



MORNING MARKET REPORT

Monday, August 7, 2023

Market Summary

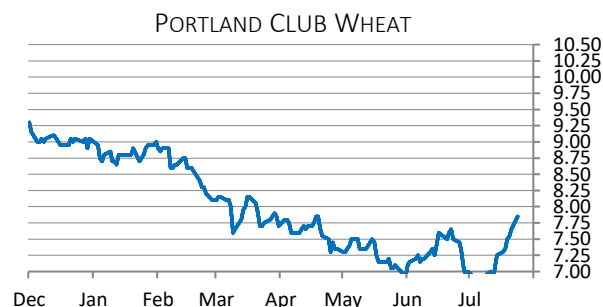
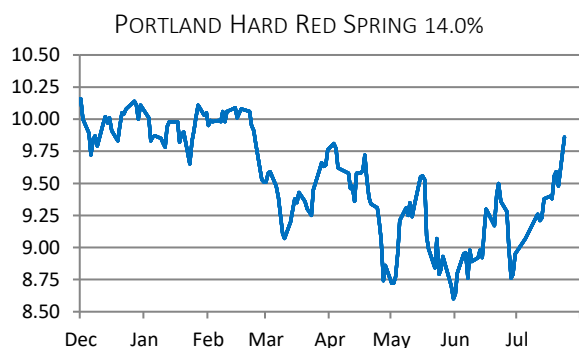
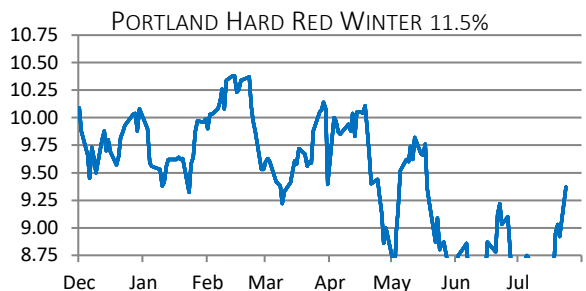
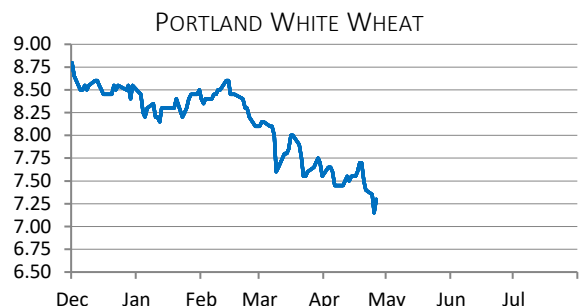
Wheat futures are trading higher this morning, up 9 to 28 cents in the SEP futures.

Escalating fighting between Ukraine and Russia has resulted in a Russian oil tanker being struck by a naval drone near one of Russia's Black Sea ports. The tanker was reportedly carrying supplies for Russian forces in Syria. Ukraine's stance has been shifting towards a more offensive stance on Russian black sea ports and infrastructure. The recent attacks seem to have put a little bit of risk premium back into the markets. Heavy weekend rainfall over the US corn belt and areas of the Southern and Central plains have added some bearish pressure to commodity prices. More rain expected over the next 10 days, including in the Midwest, central and NE plains, delta and Southeast. Heavy rains continue to fall in China's NE grain belt, raising the risk than even more of their agricultural land will be flooded. China is expected to import a record amount commodities this year. Maybe we can get them buying US wheat again.

One of the side-effects to the tensions in the Black Sea region may work in our favor. Victor Katona, an analyst at Kpler LTD. is projecting the cost of shipping Russian crude from Novorossiysk to the west coast of India to increase by as much as 50%, mainly due to increased insurance premiums in the Black Sea region. This will affect freight rates of other commodities in the region and effectively increase the bottom-line cost of exports out of Russia and Ukraine. This should end up making it easier to compete with cheap Black Sea prices on the export market and hopefully translate to higher prices.

SEPT HTA Owners: Just a reminder to watch Basis levels or Spreads as we get closer to the AUG 23 deadline. With the nearby futures increasing more than the 2024 crop futures on the board, the spread between Sep 2023 and Sep 2024 has shrunk to around 67 cents carry (down from about around 80 on Friday). Basis levels for Sep 2023 are roughly 40 cents, down from around 65.

Cash Futures Prices: Chicago SEP is up 28 at 661. KC SEP is up 18 at 770 and MPLS SEP is up 9 at 831. US Dollar is trading 0.09 higher at 102.11.



Same Pro Scale as Sww

Cash Grain Bids: Delivered Portland

	SWW Bushel	*CLUB* Bushel	HRW 11.5% Bushel	DNS 14.0% Bushel	BARLEY Ton
AUG - NC	7.00	7.25	7.90	8.82	220.00
SEP - NC	7.00	7.25	7.90	8.82	220.00
OCT - NC	7.05	7.30	8.05	8.98	220.00
NOV - NC	7.10	7.10	8.05	8.98	220.00
DEC - NC	7.15	7.15	8.05	8.98	220.00
JAN - NC	7.20	7.20	8.13	9.06	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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