



Grain Brokers
AUSTRALIA
Ahead of the Market



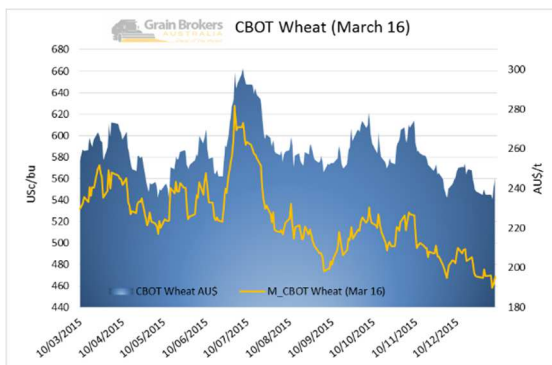
WEEKLY REPORT

8th January 2016

WHEAT

Agricultural markets had a rough week as the market reacted to the volatility in the Chinese economy. China is a major importer on the global market, so any reduction in the Chinese economy raises concern on future demand.

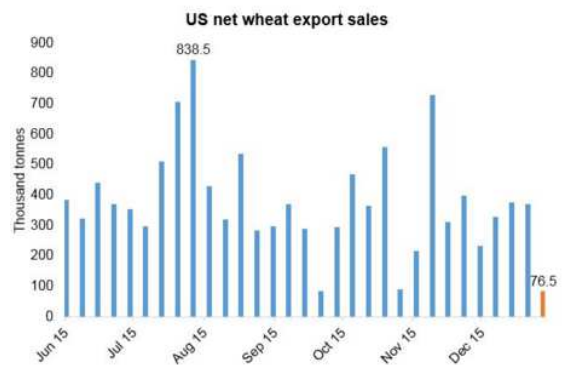
CBOT March 16 futures finished the week slightly lower at 468.4Usc/bu down 0.8 USc/bu for the week.



With some of the US hit by storms late last month, concern was rising about the condition of the growing winter crop. The latest USDA crop condition rating suggesting that the unfavourable weather thus far had done little damage to the 2016 crop. With Good to Excellent ratings for selective states all over 50%.

US Wheat continues to struggle to find export demand. With shipments of US wheat at the lowest levels since the marketing year began. For the week ending 31 December the US

exported only 76,500t of wheat well below 200 – 400k analysts' expected.

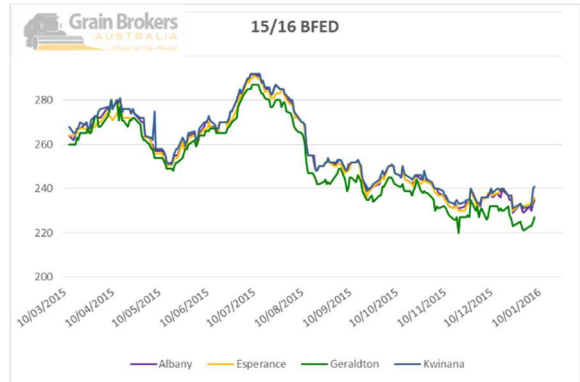
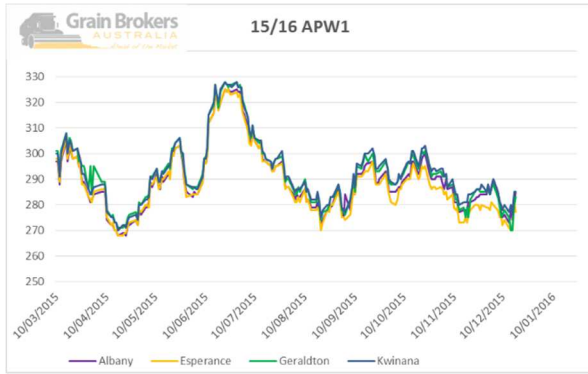


Furthermore Argentina's 2016 wheat production has been forecast up to 10.1Mt by the Buenos Aires Grains Exchange in its latest weekly report, 0.6Mt higher than the previous estimate. The upward revision is due to higher than expected yields. Wheat exports from Argentina are expected to increase!

An increase of supply to an already ample market combined with the slowdown in the Chinese economy and a stronger US dollar points to further pressure on US exports.

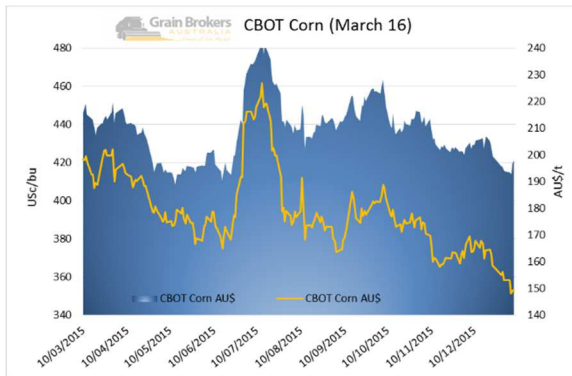
Weather conditions across parts of Poland, Ukraine and Russia saw temperatures plummet low enough to cause possible winter kill. Nevertheless also bringing greater snow cover to protect the winter crops ahead of harsher weather in the coming weeks.





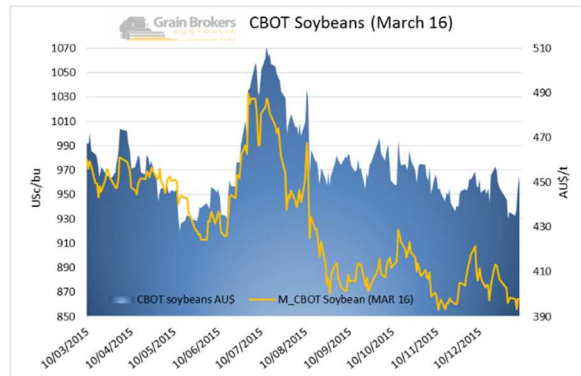
CORN/BARLEY

March 16 CBOT corn futures closed lower at US\$3.53 per bushel down 5.6 Usc/bu for the week.



