



Grain Brokers
AUSTRALIA
Ahead of the Market

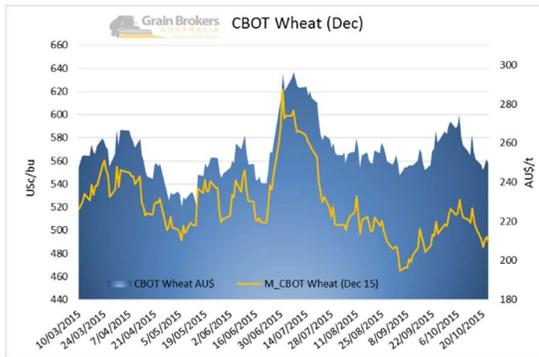


WEEKLY REPORT

23rd October 2015

WHEAT

Wheat CBOT Dec 15 futures finished the week at 490.6 USc/bu. down 11.8USc/bu week on week.



US wheat prices traded lower this week as they continue to be unsuccessful in winning business into the Middle East. Russia and the EU continue to dominate the Middle East business.

Interesting Russian wheat is trading \$25/t higher than their lows – as Russian farmers show resistance to sell their wheat. Firmer Russian pricing has narrowed the spread between Australia and Russian wheat offers into the Asian markets. Egypt buys 240k of Russian/Romanian wheat at \$212.16/t CFR (up \$5/t).

With a lack of rain in Russia and Ukraine, there will be less winter wheat acres than originally thought going into the ground, and a mild winter and good spring rains will be

needed to save the crop. The Ukraine Agricultural minister announced on Thursday that the area of winter wheat being planted now for next year's harvest could decline by over 10%

Rains have been received in the south of the US and more is forecasted. Which will be helpful for U.S. winter wheat areas, which continue to be dry, albeit not as bad as the past couple of years. Informa reduced US 2016 winter wheat plantings to at 39.3 million acres, down from its previous forecast of 39.7 million. US winter wheat planting is currently at 76% up 12% week on week.

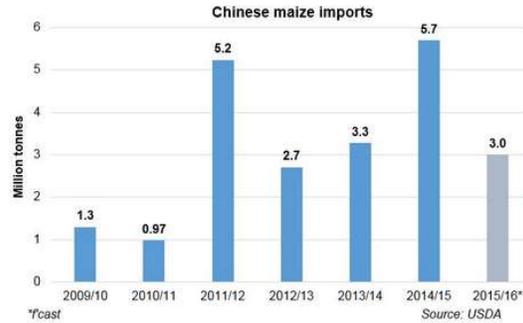
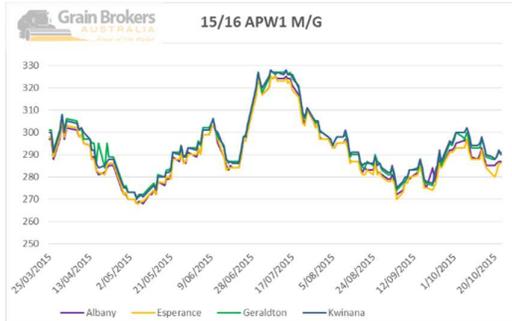
According to AccuWeather, Canada, is possibly going to see one of its warmest winters on record. This could be a concern for those areas looking to get a bit more snow cover this winter to help restore soil moisture profiles that got depleted during this growing season.

Ukraine harvest now reported to be 88% complete with 49.6 million ton of all grain harvested.

French farmers had sown 50% of the expected wheat area vs 39% last week, as well as 61% of the winter barley area, according to FranceAgriMer.

ABARE now saying that Australia's 2015/16 wheat crop will be lower than previously estimated at around 24 million ton. Due to our dry September.

Although local pricing have risen by \$2-4 across the WA port zones. The world is less reliant of Australian wheat this year, given the abundance in the Northern Hemisphere.



US only light showers fell in the western plains and the Midwest. The corn harvest is 59% completed 5% ahead of the average.

The Buenos Aires Grains Exchange forecast Argentine 2015/16 corn plantings to be down 20% from the previous year at 2.72 million ha.

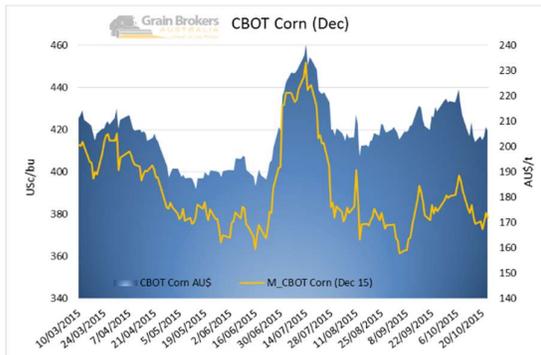
Dryness in the Ukraine, and the Ukraine Ag Ministry expects production to be 20% lower this season.

Barley harvest starting to wrap up across the northern hemisphere. The supply and demand at a global level fairly tight. However, with the bulk of demand going into the feed market, barley must follow the general price trends set by corn and wheat to remain competitive.

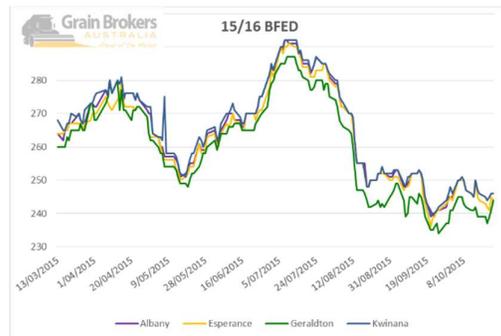
Barley prices remained relatively unchanged across the board.

