First to Market

August 31, 2026

THE RECENT WHEAT RALLY

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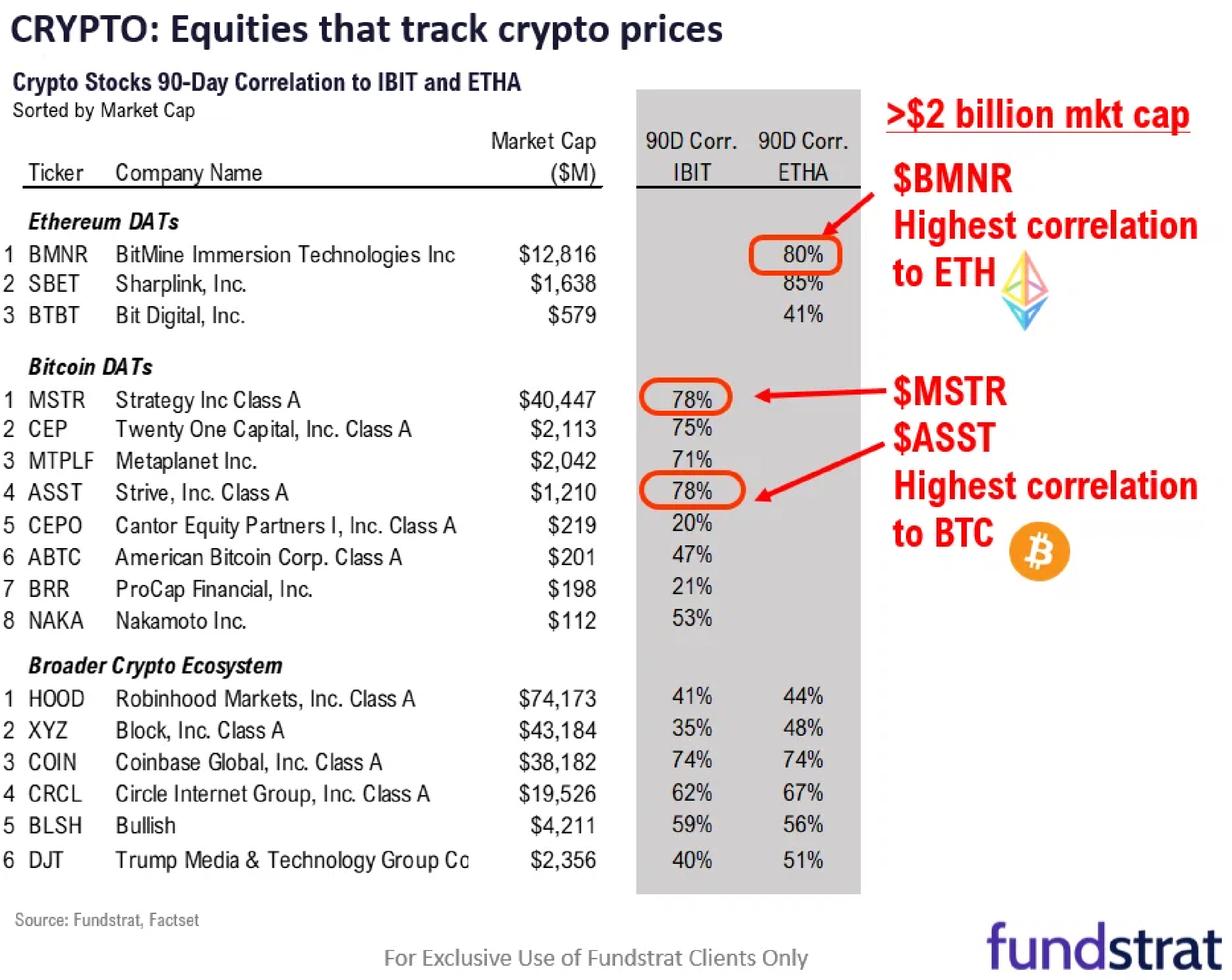
Chart of the Day



