



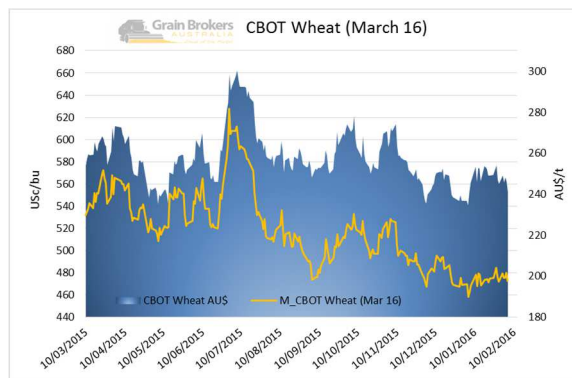
WEEKLY REPORT

5th February 2016

WHEAT

Grain markets ended the week relatively unchanged.

CBOT March 16 futures finished the week at 472.6USc/bu up 0.4USc/bu for the week.

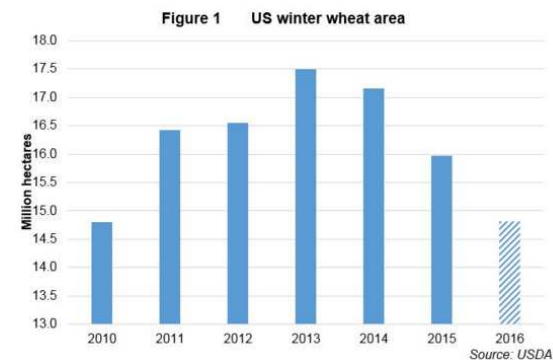


Warm temperatures across the Former Soviet Union continue to reduce snow cover, with snow completely melted across western and far eastern Ukraine and southern Belarus. These temperatures are expected to continue for the next couple of weeks, keeping winterkill threats largely at bay. However, there may be problems as snow melts during the day and then re-freezes at night.

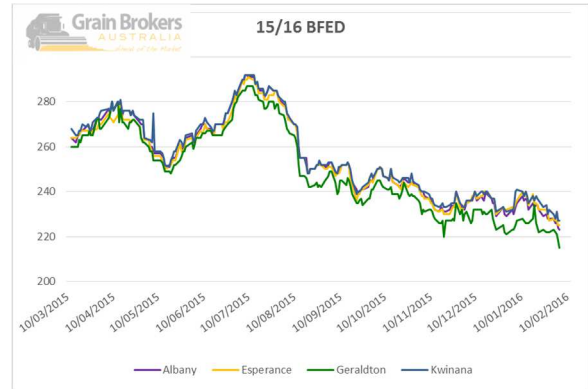
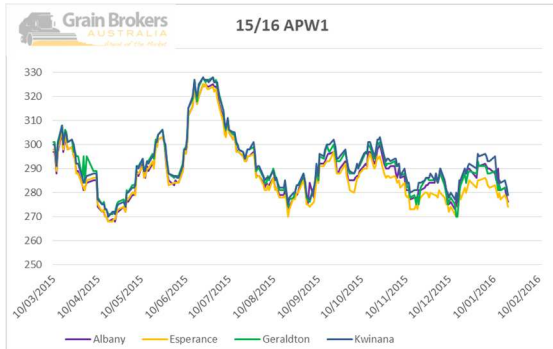
Last week, Egypt the world’s largest wheat importer, cancelled two tenders, which caused uncertainty over the direction of Egyptian wheat imports. This follows the rejection of 63Kt of French wheat due to the presence of ergot. On Friday Egypt cancelled a second tender after receiving just four offers (two from France and one each from Romania

and Russia). Egypt’s Supply Ministry and GASC have both confirmed that they will accept shipments with up to 0.05% of ergot, however the recent uncertainty over policy has made traders wary.

