



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

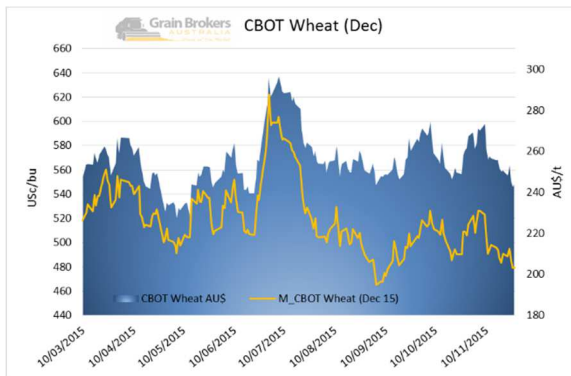


# WEEKLY REPORT

27<sup>th</sup> November 2015

## WHEAT

CBOT Dec 15 futures finished the week at 479.2 USc/bu. Down 11.55 USc/bu week on week.



The overall message continues to remain that there is adequate wheat stock in the world today however production prospects in India and the Ukraine need ongoing monitoring.

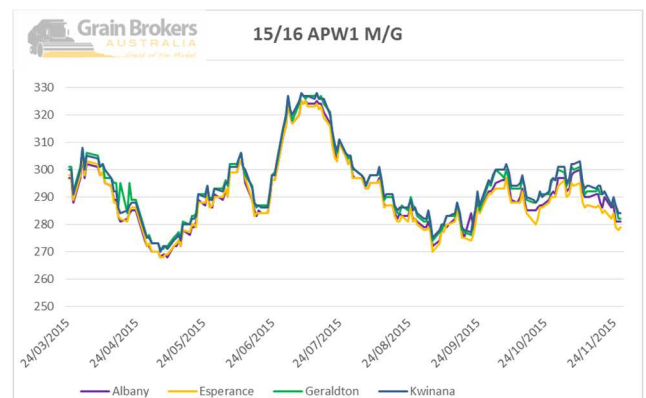
Precipitation for a large portion of the US winter wheat area this week, allowing the USDA to increase the good to excellent to 53% up 1% for the week followed by cooler. US winter wheat is 96% planted and 90% has emerged.

Winter crops in Western Europe are generally in good condition heading into winter, but conditions remain poor into Ukraine and Russia, but with showers forecasted over the next ten days could ease concerns that were developing due to lack of rain. French winter wheat conditions are looking even better with 98% of winter soft wheat rated good to

excellent compared to 93% last year. The latest EU Commission crop report also confirmed improvements for crops in Eastern Europe after mild weather earlier in November.

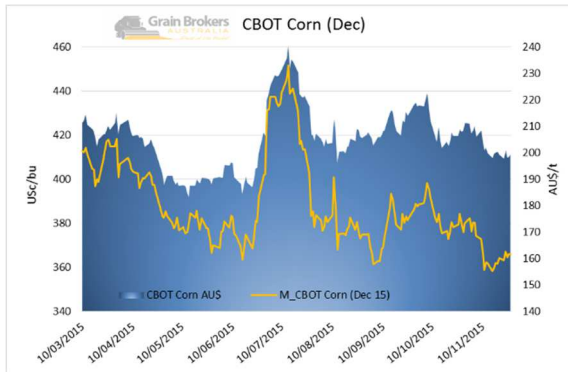
The Ukrainian supply situation continues to attract traders' attention with nearly 36% of winter crops were rated 'poor' condition vs 18% last year. Indications their export potential in 2015/16 could be 8.5 million tonnes well below the volume achieved last year. The USDA estimate for Ukrainian production is 24.75 MMT for 2014/15, and some analysts are calling the 2015/16 crop could be as low as 20 million tonnes.

Traditionally Turkey has been a large buyer of Russian wheat, but Russia has stated it will stop supplying Turkey following recent military developments. This could present an opportunity for EU or Ukrainian exports to Turkey. Turkey is forecast to import 3.8Mt of wheat this season (USDA).



## CORN/BARLEY

Dec 2015 CBOT corn futures gained 1.75 USc/Bu and settled at US\$3.66 per bushel.



The US corn harvest is all complete.

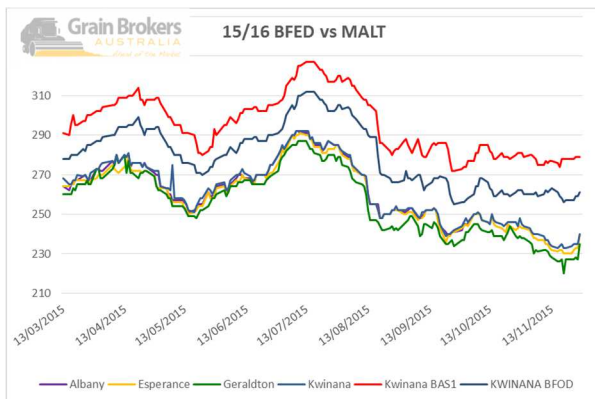
Argentine corn exports are currently subject to a 20% tax. Potentially this could encourage Argentinian farmer to increase corn production.

Ukraine is expected to increase corn production in wake of the reduced winter crop. Estimates indicate that corn production will be up 12% year on year to 1.77million hectares.

French corn harvest at 97% complete.

