



Grain Brokers
AUSTRALIA
Ahead of the Market

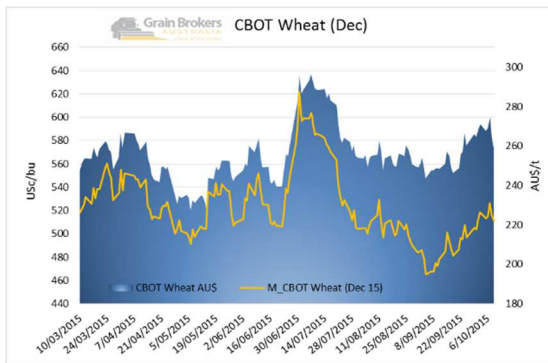


WEEKLY REPORT

9th October 2015

WHEAT

CBOT Dec 15 futures finished the week at 511.4 Usc/bu. Down 6.85 Usc/bu week on week.



The latest USDA report released on Friday was a bit bearish for wheat. US wheat production down a solid 2.2 Mt in the USDA report. On a global level, wheat supplies were projected higher again! With the report incorporating increased production for the EU, Canada and Australia.

Australian production increased by 1Mt to 27Mt. However with increasing concerns with the current dry conditions in Australia, many feel this number is unrealistic and should be reduced by at least 3Mt. Interestingly ABARES has recently cut their Australian wheat production estimate to 24.3Mt, citing the hot & dry finish to the growing season.

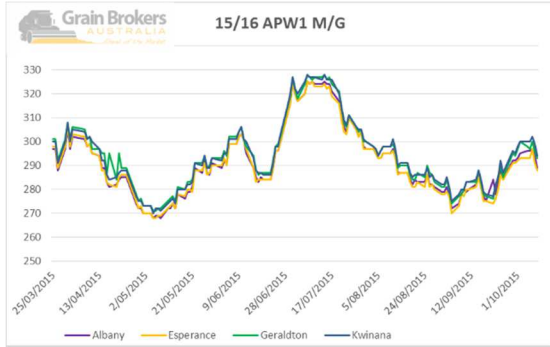
USDA SUPPLY/DEMAND	Oct	Oct	Sep	Oct
WORLD WHEAT	USDA	USDA	USDA	USDA
(Million Metric Tons)	13-14	14-15	15-16	15-16
Supply				
Beginning Stocks	177.16	193.77	211.31	212.11
Production	715.11	725.49	731.61	732.79
Imports	158.36	158.96	156.24	157.80
Use				
Feed, Domestic	126.79	132.88	138.08	137.72
Total Domestic	698.50	707.16	716.36	716.41
Exports	165.90	164.50	157.58	160.58
Ending Stocks	193.77	212.11	226.56	228.49
Stocks/Use Ratio	27.7%	30.0%	31.6%	31.9%

This week the wheat market has focused on weather conditions in Australia, parts of the US and the Black Sea - with the outlook for 10 more days of dry weather across the region. It is however early days in the Black Sea and the crop is recoverable if we see improved conditions.

Ukraine harvest now reportedly 79% completed, and Russia has harvested 98Mt of grain from 9% of the planted area, with an average yield of 2.40 t/ha. 84% of the spring wheat crop in the Canadian province of Saskatchewan has been harvested.

As our crop prospects diminish with the dry conditions, our basis has increased slightly. Our local market currently trading \$6-7 sweaker for the week.

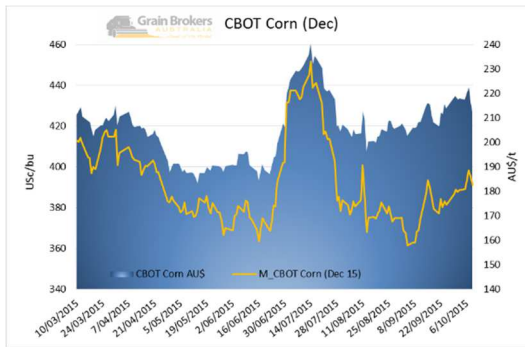




USDA SUPPLY/DEMAND WORLD CORN (Million Metric Tons)	Oct	Oct	Sep	Oct
	USDA 13-14	USDA 14-15	USDA 15-16	USDA 15-16
Supply				
Beginning Stocks	137.92	175.88	197.21	196.03
Production	991.42	1,008.68	978.10	972.60
Imports	123.94	121.22	123.66	123.31
Use				
Feed, Domestic	574.34	599.68	604.84	602.49
Total Domestic	953.46	988.53	985.62	980.79
Exports	131.10	133.04	123.48	121.93
Ending Stocks	175.88	196.03	189.69	187.83
Stocks/Use Ratio	18.4%	19.8%	19.2%	19.2%

CORN/BARLEY

2015 CBOT corn futures were up slightly for the week, from 388.75c/bu to 391.2, a rise of 2.75c/bu.



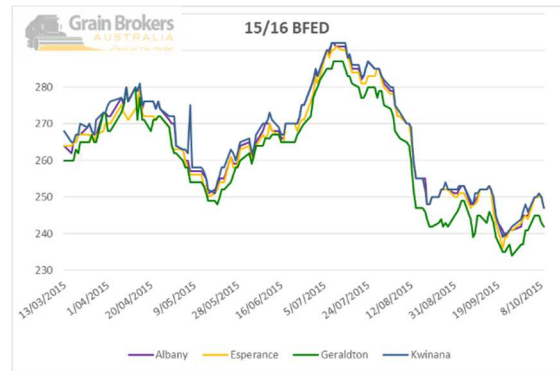
The USDA report was considered bearish against trade expectations as yield and production were a bit higher than expected.

