



Grain Brokers
AUSTRALIA
Ahead of the Market



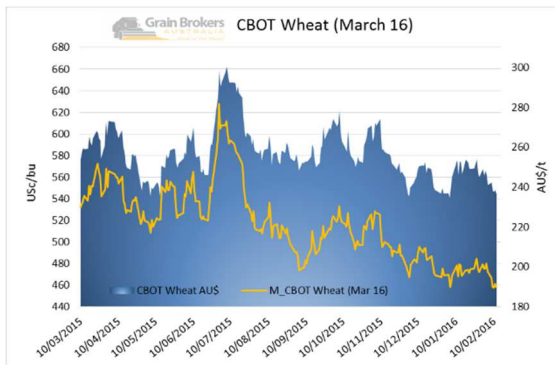
WEEKLY REPORT

12th February 2016

WHEAT

The grain market was quiet on Friday, with the US market slowing down for the Presidents Day Holiday weekend.

CBOT March 16 futures finished the week lower at 457.2US¢/bu down 15.4 US¢/bu for the week.



This week saw the release of a very bearish USDA report on Tuesday evening our time. The USDA added 6.8 million tonnes to global wheat ending stocks to a record 238.9 million tonnes. The increase in stocks mainly came from reduced demand from India and China. Wheat usage in China is estimated to be 4.7 million tonnes lower than January's report as the governments internal economic food policies favour other grains. Global production was revised higher in Argentina (+0.5 million tonnes) and Ukraine (+0.3 million tonnes). Australian wheat remained unchanged in the report at 26 million tonnes – way too high!

Egypt tendered for wheat on Monday and received no offers to do uncertainty about quality restrictions. Egypt in an attempt to clear that up Egypt's Supply Ministry and

GASC have both confirmed that they will accept shipments with up to 0.05% of ergot, and reissued a tender and purchased one cargo of Romanian wheat at US\$190.88/t (Cost and freight). It is reported that Bunge has launched legal proceedings to challenge the decision made by Egypt to reject the French Cargo.

India is predicted to harvest its smallest wheat crop in six years after two successive years of below-average monsoon rainfall. The Indian government estimate that Indian wheat production is at 93.8Mt. This figure is down from 95.9Mt last season (USDA) and below government targets of 94.8Mt. This potentially opens the door for wheat imports from Australia.

Attaché estimate, Canadian wheat plantings will fall to a 5 year low of 9.26 million hectares in 2016. This estimate is below the initial estimate from the International Grains Council which sits at 9.5 million hectares.

Russian Ukraine wheat crop at risk. Recent mild temperatures and rainfall has reduced snow cover across central and southern Russia and eastern Ukraine. With some regions of Ukraine are seeing problems of freezing with almost a third of the crops at risk. A close eye will be kept on what the weather does now as we enter that final period of winter as there are a couple of scenarios that could play out and result in elevated levels of winter kill this year.

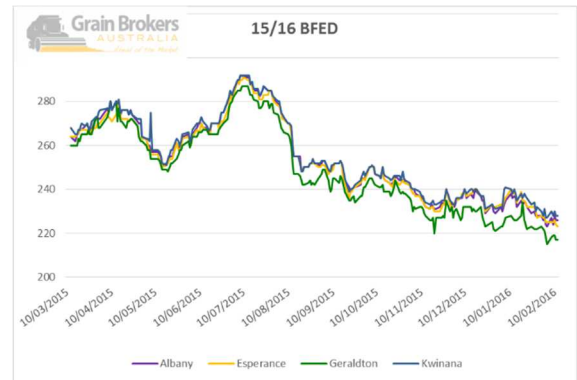
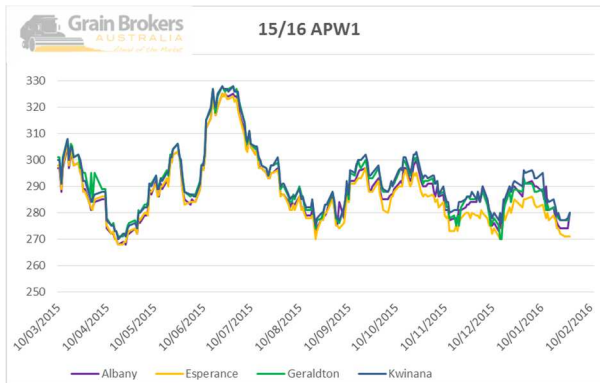




years and compared to last season's production of 14.3 million tonnes. The sharp fall is due to drought conditions and the country is now likely to have higher import requirements.

Russia declared last week that it will not accept imports of maize or soybeans from the US. The ban is due to concerns about GM content and phytosanitary issues. However, the move will have little impact as Russia imports little of these commodities.

Barley prices remained relatively unchanged for the week.

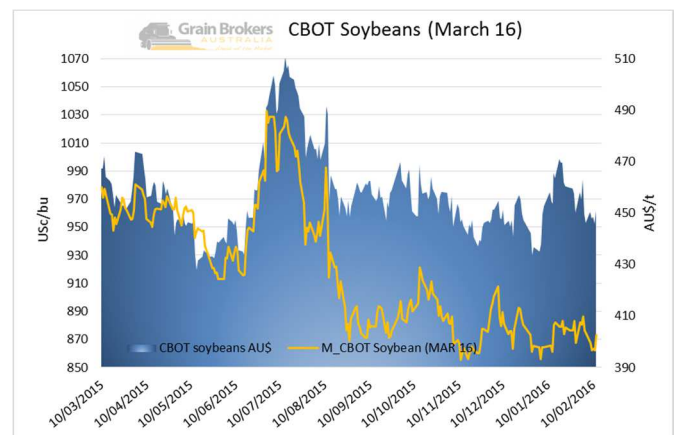
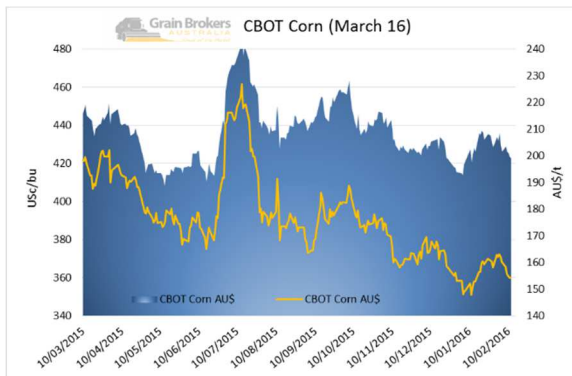


