

Hello Colorado Wheat.

I survived a couple hours at Walmart on Saturday (yikes!) looking for that “perfect gift” (might be any gift at this rate)...Trips to Walmart are usually kinda interesting... but I predict someone is going to be disappointed.

Kinda like the grain markets...KC wheat down almost 20c this week (rain makes grain), while spring wheat nominally gained a penny and Chgo set back a few cents. (I know it's too early to talk about how dry the Canadian Prairies are, but...it's at least in the back of the minds of about every wheat trader in the world.) Corn closed a few cents lower, but was unable to trigger the sell-stops. Beans gained a few cents, but were unable to trigger the buy-stops.

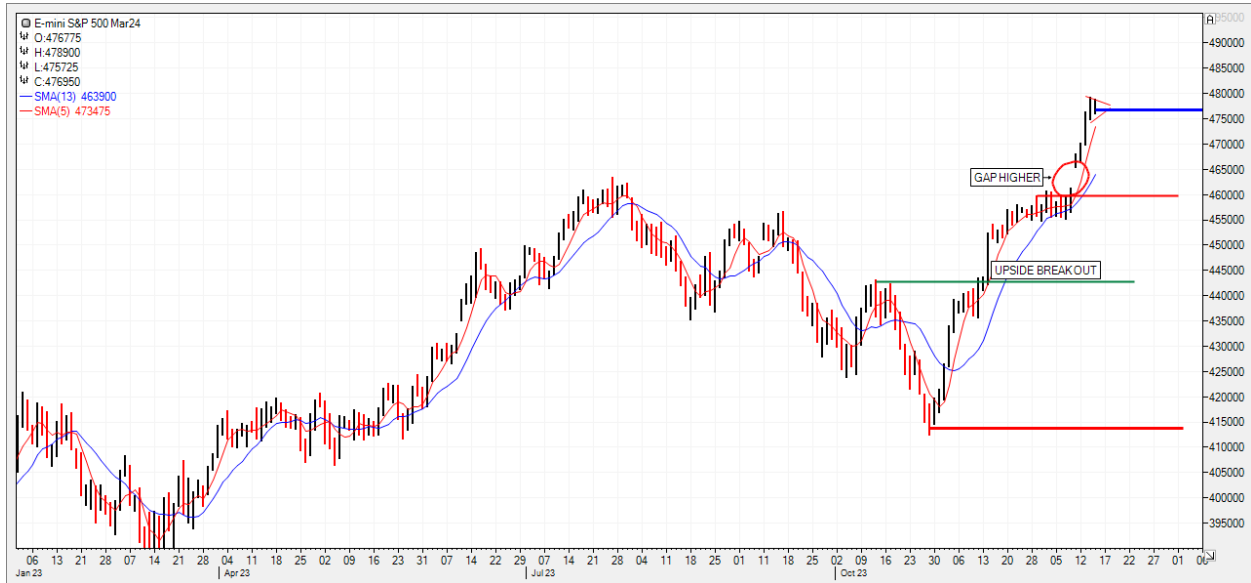
Crude oil is probably viewed as “kinda cheap” at \$70, and don't look now, but how “bout that stock market!?” setting a consecutive 5th Blue number.

| | MAR '24 HRW | July '24 HRW | MAR'24 corn | July '24 corn | Chgo H wheat | Springs MAR (H) | MAR'24 soybean | July '24 Soybean | Crude oil | S&P |
|-------|----------------|-----------------|----------------|------------------|-----------------|--------------------|-------------------|---------------------|--------------|--------|
| CLOSE | KWH24 | KWN24 | CH24 | CN24 | WH24 | MWH24 | SH24 | SN24 | CRD23 | ES23 |
| 12/15 | \$6.43 | \$6.52 | \$4.83 | \$5.05 | \$6.29 | \$7.31 | \$13.32 | \$13.50 | \$71.43 | \$4768 |
| 12/08 | \$6.61 | \$6.70 | \$4.86 | \$5.06 | \$6.32 | \$7.30 | \$13.23 | \$13.44 | \$71.23 | \$4608 |
| 12/01 | \$6.47 | \$6.56 | \$4.85 | \$5.06 | \$6.03 | \$7.30 | \$13.46 | \$13.67 | \$74.07 | \$4601 |
| 11/24 | \$6.12 | \$6.26 | \$4.83 | \$5.04 | \$5.77 | \$7.15 | \$13.49 | \$13.67 | \$75.54 | \$4568 |
| 11/17 | \$6.28 | \$6.39 | \$4.85 | \$5.05 | \$5.76 | \$7.32 | \$13.57 | \$13.73 | \$75.89 | \$4528 |
| 11/10 | \$6.51 | \$6.64 | \$4.79 | \$4.98 | \$5.99 | \$7.43 | \$13.61 | \$13.74 | \$77.17 | \$4431 |
| 11/03 | \$6.55 | \$6.70 | \$4.92 | \$5.10 | \$5.99 | \$7.40 | \$13.67 | \$13.84 | \$80.51 | \$4376 |
| 10/27 | \$6.56 | \$6.70 | \$4.95 | \$5.09 | \$6.03 | \$7.38 | \$13.33 | \$13.54 | \$85.54 | \$4138 |
| 10/20 | \$6.79 | \$6.88 | \$5.09 | \$5.22 | \$6.14 | \$7.53 | \$13.31 | \$13.51 | \$87.08 | \$4248 |
| 10/13 | \$6.79 | \$6.88 | \$5.09 | \$5.22 | \$6.06 | \$7.46 | \$13.13 | \$13.33 | \$87.69 | \$4357 |
| 10/06 | \$6.83 | \$6.92 | \$5.07 | \$5.20 | \$5.98 | \$7.45 | \$12.99 | \$13.20 | \$82.79 | \$4342 |
| 09/29 | \$6.72 | \$6.81 | \$4.92 | \$5.06 | \$5.74 | \$7.34 | \$13.10 | \$13.27 | \$90.79 | \$4326 |