CRYPTO: Equities that track crypto prices

Crypto Stocks 90-Day Correlation to IBIT and ETHA
Sorted by Market Cap

	Ticker	Company Name	Market Cap ($M)	90D Corr. IBIT	90D Corr. ETHA
	Ethereum DATs				
1	BMNR	BitMine Immersion Technologies Inc	$12,816		80%
2	SBET	Sharplink, Inc.	$1,638		85%
3	BTBT	Bit Digital, Inc.	$579		41%
	Bitcoin DATs				
1	MSTR	Strategy Inc Class A	$40,447	78%	
2	CEP	Twenty One Capital, Inc. Class A	$2,113	75%	
3	MTPLF	Metaplanet Inc.	$2,042	71%	
4	ASST	Strive, Inc. Class A	$1,210	78%	
5	CEPO	Cantor Equity Partners I, Inc. Class A	$219	20%	
6	ABTC	American Bitcoin Corp. Class A	$201	47%	
7	BRR	ProCap Financial, Inc.	$198	21%	
8	NAKA	Nakamoto Inc.	$112	53%	
	Broader Crypto Ecosystem				
1	HOOD	Robinhood Markets, Inc. Class A	$74,173	41%	44%
2	XYZ	Block, Inc. Class A	$43,184	35%	48%
3	COIN	Coinbase Global, Inc. Class A	$38,182	74%	74%
4	CRCL	Circle Internet Group, Inc. Class A	$19,526	62%	67%
5	BLSH	Bullish	$4,211	59%	56%
6	DJT	Trump Media & Technology Group Co	$2,356	40%	51%

Source: Fundstrat, Factset

Good morning!

Wheat prices managed to chug along without excessive drama in early 2026, even after a drought hit the U.S. winter wheat harvest, resulting in the smallest winter-wheat harvest in 60 years. Even the advent of hostilities in Iran, which closed the Strait of Hormuz and thus caused fuel and fertilizer prices to surge, didn't have a significant impact. The Bloomberg Wheat Index was up 10.2% when markets closed on June 30.

Things have changed since then.

The Bloomberg Wheat index is now up 38.5% this year, with 28.3 of those percentage points coming since July 1. So what's behind that surge?

The U.S. spring wheat crop is doing well (knock on wood) – yields from the summer harvest are looking good. However, farmers planted less spring wheat this year due to the aforementioned heightened fuel and fertilizer costs.

It's worse over in Europe, where a series of record-breaking heat waves (and wildfires) has hurt wheat and overall grain production in countries like France, Germany, Spain, and Hungary. EU soft-wheat output estimates for 2026 are now projected to be lower than 2025 output by 9 million tons, about 6%.

And then there's Russia and Ukraine. Under ideal conditions, Russia and Ukraine together account for roughly one third of global exports, feeding millions around the world. Obviously, these are not ideal conditions, and they haven't been since 2022. However, exports of both Ukrainian and Russian wheat have plummeted in recent weeks amidst an escalation of attacks from both sides targeting ports and ships critical to each other's wheat exports.

This includes major attacks by Russia on Odessa, Pivdennyi and Chornomorsk in July. Ukraine, for its part, has attacked Black Sea grain terminals at the port towns of Novorossiysk (Russia's largest wheat-shipping port) and Taman. The result is that grain shipments through the Black Sea and Sea of Azov have come to almost a complete halt.

Alternate land-based transportation has had limited success, with farmers in neighboring countries grumbling how the increased demand for trucking has raised prices for them. Furthermore, many of those alternate routes incorporate shipping down the Danube River, where depleted water levels due to drought have left shipping volumes decimated, as well.

As Fundstrat Head of Technical Strategy Mark Newton pointed out, that has helped boost some agricultural ETFs, such as $DBA. (DBA also tracks cocoa, coffee, and sugar, all of which have also risen of late.) It's also helped boost grain processors and traders like Archer-Daniels-Midland $ADM and Bunge $BG. Since July 1, ADM has risen 6.7%, while Bunge is up 8.2%

Packaged food companies like General Mills $GIS and Mondelēz $MDLZ have risen during this period, benefiting in part from broadening market breadth and, to a certain extent, a market rotation into defensive staples. (General Mills also reported strong earnings on July 1, before wheat prices began climbing in earnest.) General Mills is up 19% since July 1, while Mondelēz is up 7.8%.

Although raw materials generally do not account for the majority of costs for packaged food companies, further upward pressure on grain prices could nonetheless start to show in these companies' results next quarter – and in their share prices.

Share your thoughts

Do you think the higher wheat prices will show up in your grocery bill? Click here to send us your response.

✍Here's what a reader commented ✍

Q: Do you think Elon Musk can meet his deadline this time and actually deliver on his promise of a satellite-based server?

A: Of course, Elon Musk will not meet the deadline. That is baked into his approach. But eventually he will meet the objectives. That's what investors bank on.

Catch up with Fundstrat

We expect Fed Chair Warsh's Jackson Hole speech to lead to a market rally. Four of the last five Jackson Hole speeches saw markets gain in the following week.

Technical

Breadth and the equal-weighted indices are the piece still left to prove itself here, and I would want to see them follow. It's right to lean bullish and to use dips as an opportunity to add exposure.

Crypto

Fed Chair Warsh delivered a decidedly hawkish message at Jackson Hole, pushing back on the idea that financial conditions are restrictive and suggesting weaker payroll growth may not be enough to elicit a dovish response from the Fed.