CORN/BARLEY

March 16 CBOT corn futures closed lower at US\$3.60 per bushel down 8.2 US¢/bu for the week.

BEANS/CANOLA

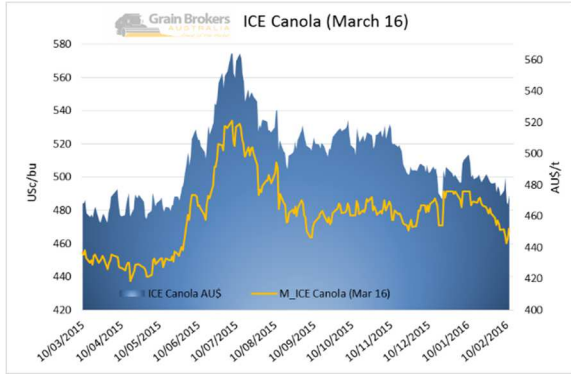
Chicago May-16 soybean prices remained either side of unchanged for the week, at 873.4US¢/bu, down 1 US¢/bu.



The USDA have increased their estimate of global corn production by 2.2 million tonnes to 970 million tonnes, largely thanks to changes in production forecasts for Argentina (+1.4 million tonnes) and Brazil (+2.5 million tonnes).

Similar to soybeans ICE Canola March 16 finished the week relatively unchanged at CA\$468.8 up CA\$0.5/t for the week.

South African corn production is estimated at 9.96 Million tonnes. The lowest level for 8

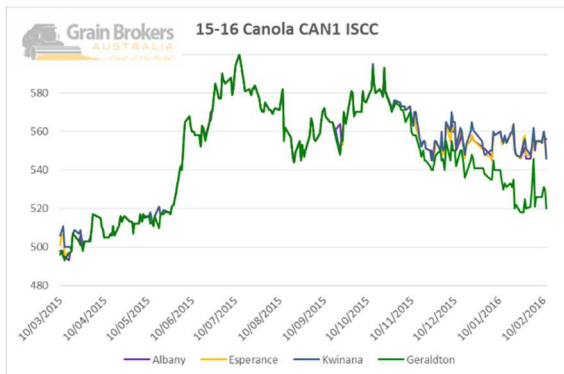


The USDA published modest increases in global soybean production which now sits at 320.5 million tonnes. The largest increase in production maily from Argentina (+1.5 mt)

Despite lower than normal rainfall in the major crop regions of Brazil. It is estimated that the soil moisture content is adequate to support growth. With no rain forecasted over the next couple of weeks in these regions, it should favour harvesting of soyabeans which is currently at 16% complete. Rosario Grain Exchange have revised the Argentine soybean crop upward of 2.5 million tonnes to 58.5 million.

Last week US soybean sales to China provided a boost to US exports. The latest US weekly export sales of soybeans were 667,000 tonnes, this figure is up from last week and at the top end of expectations

Egypt have reportedly rejected 4 cargoes of US soybeans due to quality concerns



MARKET OVERVIEW

	12/02/2016	This Week	Last Week	Change
CBOT Wheat Mar 16	458.2	472.6	-14.4	
CBOT Wheat Dec 16	493	503.4	-10.4	
Kansas Wheat Mar15	444	459.5	-15.5	
MGEX Wheat Mar 15	486.25	494.5	-8.25	
Paris Wheat Spot	171	171	0	
CBOT Corn Mar 16	360.2	368.4	-8.2	
CBOT Corn Nov 16	382.6	391.4	-8.8	
MATIF Corn Spot	171	171	0	
MATIF Malt Barley Spot	214	214	0	
ICE Canola Mar 16	468.8	468.3	0.5	
ICE Canola Nov 16	485.5	485	0.5	
MATIF Rapeseed Spot	373	373	0	
CBOT S-Beans Mar 16	873.4	874.4	-1	
CBOT S-Beans Nov 16	887.6	888.2	-0.6	
AUD/USD	0.7117	0.72	-0.008	
AUD/CAD	0.9902	0.9902	0.000	
AUD/EUR	0.629	0.6427	-0.014	

2015/16 FIS Prices				Basis Usc/bu			
Wheat APW1							
12/02/2016	This Week	Last Week	Change	This Week	Last Week	Change	
Albany	280	276	4	84	68	16	
Esperance	271	274	-3	66	64	2	
Kwinana	280	279	1	84	73	11	
Geraldton	280	279	1	84	73	11	

Canola ISCC 15/16			
Albany	546	554	-8
Esperance	546	554	-8
Kwinana	546	555	-9
Geraldton	520	526	-6

Feed Barley 15/16			
Albany	226	223	3
Esperance	223	225	-2
Kwinana	228	227	1
Geraldton	217	215	2

AUSTRALIAN DOLLAR

The Aussie back at the 71¢ mark this week.

Mike Saunders.
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