



CASH WHEAT REPORT

CASH WHEAT MARKET

There was more dialog in the cash markets today where domestic HRW basis jumped 7-13 ct/bu for low & mid protein. The export market is back looking for nearby shipments lead by BNSF trains trading at \$500/car for a return trip. SRW market is unchanged with no dialog & cash basis well above DVE. The domestic spring wheat closed mixed, down 10 to up 20 ct/bu. The PNW closed unchanged, but exporters will price Japan this week & the spread between track bids & fob offers are 25+ ct/bu.

The calendar spreads reacted today to the firmness in cash basis as we approached the INDEX roll starting on Thursday. This has become a trap where shorts anticipate INDEX funds pressuring the front options as they roll their long positions. It has not seemed to matter when the MM funds have short positions, perhaps this time will be different. Everyone should be in agreement KCBT will reverse the VSR storage rate from .000265 ct/bu per month to .00165 ct/bu per month starting December 19th.

We didn't get much feed-back from yesterday's winter wheat planting report. No one has a good handle of SRW acreage, but we'd suggest sources on the ground would agree acreage is less than expected in early October. It is just the opposite for HRW where the rapid harvest for soybeans & drier/warmer fall resulted in a few more acres planted than earlier expected. We'd still call HRW acres down 3%-5% & SRW unchanged to down 2% verse last year. FWIW, USDA's 2020 outlook would suggest winter wheat acres are up over all. Our winter wheat production estimates are 2020 vs 2019: HRW 740 / 833, SRW 245 / 239, WW 231 / 231 mbu.

Total wheat stocks were down 1.085 mbu at the KCBT, 550 kbu at the CBOT, and 394 kbu at the MGEX last week.

| Deliverable Stocks as of November 1, 2019 | | | | |
|---|---------|---------|---------|---------|
| Date | 1-Nov | Wk Ago | Change | YR Ago |
| KCBT | 104,901 | 105,986 | (1,085) | 123,877 |
| CBOT | 44,562 | 45,112 | (550) | 77,507 |
| MGEX | 24,784 | 25,178 | (394) | 21,975 |

HARD RED WINTER

The domestic market is now out performing the export market with 11% protein basis up 26 ct/bu this week compared to Friday's close. Traders suggesting there have not been many cars loading in the country for the domestic market & mills are trying to push the basis higher to encourage shippers to load more cars. The rally in domestic basis is making any chance of HRW delivery against CME very unlikely & suggest it would be profitable for any stopper of HRW receipts in St. Louis or any CME delivery market.



HRW GULF BID/OFFERS: 12% PROTEIN: NOV +175/NO, KWZ, DEC +180/190 KWZ, J/F/M +175/185 KWH, APR/MAY +170/185 KWK, JUN/JUL +150/165 KWN. 11% PROTEIN: NOV +135/145 KWZ, DEC +145/150 KWZ, J/F/M +137/147 KWH, APR/MAY +135/147 KWK, JUN/JUL +125/135 KWN. ORDS: NOV/DEC +125/140 KWZ, J/F/M +120/135 KWH, APR/MAY +115/130 KWK, JUN/JUL +110/125 KWN.

KC spot market closed up 7-13 ct/bu for ordinary to mid-11% protein cars. 11-11.2% protein cars are up 26 ct/bu for the week.

| Protein | Basis Range | Change | Protein | Basis Range | Change |
|-----------|-------------|---------|-----------|-------------|--------|
| Ordinary | +115/125 | +8/+8 | 12.60 PCT | +165/175 | 0/0 |
| 11.00 PCT | +129/139 | +7/+7 | 12.80 PCT | +180/190 | 0/0 |
| 11.20 PCT | +129/139 | +7/+7 | 13.00 PCT | +205/215 | 0/0 |
| 11.40 PCT | +135/145 | +13/+13 | 13.20 PCT | +205/215 | 0/0 |
| 11.60 PCT | +140/150 | +13/+13 | 13.40 PCT | +205/215 | 0/0 |
| 11.80 PCT | +140/150 | +10/+10 | 13.60 PCT | +205/215 | 0/0 |
| 12.00 PCT | +140/150 | 0/0 | 13.80 PCT | +205/215 | 0/0 |
| 12.20 PCT | +140/150 | 0/0 | 14.00 PCT | +205/215 | 0/0 |
| 12.40 PCT | +150/160 | 0/0 | | | |

HRW domestic market chart basis Kansas City for 11% protein:

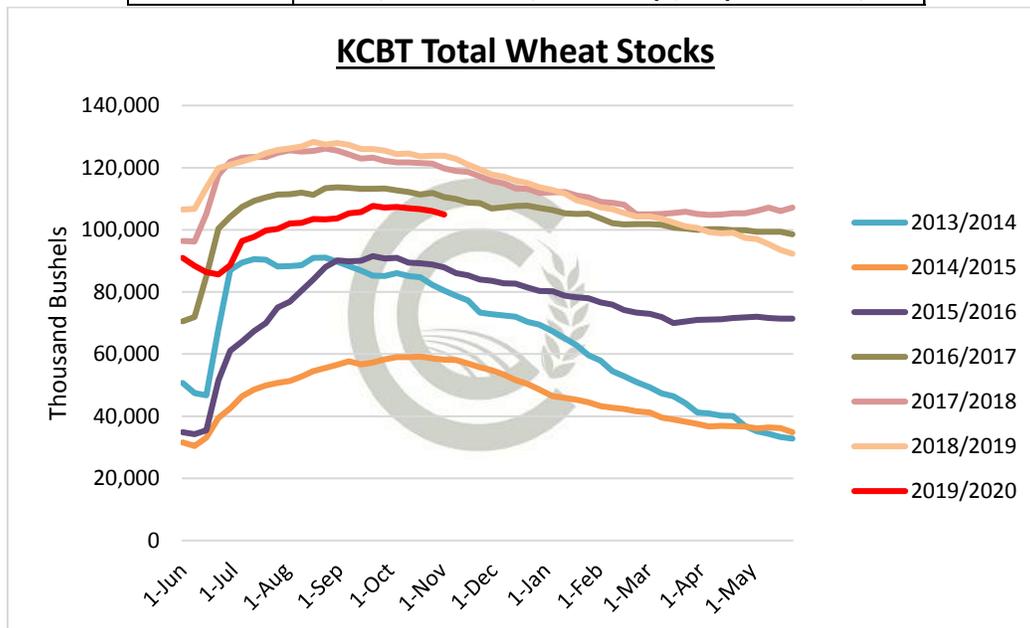




| Hastings, NE | Gulf | Gulf | *KC DOM | Gulf |
|----------------------|-----------|-----------|-----------|-----------|
| Basis KWZ | \$ 1.45 | \$ 1.45 | \$ 1.39 | \$ 1.45 |
| Shuttle /DET Freight | \$ 1.32 | \$ 1.32 | \$ 0.12 | \$ 1.32 |
| FOB elev | \$ 0.13 | \$ 0.13 | \$ 1.51 | \$ 0.13 |
| Rate | Chicago | St. Louis | St. Louis | Memphis |
| DET | \$ 1.16 | \$ 1.16 | | \$ 1.23 |
| Single car | \$ 1.28 | \$ 1.32 | | \$ 1.38 |
| Shuttle Rate | \$ 1.07 | \$ 1.07 | | \$ 1.12 |
| Del DET train | \$ 1.28 | \$ 1.29 | | \$ 1.35 |
| Del Single car | \$ 1.41 | \$ 1.45 | | \$ 1.51 |
| Del Shuttle train | \$ 1.20 | \$ 1.20 | | \$ 1.24 |
| KWZ-WZ spread | \$ (0.87) | \$ (0.87) | \$ (0.87) | \$ (0.87) |
| Basis WZ9 | \$ 0.42 | \$ 0.33 | \$ 0.64 | \$ 0.38 |
| Delivery | \$ 0.06 | \$ 0.16 | \$ 0.16 | \$ 0.26 |
| difference | \$ 0.36 | \$ 0.17 | \$ 0.48 | \$ 0.12 |

KCBT total wheat stocks were down 1.085 mbu last week, led by an 819 kbu reduction in Salina. Total KCBT wheat stocks are down 18.976 mbu (15.3%) from a year ago, at 104.901 mbu.

| KCBT Deliverable Wheat Stocks | | | | |
|-------------------------------|----------------|----------------|----------------|----------------|
| Date | 1-Nov | Wk Ago | Change | YR Ago |
| Hutchinson | 25,144 | 25,143 | 1 | 28,993 |
| KC | 12,928 | 12,859 | 69 | 12,077 |
| Salina | 29,912 | 30,731 | (819) | 37,363 |
| Wichita | 36,917 | 37,253 | (336) | 45,444 |
| Total | 104,901 | 105,986 | (1,085) | 123,877 |





Daily received/shipped (reported by CME, close of business 11/4): Hutchinson: 3.477/5.444, KC: 11.765/140.568 kbu, Salina: 1.87/0 kbu, Wichita: 39.101/23.038 kbu.

SOFT RED WINTER

There is nothing new to report for the SRW cash markets. The SRW basis is firm and likely will be into new crop. Planting progress in the north has been halted due to cold & wet conditions, plus we are past the crop revenue insurance final plant date for many areas. States like Michigan, and its neighbor to the north, Ontario, Canada, had originally been optimistic regarding winter wheat planting, but changes in conditions have forecasters expecting acres will be lower than a year ago. That being said, early planted wheat in these areas is looking far better than a year ago and some believe yields and percent harvested will increase YoY. Ohio had gotten an early start on winter wheat planting, thanks to abundant prevent plant area, but conditions were dry, and the wheat does not look as good as a year ago. Northern Ohio SRW acres are thought to be up 5-10%, while southern Ohio area is unchanged. Overall, folks believe Ohio SRW area will be a wash in the big picture and yields could be lower YoY.

CIF barge bid/offer: Nov +90/NO WZ, LH Nov +95/NO WZ, Dec +95/NO WZ, Jan +90/NO WH, Feb +90/NO WH, Mar +90/NO WH, J/F/M +90/NO WH, Jun/Jul +70/80 WN.

FOB NOLA indications: Dec +110 WZ, Jan +110 WH, Feb +110 WH, Mar +115 WH.