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**

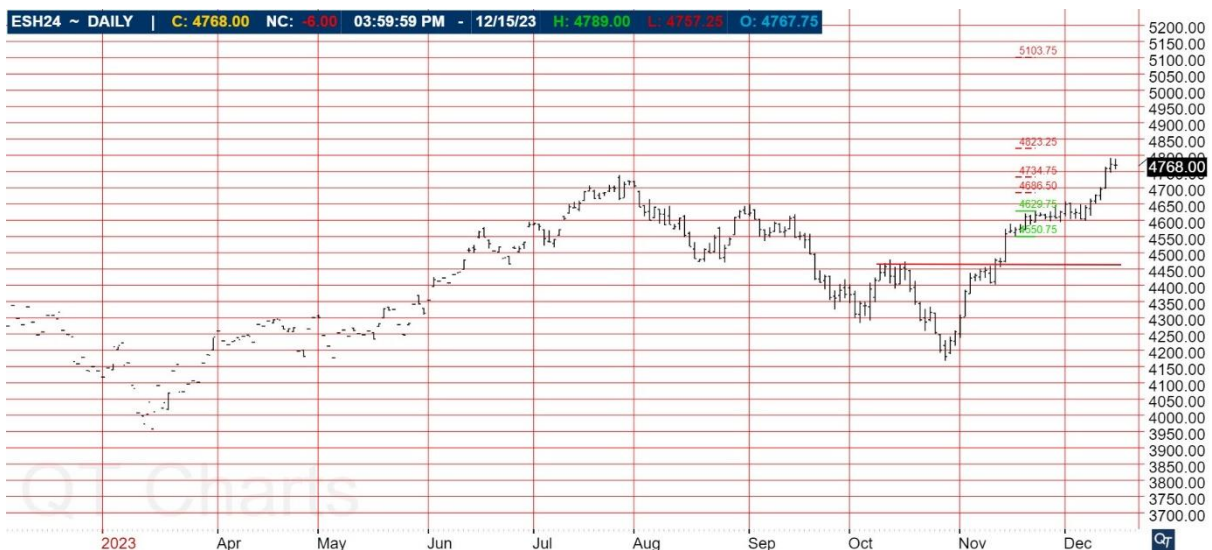
For the heck of it, here's an E mini S&P 500 Index daily chart, with a new Blue Line from Friday's close of 4768, and the old Red Line from 10/27 down at 4138. This chart shows an upside breakout occurred above 4431, which we see was the 11/10 close on the Table on page 1, then 5 weeks of moving higher, including a GAP higher after last week's 12/08 close, and now we have a small pennant pointing higher.

I drew in a Red support line at 4600. I'd say that is Key support.