China is planning to slash domestic corn prices by around 10% in 2016/17, in a bid to curb imports of cheaper corn and corn substitutes reduce massive their stockpile.

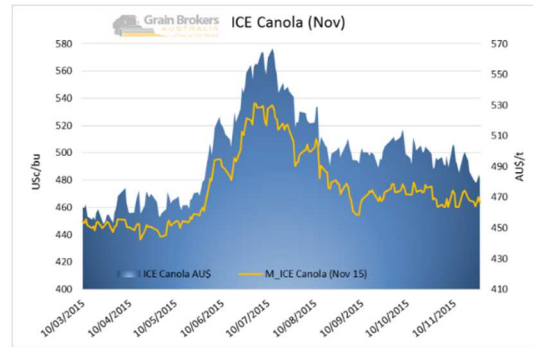
China imported 998k of barley in October 2015 compared to 1.3mt in September only 220K of Australian barley the balance from France.



## BEANS/CANOLA

Soybean November 15 CBOT futures were up 15.25 USc/bu for the week and closed at 875.25 USc/bu.

ICE Canola did not manage to follow the soybean trend and closed at CA\$463.t down 2.1 for the week.

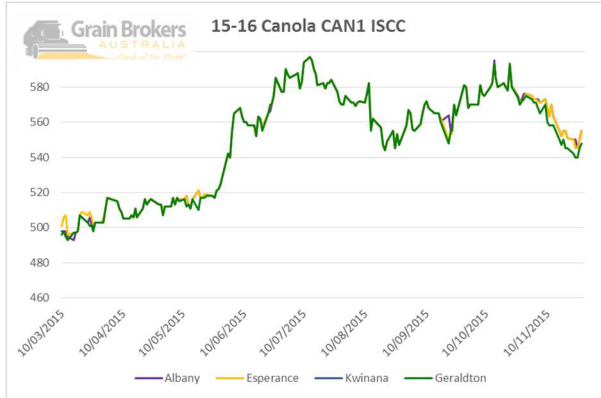


The oilseed market reacted negatively to the results of Argentina's election earlier this week. As the new President has proposed to cut export taxes and lift quotas.

In the short term, reducing or removing export taxes could lead to more competitive exports from Argentina and add downward pressure to world prices.

However, in the long run these tax cuts alters the returns available to Argentine farmers, and in turn, their planting incentives. Export tax changes are expected to encourage Argentine farmers to expand their crop rotations, potentially increasing corn and/or wheat area at the expense of soybeans. If this were to happen, it could reduce soybean production in the country.

The total Argentine harvest area of wheat, maize, soybeans and barley is forecast at 27.65Mha this season. Of this, soybeans are expected to account for 72%, compared to 12% of area for maize. In contrast, the equivalent figures for Brazil are 64% for soybeans and 31% for maize.



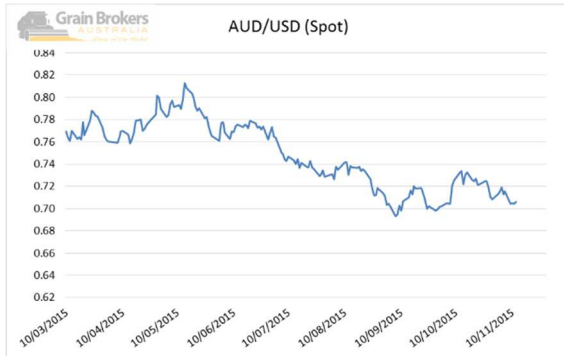
2015/16 FIS Prices				Basis Usc/bu		
Wheat APW1 M/G						
28/11/2015	This Week	Last Week	Change	This Week	Last Week	Change
Albany	281	286	-5	75	66	9
Esperance	279	284	-5	71	62	9
Kwinana	284	289	-5	81	72	9
Geraldton	282	288	-6	77	70	7

Canola ISCC 15/16			
Albany	555	551	4
Esperance	555	551	4
Kwinana	555	551	4
Geraldton	548	545	3

Feed Barley 15/16			
Albany	240	231	9
Esperance	240	230	10
Kwinana	240	233	7
Geraldton	235	223	12

## AUSTRALIAN DOLLAR

The AUD is currently trading around 0.724 to the USD, stronger over the week.



Mike Saunders.

## MARKET OVERVIEW

	28/11/2015	This Week	Last Week	Change
CBOT Wheat Dec 15	479.2	490.75	-11.55	
CBOT Wheat Dec 16	520.6	520	0.6	
Kansas Wheat Dec 15	457.25	462.5	-5.25	
MGEX Wheat Dec 15	514	508.75	5.25	
Paris Wheat Spot	177	176.5	0.5	
CBOT Corn Dec 15	366	364.25	1.75	
CBOT Corn Mar 16	372.6	370.25	2.35	
MATIF Corn Spot	166.25	168.25	-2	
MATIF Malt Barley Spot	214	214	0	
ICE Canola Nov 15	463.2	465.3	-2.1	
ICE Canola Nov 16	473.9	475	-1.1	
MATIF Rapeseed Spot	385.25	376	9.25	
CBOT S-Beans Nov 15	875.25	860	15.25	
CBOT S-Beans Mar 16	877.6	863	14.6	
AUD/USD	0.7225	0.7195	0.003	
AUD/CAD	0.9604	0.9562	0.0042	
AUD/EUR	0.6811	0.6702	0.0109	