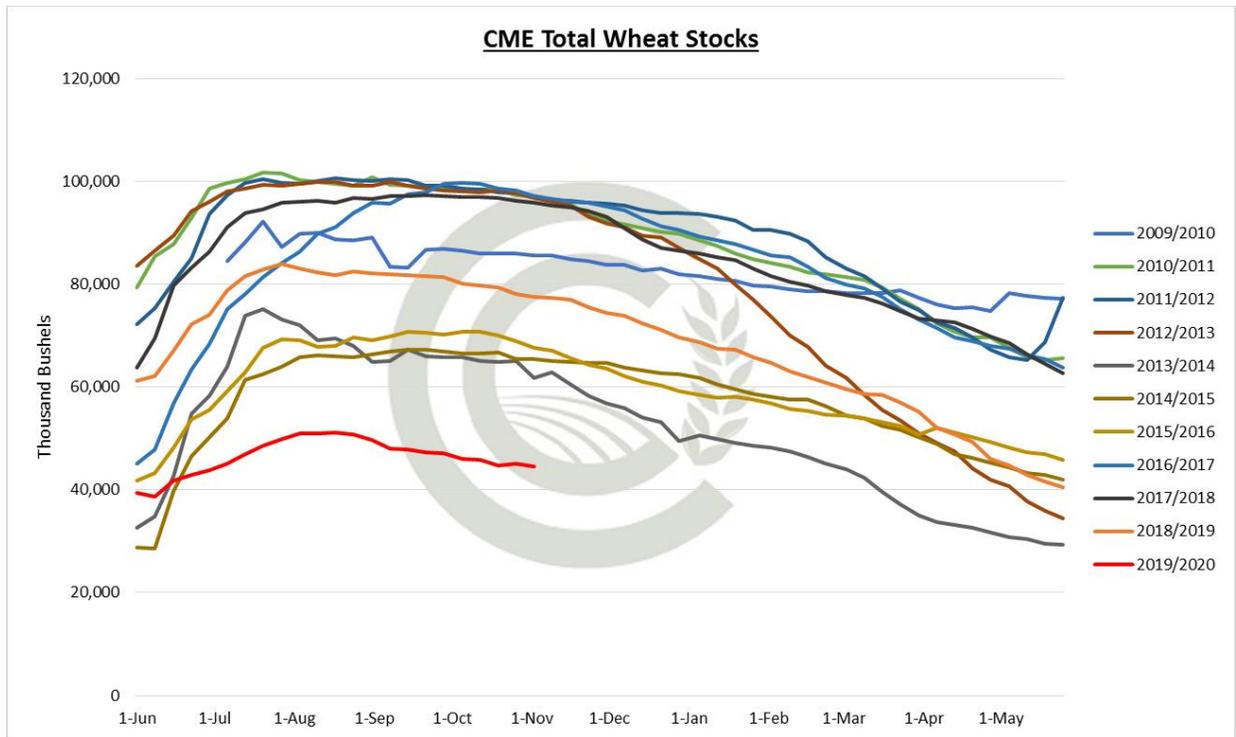
FOB Bellevue bid/offer indications: Nov/Dec +NB/NO WZ, J/F/M +50/60 WH, A/M +55/60 WK.

Elevator/Mill Bids: NW Ohio mills: Nov +40 WZ, Dec +35 WZ, J/F/M +35 WH, Apr/May +40 WK, Jun/Jul +10 WN; Chicago warehouse: Nov +10 WZ, Dec +5 WZ, Jan +5 WH, Feb/Mar +0 WH; Toledo warehouse: Nov/Dec +18 WZ, Jan/Feb +10 WH, Mar +13 WH; Toledo mill: Nov/Dec +35 WZ, J/F/M +35 WH, A/M +30 WK, Jun +0 WN, Jul/Aug +0 WU; Michigan mill: Nov/Dec +30 WZ, J/F/M +30 WH, Apr/May +30 WK, Jun/Jul +0 WN; Eastern Indiana mill: Nov/Dec +40 WZ, Jan +30 WH, Jun/Jul +30 WN, Aug +30 WU, Sep +40 WU.

CBOT total wheat stocks were down 550 kbu last week, led by a 276 kbu reduction on the Ohio River. Total CBOT wheat stocks are the lowest in recent history and are down 32.945 mbu (42.5%) from a year ago, at 44.562 mbu. Wheat of other classes increased 246 kbu last week, including a 114 kbu increase in HRW and a 132 kbu increase in NS. Wheat of other classes in the CME delivery system now total 3.749 mbu, including 2.27 mbu of HRW and 1.479 mbu of NS. This wheat of other classes is intended for domestic consumption and not intended for delivery on the December contract.



| CBOT Deliverable & Non-Deliverable Wheat Stocks | | | | |
|---|---------------|---------------|--------------|---------------|
| Date | 1-Nov | Wk Ago | Change | YR Ago |
| Chicago | 4,584 | 4,615 | (31) | 9,534 |
| Miss. River | 4,821 | 4,818 | 3 | 13,135 |
| NW Ohio | 9,643 | 9,823 | (180) | 11,704 |
| Ohio River | 1,886 | 2,162 | (276) | 12,265 |
| St. Louis | 2,127 | 1,990 | 137 | 2,489 |
| Toledo | 21,501 | 21,704 | (203) | 28,380 |
| Total | 44,562 | 45,112 | (550) | 77,507 |
| Non-Deliver | 4,105 | 4,519 | (414) | 10,131 |
| Net-Deliver | 40,457 | 40,593 | (136) | 67,376 |



Daily received/shipped (reported by CME, close of business 11/4): Chicago: 67.689/50.497 kbu, MS River: 0/0 kbu, NW Ohio: 1.342/40.519 kbu, OH River: 0/18.293 kbu, St. Louis: 68.13/9.032 kbu, Toledo: 9.291/40.136 kbu.

HARD RED SPRING

The spring wheat cash basis is on fire, with premiums 20-30 cents higher in the last week. The country is short cash wheat and resellers are not willing to sell to-arrive at a discount to the spot market (i.e., the Nov/Dec market is following spot prices). J/F/M 14% protein, 300 falling number, milling quality DETs are bid +155-160 MWH and offered +180-185 MWH. Mills have also been caught short, as railroad



performance begins to slow down and holiday flour demand picks up. So, mills have had to come to the spot market to fill gaps in their pipelines and are being forced to pay the offer.

