

Hello Colorado Wheat.

And a Happy New Year to ya! I hope your holidays are going well.

And after last week's bearish weekly wire, quoting extensively from the World Grain article, the grain markets generally ignored it and led by corn, finished the week in the black. Even the Stock Market closed the week higher, barely, surviving a 70-point Friday drop. Yikes! and more on that in a couple minutes. Anyway...KC was up a dime, Chgo wheat was up 14c, corn gained 8c, and soybeans were up 11c.

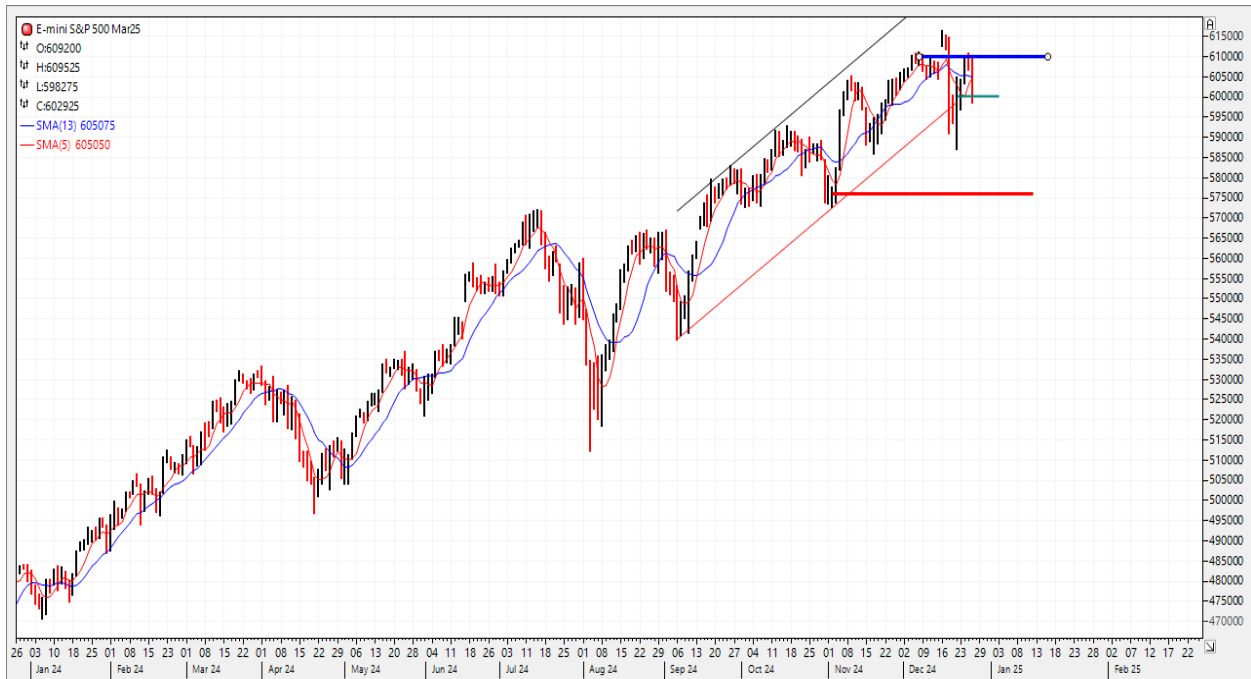
For the year...Those closes are down 87c for the year in KC wheat, while MIAX spring wheat dropped almost \$1.30. Corn, only down 17c for the year in corn, but soybeans were clobbered, down more than \$3.00/bu! Crude oil was down about \$1/bbl, while the E mini 500 soared, way way up there, up 1207 for the year.

