



Grain Brokers
AUSTRALIA
Ahead of the Market



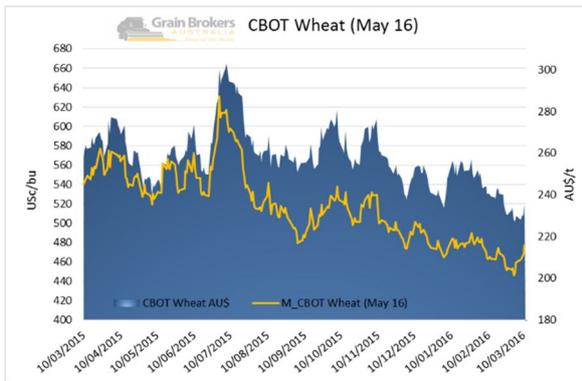
WEEKLY REPORT

12 March 2016

WHEAT

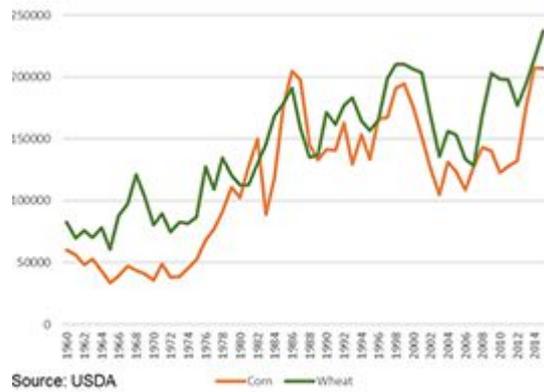
Wheat futures closed higher for a second consecutive week mainly due to a weaker US\$ and rising weather concerns from the US.

CBOT March 16 futures finished the week at 477US¢/bu up 17.4 US¢/bu from the previous week. Prices rose above the 50 day moving average of US\$4.65, but still below the 100-day moving average of US\$4.81.



Last week's USDA World Agricultural Supply and Demand Estimates (WASDE) was a relatively uneventful report, but we did see a reduction in production and world ending stocks. The USDA finally reduced the Australian wheat production down by 1.5 million mt and Indian production was reduced by a further 2.4 million mt to 86.5 million mt (and we are likely to see further reduction as heavy rain and hail is compounding worries for the Indian crop.)

The WASDE reduced end stocks by 1.2 million mt from their February report. The drop leaves ending stocks at 10.7% higher year on year and the highest ending stocks on record.

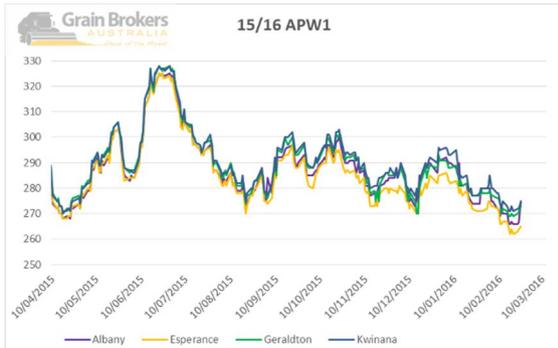


The US wheat market has become more concerned about the dryness across the winter wheat producing regions particular in Kansas (now rated at 56% good to excellent). The market now focuses on the cold weather forecast set to hit the Southern Plains over the next few days, the cold weather will put the HRW crop at risk of frost damage, especially after the recent run of warm weather brought a larger than normal percent of the crop out of dormancy early.

Heavy rain and hail is compounding worries for Indian wheat production, with an already reduced output due to dry conditions since planting. The crop is now being impacted by untimely rains. Harvest typically commences

in late March / early April but could be delayed by up to two weeks.

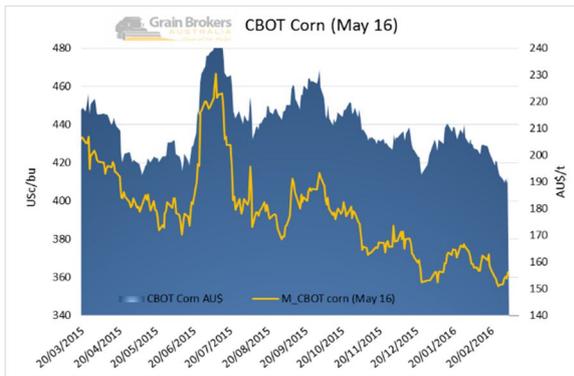
Unfortunately Aussie farmers are not benefiting from the global rise in commodity values, as our rallying Australian dollar holds back local pricing.



There is talk that wheat from WA has been sold to India and more could be needed in the short to medium term.

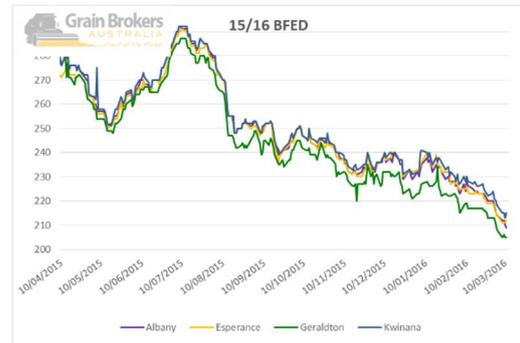
CORN/BARLEY

Corn prices have traded above the crucial support of US\$3.60. March 16 CBOT corn futures settled the week at US\$3.626 per bushel.



