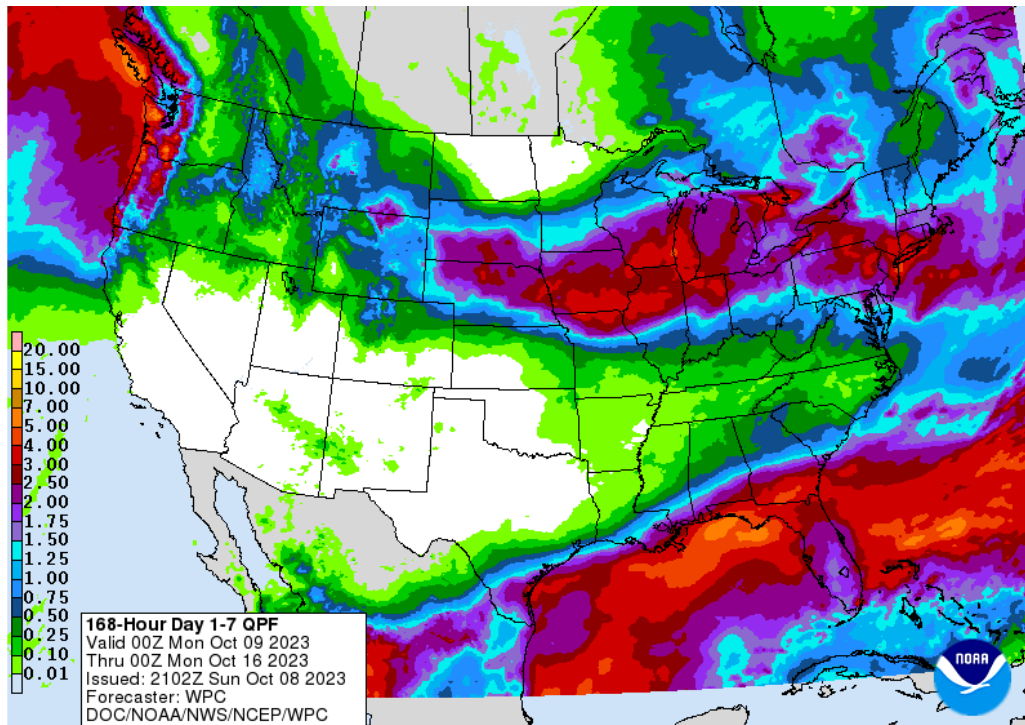
And so are the basis bids in the country:

Date	SE Colorado	Chey. Wells	Burlington	Holyoke area	Roggen area
10/06	\$5.79-\$5.89	\$5.94	\$5.79-\$5.89	\$5.59-\$5.78	\$5.88-\$6.54
09/29	\$5.69-\$5.79	\$5.84	\$5.69-\$5.79	\$5.49-\$5.68	\$5.78-\$6.44
09/22	\$6.16-\$6.26	\$6.31	\$6.16-\$6.26	\$5.96-\$6.15	\$6.25-\$6.91
09/15	\$6.52-\$6.62	\$6.67	\$6.52-\$6.62	\$6.32-\$6.51	\$6.61-\$7.27
09/08	\$6.37-\$6.47	\$6.52	\$6.37-\$6.47	\$6.10-\$6.36	\$6.46-\$7.12
BASIS	SE Colorado	Chey. Wells	Burlington	Holyoke	Roggen area
10/06(Z)	-95, -85	-80	-95, -85	-115, -96	-86, -20
09/29(Z)	-95, -85	-80	-95, -85	-115, -96	-86, -20
09/22(Z)	-95, -85	-80	-95, -85	-115, -96	-86, -20
09/15(Z)	-95, -85	-80	-95, -85	-115, -96	-86, -20
09/08(Z)	-95, -85	-80	-95, -85	-122, -96	-86, -20
Date	Concordia	Salina	Hutch/Wichita	Ark City	
10/06(Z)	-50	-35, -20	-45, -17	-53	
09/29(Z)	-50	-35, -20	-45, -17	-53	
09/22(Z)	-50	-35, -20	-49, -17	-53	
09/15(Z)	-50	-35, -20	-49, -17	-53	
09/08(Z)	-55	-35, -20	-49, -17	-53	

Nov soybeans ...just a bad looking chart, although...possibly the steeply down trending channel might be slowing down, and the market will go sideways. The Blue Line is lower this week, but certainly not in play.