News We're Following

Breaking News

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Markets and economy

- The Sudden Unraveling of Wall Street's Momentum Trade WSJ
- Corporate America's Profits Are Booming—and Signal More Good Times Ahead WSJ
- Trump is letting in 300,000 tons of beef duty-free. Don't expect cheaper burgers CNN

- Bond Investors Wary After Warsh Speech Fuels Rate-Hike Bets BBG

Business

- Crypto exchange Gemini not at fault for collapse of Earn lending program, arbitrator says CNBC
- Apple’s Ternus Takes the Reins as CEO, With AI as Job No. 1 BBG

Politics/U.S.

- U.S.-Iran escalation shows Washington’s frustration with slow-moving sanctions CNBC
- Trump Says He Plans to Campaign for Midterms Like He Did in 2024 BBG

Overseas

- The Summer That Scorched French Grapes, English Gardens—and Europe’s Economy WSJ
- Nepal Focuses on Dangerous Tunnel Rescues as Flood Toll Tops 900 WSJ
- G20 Finance Officials Gather in U.S. as Iran War Grips Global Economy NYT

Of Interest

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- The World’s Coral Reefs Are Running Out of Time to Recover, Research Finds NYT
- Why We’re Not Hanging Up on Phone Polling NYT

Overnight

S&P Futures	-12 ▾ point(s) (-0.16% ▾)
overnight range:	-38 ▾ to +2 ▴ point(s)

APAC

Nikkei	-0.14% ▾
Topix	+0.23% ▴
China SHCOMP	+0.86% ▴
Hang Seng	-0.07% ▾

Hang Seng	[illegible] ▼
Korea	+0.46% ▲
Singapore	+0.97% ▲
Australia	-0.18% ▼
India	-0.50% ▼
Taiwan	-0.44% ▼

Europe

Stoxx	50 -0.22% ▼
Stoxx	600 -0.10% ▼
FTSE	100 +0.29% ▲
DAX	-0.60% ▼
CAC	40 +0.05% ▲
Italy	+0.33% ▲
IBEX	+0.22% ▲

FX

Dollar Index (DXY)	-0.15% ▼ to 99.555
EUR/USD	+0.12% ▲ to 1.1599
GBP/USD	+0.04% ▲ to 1.3543
USD/JPY	+0.23% ▲ to 159.73
USD/CNY	+0.15% ▲ to 6.7197
USD/CNH	+0.15% ▲ to 6.7208
USD/CHF	+0.07% ▲ to 0.8085
USD/CAD	+0.09% ▲ to 1.3892
AUD/USD	-0.04% ▼ to 0.7161

UST Term Structure	
2Y-3M Spread narrowed	-3.6bps ▼ to 48.5bps
10Y-2Y Spread widened	1.7bps to 38.7bps
30Y-10Y Spread widened	1.2bps to 49.6bps

USD HY OaS	
All Sectors	-6.1bps ▼ to 287bps
All Sectors ex-Energy	-6.3bps ▼ 284bps
Cons Disc	-11.4bps ▼ to 493bps
Indu	-5.7bps ▼ to 223bps
Tech	-1.9bps ▼ to 193bps
Comm Srvcs	-5.0bps ▼ to 279bps
Materials	-6.0bps ▼ to 254bps
Energy	-6.5bps ▼ to 251bps
Fin Snr	-4.6bps ▼ to 178bps
Fin Sub	+2.0bps ▲ to 280bps
Cons Staples	-21.2bps ▼ to 433bps
Healthcare	-6.8bps ▼ to 301bps
Utes	-2.9bps ▼ to 202bps *

DATE	TIME	DESCRIPTION	ESTIMATE	LAST

DATE	TIME	DESCRIPTION	ESTIMATE	LAST
9/1	9:45 AM	Aug F S&P Manu PMI	53.3	53.2
9/1	10:00 AM	Jul JOLTS	7313	7359
9/2	10:00 AM	Jul F Durable Gds Orders	1.1	1.1
9/3	8:30 AM	Jul Trade Balance	-90.1	-73.261
9/3	8:30 AM	2Q F Nonfarm Productivity	1.4	1.4
9/3	8:30 AM	2Q F Unit Labor Costs	1.3	1.3
9/3	9:45 AM	Aug F S&P Srvcs PMI	56.8	56.8
9/3	10:00 AM	Aug ISM Srvcs PMI	54.1	54.1
9/4	8:30 AM	Aug AHE m/m	0.3	0.1
9/4	8:30 AM	Aug Unemployment Rate	4.1	4.1
9/4	8:30 AM	Aug Non-farm Payrolls	55	-23

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