



**Grain Brokers**  
AUSTRALIA  
*Ahead of the Market*

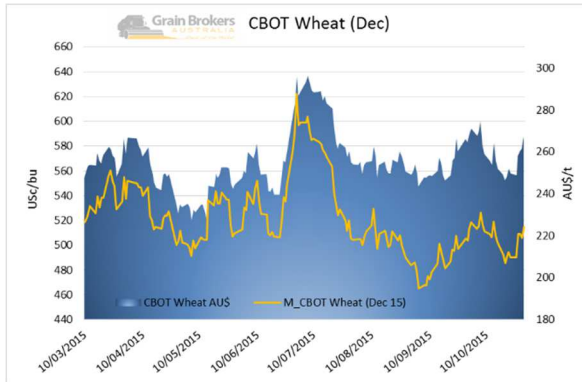


# WEEKLY REPORT

30th October 2015

## WHEAT

Wheat CBOT Dec 15 futures made positive gains for the week, and finished at 515USc/bu. up 24.4USc/bu week on week.



US wheat prices traded higher this week as better than expected export sales came amid forecasts for more rain in the winter wheat areas, and as fund participants sparked a round of buying.

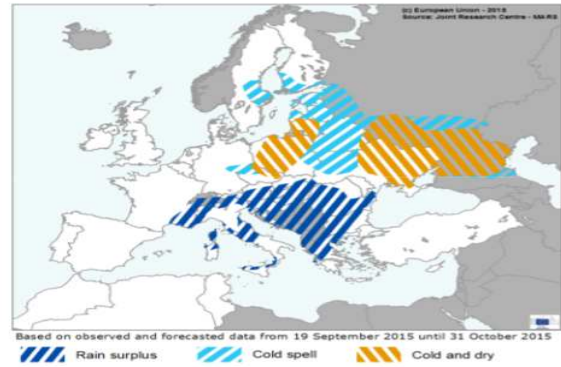
The USDA has lowered Australia wheat crop estimate to 24 million tons

We continue to monitor the northern hemisphere crop progress, as the market is very sensitive to any developing production concerns.

The US winter wheat is currently at 83% planted up 7% from last week. The first condition rating was also released, the good/excellent score was 47%. This is the

lowest rating in 3 years and well below analysts' expectation for 55%.

### AREAS OF CONCERN - EXTREME WEATHER EVENTS



The extreme weather map shows that large areas of Italy and eastern Europe experienced abundant rains. In Eastern Europe, the excessive rainfall hampered the sowing of winter crops.

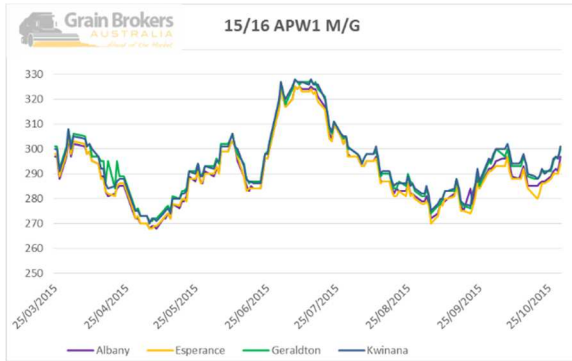
In Poland, dry conditions have persisted since summer. The winter crops sown in September therefore germinated under unfavourable conditions which further worsened due to the low temperatures that occurred in October. Similar problems occurred in the Baltic countries, especially Lithuania. In Ukraine and Russia. Reports out of the Black Sea are suggesting 50% of the winter wheat is rated in poor condition. This story is unlikely to play out until the northern hemisphere spring.

The Russian wheat plantings pace is at the 5yr average, however in Ukraine continues to lag



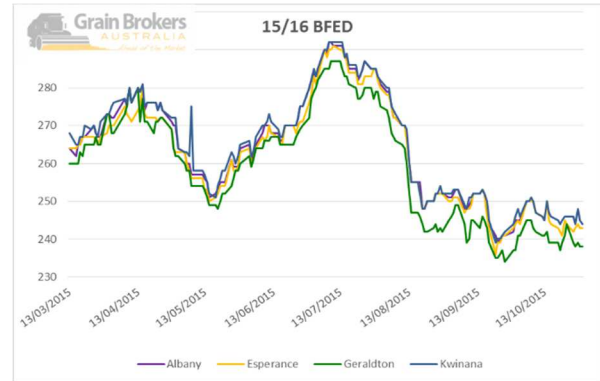
and is about 12 to 17 days behind where it should be and is at 82% complete.

Local pricing has followed the offshore market higher this week making gains of \$ 6-9 across all zones. However the full extent of the gain has not been passed along, as basis continue to slide.