	KC MAR HRW	DEC 25 HRW	March CORN	DEC 25 CORN	Chgo H wheat	Springs MAR (H)	MAR'25 BEANS	NOV BEANS	Crude oil	S&P (H)
CLOSE	KWH25	KWZ25	CH25	CZ25	WH25	MWH25	SH25	SX25	CRD24	ES24
12/27	\$5.55	\$6.00	\$4.54	\$4.41	\$5.47	\$5.95	\$9.90	\$10.05	\$70.60	\$6027
12/20	\$5.45	\$5.90	\$4.46	\$4.38	\$5.33	\$5.90	\$9.79	\$9.87	\$69.46	\$6002
12/13	\$5.57	\$6.01	\$4.42	\$4.39	\$5.52	\$5.99	\$9.95	\$10.06	\$71.09	\$6056
12/06	\$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	\$9.96	\$10.11	\$68.00	\$6052
11/22	\$5.66	\$6.08	\$4.35	\$4.36	\$5.65	\$6.01	\$9.92	\$10.09	\$71.27	\$5987
11/15	\$5.52	\$5.98	\$4.35	\$4.40	\$5.54	\$5.91	\$10.09	\$10.20	\$67.02	\$5897
11/08	\$5.78	\$6.23	\$4.44	\$4.49	\$5.88	\$6.17	\$10.44	\$10.53	\$70.38	\$6025
11/01	\$5.80	\$6.27	\$4.29	\$4.41	\$5.88	\$6.23	\$10.08	\$10.32	\$69.49	\$5758
10/25	\$5.86	\$6.28	\$4.30	\$4.41	\$5.89	\$6.28	\$10.09	\$10.33	\$71.78	\$5846
10/18	\$5.96	\$6.37	\$4.19	\$4.35	\$5.93	\$6.38	\$9.96	\$10.20	\$69.22	\$5906
EOY23	\$6.42		\$4.71		\$6.28	\$7.24	\$12.98		\$71.65	\$4820

I'm leaning towards next calendar year, 2025, will be different, but embarrassingly, that's about all I know for sure. I think we'll see quite a bit of volatility as the new Administration is a Wild Card.

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

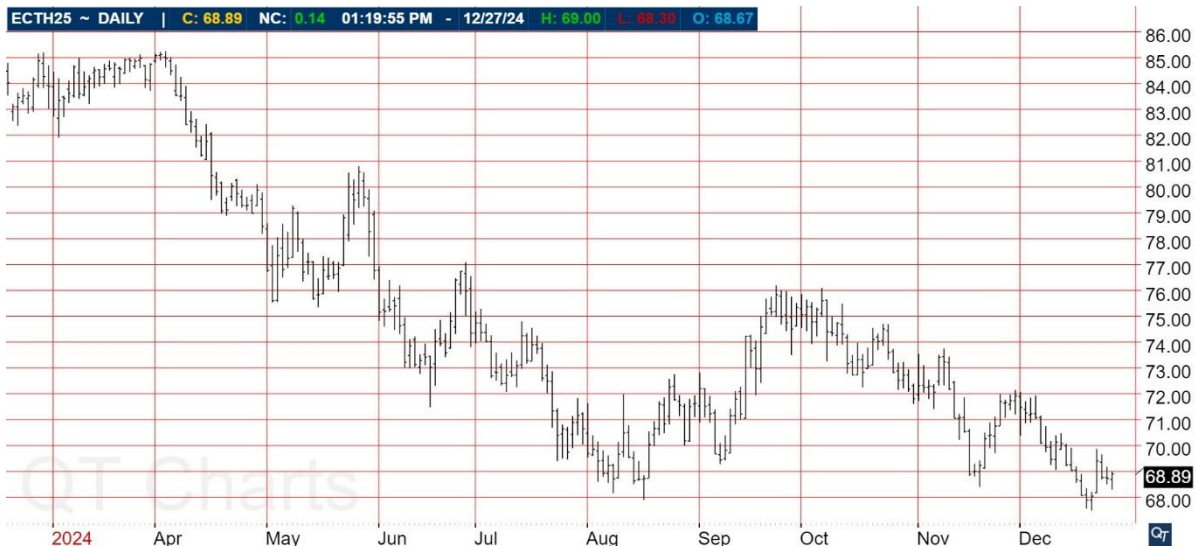
Here's the E-mini S&P 500. What a year it was!



I talked to my money manager about selling this thing (I said “we gotta take some profit!”). He told me because I took too much out (with good timing) before the Covid crash, but never moved “back in”, I’m back to where I “should be” (roughly 65% stock/35% cash or bonds, etc), so he strongly told me to “Do Nothing!”. All I could sputter was “What the...?” I’m pretty sure this thing is going to crash and burn, but...I’m doing nothing. Great. How much do I pay that guy?

Here's a few yearly looks at some other commodities. I used QT Market center's charts here because I am able to see them without paying an exchange fee, which is a benefit.