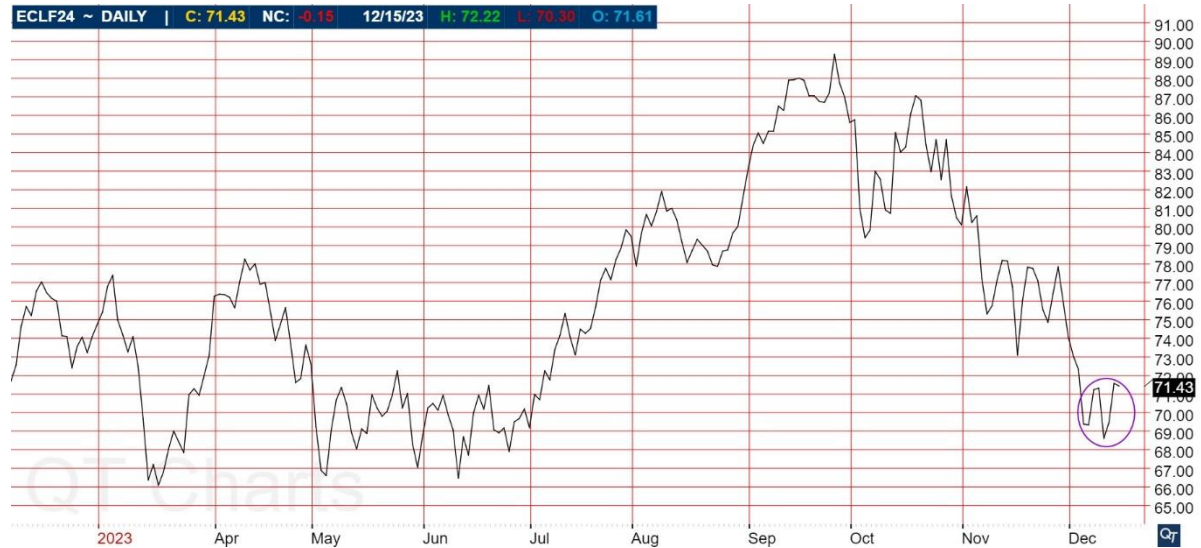


And this is the same stock market chart, using the QT Market Center system, with a Price Count up, on a daily chart. The breakout to the upside is the line at 4431, based on the breakout which then set the first new Blue Number. This Price Count up uses the 11/16 intra-day low @ 4550.75, followed 4 days later with an intra-day high of 4629.75...It projected the First-Tier target at 4686.60, Second-Tier target at 4734.75, and the Third-Tier target at 4823.75, with an ultimate shot at 5103.

It will be interesting to see if The Third-Tier target 4823...turns out to be resistance.

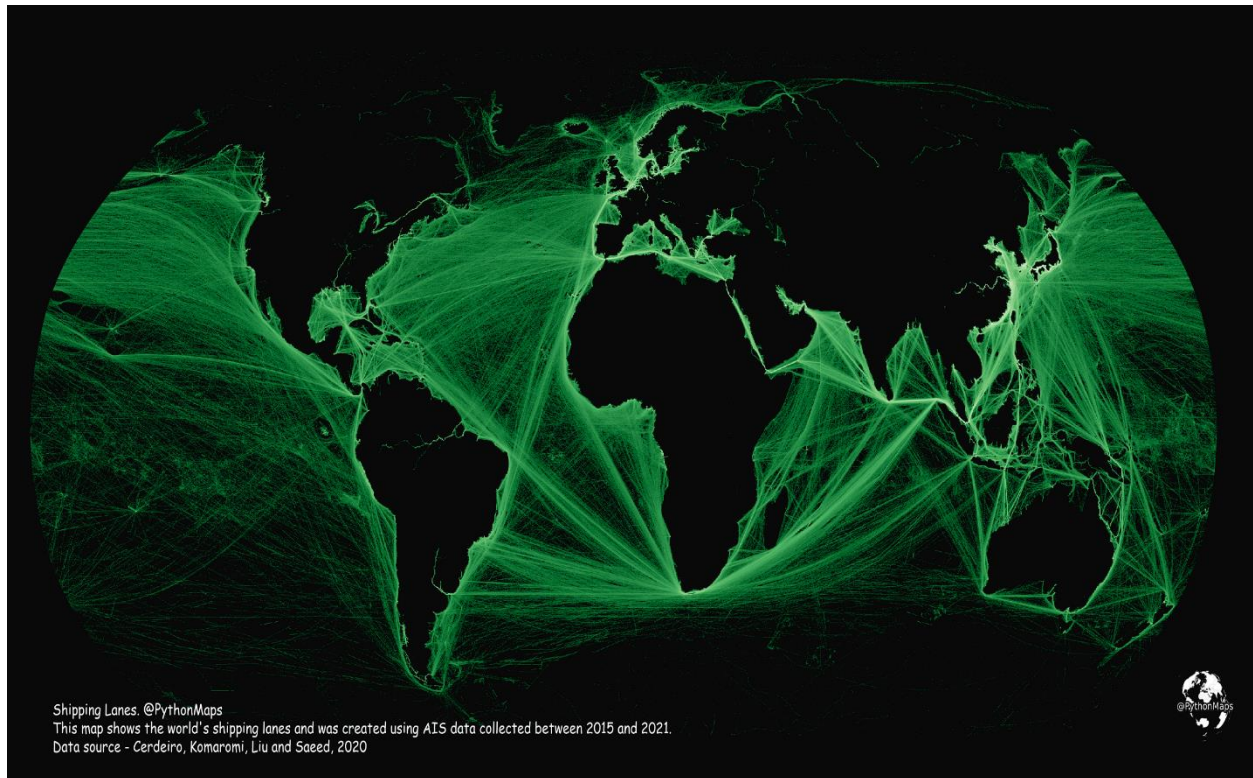


Here's a crude oil chart, I believe now going sideways, probably influenced by the Houthi Yemeni rebels attacking shipping in the Red Sea.



