

Hello Colorado Wheat.

We just witnessed a major world political event in Syria, with the collapse of Bashar Assad's dictatorship. The **suddenness** (Damascus fell in about 10 days) is most striking to me, quite similar to a wheat market rally "taking the stairs up" but then "taking the express elevator down" and is probably some type of a warning about assuming things never change. Who and how the political vacuum over there is filled will be more than a little interesting.

Grain markets bounced a bit last week. KC wheat gained 13c; corn was up 7c and beans were up 9c. Please notice I changed the columns. I took out KC July wheat and am now showing Dec25, and similarly replaced July corn and July beans with their new-crop months, Z and X. In that regard, old-crop/new-crop corn is inverted and Jan-Nov beans narrowed 15c last week to only a 6c carry. KC carrying charges narrowed a few cents as well. I expect this narrowing trend in calendar spreads will continue this winter into spring, and then we'll see how corn and bean planting goes.

	KC MAR HRW	DEC 25 HRW	March CORN	DEC 25 CORN	Chgo H wheat	Springs MAR (H)	JAN'25 BEANS	NOV BEANS	Crude oil	S&P (Z)
CLOSE	KWH25	KWZ25	CH25	CZ25	WH25	MWH25	SF25	SX25	CRD24	ES24
12/05	\$5.54	\$5.97	\$4.40	\$4.37	\$5.57	\$5.97	\$9.99	\$10.05	\$67.20	\$6099
11/29	\$5.41	\$5.86	\$4.33	\$4.32	\$5.48	\$5.92	\$9.90	\$10.11	\$68.00	\$6052
11/22	\$5.66	\$6.08	\$4.35	\$4.36	\$5.65	\$6.01	\$9.84	\$10.09	\$71.27	\$5987
11/15	\$5.52	\$5.98	\$4.35	\$4.40	\$5.54	\$5.91	\$9.99	\$10.20	\$67.02	\$5897
11/08	\$5.78	\$6.23	\$4.44	\$4.49	\$5.88	\$6.17	\$10.30	\$10.53	\$70.38	\$6025
11/01	\$5.80	\$6.27	\$4.29	\$4.41	\$5.88	\$6.23	\$9.94	\$10.32	\$69.49	\$5758
10/25	\$5.86	\$6.28	\$4.30	\$4.41	\$5.89	\$6.28	\$9.98	\$10.33	\$71.78	\$5846
10/18	\$5.96	\$6.37	\$4.19	\$4.35	\$5.93	\$6.38	\$9.83	\$10.20	\$69.22	\$5906
10/11	\$6.21	\$6.63	\$4.33	\$4.50	\$6.22	\$6.65	\$10.21	\$10.56	\$75.56	\$5860
10/04	\$6.15	\$6.56	\$4.42	\$4.54	\$6.13	\$6.60	\$10.56	\$10.81	\$74.38	\$5800
09/27	\$5.92	\$6.32	\$4.35	\$4.53	\$6.00	\$6.30	\$10.83	\$11.00	\$68.18	\$5791

A quick glance shows corn setting a new 4-week high, with the 11-week Closing High only 4c away. Expecting resistance, of course, is probably the correct path.

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

The Export Pace looks almost exactly like last week's. Corn pace needs to pick up, but Export Sales of 68 mil bu were good. There is a new and improved December WASDE update this Tuesday. I don't think we'll see any changes to the corn export demand. Soybeans...could see an increase in the export forecast, although they probably won't.

WEEK ENDED (11/28/24)	Weekly loadings	Accumulated in season (FGIS)	Estimated fudge factor	Total loaded est*	USDA projection	Amount needed	Weeks to go	Bu per week needed
Corn	36.8	435.8	243	679	2,325	1646	39	42.2
Soybeans	76.7	800.7	52	853	1,825	972	39	24.9
All wheat	10.9	403.7	19	423	825	402	26	15.5
Milo	7.7	42.7	5	48	220	172	39	4.4
LAST update								
Corn	35.6	394.8	243	638	2,325	1687	40	42.2
Soybeans	77.2	723.4	52	775	1,825	1050	40	26.2
All wheat	13.2	392.6	19	412	825	413	27	15.3
Milo	4.7	35.0	5	40	220	180	40	4.5

But Wheat...is struggling enough where I think we'll see a small decrease (25 mil bu) to the current USDA wheat export forecast. **How bearish will a cut to the USA wheat export picture be?**

This is old-crop KC March wheat.

A friend asked me if he should sell this rally. I told him "I think wheat has quit going down, at least for now". Looking back, I probably just shoulda said "Yes, sell it"

BECAUSE...1. the strong down-trending Channel formation is still intact and 2. we don't know how strong the \$5.41 red line of support will be. We need to note there are NO buy signals on this chart.