There were three trains and 12 single cars for sale on the spot floor today, with premiums trading unchanged to 20 ct/bu higher. Two 14.0% protein trains out of Duluth traded at +180 & +190 MWZ. The third train averaged 14.5% protein and traded at +200 MWZ. A pair of 13.5% pro singles traded at +160 MWZ, and ten 15.0% protein cars traded at +210 MWZ. Spot volume has generally been light of late, but these huge premiums will likely bring more cars to market.

We have heard of spring wheat in the delivery market being loaded out recently and it has been found to be of good quality. 14% or better protein, with just a few cars barely below 300 falling number. Remember mills have been able to use 275 falling number this year. So, folks believe the 668 receipts still registered for delivery in Duluth/Superior have value to the market, even with no falling number guarantee, and any receipts that are delivered on the December contract would be welcomed & a strong stopper would be found to load the wheat out.

HRS vs HRW price comparisons (Nov/Dec):

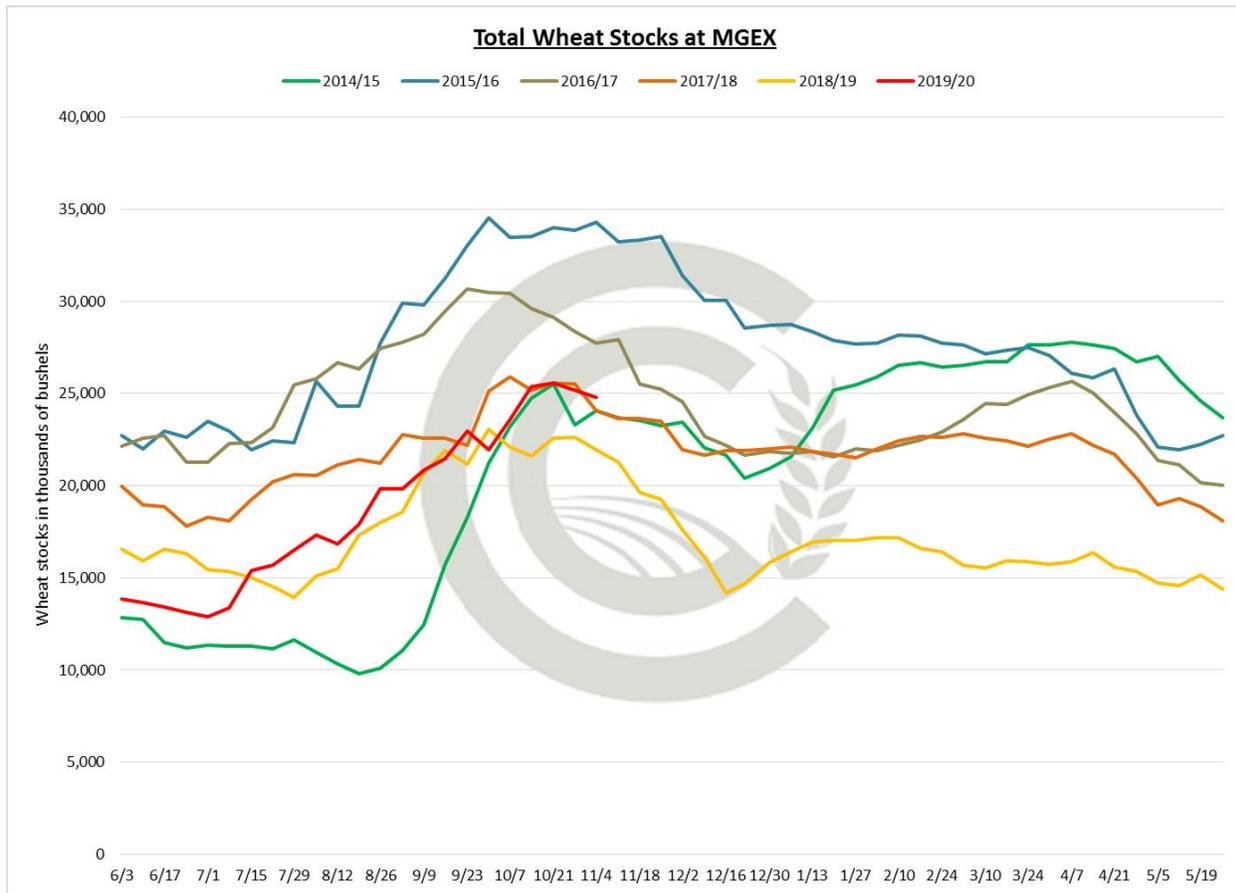
| Spring Wheat vs HRW Basis Chicago gateway | | | | | | |
|---|---------------|---------|---------------|---------|---------------|---------|
| J/F/M | DNS 14% | HRW 14% | DNS 13.5% | HRW 13% | DNS 13% | HRW 12% |
| Basis | 180.00 | 210.00 | 175.00 | 205.00 | 170.00 | 160.00 |
| Futures | 542.25 | 439.50 | 542.25 | 439.50 | 542.25 | 439.50 |
| Del Chicago | 722.25 | 649.50 | 717.25 | 644.50 | 712.25 | 599.50 |

HRS & HRW blended prices (Nov/Dec):

| 13% HRS Protein Blend (Western Mills) | | | | | | | |
|---------------------------------------|--------------|---------|------------|-------|---------------|----------|--|
| | Spot Basis | Futures | Flat Price | Blend | Blended Price | Basis MW | |
| 14% HRS | 180 | 542.25 | 722.25 | 1.5 | 663.15 | 120.90 | |
| 11.5% HRW | 135 | 439.50 | 574.50 | 1 | | | |
| 13% HRS Comparison | 170 | 542.25 | 712.25 | | | | |
| Blended Discount (ct/bu) | 49.10 | | | | | | |

MGEX total wheat stocks were lowered 394 kbu last week, led by a 262 kbu reduction in Duluth/Superior. Total MGEX wheat stocks are up 2.809 mbu (12.8%) from a year ago, at 24.784 mbu.

| MGEX Deliverable Wheat Stocks | | | | |
|-------------------------------|---------------|---------------|--------------|---------------|
| Date | 1-Nov | Wk Ago | Change | YR Ago |
| Mpls | 5,272 | 5,404 | (132) | 1,886 |
| Duluth | 19,512 | 19,774 | (262) | 20,089 |
| Total | 24,784 | 25,178 | (394) | 21,975 |



Daily received/shipped (reported by MGEX, close of business 11/4): Minneapolis/St. Paul: 3/35 kbu, Duluth/Superior: 0/420 kbu.