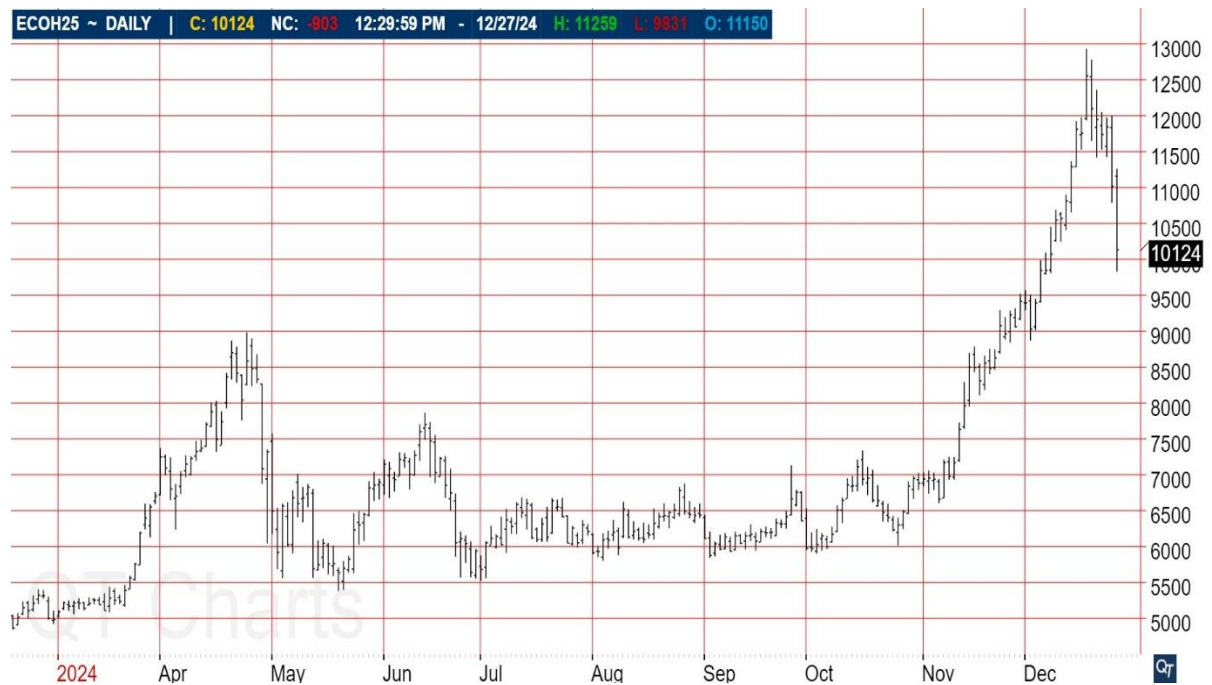
This is Cotton, down quite a bit for the year:



Coffee did about the opposite of cotton, and I'm not sure it's a sale even up here.



And cocoa had a wild ride, but seems to have peaked:



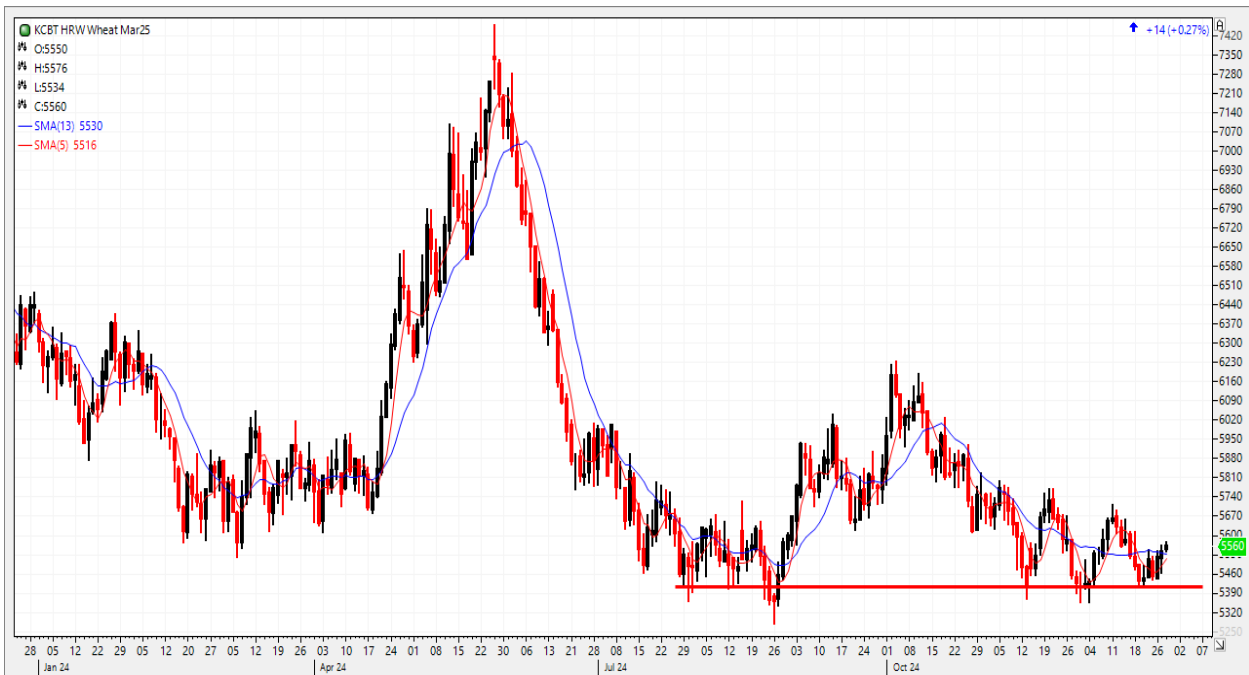
Ok, how about something that means something...to us.

