

Hello Colorado Wheat.

Iran attacked Israel Saturday night with a couple hundred missiles and/or drones, but so far...there hasn't been a nuclear exchange. How do we know? Because this May crude oil chart isn't going berserk (at least this instant):



Don't get me wrong. I doubt the Middle East situation is resolved any time soon, and I don't see any reasons to sell crude oil, other than going to the bank, which looking at that channel pointing higher, I'm sure someone has made money on this crude oil move. The first Blue Line in the 11-Week Closing Table (see below) was \$78.01, set back on 1/26/24. The most recent Blue Line (11-week Closing High is at \$86.91, from 4/05/24, so this is a \$9 Dollar move in less than 3 months. The 4-week Closing Low is at \$80.63, basically implying sell-stops wouldn't be hit unless we drop below \$80, and that's not going to happen for a while. But going to the bank and lightening the load is legit.

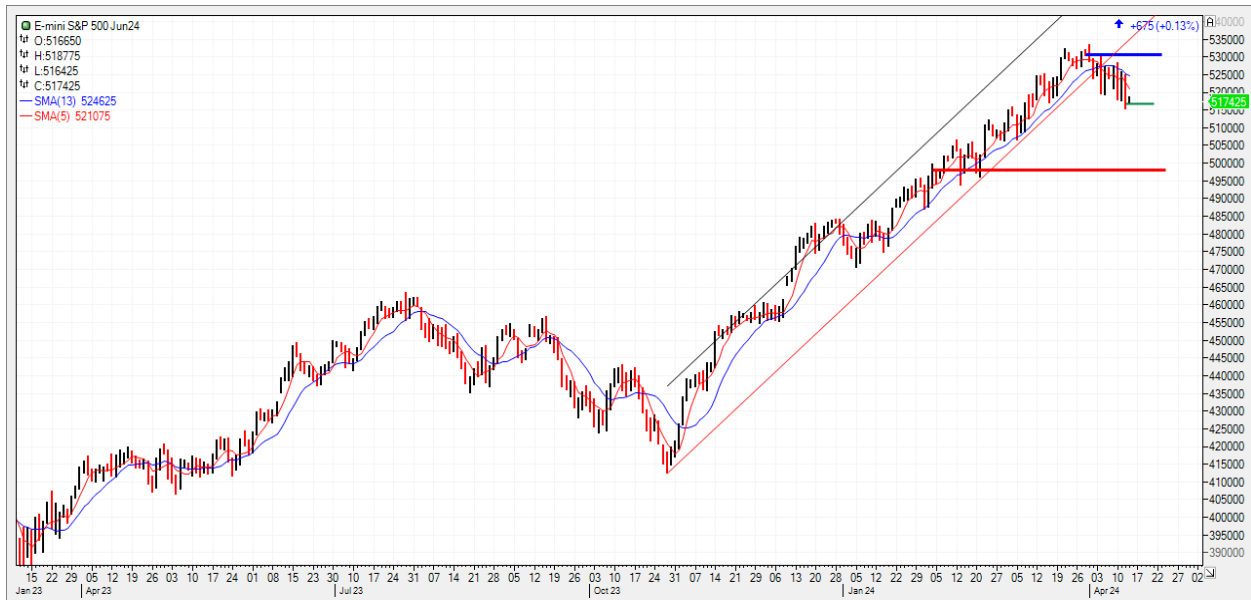
And I can't help but feel high crude oil prices lead to higher shipping costs, which ultimately leads to higher retail prices of about everything, which translates as "inflation", and there is no way the Fed is going to cut interest rates with higher inflation looming. Higher interest rates mean an even stronger dollar, which doesn't help US bulk commodity prices, and could easily spook the stock market one of these days.

Timing is everything, always, but let's at least take a look at the stock market while we're here.

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

This is the E mini S&P 500 contract; June is the active contract month. The Blue Line (11-week Closing High) is at 5308, set 2 weeks ago. The Red Line (11-week Closing Low) has moved up to 4980. The moving averages crossed, and Friday's close was the 4-week Closing Low (Green Line).

Over the long run, a guy can only be long the stock market. I suspect more fortunes have been lost by sitting on the sidelines and not being IN... than have been lost while being in and going thru down spells...**BUT THIS CHART LOOKS HEAVY TO ME.**



We've seen various shipping maps before, but this one caught my eye this weekend, and added to my concern about the stock market:



Here's how the week ended. We did get the April WASDE update last Thursday, and judging by the weekly soybean close, I'd guess South American production estimates weren't very bullish. In fact, the April WASDE showed no changes at all, let alone reductions...to Brazil's and Argentina's soybean production estimates.