PNW

Japan announced its weekly tender seeking 57 kmt of US milling wheat for January shipment: cargo 9.455 kmt WW + 14.94 kmt HRW & cargo 32.715 kmt NS 14% protein. We have not heard of other tenders this week; exporter bids are unchanged. Country shippers do report exporters have paid 20-25 ct/bu premium for barges of DNS 75+ DHV & 20-25 ct/bu for HRW 12% protein.

Exporters hold their track bids & they expect shippers/growers will start to move wheat before the holidays. Row crop harvests will be finished, winter wheat planting is finished & growers/shippers can soon focus on wheat. Exporters don't see additional demand for Nov/Dec & they believe time is in their favor to buy at their bids. They hedge themselves with fob offers that are 20-25 ct/bu premium & there are not 20-25 ct/bu elevations on the PNW.



PNW track bids:

| | | | |
|-------------|-----------------|-----------------|--------------|
| Shipment | NS/DNS 14% | HRW 11.5% | SWW 9.0-9.5% |
| Nov/Dec | 170/175 MWZ | 170/170 KWZ | 605/605 |
| Jan/Feb/Mar | 170/175/175 MWH | 165/170/170 KWH | 610/610/610 |

WORLD WHEAT NEWS

There were reports today China has purchased 500 kmt of Baltic & French wheat in the past 7-10 days. We have not been able to confirm this but we thought we should mention it so you can try to confirm. We know there have been vessels loading & there has been business done, but were not aware of this new business. Perhaps if ties back to lack of “China specifications” offers for DNS 14% or CWRS 13.8% protein to match China’s queries over the past 10+ days.

WORLD WHEAT FOB COMPARISONS:

| World Wheat FOB Comparisons | | | | | | | | | | |
|-----------------------------|---------|--------|--------|-----------|--------|--------|--------|--------|--------|--------|
| Origin | Russian | German | Baltic | Argentina | HRW | HRW | HRW | French | UK | SRW |
| Protein (dmb) | 12.50% | 12.50% | 12.50% | 11.50% | 12.50% | 11.00% | 10.20% | 11.00% | 11.00% | 10.20% |
| Protein (12% mb) | 11.00% | 11.00% | 11.00% | 10.12% | 11.00% | 9.68% | 9.00% | 9.68% | 9.68% | 9.00% |
| Dec | \$208 | \$203 | \$202 | \$190 | \$211 | \$209 | \$208 | \$201 | \$206 | \$230 |
| Jan | \$210 | \$205 | \$204 | \$192 | \$213 | \$211 | \$210 | \$201 | \$208 | \$232 |
| Feb | \$212 | \$208 | \$205 | \$197 | \$213 | \$211 | \$210 | \$203 | \$209 | \$232 |
| Mar | \$214 | \$209 | \$207 | \$202 | \$213 | \$211 | \$210 | \$204 | \$211 | \$233 |

| World Wheat FOB Comparisons | | | | | | | | | | |
|-----------------------------|--------|--------|--------|---------|---------|--------|--------|--------|--------|--------|
| Origin | APW | AH2 | ASW | HRW PNW | HRW PNW | SWW | NS | NS | CWRS | CWRS |
| Protein (dmb) | 11.80% | 12.90% | 10.10% | 12.00% | 13.10% | 12.00% | 15.30% | 15.90% | 15.50% | 15.90% |
| Protein (local) | 10.50% | 11.50% | 9.00% | 10.50% | 11.50% | 10.50% | 13.50% | 14.00% | 13.50% | 13.80% |
| Dec | \$242 | \$256 | \$237 | \$222 | \$227 | \$228 | \$259 | \$263 | \$248 | \$263 |
| Jan | \$243 | \$257 | \$238 | \$224 | \$229 | \$230 | \$262 | \$265 | \$249 | \$264 |
| Feb | \$243 | \$257 | \$238 | \$224 | \$229 | \$231 | \$264 | \$267 | \$249 | \$264 |
| Mar | \$243 | \$257 | \$238 | \$224 | \$229 | \$233 | \$264 | \$267 | \$249 | \$264 |

SOUTH AMERICA

Cepea reported Rio Grande do Sul harvesting had reached 16% of the area sown as of October 31st. In Parana, harvesting is 87% complete, up 5% from the previous week. Deral indicated that the output from PR is expected to be 22% smaller than that from the previous season, due to the 13% decrease in productivity.

| Origin | Month | Quality | Offer (USD/MT) |
|-------------------|----------------------------|-----------|----------------------|
| Argentine Upriver | New crop Dec/Jan/Feb/March | 11.5% pro | Seller \$190/193/199 |
| Argentine Upriver | New crop Dec/Jan/Feb/March | 12.0% pro | Seller \$193/196/199 |



CANADA

Japan announced its weekly tender seeking 35 kmt of CWRS for LH December-FH January shipment. Indicative

There is a wide range of offers in Canada & you need to ask what specifications are being offered. Some exporter offers do not guarantee falling numbers & others will offer minimum 275 falling number.

