COMMODITY: Wheat **Date:** June 22-2026

5 Key Takeaways

- Wheat prices have developed a constructive bottoming pattern on the daily chart, indicating that the recent correction may be nearing completion.
- The overall market outlook remains **cautiously bullish for the next 60–120 days**, driven by significantly tighter U.S. wheat supplies than previously anticipated.
- A confirmed breakout above 6.55–6.60 would validate the bullish technical structure and open the door to a move toward 7.00 or higher.
- U.S. winter wheat production has been materially reduced, resulting in a 20% decline in projected ending stocks and providing fundamental support for higher prices.
- We recommend maintaining current positions and avoiding aggressive sales at current levels. At this point there is no incentive in pricing anything less than 6.75 which in very very rough terms would get close to 8.50 CAD elevator

Bottom Line: The combination of improving technical structure and materially tighter U.S. supplies supports a patient, bullish stance with selective selling into strength.

KANSAS WHEAT CHART DEC 2026

20% RULE TRADING TEMPLATE

Commodity: Wheat (Hard Red Winter focus) **Analysis Date:** June 22, 2026

RULE ONE: THE TREND IS YOUR FRIEND

Current Market Cycle: Neutral-to-Bullish **Trading Guidance:** Maintain a patient, constructive bias. Buy dips or hold existing positions. Avoid aggressive selling at current levels as the market completes a corrective phase.

Market Relationship Check:

- **AG market vs global markets:** Stronger
- **Decoupling potential:** U.S. wheat is decoupling positively from global markets due to a significantly tighter domestic balance sheet. While global supplies remain adequate, the sharp reduction in U.S. winter wheat production is creating independent upside potential for U.S. prices and basis.

RULE TWO: CONFIDENCE

Master Market Outlook (30 / 60 / 90 / 120 days)

- **30 days:** 🟡 Neutral – Harvest pressure and near-term consolidation are likely to keep prices range-bound between 6.20–6.70
- **60 days:** 🟢 Bullish – Post-harvest focus should shift to U.S. supply tightness and technical breakout potential.
- **90 days:** 🟢 Bullish – Emerging El Niño impacts and European heat stress are expected to add further fundamental support.
- **120 days:** 🟡 Neutral-to-Bullish – Direction will depend on Southern Hemisphere crop development and broader macro conditions.

Overall Market Bias: Cautiously Bullish

Confidence in Speculation Table

Category	What You're Assessing	Result	Detailed Reasons (2-3 sentences)
Trend Strength & Direction	Price behavior across timeframes	Green	Price has formed a clear downward narrowing wedge since the May peak with confirmed bullish MACD divergence. The structure indicates fading bearish momentum rather than trend continuation.
Fundamentals (Supply & Demand)	Global balance sheet	Green	U.S. 2026/27 winter wheat production has been sharply reduced, driving ending stocks 20% lower year-over-year. Europe heat stress and a developing El Niño add medium-term upside risk to global balances.
Technical Structure	Price & momentum structure	Green	The daily chart shows a textbook falling wedge with declining volume on the pullback and positive momentum divergence. A close above 6.55–6.60 would confirm the bullish reversal.
Seasonal & Historical	Seasonal & historical bias	Yellow	June–July harvest pressure is typical; however, historically poor U.S. winter wheat crops have often led to strong price recoveries into fall once initial selling subsides.
Currency & Macro Factors	FX, rates, risk sentiment	Yellow	Broader macro conditions remain mixed. While a stronger dollar can pressure commodities, acute supply shocks in key markets often override these influences in the medium term.
Geo-Political	Trade, wars, policies	Yellow	Shipping through the Strait of Hormuz has largely normalized following the mid-June ceasefire. The primary geo-climate factor is the developing El Niño, which historically pressures Australian and Black Sea production.

Signal Count: 3 Green, 3 Yellow **Confidence Conclusion:** Cautiously Bullish

Overall Thesis

The U.S. winter wheat crop came in much worse than expected, which has made supplies a lot tighter than most people thought. This is backed up by the chart, which shows a clear bottoming pattern with momentum starting to turn higher.

While harvest pressure and strong exports from Russia are keeping prices in check right now, the overall setup favors holding your wheat and buying dips. The biggest risks are heavy Black Sea exports and any sudden macro weakness.

Bottom line: The path of least resistance is higher once harvest selling slows down.

TECHNICAL ANALYSIS

Your December wheat chart shows a **downward narrowing wedge** since the May high. This is a classic bottoming pattern. Momentum (MACD) is starting to turn higher, and volume is drying up on the decline — both good signs.

Key levels to watch:

- Support: 5.97–6.30
- Breakout level: 6.55–6.60 (this would confirm higher prices)
- Next target: 7.00 and above

Farmer takeaway: This is a **hold or buy-dips** chart.

FUNDAMENTALS

The June USDA report confirmed the U.S. winter wheat crop is one of the smallest in decades. Ending stocks are now **20% lower** than last year. Europe is dealing with extreme heat, and El Niño is developing — both could tighten supplies further.

Global supplies are still decent, mainly because Russia continues to export heavily. However, the tight U.S. balance sheet gives prices a solid reason to move higher once harvest pressure completes.

Marketing takeaway: Don't sell aggressively at USA harvest lows. Hold more of your crop than usual and **sell into rallies this summer and fall.**

THOUGHTS & COMMENTARY

The market rallied hard into May on U.S. crop concerns, then pulled back as traders focused on global supplies. The June USDA report confirmed the U.S. crop is much smaller than expected, but the market hasn't fully reacted yet.

The biggest opportunity is holding through harvest and selling on strength later this summer and fall. The main risk is continued heavy exports from Russia keeping prices capped.

This setup is similar to past years with poor U.S. winter wheat crops — prices often recover once harvest selling slows down.

Bottom line: The U.S. supply picture has tightened more than the market is currently pricing in. Be patient.

FARM-LEVEL RECOMMENDATIONS

Bias: Cautiously bullish. Hold most of your wheat.

What to do:

- **Hold** below 6.50
- Start scaling out between **6.70 – 7.00**
- Sell more aggressively above **7.20**
- **Simple rule:** Don't sell much until we see a clear move above 6.55–6.60 Be ready to store more grain than usual this year.

Overall

The U.S. winter wheat crop came in much smaller than expected, and your chart is showing signs the recent price drop is bottoming out. This combination supports higher prices once harvest pressure passes.

Right now, the best move is to **hold most of your wheat** and only sell into strength. Start scaling out between 6.70 and 7.00, and be ready to sell more if we break above 7.20

Be patient. History shows that when the U.S. crop is this poor, prices usually recover after the initial harvest rush — especially with the technical setup we're seeing.

Why Kansas is Used as the Reference

Kansas is used as the main benchmark because it is the largest production area and most liquid market for Hard Red Winter (HRW) wheat. While Minneapolis and CBOT wheat prices generally move in line with Kansas (due to shared global fundamentals), Minneapolis is thinly traded and CBOT represents Soft Red Winter — a different class. Kansas offers the best combination of liquidity and relevance for tracking HRW wheat.