	MAY '24 HRW	DEC '24 HRW	MAY'24 corn	DEC '24 corn	Chgo K wheat	Springs MAY (K)	MAY'24 beans	NOV 24 beans	Crude oil	S&P (M)
CLOSE	KWK24	KWZ24	CK24	CZ24	WK24	MWK24	SK24	SX24	CRD23	ES23
04/12	\$5.90	\$6.17	\$4.36	\$4.72	\$5.56	\$6.43	\$11.74	\$11.76	\$85.66	\$5168
04/05	\$5.82	\$6.11	\$4.34	\$4.73	\$5.67	\$6.48	\$11.85	\$11.85	\$86.91	\$5253
03/29	\$5.85	\$6.09	\$4.42	\$4.78	\$5.60	\$6.45	\$11.92	\$11.86	\$83.17	\$5308
03/22	\$5.90	\$6.13	\$4.40	\$4.75	\$5.55	\$6.61	\$11.92	\$11.87	\$80.63	\$5293
03/15	\$5.66	\$5.87	\$4.37	\$4.71	\$5.29	\$6.47	\$11.98	\$11.91	\$81.04	\$5183
03/08	\$5.89	\$5.98	\$4.40	\$4.72	\$5.38	\$6.63	\$11.84	\$11.74	\$78.01	\$5193
03/01	\$5.65	\$5.83	\$4.25	\$4.59	\$5.58	\$6.44	\$11.51	\$11.40	\$79.97	\$5208
02/23	\$5.66	\$5.85	\$4.14	\$4.50	\$5.69	\$6.47	\$11.42	\$11.30	\$76.49	\$5101
02/16	\$5.62	\$5.83	\$4.30	\$4.59	\$5.59	\$6.56	\$11.76	\$11.49	\$79.19	\$5019
02/09	\$6.00	\$6.21	\$4.43	\$4.68	\$5.99	\$6.83	\$11.90	\$11.64	\$76.84	\$5044
02/02	\$6.23	\$6.44	\$4.54	\$4.77	\$6.08	\$7.02	\$11.98	\$11.71	\$72.28	\$4980
01/26	\$6.25	\$6.51	\$4.56	\$4.76	\$6.11	\$7.06	\$12.16	\$11.85	\$78.01	\$4916

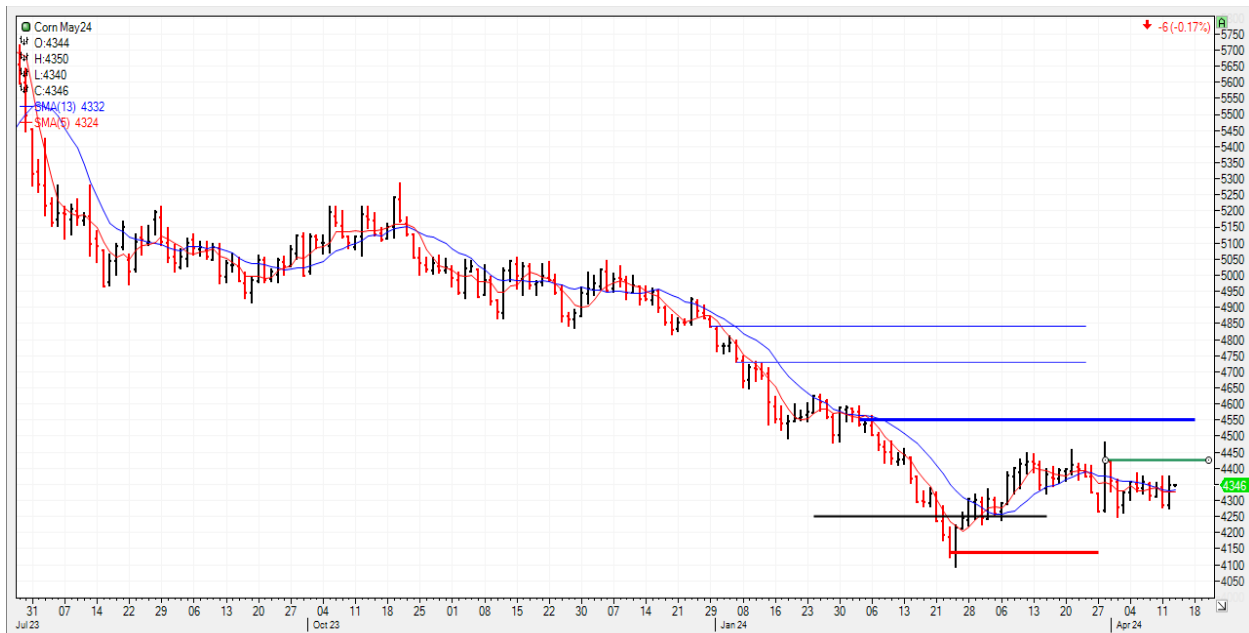
Worse, the April WASDE slightly reduced the USA soybean export forecast.