FOB CWRS offers (#2 grade, 13.5% protein): +130-135 MWH for Dec/Jan, with a 40 ct/bu premium for #2 13.8% protein & a 15-20 ct/bu discount for #2 13.0% protein. Falling number is 275 minimum & if you need 300 falling number add 25+ ct/bu.

If we compare #2 CWRS 13.8% protein with 300 falling number, +135 MWH +40 ct/bu to 13.8% protein & +25 ct/bu 300 falling number = +200 MWH. Exporters who draw from the northern areas of Alberta & Saskatchewan have lower protein than those in the south.

FYI, Canadian Grain Commission quality analysis reports the following:

| Province | Percent of Samples | | | | |
|------------------|--------------------|-----------|-----------|---------|--------|
| | No.1 CWRS | No.2 CWRS | No.3 CWRS | CW Feed | Total |
| Manitoba | 53.1% | 31.3% | 9.6% | 6.0% | 100.0% |
| Saskatchewan | 25.3% | 44.9% | 16.6% | 13.2% | 100.0% |
| Alberta and B.C. | 48.3% | 33.8% | 10.8% | 7.1% | 100.0% |
| Prairies Total | 40.9% | 37.3% | 12.6% | 9.1% | 100.0% |

| Province | Average Protein | | | | |
|------------------|-----------------|-----------|-----------|---------|--------|
| | No.1 CWRS | No.2 CWRS | No.3 CWRS | CW Feed | Total |
| Manitoba | 14.30% | 13.70% | 13.80% | 13.80% | 14.00% |
| Saskatchewan | 13.70% | 13.00% | 13.00% | 13.40% | 13.20% |
| Alberta and B.C. | 14.00% | 13.10% | 13.10% | 13.20% | 13.60% |
| Prairies Total | 14.10% | 13.20% | 13.20% | 13.40% | 13.60% |

AUSTRALIA

The Philippines bought 35 kmt of feed wheat from Australia at \$255-256/MT C&F for FH December shipment. Japan announced its weekly tender seeking a cargo of ASW for January shipment. Melbourne was closed today for a public holiday:

Indicative quotes for APW range from \$240-\$242/mt fob WA, with SA prices \$5/mt discount. ASW values \$5-\$7/mt discount & AH2 \$8/mt premium.



BLACK SEA & EU

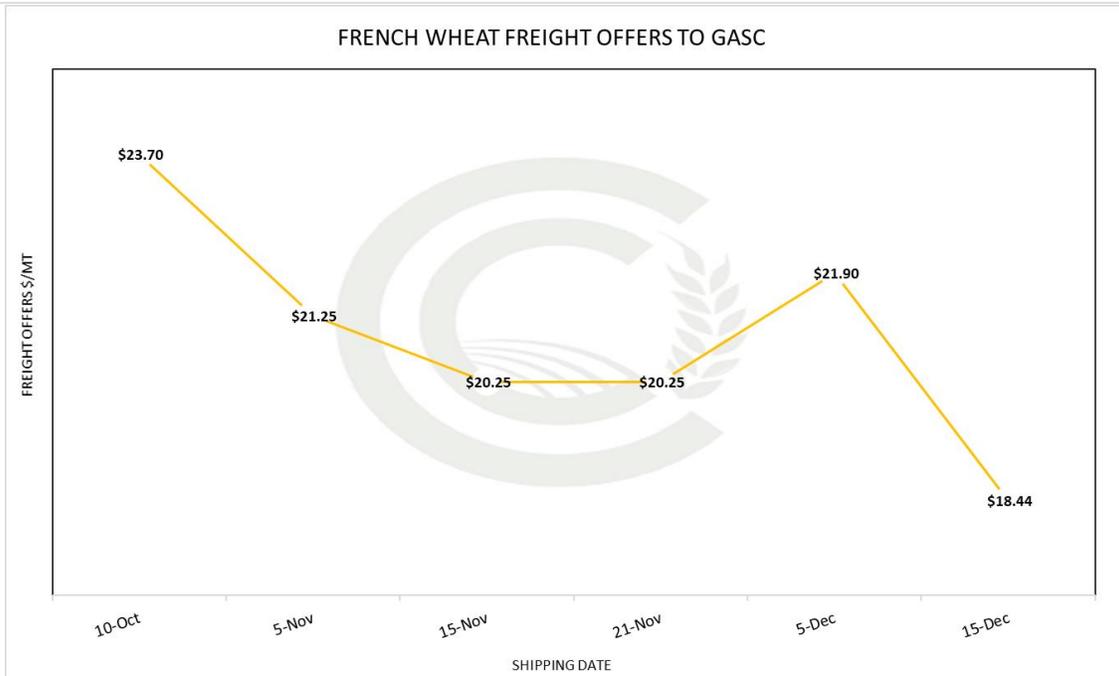
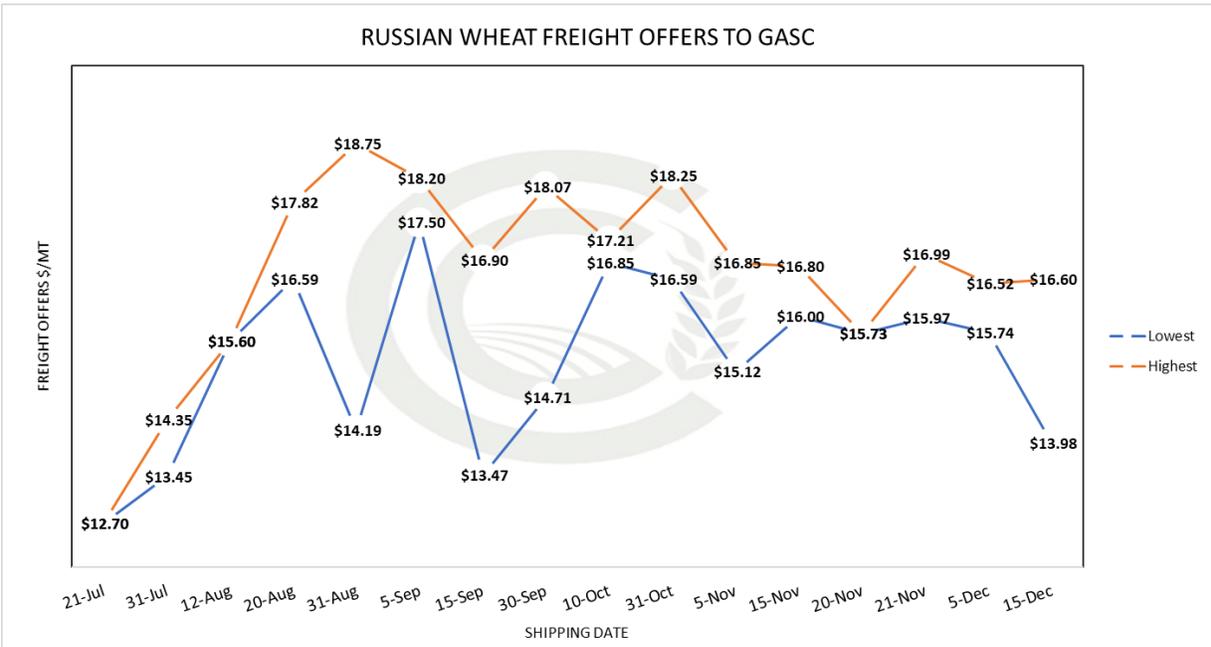
Most of the EU/FSU traders are attending a Millers conference in Dubai this week & next week they'll be at Global Grain conference in Geneva. We expect very little trade & information over the next 2 weeks ☺.

