



MORNING MARKET REPORT

Monday, May 8, 2023

Market Summary

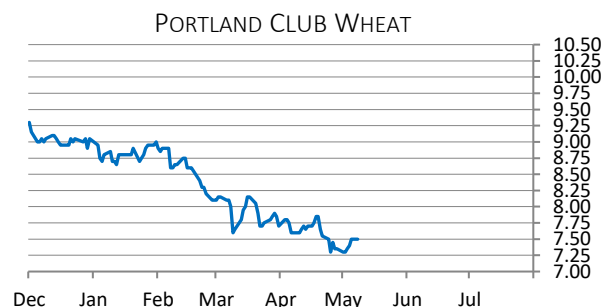
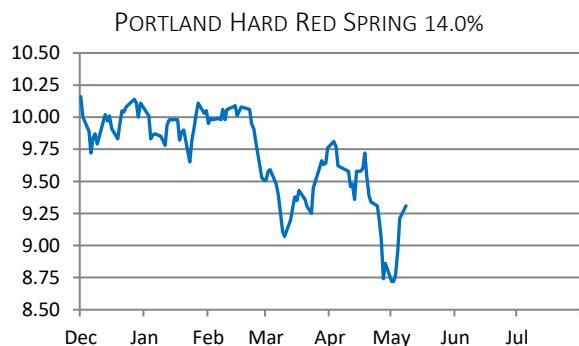
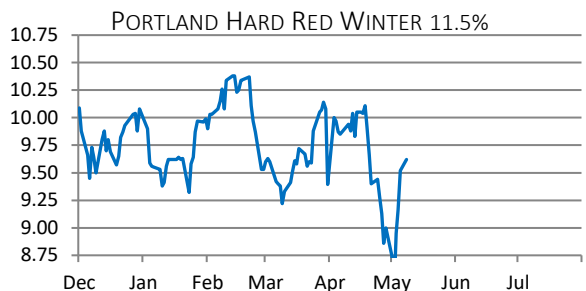
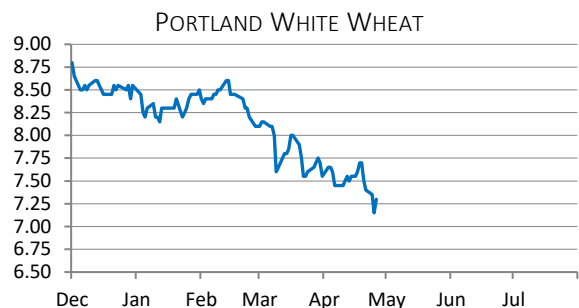
Wheat futures are trading a mixed this morning, down 4 in the CHI SRW to up 11 and 15 in the MPLS HRS and KC HRW respectively. It is a little odd that the CHI futures would be so different from the other wheats. It makes a little sense when you look deeper but it might also represent a change in how the traders are looking at these futures markets.

The Hard Red Winter (KC HRW) crop is having real production and quality issues this year and it is the class of wheat that is most directly impacted by the Russia / Ukraine issues since it is the closest to what they grow and export in that area.

The Hard Red Spring (MPLS HRS) crop is having issues with planting progress and production so it makes sense it would be carrying a premium.

The Soft Red Winter (CHI SRW) crop is in great shape and has been getting about what it needs for good production and quality. Exports for SRW have been falling off as well so it makes some sense the SRW futures would be down relative to the other classes. From a fundamental standpoint it makes sense, but what complicates things is the amount of speculative money that is pushed through the CHI SRW futures which is many times more than the other wheat futures. The CHI SRW futures has always been the catch-all for speculators that just want to put their money in wheat futures which means there is a lot of money in the SRW futures that is only there as an investment or as an alternative to tech stocks or currency or wherever the traders were moving away from when they moved into SRW futures. Added to that is the fact that the speculative money in the CHI SRW futures is overwhelmingly on the short side (meaning they set the selling price and are hoping to make their income as the futures price moves down so they can buy back their position cheaper to capture the profits from selling high / buying low). These short positions might be putting pressure on the CHI market to keep it from moving up with the other wheat markets.Badly explained, I know, but it seems like that is what the thoughts are in the markets now.

Cash Futures Prices: Chicago JULY is down 4 at 656, KC JULY is up 15 at 848 and MPLS JULY is up 11 at 847. US Dollar is trading 0.03 lower at 101.19.



Same Pro Scale as SWW

Cash Grain Bids: Delivered Portland

	SWW Bushel	*CLUB* Bushel	HRW 11.5% Bushel	DNS 14.0% Bushel	BARLEY Ton
MAY	7.35	7.50	9.62	9.31	250.00
JUN	7.35	7.50	9.62	9.31	250.00
JLY - NC	7.25	7.40	9.17	9.33	250.00
AUG - NC	7.25	7.40	9.17	9.28	250.00
SEP - NC	7.25	7.25	9.17	9.28	250.00
OCT - NC	7.35	7.35	9.13	9.31	250.00

PROTEIN SCALES

HRW: + 5 cents each 1/2% above 11.5% to 13.0%; - 10 cents each 1/2% below 11.5%

DNS: + 2 cents each 1/4% above 14.0% to 15.5%; - 04 cents each 1/4% below 14.0%

SWW: No Discount or Premium from 10.5% pro. New crop Sww: Market scale based on 10.5% pro.

**** CLUB WHEAT MAX 10.5% PROTEIN ONLY ****

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