

Miller Milling Company Grain Market Update Thursday June 10, 2010



Kansas City Wheat: \$4.62 ½ +.04 ½

Minneapolis Wheat: \$4.90 ¼ +.04

Corn: \$3.43 ¼ +.05 ½

Soybean: \$9.35 -.08 ½

Wheat Recap

Wheat futures started traded higher the entire day session, settling 4-5 cents higher. This is the only time the Kansas July contract has settled higher over the last 9 sessions. A slightly bullish USDA wheat S&D update and firmer corn futures lent support. A sharply lower U.S. dollar index added to the bullish tone. The USDA increased old crop wheat exports by 20 million bushels. This reduced old crop ending stocks by 20 million bushels to 950 million bushels. The world wheat carry out was down 4 million metric tonnes, mostly due to a lower production estimate in Europe. The USDA increased the average yield for U.S. new crop wheat by ½ of bushel to 43.9 bu/ac. New crop ending stocks were lowered by 6 million bushels to 991 million bushels. The USDA increased corn used for ethanol by a total of 250 million bushels (150 old and 100 new.) This dropped ending stocks by 135 million bushels old crop and 245 million bushels new crop.

Wheat Outlook

Wheat fundamentals remain bearish. The new crop stocks to use estimate is a whopping 46.8%. I thought shortcovering might have lent more support today following the weakness of late. The market feels weak and has its eye on the large winter wheat harvest. Support in the Kansas City July is at 4.56 with resistance at \$4.72.

Kevin Sebbby

Daily KC wheat