There is a set of intra-week spike lows down to \$5.35 set last week. That's the good news.

HOWEVER, in my defense, if I have to invent reasons why I said we've seen a halt to the downside (and keep in mind a halt to the downside is not the same as a big rally...), we have to acknowledge that KC wheat futures are CHEAP when compared to the Euronext futures.

Z					H			
	9/27/2024	10/11/2024	10/25/2024	11/8/2024	11/15/2024	11/29/2024	12/6/2024	
\$	216.25	\$ 229.25	\$ 216.50	\$ 215.25	\$ 216.50	\$ 221.50	\$ 227.50	matif
\$	207.24	\$ 222.12	\$ 210.18	\$ 207.33	\$ 198.42	\$ 198.69	\$ 203.47	KC
\$	9.01	\$ 7.13	\$ 6.32	\$ 7.92	\$ 18.08	\$ 22.81	\$ 24.03	diff

Why are European wheat futures stronger than us? Possibly because they are nearer to the Russian wheat areas than we are.

Here's a map which tends to backup that theory...



Anyway, Karen Braun's recent (Reuters) article is trying to build a case to believe the Russian new-crop wheat is in seriously bad shape.

I tend to think the Russians lie about everything, but she's got some vegetative maps, which she says show that it is indeed pretty dry over there. She says it's "Dire".

<https://www.reuters.com/markets/commodities/dire-russian-crop-health-ukraine-export-risks-threaten-black-sea-wheat-braun-2024-12-06/>

I see Canada's Western Producer took the bait and ran a similar story.

<https://www.producer.com/news/russias-troubled-winter-wheat-may-move-prices/>

I personally tend to think Reuters has Russian sympathies and The Western Producer's target audience is Canadian farmers who are generally sitting on a **LOT** of unsold spring wheat and my phone says Volgograd has a 70% chance at getting next week, so we'll see.

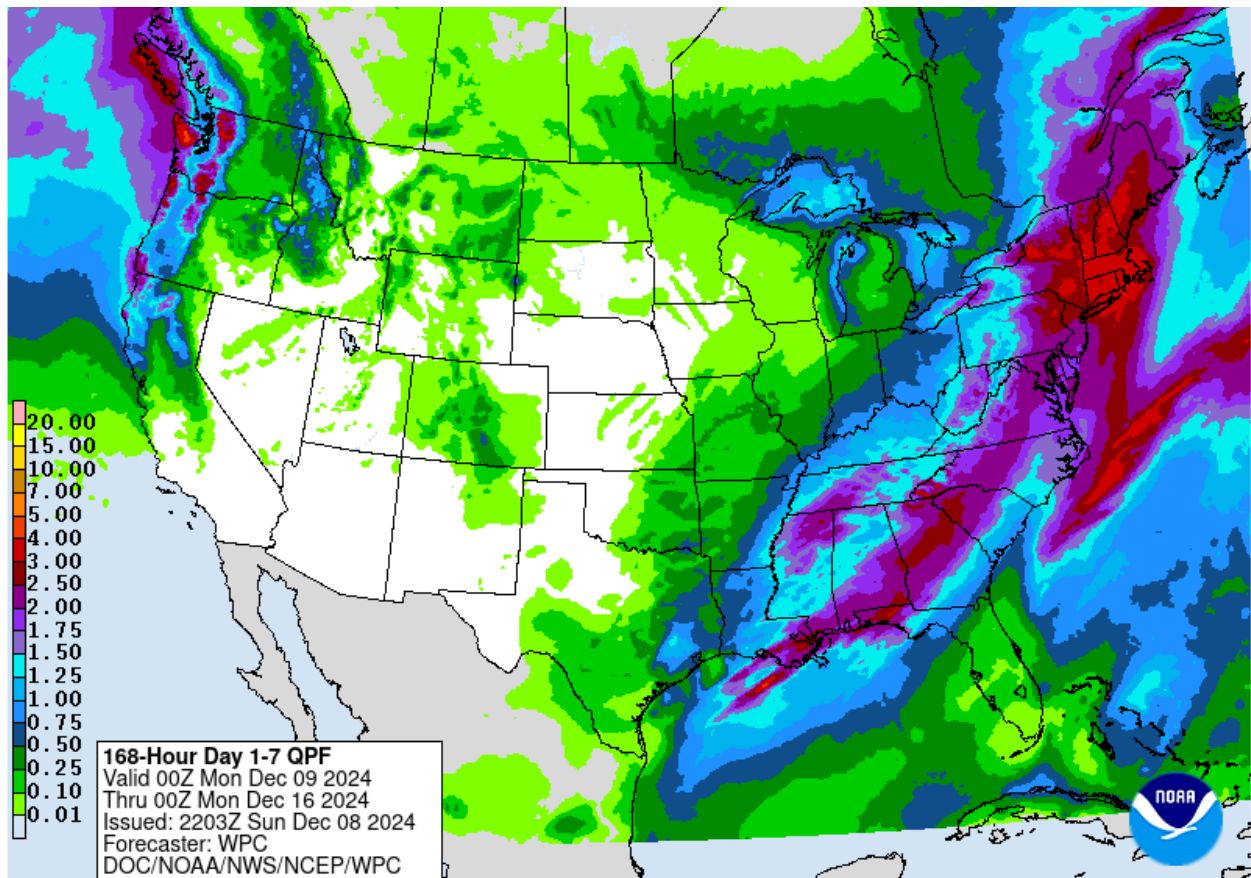
Here's another perspective on the Russian wheat export situation, which he expects to significantly slow down this spring, due to the Russian domestic inflation...

