



WEEKLY REPORT

2nd August 2015

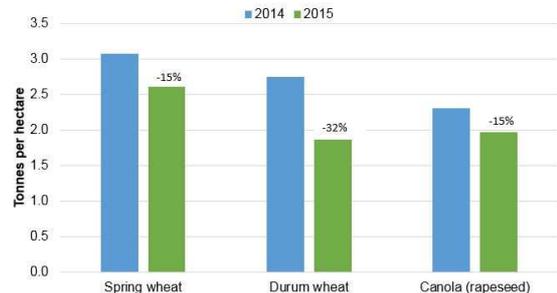
WHEAT

The global wheat market continued to free fall this week, as wheat struggles to find a price that will stimulate demand. Falling a further 25US¢/bu from last week. September Futures finished the month below the US\$5/bu mark at US\$496.50/bu. As strong fund selling and large global production prospects for this season pushed values lower.

US Crop Progress and Condition, 85% of the US winter wheat crop has now been harvested, ahead of the 80% five year average, with reports of yields being better than expected. Spring wheat harvest is just getting started with 2% harvested. Spring wheat condition is up one point to 71% good to excellent.

Canada has received some rain last week, but as they are fast approaching harvest, some feel that it might be a little too late. Canadian wheat production forecasts for 2015/16 were reduced by the International Grains Council (IGC). Canadian wheat output is now forecast at 28Mt, down 2Mt from June. This reduction to the Canadian production is supportive for the competitiveness of Australian grain into global markets. Especially as Canada produces high protein wheat that directly competes with Australia.

2015 Western Canada crop tour yield potential compared with 2014 yields

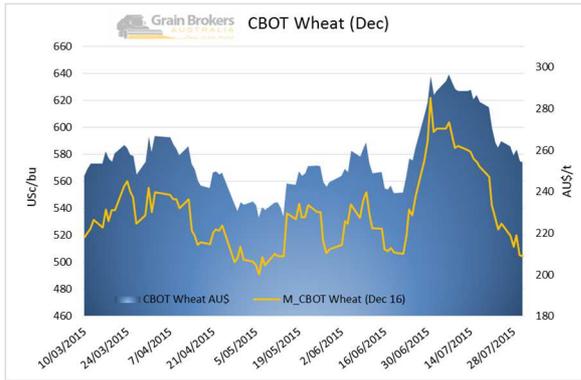


Source: CWB Market Research Services, Reuters

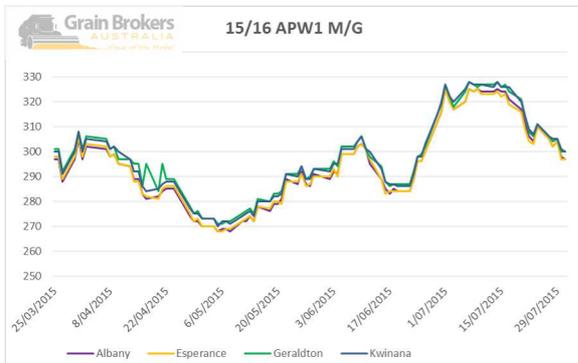
At a global level, wheat production in 2015/16 is forecast 1Mt lower at 710.3Mt, compared with June. Global wheat stocks in 2015/16 have been revised 5Mt higher in light of lower forecast consumption, adding to an already bearish outlook for this season.

India is reintroducing a 10% import duty on wheat for the first time in 8 years. This comes after sales of 500,000t of Australian milling wheat to India. Indian wheat stocks have built sharply, and the government is keen to curb imports to help support local prices.

Russian wheat prices have been falling as their harvest gathers pace, and after some early rain delays. Grain exports from Russia during the first half of July were almost 60% lower than last year. However, despite the sluggish start, Russian wheat remains the origin of choice for the recent Egyptian tenders. Fob prices for 12.5% protein wheat fell US\$6/t over the last week.



