

Highlights:

- Soybean contracts continue to make new highs. July soybeans traded 12 ¼ cents higher to \$16.58 and November soybeans traded 1 cent higher to \$16.31.
- NWS 6-10 day again indicated above average temperatures for the entire U.S. Precipitation looks above average for everything east of the Mississippi River.
- The US dollar index was up 71 ticks to 72.74 after the European Central Bank raised interest rates, but sounded less aggressive about future hikes.

Minneapolis: Spring wheat again tried to slide lower against upward pressure from the other wheat markets today. Lack of fund buying has decreased the premium of Minneapolis against the other markets significantly this week. The December contract was only 20 cents over KC at one point during the day (down from 80 cents at the end of February). There is little news right now to keep spring wheat prices supported.

Kansas City: HRW settled higher today as pre-holiday liquidation followed by late fund buying saw prices spring back on the close. Lack of trade data and early weekend exits limited trade action today as a lower open eventually pushed prices back into the black. Harvest pressure exerted itself early today as traders looked to close positions ahead of the long holiday weekend. Funds, looking to take advantage of lower prices, added to longs late in the session which closed prices near session highs. Outside markets also helped sustain price movement as corn bounced off its lows from early this morning. A late surge of buying in the KWN closed spreads out of line by several cents.

Chicago: SRW had 1171 deliveries and an open interest of 6590 contracts. Wheat futures opened lower and stayed positive for the rest of the day. Wheat was higher in light volume on better than expected weekly exports and harvest delaying rains through Indiana and Ohio. July wheat traded 7 ½ cents higher at \$8.72 ¾ and December traded up 6 ¾ cents at \$9.10 ¼. For the week, July wheat was down 22 ¾ cents and December wheat was down 25 ¼ cents.

Basis: **Mpls:** Basis collapsed today decreasing almost a dollar on the spot floor.

KC: Spot bids are 5-10 lower while gulf bids remain unchanged.

Spreads: **Mpls:** Z/U: 19-18 Z/H: 20-18 ½.

KC: N/U: 15-14, U/Z: 24 1/2-24, N/Z: 20-19.

OUTLOOK: On weekly charts, wheat looks to have completed a 38 percent retracement of its move down from early March suggesting a resumption of the downtrend is possible.

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