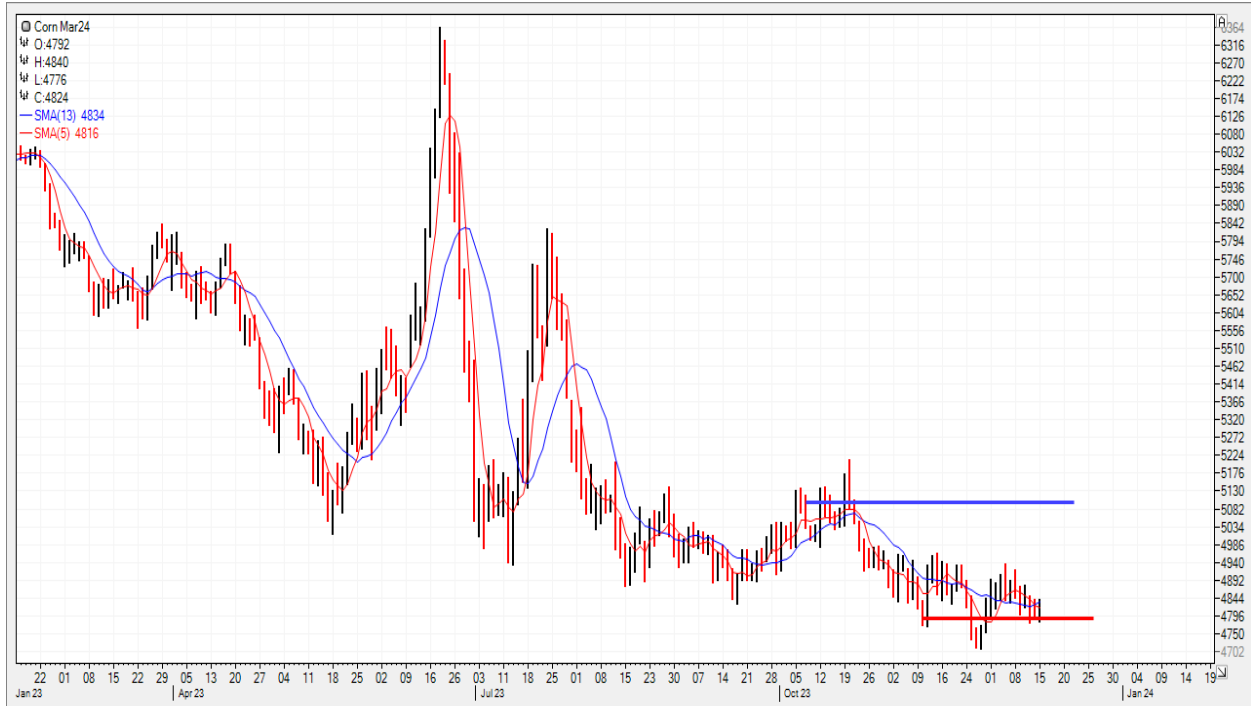
We've mentioned the drought in the Americas negatively affecting shipping through the Panama Canal, raising rates, reducing drafts (cargo size) fewer vessels per day, which probably hurts USA grain going to Asia, especially when China can find other routes and sources... This article shows another major shipping route (maybe not USA grain, but cargo ships and oil tankers for sure) is under severe stress... <https://www.voanews.com/a/how-houthi-attacks-on-ships-in-red-sea-affect-global-trade/7399631.html>

Here's an interesting map of world shipping lanes...

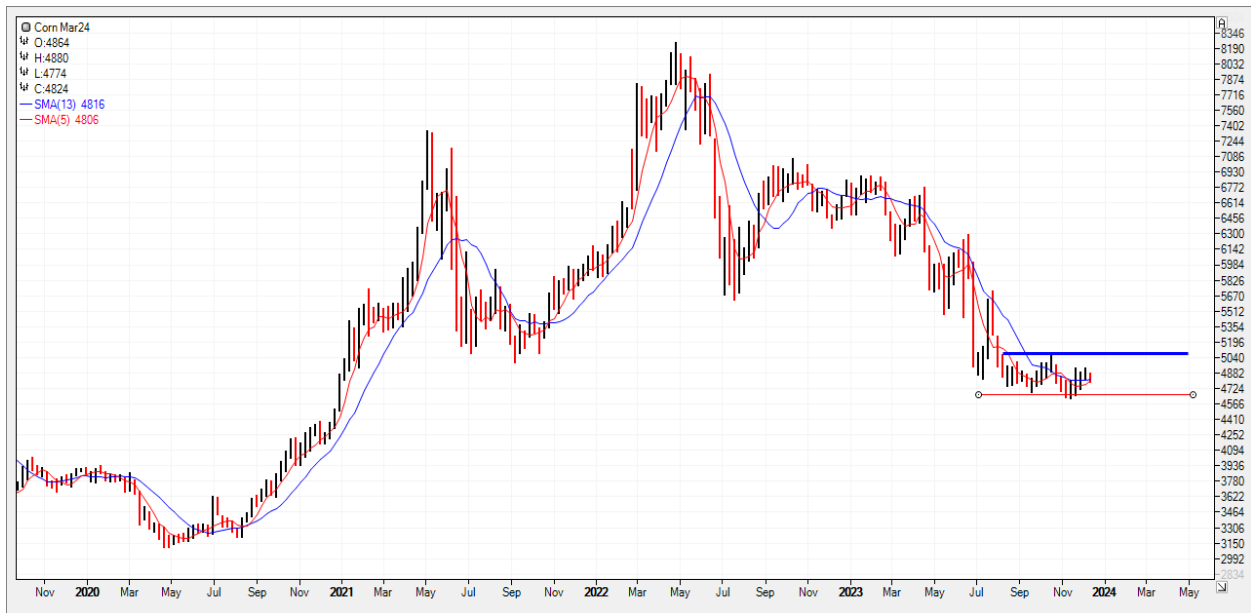


That map is from this website: <https://www.visualcapitalist.com/wp-content/uploads/2022/06/Mapping-Shipping-Lanes-Maritime-Traffic-Around-the-World-Full.html>