Local forward contracts for this seasons harvest have been falling this week. With prices falling between \$11 and \$13 across ports.



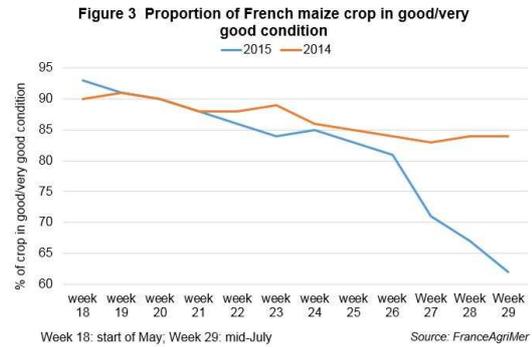
CORN/BARLEY

As weather remains rather benign across all the major growing regions in the US providing the market little reason to show concern. December futures fell 30US\$/bu week on week.

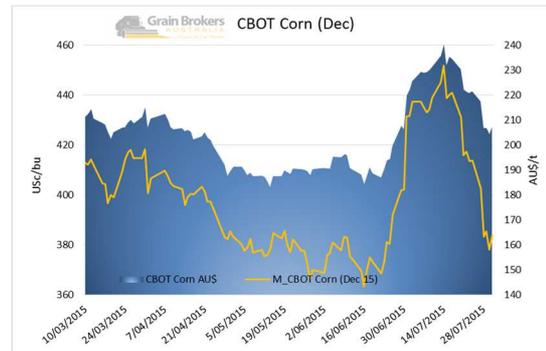
The US corn crop is improving and crop conditions have stabilized. The crop condition report this week improved 1% to 70% good to excellent, and a vastly improved percentage of the crop in the silking progress. Last week 55% of the crop was moving through this growth stage whereas this week it is now estimated to be above 78%.

Whilst the condition of the US corn crop improves, the same cannot be said for the EU. The recent dry weather in the EU has raised concerns for corn crops. In France, corn crop

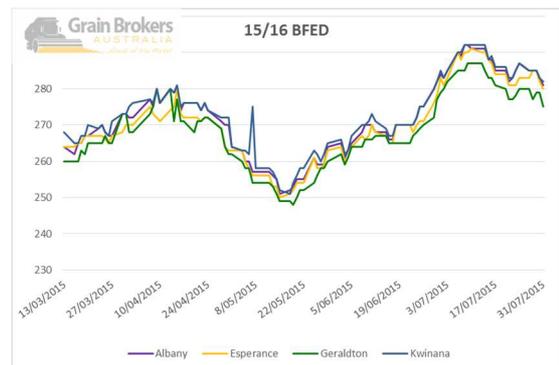
condition scores have deteriorated considerably relative to last year.



Strategie Grains recently cut EU maize production to 66.74 Mt, 0.74Mt lower than their previous forecast in June and warned that further reductions were possible.



Local pricing seeing a \$3 to \$6 reduction week on week.

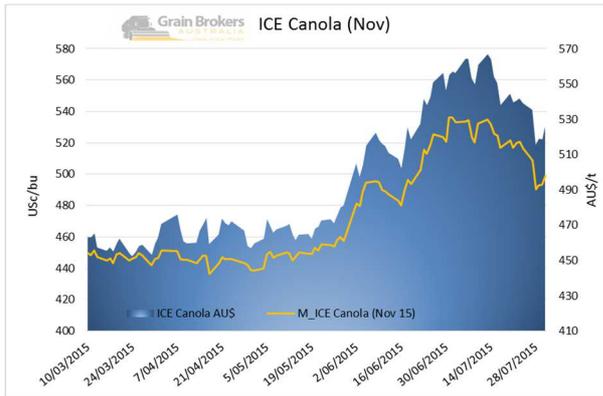
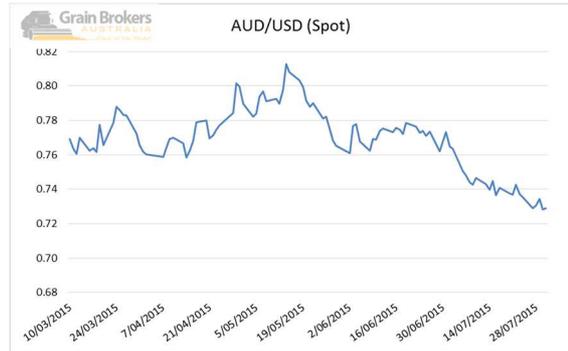