<https://www.marinelink.com/news/wheat-export-tariffs-likely-slow-519895>

IF Russian exports truly slow down, it's possible non-traditional supplies come into play.

And the Syrian regime change might impact Black Sea wheat prices, which would impact European wheat prices, which could eventually...impact USA wheat prices, but I wouldn't expect that very soon.

Ultimately, wheat prices will be solely about new-crop. The weather forecast is mainly dry this week, but there is a big storm expected to hit the PNW next weekend, and maybe some will work this way.



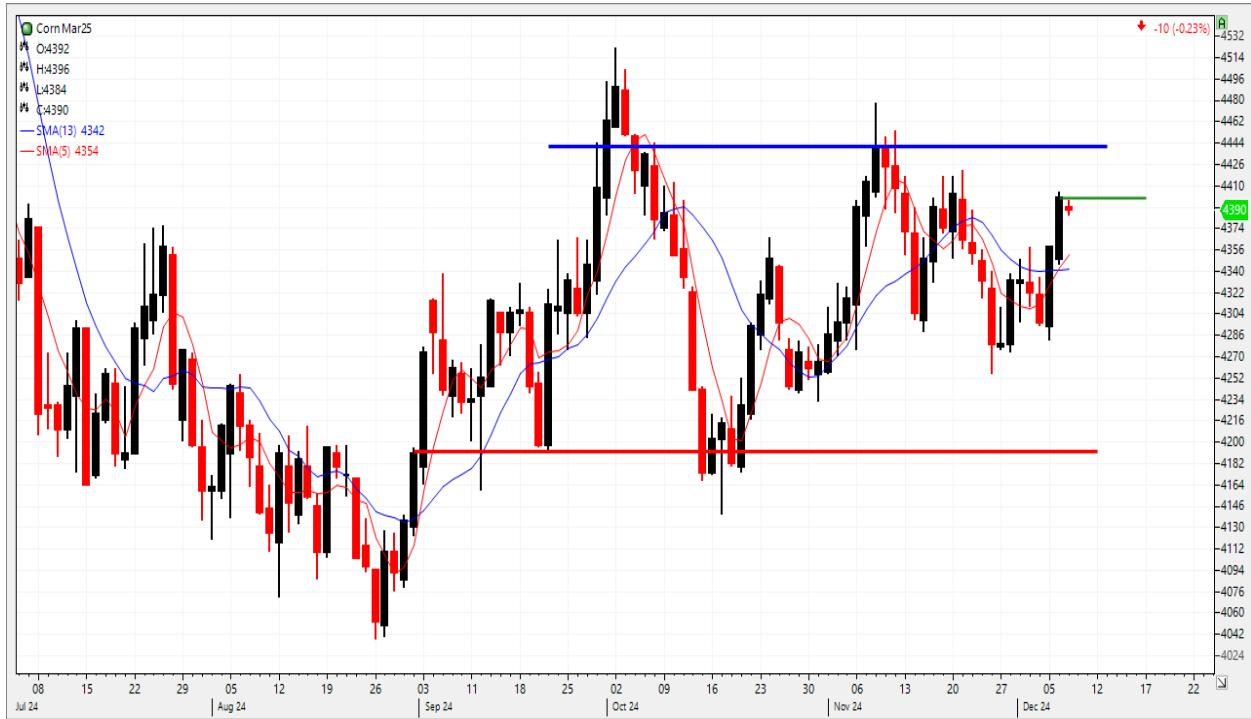
Texas Gulf to-arrive HRW bids remain firmly unchanged:

GULF date	12 pro	11's	diff
12/6/2024	120	115	5
11/29/2024	120	115	5 H
11/22/2024	125	120	5 Z
11/15/2024	125	120	5

And the country posted basis are mainly steady, with actually some mixed action, BUT...we see more higher bids than we see lower bids.