Anyway...looking at corn...the Table on page 1 says March corn has closed in a 3c range for 5 weeks now. I think that's amazing. Here's a March corn chart, doing nothing:



And 5 weeks doesn't give the true picture. The weekly continuous corn chart shows the corn market has been flat for almost 20 weeks!:



I keep thinking something will move the corn chart, with South American weather being the likely cause, but...but....

My phone's weather 10-day forecasts show the middle of Brazil (Cuiba and Sinop) is currently in a heat wave, yet...3 to 5 days of rain are expected later this week.

March soybeans (switched from the soon-to-be-expiring Jan beans) haven't really done anything either:



The weekly closes say soybeans are in about a 65c range, or if you want to use the intra-week spike highs, call the range a dollar.

Last week's export grain loadings were kinda a setback for corn, at only 28 mil bu, ALTHOUGH...corn had good export sales of almost 56 mil bu. So...we'll lean towards not too alarming. Same thing for soybeans...loadings were down a little, with sales of 40 mil bu, although maybe a bit concerning as previous week's sales were 56 mil bu.

| WEEK ENDED (11/23/23) | Weekly loadings | Accumulated in season (FGIS) | Estimated fudge factor | Total loaded est* | USDA projection | Amount needed | Weeks to go | Bu per week needed |
|-----------------------|-----------------|------------------------------|------------------------|-------------------|-----------------|---------------|-------------|--------------------|
| Corn | 28.0 | 361.4 | 175 | 536 | 2,100 | 1564 | 38 | 41.1 |
| Soybeans | 36.2 | 725.4 | 60 | 785 | 1,755 | 970 | 38 | 25.5 |
| All wheat | 10.4 | 316.2 | 100 | 416 | 725 | 309 | 25 | 12.4 |
| Milo | 13.4 | 56.1 | 5 | 61 | 255 | 194 | 38 | 5.1 |
| LAST WEEK | | | | | | | | |
| Corn | 45.6 | 331.8 | 175 | 507 | 2,100 | 1593 | 39 | 40.8 |
| Soybeans | 40.7 | 686.8 | 60 | 747 | 1,755 | 1008 | 39 | 25.8 |
| All wheat | 6.9 | 305.8 | 100 | 406 | 725 | 319 | 26 | 12.2 |
| Milo | 4.6 | 42.7 | 5 | 48 | 255 | 207 | 39 | 5.3 |

Milo had a big week of loadings and an ok week of sales; we saw a 'spot' boat of milo went to Eritrea, Africa which is on the Red Sea where those Houthi rebels are attacking vessels with drones!! What the??



While wheat...had a little better week of loadings, but saw a HUGE week of export sales, notably including 40 million bu of Soft Red sold to China.

Which is great! But...now there are 60 mil bu of Soft Red on the books sold to China, and what kinda BOTHERS ME is...the last boatload of Soft Red winter that was actually loaded for China looks like it was in the week of Sept.8-14, 2023...which was 13 weeks ago. Maybe it's no big deal. As China did indeed buy 40 mil bu last week, I think we have no real choice but to assume...they are gonna take it all, and...maybe/probably MORE.

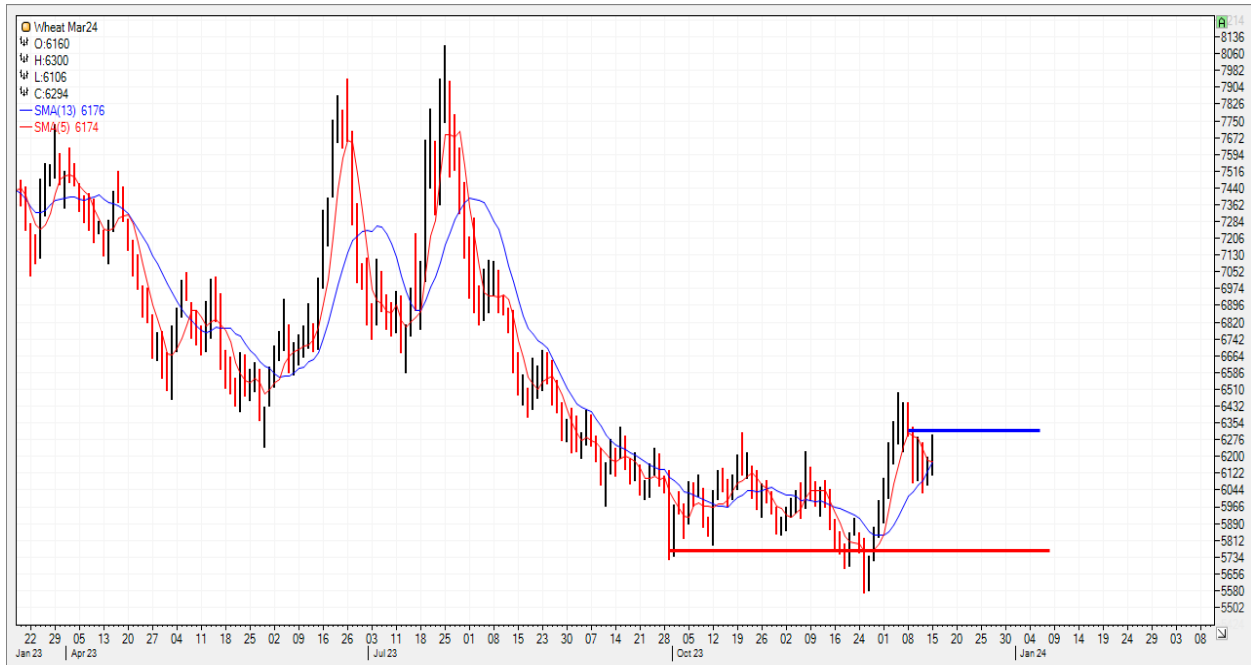
WHY wouldn't they lift it all after buying another 40 mil bu?

