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Wheat falls below key $6 mark as harvest momentum shifts market sentiment

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Supply optimism is overtaking weather concerns as harvests accelerate, but traders remain alert to potential yield losses from Europe's ongoing heatwave

Just a week ago, the global wheat market appeared poised for a sustained rally. Weather risks were intensifying across Europe, geopolitical tensions in the Middle East had lifted freight costs, and concerns over supply disruptions supported bullish sentiment. Wheat briefly climbed to a three-week high above $6.13 per bushel, renewing expectations of another upward move.

That momentum has faded.

Wheat futures are now trading at 579.96 US cents per bushel, slipping below the psychologically important $6 mark after falling 1.87 per centÂ on the day and nearly 3Â per centÂ over the past week. Prices have retreated 6.83Â per cent over the past month, reflecting a sharp change in market sentiment. Yet the broader trend remains constructive, with wheat still trading 10.52Â per cent above year-ago levels and up 14.39Â per cent since the start of 2026, highlighting that the recent decline is more of a correction than a collapse.

The market is now being shaped by two competing narratives.

On one side are improving global supply prospects. On the other are persistent weather threats that could still tighten production later in the season.

For the moment, supply is winning.

The U.S. winter wheat harvest is progressing steadily, bringing fresh supplies into the market at a faster pace than anticipated. At the same time, crop conditions across the Black Sea regionâ??particularly in Russia and Ukraineâ??remain largely favorable despite ongoing geopolitical uncertainties. Together, these developments have reassured traders that global wheat availability may be stronger than feared only weeks ago.

Adding to the bearish mood has been the dramatic reversal in crude oil prices.

Benchmark crude has fallen toward $69 per barrel as easing geopolitical tensions in the Middle East, improved tanker movement through the Strait of Hormuz, and expectations of stronger global oil supplies erased much of the war-related risk premium. For grain markets, cheaper oil translates into lower freight costs, reduced transportation expenses, and softer delivered pricesâ??making wheat exports more competitive while simultaneously removing an important inflationary support factor that had buoyed agricultural commodities earlier this year.

The influence of energy markets on agricultural pricing has become increasingly pronounced. While wheat remains fundamentally a food commodity, lower fuel prices reduce logistics costs throughout the supply chain, from inland transportation to international shipping, placing additional downward pressure on futures.

Yet declaring the market decisively bearish would be premature.

Europe remains the industry's biggest wildcard.

An intense heatwave sweeping across key producing regions, including France, Germany, and Poland, continues to raise concerns over grain filling, crop quality, and final yields. High temperatures during critical stages of crop development can significantly reduce milling quality even when overall production volumes remain relatively stable. Any evidence of widespread quality deterioration could rapidly alter market sentiment.

The latest correction also reflects a broader shift across commodity markets. Lower energy prices have eased inflation expectations globally, weakening support for several agricultural commodities as investors reduce exposure to inflation-sensitive assets. Wheat has therefore become part of a wider macroeconomic recalibration rather than responding solely to crop fundamentals.

Despite recent weakness, demand remains relatively stable, and the market continues to monitor export activity from major importing nations. Global inventories remain tighter than historical averages, meaning weather disruptions in any major producing region could quickly reignite volatility.

The next direction for wheat prices will largely depend on whether Europe's heat stress translates into measurable production losses and whether Black Sea harvests continue to meet expectations. If favorable crop conditions persist across major exporters, wheat could remain under pressure through the remainder of the harvest season. But should weather conditions deteriorate or logistics disruptions re-emerge, the market could quickly regain the bullish momentum that dominated earlier this month.

For the global wheat market, the balance has shiftedâ??from worrying about shortages to assessing how much supply the world may ultimately have. The coming weeks will determine whether that confidence proves justified.

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