



# MORNING MARKET REPORT

Tuesday, August 1, 2023

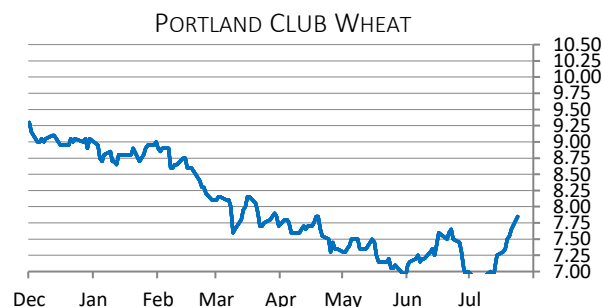
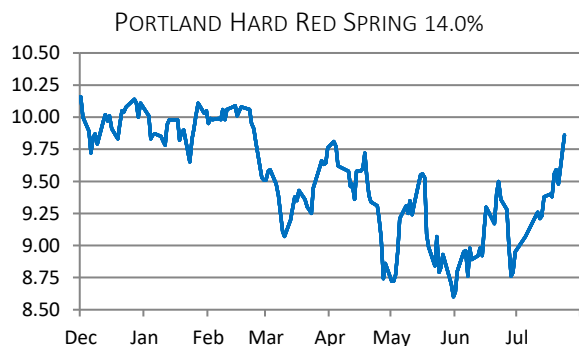
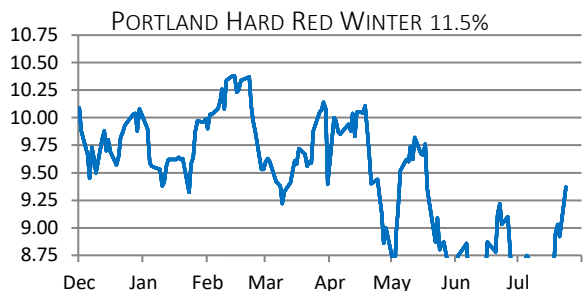
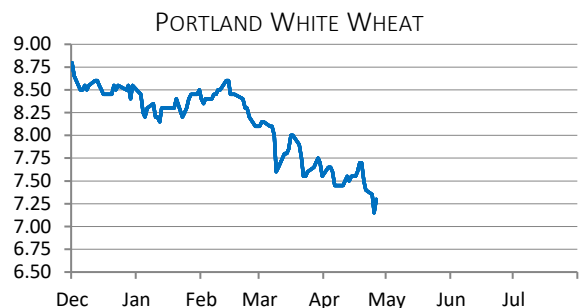
## Market Summary

**Wheat futures are trading lower this morning**, down 1 to 17 cents in the SEP futures. The Weekly Crop Condition report showed corn and soybeans a little worse than expected but a favorable weather forecast for the corn belt is likely to offset some of the issues. Spring wheat ratings came in much lower than expected which is trying to stand in the way of the futures prices decline but is losing ground. Ukraine and Russia hostilities are continuing with Russia appearing to look at Ukraine's grain shipping facilities as a military target. This makes some sense in that Ukraine is heavily reliant on its agricultural industry which can be used to fund their war efforts. Luckily for Ukraine, other nations are rushing in to supply and fund war efforts for Ukraine to the point where I am thinking of adding Zelinsky as a dependant on my tax return. US dollar is creeping back up to levels it hasn't seen since July 10, which works against us in competing for export business. The overall momentum in the wheat futures appears to be going the wrong direction with speculative traders adding to their short positions. A short position tries to establish the selling price and profit by buying it back at a lower price. (i.e. "sell high - buy low" in that order).

**Crop Condition Report.** Highlights: **Corn** - 84% silking (82% average); 29% dough (29% average); 55% good/excellent (57% last week). **Soybeans** - 83% blooming (78% average); 50% setting pods (47% average); 52% good/excellent (54% last week). **Spring Wheat** - 97% headed (98% average); 2% harvested (5% average). 42% good/excellent (49% last week). **Winter Wheat** - 80% harvested (83% average).

**SEPT HTA Owners:** Keep an eye on basis levels and / or carry in the spreads as we get closer to the AUG 24 deadline. With the drop in futures out-pacing the drop in cash price the basis has opened up to around +36 cents currently and the carry from SEP23 to SEP24 is currently +70 cents on the futures board. (+27 cents for SEP23==>DEC23). Still some time before the deadline but don't let it sneak up on you.

**Cash Futures Prices:** Chicago SEP is down 17 at 648. KC SEP is down 13 at 799 and MPLS SEP is down 1 at 854. US Dollar is trading 0.46 higher at 102.32.



Same Pro Scale as SWW

### Cash Grain Bids: Delivered Portland

	SWW Bushel	*CLUB* Bushel	HRW 11.5% Bushel	DNS 14.0% Bushel	BARLEY Ton
<b>AUG - NC</b>	7.00	7.25	8.33	9.03	220.00
<b>SEP - NC</b>	7.00	7.25	8.33	9.03	220.00
<b>OCT - NC</b>	7.05	7.30	8.33	9.19	220.00
<b>NOV - NC</b>	7.10	7.10	8.33	9.19	220.00
<b>DEC - NC</b>	7.15	7.15	8.34	9.19	220.00
<b>JAN - NC</b>	7.20	7.20	8.39	9.27	220.00

### 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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