WORSE...what would happen to the markets if...China didn't take it.?!

MAYBE JUST AS "WORSE"...what if they buy another 40 million bu this week?

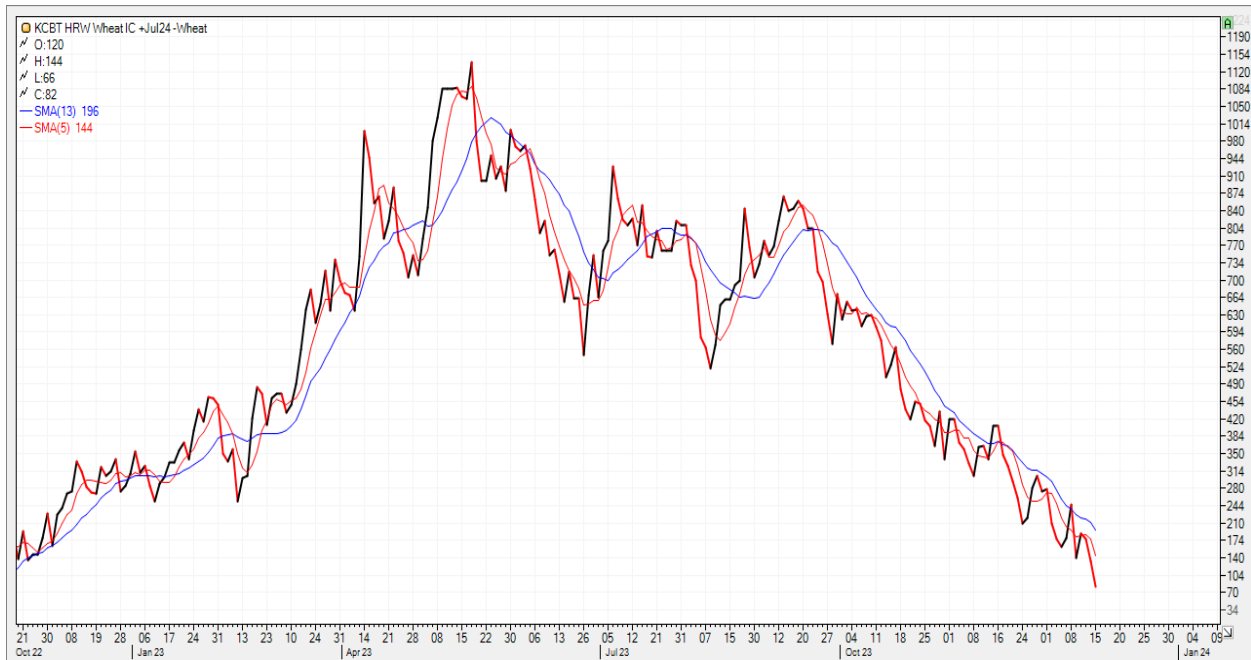
I admit I am having a hard time seeing the "pattern" ...the "rhythm"...the "flow". It seems so random to me.

This is Chgo March wheat; last week's close of \$6.32 is the Blue Line of resistance. Support is a WIDE double bottom around \$5.76ish. There is some interesting Moving Average action going on here:

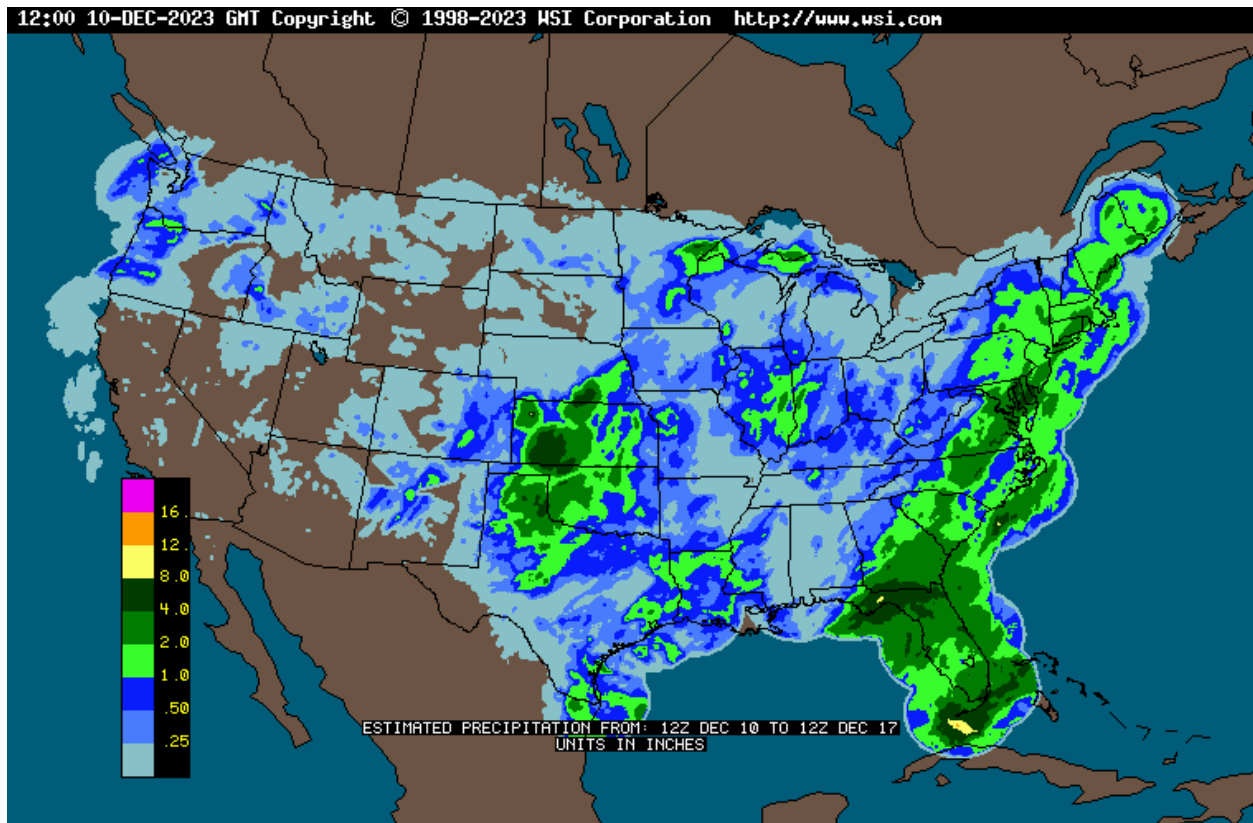


IF China buys another 40 mil bu of USA SRW this week, this chart will look much different next week. If they don't, it could look a lot different the other way.

We're seeing KC July wheat continue to lose ground to Chgo July wheat, now down to KC only a 70c/bu premium:



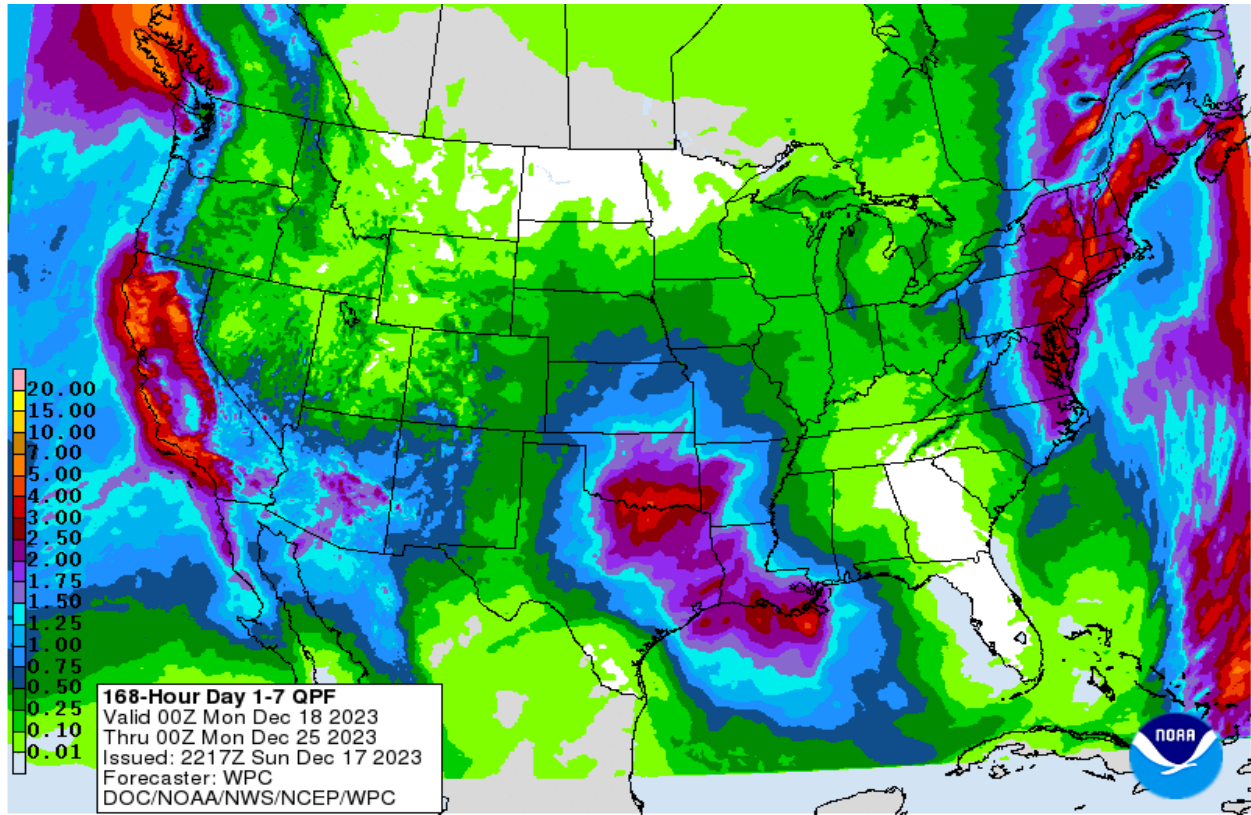
Besides the big Chinese SRW purchases and the lack of any non-routine HRW sales...most of the Great Plains got wet. Colorado and especially Nebraska missed it, but Kansas, Oklahoma and the Texas Panhandle had a great week, no denying it.