WEEK ENDED (04/04/24)	Weekly loadings	Accumulated in season (FGIS)	Estimated fudge factor	Total loaded est*	USDA projection	Amount needed	Weeks to go	Bu per week needed
Corn	55.9	1075.3	175	1250	2,100	850	21	40.5
Soybeans	17.8	1381.5	60	1442	1,700	258	21	12.3
All wheat	18.3	564.0	100	664	710	46	08	5.8
Milo	2.7	161.8	5	167	255	88	21	4.2
LAST update								
Corn	56.4	1018.3	175	1193	2,100	907	22	41.2
Soybeans	15.2	1358.8	60	1419	1,720	301	22	13.7
All wheat	18.3	543.2	100	643	710	67	09	7.4
Milo	8.3	159.1	5	164	255	91	22	4.1

Those corn loadings were HUGE! But the weekly corn export **sales** were a marketing year low, less than 13 million bu. Rumors are China has cancelled some Ukrainian corn purchases, and as Ukraine is the cheapest seller, it wasn't because of price.

The USA corn balance sheet tightened up on increased ethanol usage (electric vehicle sales are stalling) and increased feed/residual usage (presumably at wheat's expense).

Net for the week, old-crop corn gained 2c, while the new-crop lost a penny.

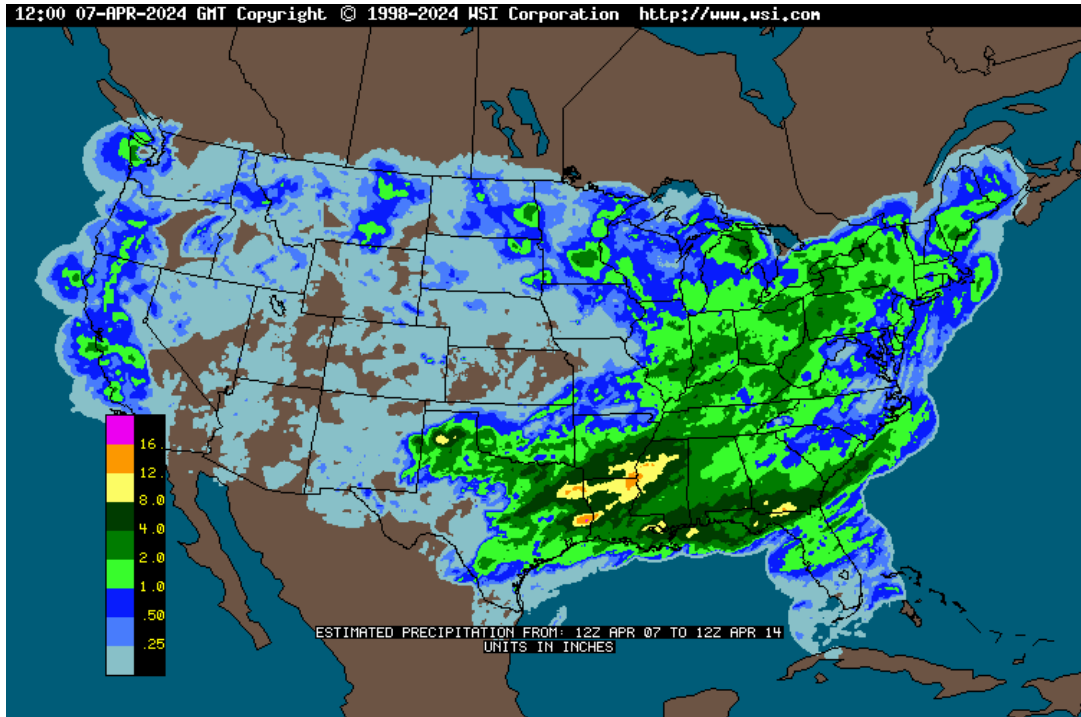


The next WASDE (The May update) will be much more interesting as we'll get our official first look at the 24/25 crop year.