Indicative prices for December/January/February prices (\$/MT) for French wheat 11.5% pro 201/202/203, German 12.5% pro 206/209/211, Russian 12.5% pro \$210/212/215, Baltic 12.5% pro \$206/208/210.

Russian wheat harvest has collected 75.5-75.7 million MT averaging 2.8 t/ha yield through November 1st. New crop winter wheat sowing is exceeding last year's pace and in most areas is nearly complete. SovEcon pegged October wheat exports at 3.4 million MT taking the MY export total to 15.3 million, down 13% from a year ago.

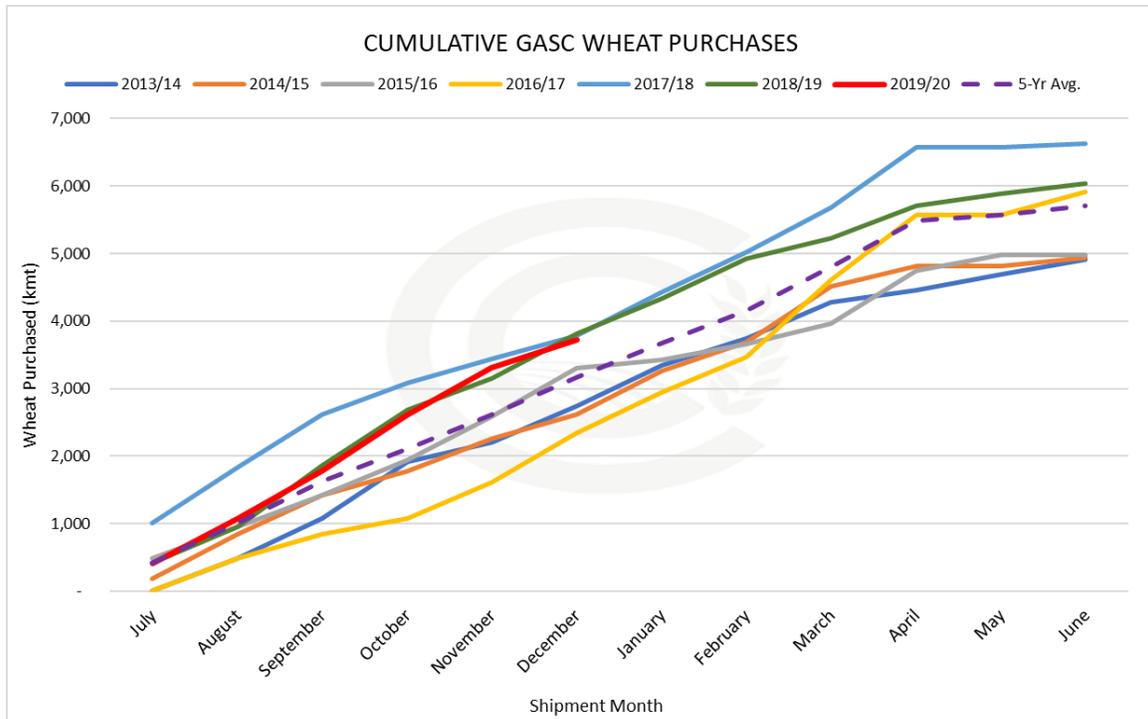
GASC received 16 offers totaled 930 kmt of wheat for its tender to buy wheat for December 15-25 shipment. Russian and Ukraine cheapest offers were down \$3.00/MT and \$1.05/MT, respectively, from the previous tender on October 29th. Russian wheat cheapest freight offer at \$13.98/MT was \$1.76/MT cheaper than last week's tender and Ukrainian freight was up \$1.79-2.23/MT. French wheat was again the cheapest offer at \$214.86/MT, price unchanged from the last tender. French wheat freight offers were down \$3.46/MT, making Glencore's offer the best priced cargo at \$233.44/MT C&F. In the end, GASC bought 120 kmt of French wheat from Glencore at \$233.44/MT C&F and 55 kmt of Russian wheat from ADM at \$234.60/MT C&F. A summary of today's offers is in the table below, followed by two graphs illustrating Russian and French wheat freight offers for this marketing year.