Date	SE Colorado	Chey. Wells	Burlington	Holyoke area	Roggen area
12/06	\$4.64-\$4.84	\$4.54	\$4.54-\$4.54	\$4.39-\$4.49	\$4.86-\$5.34
11/29	\$4.51-\$4.71	\$4.41	\$4.41-\$4.41	\$4.08-\$4.36	\$4.73-\$5.21
11/22	\$4.74-\$4.94	\$4.59	\$4.59-\$4.59	\$4.44-\$4.54	\$4.94-\$5.34
11/15	\$4.60-\$4.80	\$4.45	\$4.45-\$4.45	\$4.30-\$4.40	\$4.80-\$5.20
11/08	\$4.84-\$5.04	\$4.69	\$4.68-\$4.69	\$4.54-\$4.64	\$5.04-\$5.44
BASIS	SE Colorado	Chey. Wells	Burlington	Holyoke	Roggen area
12/06(H)	-90, -70	-100	-100, -100	-115, -105	-68, -20
11/29(H)	-90, -70	-100	-100, -100	-133, -105	-68, -20
11/22(Z)	-80, -60	-95	-95, -95	-110, -100	-60, -20
11/15(Z)	-80, -60	-95	-95, -95	-110, -100	-60, -20
11/08(Z)	-80, -60	-95	-95, -95	-110, -100	-60, -20
Date	Concordia	Salina	Hutch/Wichita	Ark City	
12/06(H)	-60	-40, -30	-50, -21	-45	
11/29(H)	-58	-41, -36	-50, -21	-45	
11/22(Z)	-50	-30, -25	-39, -10	-50	
11/15(Z)	-50	-30, -25	-39, -10	-50	
11/08(Z)	-50	-30, -25	-39, -10	-50	

Here's March corn. I see it bouncing into previous resistance. The WASDE might move things, and IF the corn export sales pace doesn't slow down, corn will move higher no doubt, but that word IF is a very big word.



The Jan bean chart didn't change. There's a double bottom at the Red Line (11-week Closing Low) that either holds and beans move higher, or it fails miserably. Bulls would like to see a new 4-week Closing High this week.



Maybe we'll get some new fundamental inputs Tuesday, including updates on the Australian wheat crop and South American corn and beans.

Let's wrap things up. I admit some Sunday night football games are more interesting than others...and the Sunday night markets are pretty quiet. Wheat is up a penny or so, corn is not quite unchanged and beans are down 2c.

Last week there was an interesting development in Egypt. We all know Egypt is the world's largest wheat importer, and threatens on a regular basis to become self-sufficient in wheat again, like they were when the Pharaoh was King. Anyway... they announced they were going to review their procurement methods...<https://menafn.com/1108947517/Madbouly-Reviews-Egypt's-Wheat-Procurement-Strategy> and then after that meeting, they announced GASC would NO LONGER buy their imported wheat, but it would be handled by the military. <https://www.zawya.com/en/business/commodities/egyptian-military-agency-takes-over-wheat-buying-from-decades-old-supply-group-gtpwq4yl> Way back in 1975 a comedian named George Carlin equated military intelligence with jumbo shrimp... I hope this goes well for the new wheat buyers. Even if they are the military, they need to keep one thing in mind. Don't run out. I always said "they will yell at you for paying too much, but you can get fired for running out." Anyway, this is a big job. We'll see how they do, and as the Russians are complaining about it. I'm hopeful it leads to change, but...

Looks like they got some unwanted rain right at harvest time Down Under... <https://www.thestar.com.my/business/business-news/2024/12/05/rain-hits-aussie-harvest-causing-quality-issues> Maybe we'll throw one of those jumbo shrimps on the barbie...

India is saying they increased their wheat acreage by maybe 6%... <https://www.devdiscourse.com/article/headlines/3178554-indias-wheat-surge-a-boost-for-global-supply> Hmm. Last I knew they were saying they couldn't get any fertilizer. They recently voiced concerns about elevated temps expected this winter...<https://www.msn.com/en-us/news/world/indias-winter-expected-to-be-warmer-threatening-wheat-yields/ar-AA1v9xYf?ocid=BingNewsSerp>

Stay Safe out there. Slow Down.

Have a good week.