CORN/BARLEY

Corn Dec 2015 CBOT corn futures rose by 2.8USc/bu and settled at US\$3.78 per bushel, for the week.



China is expected to reduce their corn purchases by 50%, as it tries to work through its massive stockpile before the stockpiling policy is scraped next year. Last year, the Chinese government bought 83 million tonnes of corn, but this year forecasts are suggesting that number to be closer to 40 or 50 million. Due to higher domestic production which is expected to be at 228 million ton – up by 10-12million year on year.

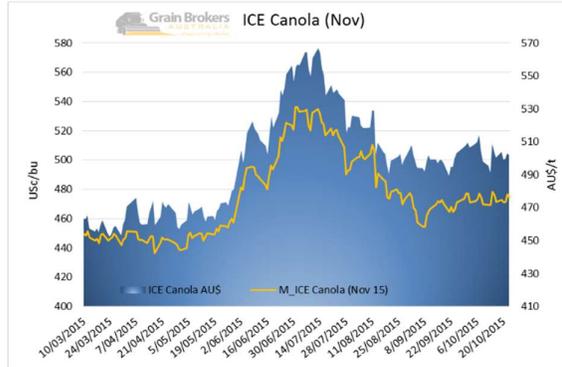


BEANS/CANOLA

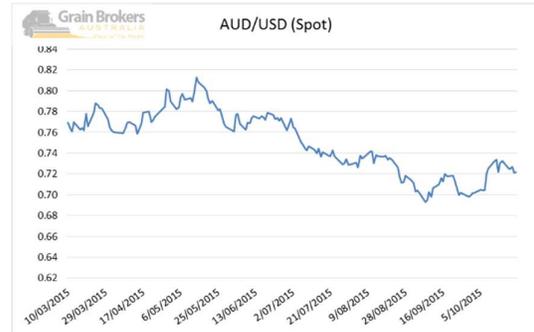
Soybean November 15 CBOT futures were down 6.6USc/bu for the week, from 905.2USc/bu to settle at 898.60USc/bu.

ICE Canola however made a CA\$2.9 gain for the week, and finished the week at

CA\$474.5/t



down 10 points to finish the week just over the 72c mark.

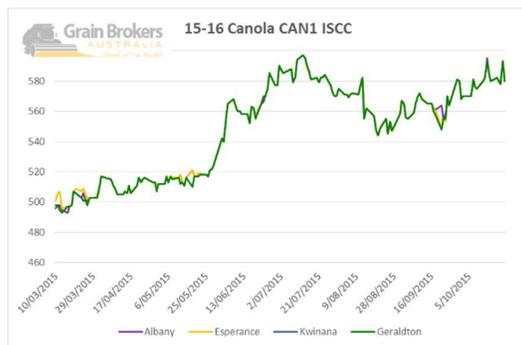


Australian Non GM canola continues to find support at these levels with reports indicating the strongest interest in Aussie canola is coming from the EU. The reason being is the smaller crop, with the EU and Ukraine production falling 3.3 million ton this year. It is estimated their total production for this season to be at 23 million ton.

The offshore market has also risen as EU growers are reluctant to sell this season, hence this is slowly pushing values higher as the buyers try to entice the grower to sell, making imported canola more competitive.

Drier conditions in Brazil have slowed soybean seeding but over 80 million acres are forecasted to be planted, putting 2015/16 production over 100 million tonnes.

Canola followed the offshore market and made a \$5 gain across all port zones/



MARKET OVERVIEW

	16/10/2015	This Week	Last Week	Change
CBOT Wheat Dec 15	490.6	502.4	-11.8	
CBOT Wheat Dec 16	526	540.4	-14.4	
Kansas Wheat Dec 15	476.25	496.25	-20	
MGEX Wheat Dec 15	508	523.6	-15.6	
Paris Wheat Spot	177.75	177.5	0.25	
CBOT Corn Dec 15	378.2	375.4	2.8	
CBOT Corn Mar 16	388	386.4	1.6	
MATIF Corn Spot	164	161.25	2.75	
MATIF Malt Barley Spot	214	214	0	
ICE Canola Nov 15	474.4	471.5	2.9	
ICE Canola Nov 16	473.4	467.6	5.8	
MATIF Rapeseed Spot	380.75	376.75	4	
CBOT S-Beans Nov 15	898.6	905.2	-6.6	
CBOT S-Beans Mar 16	902.6	912.2	-9.6	
AUD/USD	0.7218	0.7325	-0.0107	
AUD/CAD	0.9451	0.9423	0.0028	
AUD/EUR	0.6498	0.6444	0.0054	

	2015/16 FIS Prices			Basis Usc/bu			
	16/10/2015	This Week	Last Week	Change	This Week	Last Week	Change
Wheat APW1 M/G							
Albany	289	285	4	71	65	6	
Esperance	288	284	4	69	63	6	
Kwinana	292	290	2	77	75	2	
Geraldton	291	289	2	79	73	6	

Canola ISCC 15/16			
Albany	581	580	1
Esperance	581	580	1
Kwinana	581	580	1
Geraldton	576	580	-4

Feed Barley 15/16			
Albany	246	244	2
Esperance	244	244	0
Kwinana	246	246	0
Geraldton	244	239	5

Mike Saunders.

AUSTRALIAN DOLLAR

The greenback kicked to the highest level in over a month (up over 7%). Our currency