Here's Dec corn, marking time, waiting...stuck between \$4.78 and \$4.50.

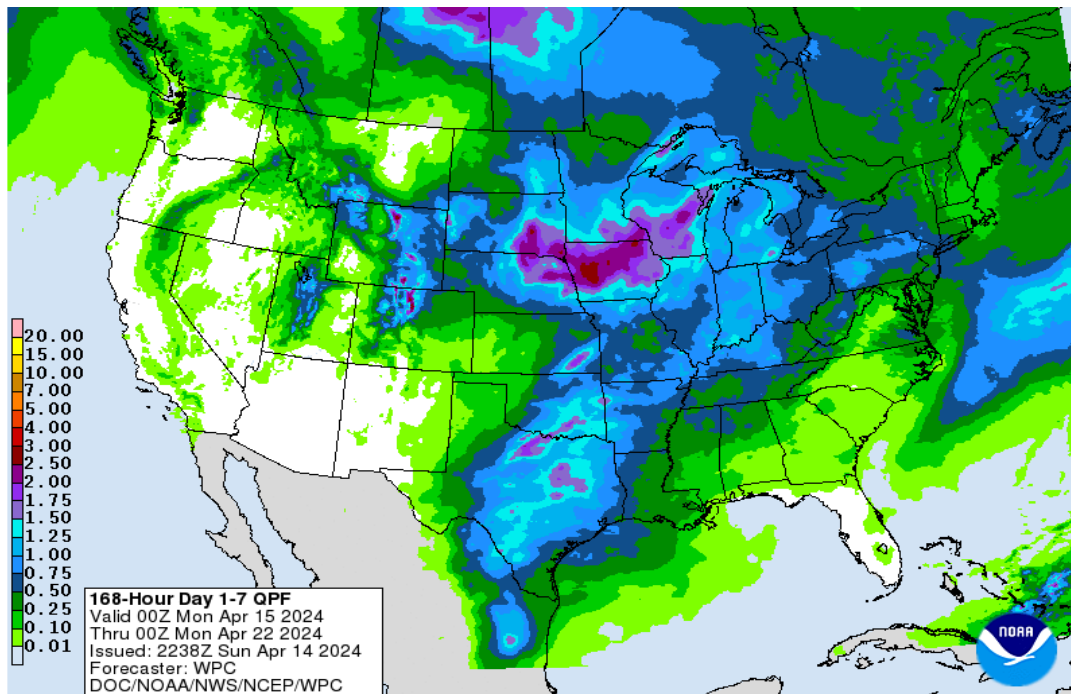


Last week's Crop Progress showed corn, beans and spring wheat plantings had barely inched along, but this map of last week's precipitation suggests some notable progress was made.