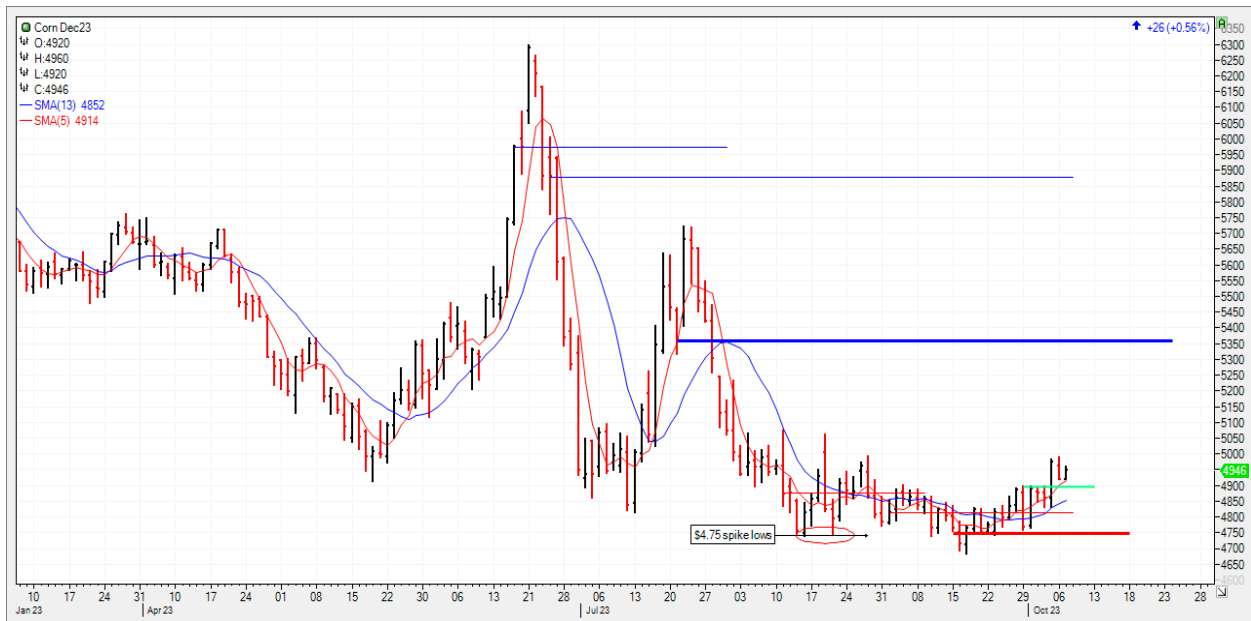
The weather forecast suggests we have 3 days of harvest, and then rains will bring it to a halt:



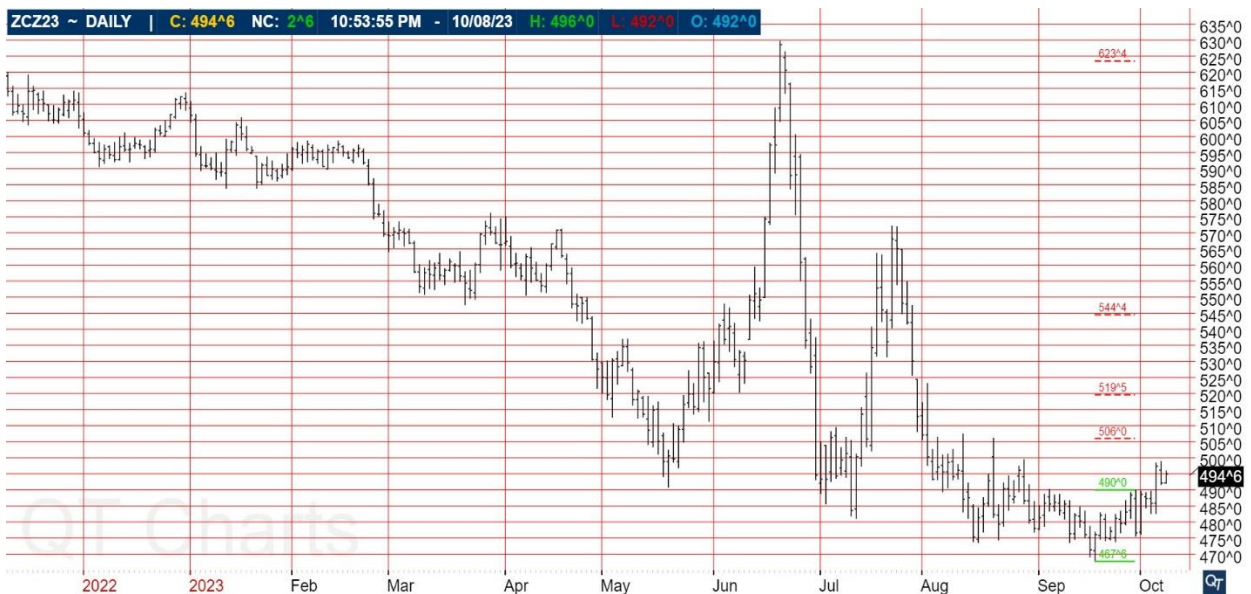
South American production estimates for both corn and beans will be keenly watched Thursday am.

And speaking of corn...that might have been the highlight of the week. The Table on page 1 shows we posted a new 4-week Closing High, and some quicker type funds bot it.

The Red and Blue lines didn't change. I drew in the \$4.90 Green Line, and you can also see the moving averages look more positive too.



I assume most corn has NOT been sold. Where are good resting sell targets? This updated Price Count higher says there's about a 50% chance of seeing \$5.44. I think selling anything above \$5.40 would be good. If a guy hasn't sold anything, \$5.20 might be a good starting point.



Kinda short, hopefully sweet wire this week.

The Hamas surprise attack suspends normal thought. Things could easily spiral out of control.

October WASDE comes out Thursday am, which in this environment...3 days is a long tome from now.

Stay safe. Slow Down. I know you're busy, finishing planting and fall grain harvests, but getting in a hurry doesn't ever help as much as it seems it will.

Have a good week.