BEANS/CANOLA

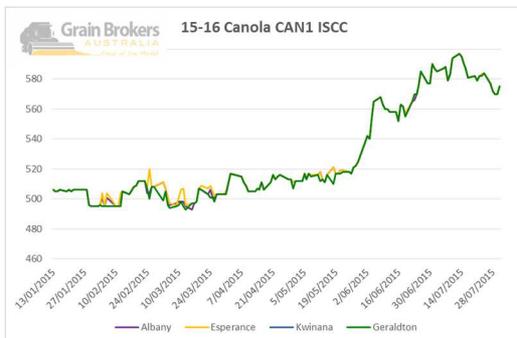
For oilseeds, the theme of the week has also been falling prices! With benign weather and currently there no global supply issues with soybean. November contracts falling US\$30.5/bu to settle at US\$950/bu.

US new crop export sales remain much lower, year to date than the same time last year, as competition from cheaper South American product remains.

Demand for soymeal is however currently growing and there is no substitute. There might be a tightness in soymeal supply? Which might limit the downside to soybeans, and a possible flow over to canola.



Local WA values followed offshore markets falling \$9/t, however thankfully failed to reflect the full extent of losses.



MARKET OVERVIEW

	2/08/2015	This Week	Last Week	Change
CBOT Wheat Sept 15	496.5		521.5	-25
CBOT Wheat Dec 15	504.25		528.75	-24.5
Kansas Wheat Sept 15	491.75		517	-25.25
MGEX Wheat Sept 15	649.75		649.75	0
Paris Wheat Spot	181.5		186.5	-5
CBOT Corn Sept 15	373.25		403.25	-30
CBOT Corn Dec 15	383.75		403.75	-20
MATIF Corn Spot	174		179.25	-5.25
MATIF Malt Barley Spot	214		214	0
ICE Canola Sept 15	498.7		516.4	-17.7
MATIF Rapeseed Spot	373		387.25	-14.25
CBOT S-Beans Sept 15	964.5		986.25	-21.75
CBOT S-Beans Nov 15	950		980.5	-30.5
AUD/USD	0.729		0.7354	-0.006
AUD/CAD	0.948		0.9579	-0.01
AUD/EUR	0.6668		0.6695	-0.003

	2015/16 FIS Prices			Basis Usc/bu			
	Wheat APW1 M/G						
	2/08/2015	This Week	Last Week	Change	This Week	Last Week	Change
Albany	297	310	310	-13	80	87	-7
Esperance	297	310	310	-13	80	87	-7
Kwinana	300	311	311	-11	86	89	-3
Geraldton	300	311	311	-11	84	89	-5

AUSTRALIAN DOLLAR

The Australian dollar continues to display volatility, trading lower again this week. The Aussie dollar continue to trend downward with many suggesting there is further downside to come.

A higher US\$ will put pressure commodity prices! But our expected lower dollar will largely cover the downside.

Canola ISCC 15/16			
Albany	575	584	-9
Esperance	575	584	-9
Kwinana	575	584	-9
Geraldton	575	584	-9
Feed Barley 15/16			
Albany	281	287	-6
Esperance	280	283	-3
Kwinana	282	287	-5
Geraldton	275	280	-5

For information regarding 2014/15 crop please call the office.
Mike Saunders.