Besides the obvious move in KC losing to Chgo, Spring Wheat vs Hard Red Winter wheat has reversed the slide and would keep moving higher if given a chance, although soon, spring wheat will need a reason to justify the price distance.



This week's forecast looks like the Oklahoma wheat will soon be "made"... well, not really, but The Plains are expected to see some moisture again this week, and we also notice the Canadian prairies ...stay dry.



The KC March wheat chart didn't change much, just vibrating between the \$6.83 Blue Line and the \$612 Red Line:



The KC July wheat chart is very similar.

Gulf basis bids are still elevated compared to where they were most of the season so far:

| GULF date | 12 pro | 11's | diff |
|------------|--------|------|------|
| 12/15/2023 | 133 | 113 | 20 |
| 12/8/2023 | 133 | 113 | 20 |
| 12/1/2023 | 120 | 105 | 15 H |
| 11/24/2023 | 110 | 105 | 5 Z |

I lean towards these posted basis bids have some upside to get caught up with the Gulf:

| Date | SE Colorado | Chey. Wells | Burlington | Holyoke area | Roggen area |
|-----------------|----------------------|--------------------|----------------------|----------------------|----------------------|
| 12/15 | \$5.48-\$5.58 | \$5.63 | \$5.43-\$5.53 | \$5.44-\$5.53 | \$5.58-\$6.23 |
| 12/08 | \$5.66-\$5.76 | \$5.81 | \$5.61-\$5.71 | \$5.61-\$5.71 | \$5.76-\$6.41 |
| 12/01 | \$5.52-\$5.82 | \$5.67 | \$5.47-\$5.57 | \$5.42-\$5.57 | \$5.62-\$6.25 |
| 11/24 | \$5.12-\$5.17 | \$5.22 | \$5.02-\$5.12 | \$4.96-\$5.06 | \$5.17-\$5.82 |
| 11/17 | \$5.28-\$5.33 | \$5.38 | \$5.23-\$5.33 | \$5.12-\$5.22 | \$5.33-\$5.98 |
| BASIS | SE Colorado | Chey. Wells | Burlington | Holyoke | Roggen area |
| 12/15(H) | -95, -85 | -80 | -100, -90 | -99, -90 | -85, -20 |
| 12/08(H) | -95, -85 | -80 | -100, -90 | -100, -90 | -85, -20 |
| 12/01(H) | -95, -65 | -80 | -100, -90 | -105, -90 | -85, -22 |
| 11/24(Z) | -90, -85 | -80 | -100, -90 | -106, -96 | -86, -20 |
| 11/17(Z) | -90, -85 | -80 | -95, -85 | -106, -96 | -86, -20 |
| Date | Concordia | Salina | Hutch/Wichita | Ark City | |
| 12/15(H) | -40 | -30, -20 | -45, -15 | -53 | |
| 12/08(H) | -40 | -30, -20 | -45, -15 | -53 | |
| 12/01(H) | -50 | -30, -20 | -47, -17 | -58 | |
| 11/24(Z) | -45 | -30, -20 | -45, -20 | -53 | |
| 11/17(Z) | -45 | -30, -20 | -45, -15 | -53 | |

Early Sunday night action shows weaker wheat (where's China?) and weaker beans and corn. Will assume most peeps think the South American heat wave gives way to some moisture.

These markets depend on continued Chinese purchases, and...China probably knows that. If you're feeling like you have plenty of grain still to be sold, I'd say have some red lines in the sand, that if get crossed, you lighten the load, and don't look back.

Have a good week. Stay Safe. Slow Down.