The latest crop condition report released by the USDA saw Kansas good to excellent condition score increase by 1% to 55% in January. In line with the improvements were recorded in Illinois with 65% in good to excellent up from 58% in December. Not all states saw an increase in ratings, although the scores are much better than this time last year. The report comes after the US have planted their lowest acreage in 6 years with concerns over adverse weather could affect plantings.

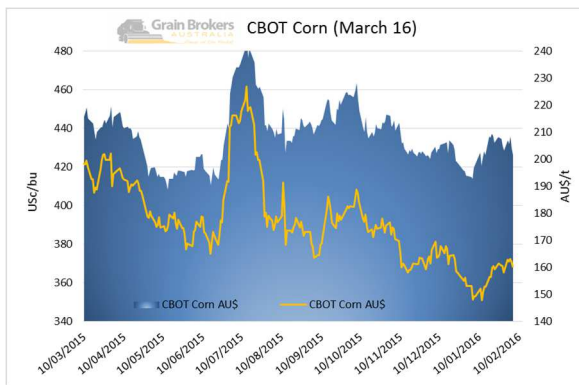


Poor wheat exports continue to worry the market, with only 66,200t inspected in the week ending 28th January – this figure is 78% less than the week before as the US struggle to secure demand in the global wheat market due to the sheer volume of supplies available.



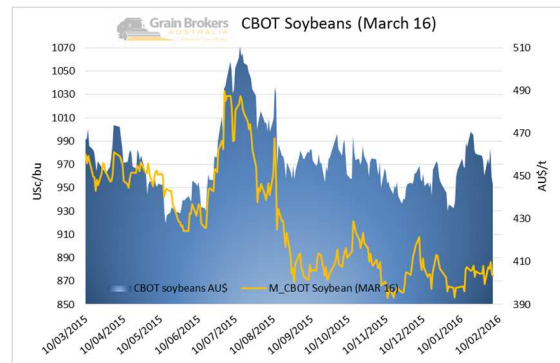
CORN/BARLEY

March 16 CBOT corn futures closed higher at US\$3.68 per bushel up 3.0 Usc/bu for the week.



BEANS/CANOLA

Chicago May-16 soybean prices closed higher at 874.4Usc/bu, up 6.8 Usc/bu in comparison to the previous week.



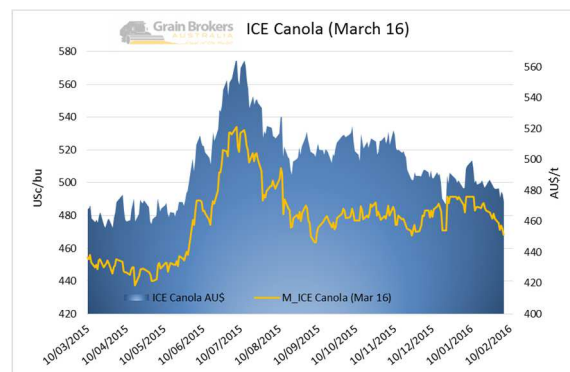
Brazil's corn forecast was increased by 1Mt to 83.3Mt in January by CONAB. Exports of corn were also revised up and are expected to reach 29Mt, with high demand due to weak local currency. The lower Brazilian Real supporting local farmers to sell to the export market not the domestic end users.

Informa has raised the Argentine corn crop forecast to 26 million tonnes up 4 million tonnes from their previous estimate of 22 million tonnes.

South African grain association – Grain SA has lowered their initial estimate of corn imports from 5 million tonnes to 3.8 million tonnes.

Barley prices are also lower over the week against reflecting a lack of demand and the firmer AUD.