Like...KC Wheat.

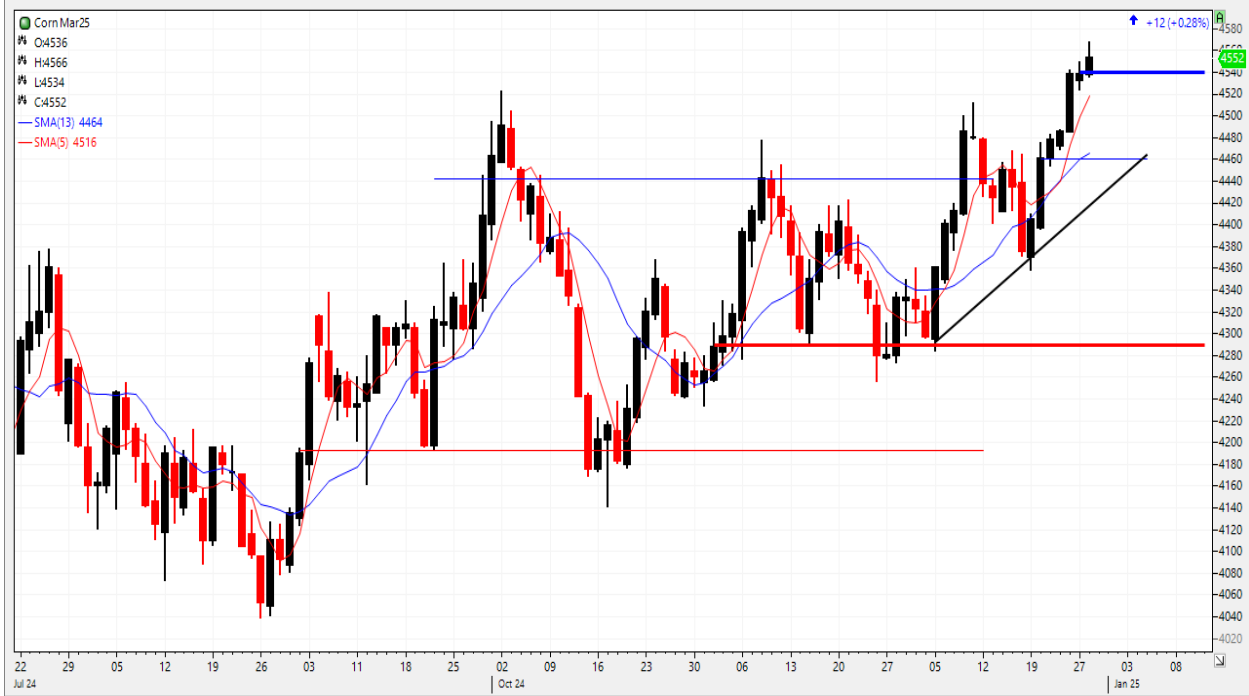
Here's the current chart, with the Blue line dropping down to \$5.86 as the old one rolls off the table, an unchanged Red line at \$5.41 from the end of November, and I'm showing a Green line at \$5.45, which is the 4-week Closing Low. The Table on page one shows several closes around \$5.55, and indeed, this chart looks like it's finally going sideways, maybe coiling:



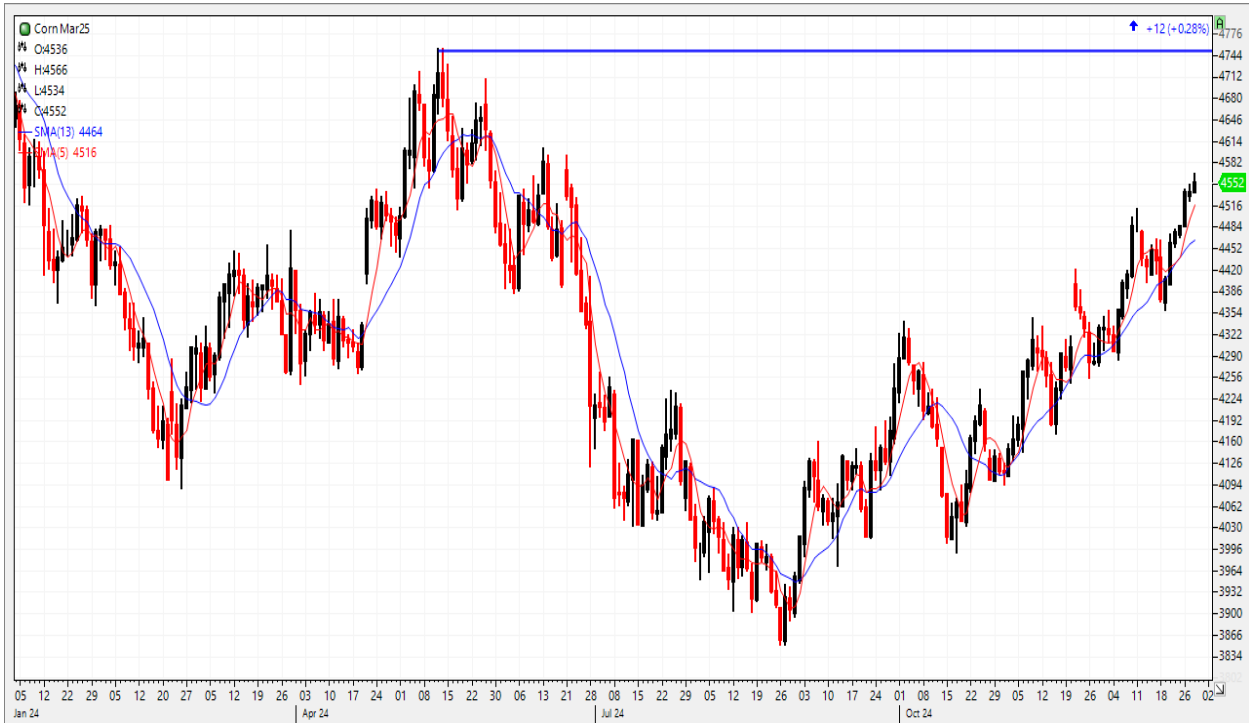
The KC continuous “active” (top-step) chart for the year shows the great selling opportunity from last spring, but also **shows quite a bit of support around the \$5.40 area, which to me looks like a buyer could own this thing, and know exactly where he would be wrong (if a new red line happens):**



The current March corn chart also shows a new Blue line, created from Friday's close and a new Red line, up a dime, now to \$4.29, so if a guy was sitting on unsold corn inventory, he could raise his sell-stop. If he likes using "resting sell paper" (price targets), the next "imaginary line every 25c" would be a target at \$4.75:



This is the yearly chart of nearby corn, suggesting a chance at selling \$4.75 is NOT impossible:



The current March soybean chart didn't change any lines last week, and possibly, maybe, finally suggests...the spike lows are low enough. Maybe. Before we get real comfortable with that idea, we'd need to see some closes above that downtrend line.