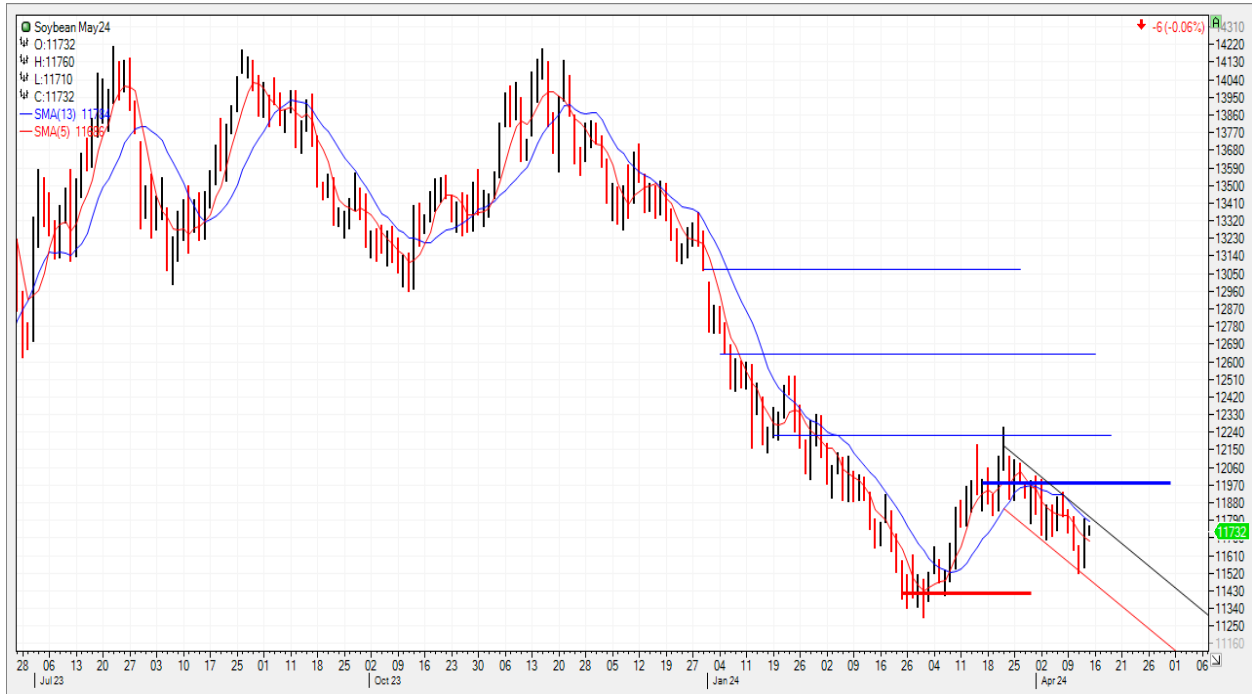


That map also says it was dry in much of HRW country, although parts of Oklahoma and the Texas Panhandle got wet. I think we'll see declines in HRW conditions on the Monday afternoon report in Kansas, Colorado and Nebraska.

There are some chances for rain in the HRW Belt next week, although I think SW Kansas misses it.



Old-crop beans...looking bad. I suspect that's a powerful down-trending channel.



Here's KC Dec wheat, going sideways to maybe a freckle higher... maybe nervous about the weather, but certainly not seeing robust export demand either.



Gulf bids were unchanged:

GULF date	12 pro	11's	diff
4/12/2024	145	125	20
4/5/2024	145	125	20
3/29/2024	145	135	10
3/22/2024	150	140	10
3/15/2024	150	140	10

While posted basis bids in the country are continuing to slowly slip lower:

Date	SE Colorado	Chey. Wells	Burlington	Holyoke area	Roggen area
04/12	\$5.00-\$5.25	\$5.10	\$5.00-\$5.10	\$4.95-\$5.10	\$5.05-\$5.70
04/05	\$4.97-\$5.17	\$5.02	\$4.92-\$5.02	\$4.87-\$5.02	\$4.97-\$5.62
03/29	\$5.00-\$5.20	\$5.05	\$4.95-\$5.05	\$4.90-\$5.05	\$5.00-\$5.65
03/22	\$5.06-\$5.26	\$5.11	\$5.01-\$5.11	\$4.96-\$5.11	\$5.06-\$5.71
03/15	\$4.81-\$5.01	\$4.86	\$4.76-\$4.86	\$4.71-\$4.86	\$4.81-\$5.46
BASIS	SE Colorado	Chey. Wells	Burlington	Holyoke	Roggen area
04/12(K)	-90, -65	-80	-90, -80	-95, -80	-85, -20
04/05(K)	-85, -65	-80	-90, -80	-95, -80	-85, -20
03/29(K)	-85, -65	-80	-90, -80	-95, -80	-85, -20
03/22(K)	-85, -65	-80	-90, -80	-95, -80	-85, -20
03/15(K)	-85, -65	-80	-90, -80	-95, -80	-85, -20
Date	Concordia	Salina	Hutch/Wichita	Ark City	
04/12(K)	-25	-25, -20	-40, -10	-40	
04/05(K)	-25	-25, -20	-35, -05	-40	
03/29(K)	-20	-25, -20	-35, -05	-40	
03/22(K)	-20	-25, -15	-35, -05	-40	
03/15(K)	-20	-25, -15	-35, -05	-43	

This is KC July – Chgo July wheat...KC has gained 20c on Chgo in the past 2 weeks. The guys who trade this are concerned about the HRW weather.



India's wheat harvest started. Early reports indicate price volatility is expected.

<https://www.tribuneindia.com/news/punjab/wheat-arrival-picks-up-in-mandis-13-bought-by-traders-above-msp-610819>

I think this week will be quiet in the grains, but as Planting Season is here without a lot of concern, the easy way out is always lower.

Have a good week. Stay Safe.

Slow Down.