The USDA report was expected to show lower yields and harvested area in the US. However the figures were slightly up from the previous month. US corn yield came in at 168 bu/acre, up from 167.5 bu/acre in September and above the average trade estimate of 166.4 bu/acre.

World ending stocks came in at 187.83 million tonnes from trade expectations for 188.7 million. Last month's estimate was 189.69 million and last year's (2014/15) was 196.03 million tonnes.

US Corn harvest gained momentum this week, pushing to 27% harvested, this is still 5% below average for this time of year.

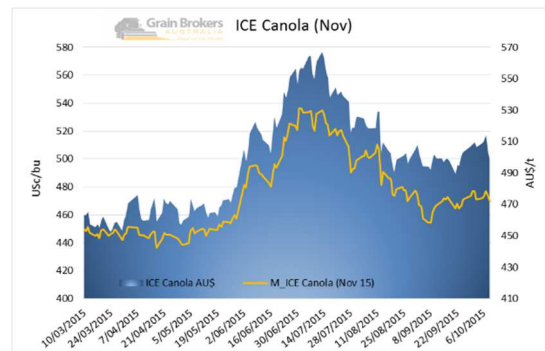
Local pricing has remained relatively unchanged for the week.



BEANS/CANOLA

Soybean November 15 CBOT futures were up 3.95c/bu for the week, from 877.25USc/bu to 881.25USc/bu.

ICE Canola however failed to make any positive gains for the week, and finished relatively unchanged at CA\$470.10/t

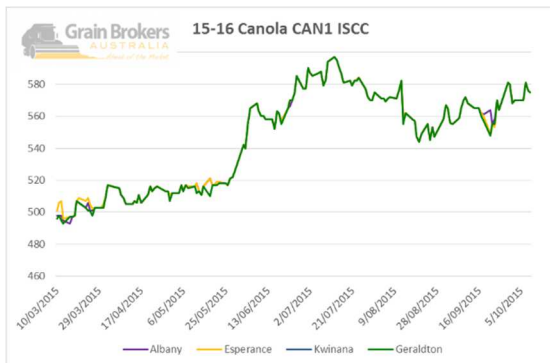


The USDA report was considered slightly bullish against trade expectations. U.S. ending stocks came in at 425 million bushels (still above the 414 million bushels the market was expecting). World ending stocks were pegged at a record high 85.14Mt from trade expectations of 84.4 million. Last year's ending stocks were a record high 77.97 million tonnes.

USDA SUPPLY/DEMAND	Oct	Oct	Sep	Oct
WORLD SOYBEANS	USDA	USDA	USDA	USDA
(Million Metric Tons)	13-14	14-15	15-16	15-16
Supply				
Beginning Stocks	56.17	62.77	78.73	77.97
Production	283.15	318.95	319.61	320.49
Imports	111.29	120.20	123.22	123.92
Use				
Crush, Domestic	241.08	260.54	271.79	272.39
Total Domestic	275.26	297.89	310.10	310.47
Exports	112.57	126.05	126.48	126.77
Ending Stocks	62.77	77.97	84.98	85.14
Stocks/Use Ratio	22.8%	26.2%	27.4%	27.4%

US Soybean crop has been rated 64% Good/Excellent this week, which is up 2% on last week's rating. The US Bean harvest is picking up pace and is well ahead of average at 42% harvested, vs the 5year average of a 32% complete.

Brazil's soybean crop is currently being planted (2-3% done), with trade estimates of around 100mmt production at this early stage.



The Reserve Bank has left official interest rates unchanged at 2%.



MARKET OVERVIEW

	9/10/2015	This Week	Last Week	Change
CBOT Wheat Dec 15		511.4	518.25	-6.85
CBOT Wheat Dec 16		551.2	549	2.2
Kansas Wheat Dec 15		502.75	507.5	-4.75
MGEX Wheat Dec 15		531	531.25	-0.25
Paris Wheat Spot		179	176.25	2.75
CBOT Corn Dec 15		391.2	388.75	2.45
CBOT Corn Mar 16		401.6	399.75	1.85
MATIF Corn Spot		165	161.75	3.25
MATIF Malt Barley Spot		214	214	0
ICE Canola Nov 15		470.1	470.9	-0.8
MATIF Rapeseed Spot		376.25	371.75	4.5
CBOT S-Beans Nov 15		881.2	877.25	3.95
CBOT S-Beans Mar 16		890	884.75	5.25
AUD/USD		0.7253	0.7023	0.023
AUD/CAD		0.9435	0.9295	0.014
AUD/EUR		0.6425	0.6282	0.0143

2015/16 FIS Prices				Basis Usc/bu			
Wheat APW1 M/G							
	9/10/2015	This Week	Last Week	Change	This Week	Last Week	Change
Albany		289	295	-6	58	44	14
Esperance		288	293	-5	56	40	16
Kwinana		294	300	-6	67	54	13
Geraldton		293	300	-7	65	54	11

Canola ISCC 15/16				
Albany		575	570	5
Esperance		575	570	5
Kwinana		575	570	5
Geraldton		575	570	5

Feed Barley 15/16				
Albany		247	245	2
Esperance		247	244	3
Kwinana		247	246	1
Geraldton		243	241	2

Mike Saunders.

AUSTRALIAN DOLLAR

The AUD has gained over the past week finishing off the week slightly above the 72½c.