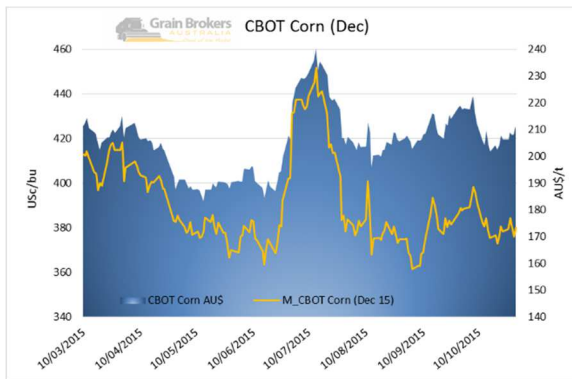
encouraged to use more domestic grain in a bid to reduce stock piles. Domestic Chinese corn prices have declined, with a 20% reduction in price reported for north China over the past month. This may lower barley imports into China as well. Chinese corn imports could also face a cut as the country is expected to harvest a record crop in 2015/16.

Barley prices continue to remain unchanged.



## CORN/BARLEY

Corn Dec 2015 CBOT corn futures rose by 1.8USc/bu and settled at US\$3.80 per bushel, for the week.



Sluggish demand, plentiful world supplies of feed grains and the on-going financial struggle around the world may limit prospects for rallies in corn.

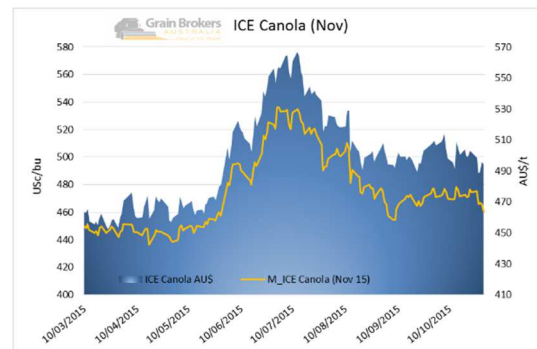
US corn is at 75% complete well ahead of last year when the harvest was only at 44% complete

In 2015/16 China could reduce their corn purchases by around 50%. With the government stockpiling policy expected to be scrapped next year, local processors are being

## BEANS/CANOLA

Soybean November 15 CBOT futures were down 20USc/bu for the week, from 898.6USc/bu to settle at 878.6USc/bu.

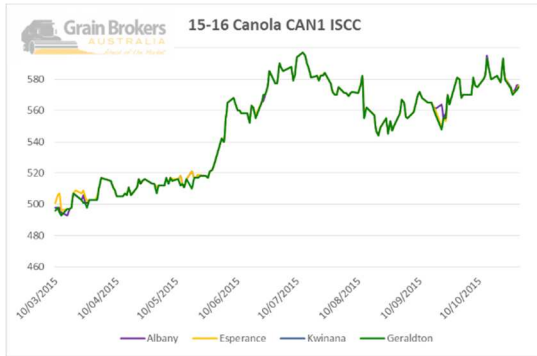
ICE Canola followed soybeans down, recording a CA\$13.8 loss for the week, and finished the week at CA\$460.60/t



US soybean harvest is currently at 87% complete up 10% week on week. Bean planting in Brazil is behind the historical average due to dry weather in the center-west with 20% of area planted compared to the 30% five-year average, according to AgRural. However recent rains will help improve the crop prospects there.

India is likely to produce 7.2 million mt of beans in 2015, down 15.3% from last year, due to erratic rainfall.

Domestic canola prices softened this week, following the offshore market lower. However based on historical pricing, these values today still remain relatively strong.



2015/16 FIS Prices				Basis Usc/bu		
Wheat APW1 M/G						
16/10/2015	This Week	Last Week	Change	This Week	Last Week	Change
Albany	297	289	8	56	71	-15
Esperance	294	288	6	50	69	-19
Kwinana	301	292	9	64	77	-13
Geraldton	300	291	9	62	79	-17

Canola ISCC 15/16			
Albany	576	581	-5
Esperance	576	581	-5
Kwinana	576	581	-5
Geraldton	575	576	-1

Feed Barley 15/16			
Albany	243	246	-3
Esperance	243	244	-1
Kwinana	244	246	-2
Geraldton	238	244	-6

Mike Saunders.

## AUSTRALIAN DOLLAR

AUD/USD currently 0.7081 (down 14pts for the week); recent range 0.7070 / 0.7148

## MARKET OVERVIEW

	16/10/2015	This Week	Last Week	Change
CBOT Wheat Dec 15		515	490.6	24.4
CBOT Wheat Dec 16		544.6	526	18.6
Kansas Wheat Dec 15		488.5	476.25	12.25
MGEX Wheat Dec 15		520	508	12
Paris Wheat Spot		180.75	177.75	3
CBOT Corn Dec 15		380	378.2	1.8
CBOT Corn Mar 16		389.6	388	1.6
MATIF Corn Spot		166.5	164	2.5
MATIF Malt Barley Spot		214	214	0
ICE Canola Nov 15		460.6	474.4	-13.8
ICE Canola Nov 16		472	473.4	-1.4
MATIF Rapeseed Spot		375.75	380.75	-5
CBOT S-Beans Nov 15		878.6	898.6	-20
CBOT S-Beans Mar 16		883.2	902.6	-19.4
AUD/USD		0.7081	0.7218	-0.0137
AUD/CAD		0.9321	0.9451	-0.013
AUD/EUR		0.6445	0.6498	-0.0053