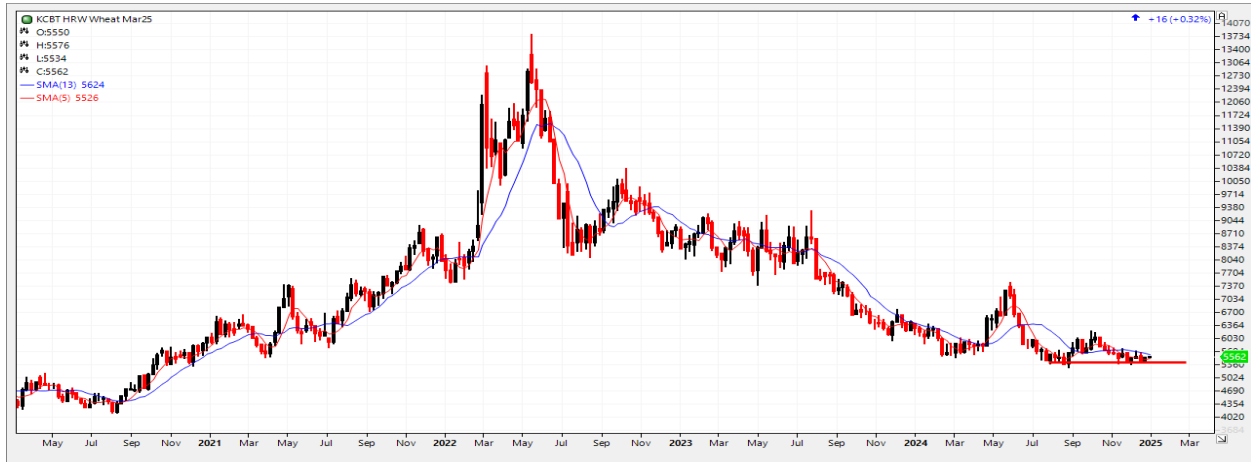
Here's the continuous nearby soybean chart for the year...I think if you squint, you can convince yourself we're looking at a fairly wide double bottom, and IF SO, the bottom is in:



So... the 3 "grain" charts look like support has been found, led by corn moving higher and wheat and beans unable to ignore the corn action.

Now before we get all wildly bullish, a quick look at “weekly” continuous charts shows considerable downside action still exists IF things fall apart and resume the march to the bottom.

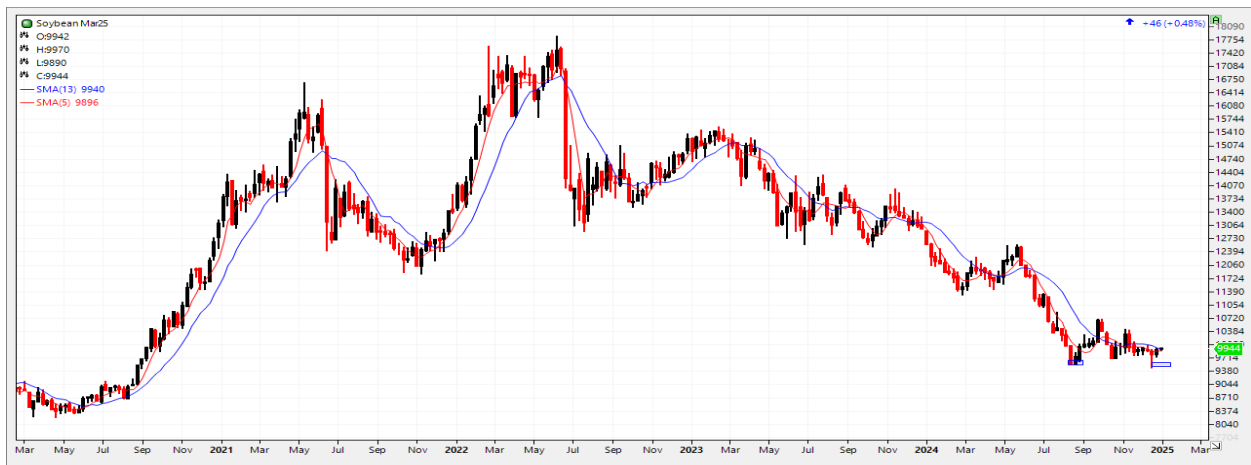
This is KC wheat, with the 2020 lows around \$4.00



Similarly the 2020 corn lows were \$3.25 or less...



and the soybean lows from then were around \$8.25



But for now, the charts look moderately supportive, or better.

Why?

I think the **MAIN REASON** it's because **USA corn exports have been really good**, and last week's corn sales were 67 mil bu, so the corn party hasn't shown it's over just yet. Soybean sales slowed, to only 36 mil bu last week, but wheat had a decent week of sales at 22.5 mil bu.