| GASC Lineup of Offers for December 15-25 Shipment | | | | | | | | | | | |
|---|--------|------------------|-------------------------|--------|------------------|-------------------------|--------|------------------|-------------------------|--------|------------------|
| Russian | Volume | Price | Ukrainian | Volume | Price | French | Volume | Price | Romania | Volume | Price |
| ADM | 55 | \$ 218.25 | Hakan | 60 | \$ 216.45 | Glencore | 60 | \$ 214.86 | CHS | 60 | \$ 222.77 |
| Gemcorp | 55 | \$ 219.98 | Dreyfus | 60 | \$ 224.77 | | | | | | |
| Cargill | 55 | \$ 222.00 | | | | | | | | | |
| Grain Expo | 60 | \$ 222.68 | | | | | | | | | |
| Glencore | 55 | \$ 222.86 | | | | | | | | | |
| Solaris | 60 | \$ 223.10 | | | | | | | | | |
| Posco | 60 | \$ 223.40 | | | | | | | | | |
| Grain Expo | 60 | \$ 223.53 | | | | | | | | | |
| Agro AST | 60 | \$ 223.95 | | | | | | | | | |
| GTCS | 55 | \$ 224.00 | | | | | | | | | |
| Solaris | 60 | \$ 225.00 | | | | | | | | | |
| Glencore | 55 | \$ 226.86 | | | | | | | | | |
| Average | | \$ 222.97 | Average | | \$ 220.61 | Average | | \$ 214.86 | Average | | \$ 222.77 |
| Range | | \$ 8.61 | Range | | \$ 8.32 | Range | | \$ - | Range | | \$ - |
| Cheapest offer Δ | | \$ (3.00) | Cheapest offer Δ | | \$ (1.05) | Cheapest offer Δ | | \$ - | Cheapest offer Δ | | \$ 1.77 |





Total wheat purchased by GASC this marketing year has reached 3.7 million MT, including 410 kmt bought in December.



PENDING TENDERS

- November 4: Syria tenders to buy 150 kmt of Russian wheat. Pending results
- November 5: GASC tenders to buy wheat for December 15-25.
- November 13: Ethiopia tenders to buy 200 kmt of milling wheat.
- November 14: Ethiopia tenders to buy 400 kmt of optional origin milling wheat for LH December shipment.

FUTURES COMMENTS



Wheat struggled all day except the calendar spreads, KC-CHI & wheat/corn spread were big winners, relatively speaking. News was limited & with cheaper offers to GASC verse their last tender & a larger than expected number of Russian offers, the tone was weaker overall. We're surprised at the strength in the market, but KCBT has been everyone's short leg & it gained on corn & CME wheat for reasons that have been apparent for some time.

We would expect the mid-October highs will hold any rally going into Friday's report & the start of the Index roll on Thursday. We don't expect anything bullish in the WASDE report, but USDA always throws the market a curve & many of us are thrown under the bus.



Trade estimates ahead of USDA's November WASDE and NASS reports:

| USDA Trade Estimates for US 2019-20 Grain Ending Stocks | | | | | | |
|---|-----------|----------|------------|---------|-----------|---------------------------|
| Grain (mbu) | High Est. | Low Est. | Avg. Trade | | September | September to October Δ |
| | | | Estimate | October | | |
| Wheat | 1,073 | 1,003 | 1,035 | 1,043 | 1,014 | 29 |
| Corn | 1,959 | 1,481 | 1,817 | 1,929 | 2,190 | (261) |
| Soybeans | 494 | 306 | 428 | 460 | 640 | (180) |

| USDA Trade Estimates for Corn & Soybean Production | | | | |
|--|-----------|----------|------------|---------|
| 2019-20 | High Est. | Low Est. | Avg. Trade | |
| | | | Estimate | October |
| Corn | | | | |
| Harvested Acres | 81.82 | 80.10 | 81.46 | 82.00 |
| Yield (bpa) | 168.50 | 165.50 | 167.50 | 168.40 |
| Production (mbu) | 13.79 | 13.37 | 13.64 | 13.78 |
| Soybeans | | | | |
| Harvested Acres | 75.900 | 75.100 | 75.422 | 75.626 |
| Yield (bpa) | 47.6 | 45.5 | 46.6 | 46.9 |
| Production (mbu) | 3.609 | 3.396 | 3.510 | 3.550 |

| USDA Trade Estimates for World 2019-20 Ending Stocks | | | | | | |
|--|------------|-----------|---------|---------|-----------|---------------------------|
| Grain (mmt) | High Trade | Low Trade | Average | October | September | September to October Δ |
| | Estimate | Estimate | Trade | | | |
| Wheat | 288.00 | 285.07 | 287.03 | 287.80 | 286.51 | 1.29 |
| Corn | 304.35 | 291.10 | 300.31 | 302.55 | 306.27 | (3.72) |
| Soybeans | 95.74 | 88.00 | 93.85 | 95.21 | 99.19 | (3.98) |

Best regards,

Al, Emily & Jason Conway

Comments and questions are welcomed, Contact our office at +1 (503) 631-7578, Email aconway@cashwheatreport.com