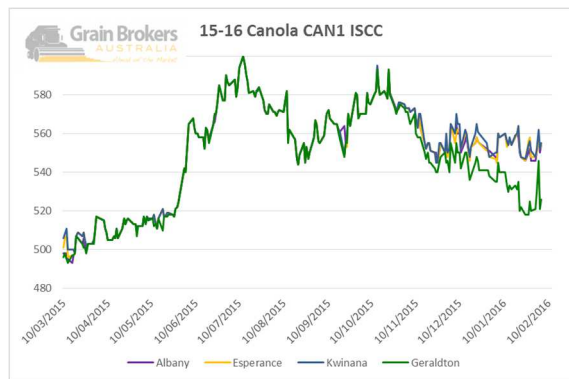
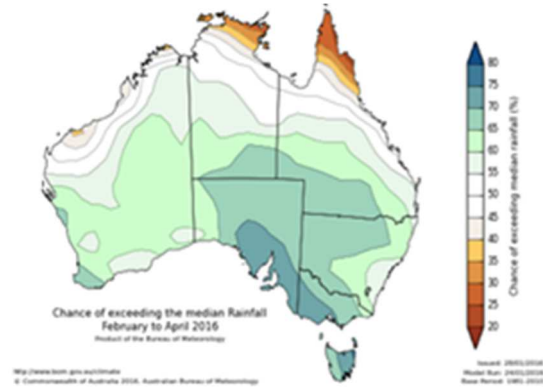
ICE Canola March 16 finished the week lower at CA\$468.3 down CA\$9.6/t for the week.



The market continues to monitor the South American Soybean production, with harvest currently at 5% complete. However wet weather is slowing the rate of harvest in Brazil and Argentina allowing the US exports to remain solid in the short term with 6.1 million tonnes exported to China in December.

CONAB (the Brazilian USDA) recently lowered its estimate of their soybean crop down 1.2 million tonnes to 100.9 million tonnes, with the majority of the downgrade attributed to “volatile weather” and lower yield expectations for the major producing state Mato Grosso. The estimate is still well above last years record crop of 96.2 million tonnes.

Informa Economics increased Argentine soybean production by 1.5 million tonnes to 60 million tonnes. Argentina produced 61.4 million last season.



AUSTRALIAN DOLLAR

The Aussie traded at the 72¢ this week for the first time since early January.

The Reserve Bank has left interest rates unchanged at their February 2016 meeting.



WEATHER

BOM forecasts rainfall is more likely to be above average across much of the southern half of Australia with the strongest probabilities in the southeast over the next 3 months.

MARKET OVERVIEW

	5/02/2016	This Week	Last Week	Change
CBOT Wheat Mar 16	472.6	472.2	472.2	0.4
CBOT Wheat Dec 16	503.4	506.6	506.6	-3.2
Kansas Wheat Mar15	459.5	465.5	465.5	-6
MGEX Wheat Mar 15	494.5	495.25	495.25	-0.75
Paris Wheat Spot	171	171	171	0
CBOT Corn Mar 16	368.4	365.4	365.4	3
CBOT Corn Nov 16	391.4	365.4	365.4	26
MATIF Corn Spot	171	171	171	0
MATIF Malt Barley Spot	214	214	214	0
ICE Canola Mar 16	468.3	477.9	477.9	-9.6
ICE Canola Nov 16	485	491.5	491.5	-6.5
MATIF Rapeseed Spot	373	373	373	0
CBOT S-Beans Mar 16	874.4	867.6	867.6	6.8
CBOT S-Beans Nov 16	888.2	880	880	8.2
AUD/USD	0.72	0.7083	0.7083	0.012
AUD/CAD	0.9902	0.994	0.994	-0.004
AUD/EUR	0.6427	0.6474	0.6474	-0.005

2015/16 FIS Prices				Basis Usc/bu			
Wheat APW1							
	5/02/2016	This Week	Last Week	Change	This Week	Last Week	Change
Albany	276	290	290	-14	68	85	-17
Esperance	274	278	278	-4	64	62	2
Kwinana	279	284	284	-5	73	74	-1
Geraldton	279	281	281	-2	73	68	5

Canola ISCC 15/16			
Albany	554	546	8
Esperance	554	548	6
Kwinana	555	551	4
Geraldton	526	520	6

Feed Barley 15/16			
Albany	223	228	-5
Esperance	225	227	-2
Kwinana	227	232	-5
Geraldton	215	222	-7

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