BEANS/CANOLA

Chicago May-16 soybean prices closed slightly lower at 864.4 USc/bu, down 1.2 USc/bu in comparison to the previous week.



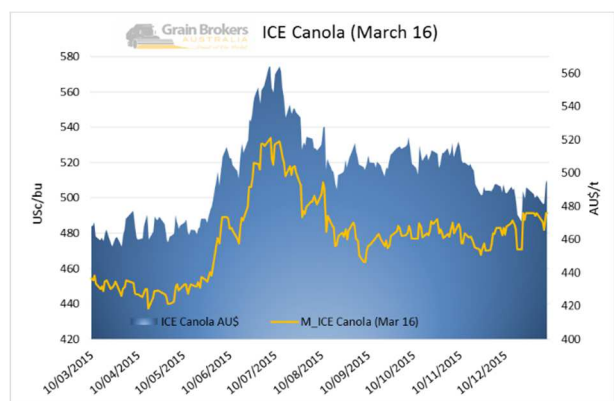
Informa increased Argentina's corn harvest to 22 million mt, up from 21 million last month.

US farmers are still holding onto a large percentage of their crop, and the newfound competitiveness of Argentinean exports, it is difficult to see any positive price drivers for corn in the near term.

Severe drought concerns persist for the South African corn crop and they may have to import in excess of 5 million mt of corn by May or June this year, if drought conditions worsen, according to Agriculture minister.

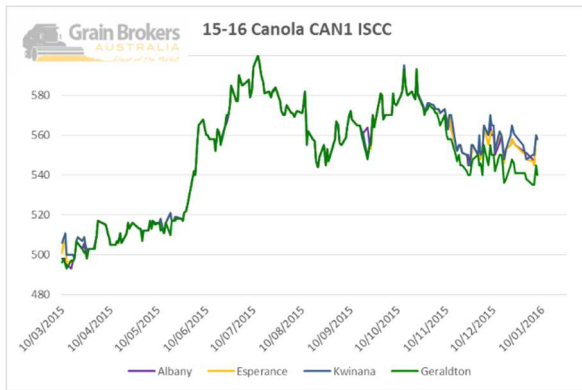
China must lower corn prices to reduce its massive corn stockpile and curb imports of corn substitutes including barley, sorghum and DDG.

ICE Canola March 16 finished the week lower at CA\$478, down CA\$13.3/t for the week.



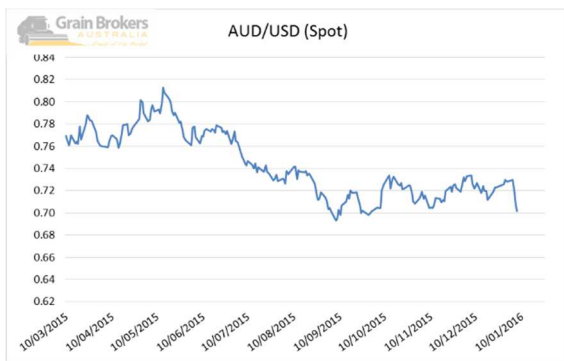
Soyabean harvesting commenced in some parts of Brazil last week. Despite improved weather, farmers are still concerned about the impact of earlier dry conditions. However, with forecasts suggesting 98 million and 97.8

million, many analysts don't think output will have been hampered.



AUSTRALIAN DOLLAR

The Aussie dollar finished the week at the 70c mark. China's growth prospects appear sluggish and if their economy continues to slow we can expect our A\$ to come under pressure too.



MARKET OVERVIEW

	8/01/2016	This Week	Last Week	Change
CBOT Wheat Mar 16	468.4	469.2	469.2	-0.8
CBOT Wheat Dec 16	504.4	512.4	512.4	-8
Kansas Wheat Mar15	462.5	465.25	465.25	-2.75
MGEX Wheat Mar 15	494.75	492.25	492.25	2.5
Paris Wheat Spot	171	174.75	174.75	-3.75
CBOT Corn Mar 16	353	358.6	358.6	-5.6
CBOT Corn Nov 16	378.6	386.6	386.6	-8
MATIF Corn Spot	171	171	171	0
MATIF Malt Barley Spot	214	214	214	0
ICE Canola Mar 16	478	491.3	491.3	-13.3
ICE Canola Nov 16	485	491.9	491.9	-6.9
MATIF Rapeseed Spot	373	374	374	-1
CBOT S-Beans Mar 16	864.4	865.6	865.6	-1.2
CBOT S-Beans Nov 16	877.6	885.2	885.2	-7.6
AUD/USD	0.7016	0.7281	0.7281	-0.027
AUD/CAD	0.9906	1.1010	1.1010	-0.110
AUD/EUR	0.6423	0.6665	0.6665	-0.024

2015/16 FIS Prices				Basis Usc/bu			
Wheat APW1							
8/01/2016	This Week	Last Week	Change	This Week	Last Week	Change	
Albany	285	273	12	72	73	-1	-1
Esperance	277	271	6	57	66	-9	-9
Kwinana	285	277	8	72	78	-6	-6
Geraldton	283	275	8	69	74	-5	-5

Canola ISCC 15/16			
Albany	558	551	7
Esperance	558	548	10
Kwinana	558	555	3
Geraldton	540	538	2

Feed Barley 15/16			
Albany	235	229	6
Esperance	236	232	4
Kwinana	241	231	10
Geraldton	227	221	6

Mike Saunders.
0455111779