WEEK ENDED (12/19/24)	Weekly loadings	Accumulated in season (FGIS)	Estimated fudge factor	Total loaded est*	USDA projection	Amount needed	Weeks to go	Bu per week needed
Corn	44.2	568.3	243	811	2,475	1664	36	46.2
Soybeans	64.2	992.0	52	1044	1,825	781	36	21.7
All wheat	14.8	438.8	19	458	850	392	23	17.0
Milo	1.9	53.4	5	58	220	162	36	4.5
LAST update								
Corn	44.5	523.6	243	767	2,475	1708	37	46.2
Soybeans	61.6	927.1	52	979	1,825	846	37	22.9
All wheat	11.0	423.9	19	443	850	407	24	17.0
Milo	5.8	51.4	5	56	220	164	37	4.4

This big corn export program has been totally without China, which is fascinating to me. China hasn't bought much milo lately either, and last week's soybean sales indicate China is shifting their purchase focus to South America, but still...such a big program without China is more than a little interesting. The bigger corn program was helped by the European crop troubles no doubt, as we've shipped almost a million tonnes to Europe this year, compared to zero a year ago at this time. But also Japan has taken 1.1 mmt more, Korea corn shipments are up .5 mmt, and corn shipments to Mexico are up .8 mmt.

It makes me wonder where corn prices would be IF China was also a big corn buyer...

ANYWAY...when we see USA corn export sales tanking, then that'd be a sign of a top, but we haven't seen that yet.

Another supportive factor, as we've looked at quite a bit, is European wheat prices make USA wheat prices look fairly competitive, and the USA KC wheat futures discount widened again last week:

9/13/2024	9/27/2024	10/11/2024	10/25/2024	11/8/2024	11/15/2024	11/29/2024	12/13/2024	12/20/2024	12/27/2024	
\$ 224.50	\$ 216.25	\$ 229.25	\$ 216.50	\$ 215.25	\$ 216.50	\$ 221.50	\$ 229.25	\$ 227.25	\$ 233.00	matif
\$ 220.46	\$ 207.24	\$ 222.12	\$ 210.18	\$ 207.33	\$ 198.42	\$ 198.69	\$ 204.66	\$ 200.16	\$ 203.75	KC
\$ 4.04	\$ 9.01	\$ 7.13	\$ 6.32	\$ 7.92	\$ 18.08	\$ 22.81	\$ 24.59	\$ 27.09	\$ 29.25	diff

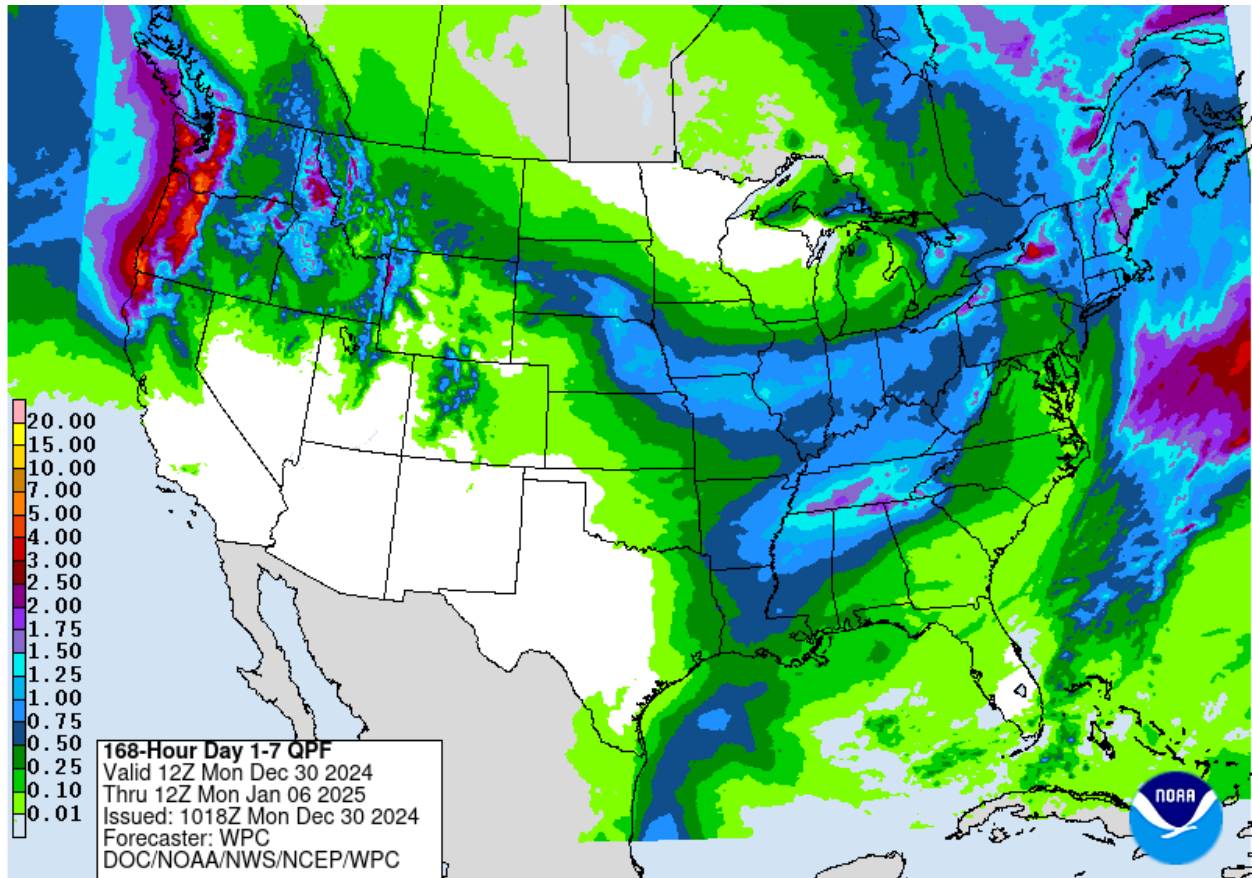
Texas Gulf to-arrive HRW bids haven't changed in a month:

GULF	12 pro	11's	diff	
date				
12/27/2024	120	115	5	
12/20/2024	120	115	5	
12/13/2024	120	115	5	
12/6/2024	120	115	5	
11/29/2024	120	115	5	H
11/22/2024	125	120	5	Z

Posted HRW bids in “the country” haven't changed much either, but we **DO** see some weakness in a Kansas terminal bid:

Date	SE Colorado	Chey. Wells	Burlington	Holyoke area	Roggen area
12/27	\$4.65-\$4.85	\$4.55	\$4.55-\$4.55	\$4.40-\$4.50	\$4.87-\$5.35
12/20	\$4.55-\$4.75	\$4.45	\$4.45-\$4.45	\$4.30-\$4.40	\$4.77-\$5.25
12/13	\$4.67-\$4.87	\$4.57	\$4.57-\$4.57	\$4.42-\$4.52	\$4.89-\$5.37
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
BASIS	SE Colorado	Chey. Wells	Burlington	Holyoke	Roggen area
12/27(H)	-90, -70	-100	-100, -100	-115, -105	-68, -20
12/20(H)	-90, -70	-100	-100, -100	-115, -105	-68, -20
12/13(H)	-90, -70	-100	-100, -100	-115, -105	-68, -20
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
Date	Concordia	Salina	Hutch/Wichita	Ark City	
12/27(H)	-60	-40, -30	-50, -20	-50	
12/20(H)	-60	-40, -30	-50, -20	-45	
12/13(H)	-60	-40, -30	-50, -21	-45	
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	

This week's forecast is not bone-dry, but ...definitely on the dry side; MT gets some though:



Ok, let's wrap it up.

Big world wheat purchases last week were supportive. Last week saw both Egypt ...<https://www.msn.com/en-us/money/companies/exclusive-egypt-secures-wheat-needs-through-june-2025/ar-AA1wAasp?ocid=BingNewsSerp> and Algeria buy big chunks of wheat <https://ukragroconsult.com/en/news/algeria-bought-more-than-a-million-tons-of-wheat-at-a-tender-deliveries-are-expected-from-the-black-sea-countries-of-the-eu-and-ukraine/>

India's inspectors found some wet wheat bags...<https://theprint.in/india/haryana-minister-conducts-surprise-inspection-of-uklana-warehouse-finds-wet-wheat-bags/2420100/>

(Those dang surprise inspections are always a pain, everywhere.)

Philippines wheat demand is expected to keep growing...<https://www.msn.com/en-ph/news/other/ph-set-to-boost-wheat-imports-in-2025-as-demand-grows/ar-AA1wxZv7?ocid=BingNewsVerp>

Have a good week, and I wish you a good new year; markets are closed Wednesday.

Stay Safe. Slow Down.