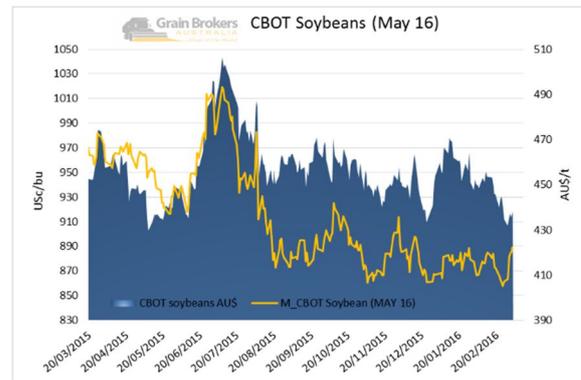
The situation with corn is largely similar to that of wheat, with a reduction in end stocks of 1.8 million mt from the previous report. This drop was largely due to a reduction in estimates of Brazilian stockpiles, and reduced production in South Africa due to drought conditions. The drought in South Africa caused by El Niño, has resulted in the country importing corn from Ukraine, South America and Mexico.

The firmer AUD has hurt barley prices this week as has a lack of demand with prices falling back again.

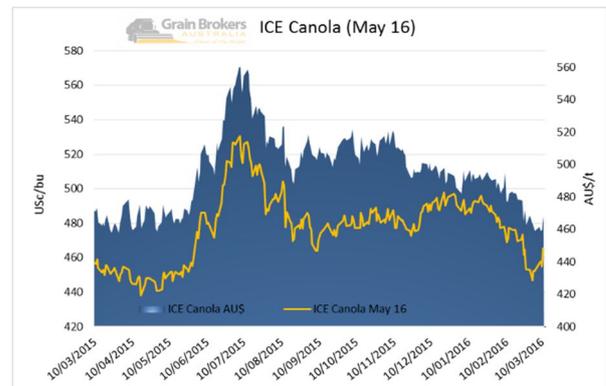


BEANS/CANOLA

Chicago May-16 soybean rallied and settled at 889.2 US\$/bu on Friday, the sharp rise owing to strong soybean oil exports.



Canola followed soybean over the week with ICE Canola March 16 finishing at CA\$465.3 up CA\$13/t for the week.

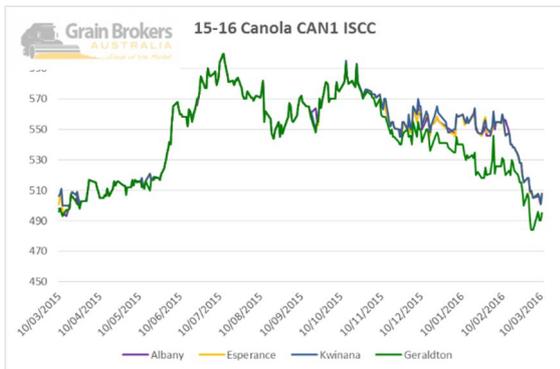


Last week's WASDE report saw US ending stocks at 12.5 million mt a 272,000t increase, on account of lower domestic demand.

However on a global scale ending stocks were reduced to 79 million mt (still a record.)

The strength of the Brazilian real, as well as strong demand for US soybeans helped to support US soybean prices last week. On Friday, the Brazilian real rose to an over six month high against the dollar, reducing the relative competitiveness of Brazilian exports. A planned trucking strike in Brazil failed to materialize into anything meaningful. There were no reports of any disruptions. Another supporting factor has been delays faced by soybean shipments in Brazil, with ship line-ups of up to 57 days reported at southern Ports.

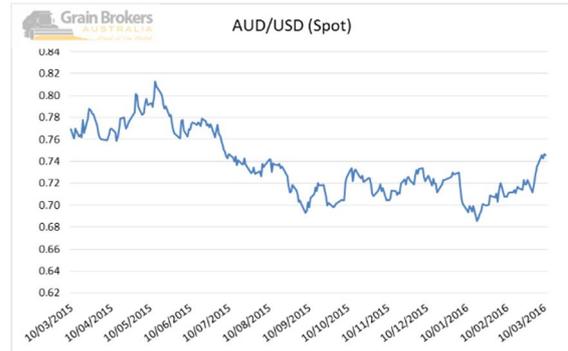
With Brazilian harvest now at 41% complete the Brazilian government crop supply agency Conab lifted its forecast for soybean production last week to a record 101.2Mt. The latest forecast is 250Kt higher than January's forecast, on account of gains in area planted and yields.



AUSTRALIAN DOLLAR

The Australian dollar has rallied strongly over the past week. The Aussie dollar has gone above the US74 cents mark for the first time this year.

A recent recovery of the oil and iron ore prices and better than expected GDP figures have buoyed the AUD.



MARKET OVERVIEW

	12/03/2016	This Week	Last Week	Change
CBOT Wheat May 16		477	459.6	17.4
CBOT Wheat Dec 16		506	490	16
Kansas Wheat May15		482.25	466	16.25
MGEX Wheat May 15		512.5	498	14.5
Paris Wheat Spot		154.25	171	-16.75
CBOT Corn May 16		362.6	356.4	6.2
CBOT Corn Nov 16		381	375.4	5.6
MATIF Corn Spot		151.75	171	-19.25
MATIF Malt Barley Spot		214	214	0
ICE Canola May 16		465.3	452.3	13
ICE Canola Nov 16		470.6	463	7.6
MATIF Rapeseed Spot		349.75	373	-23.25
CBOT S-Beans May 16		889.2	863.6	25.6
CBOT S-Beans Nov 16		900.6	878	22.6
AUD/USD		0.7456	0.7348	0.011
AUD/CAD		0.9944	0.9857	0.009
AUD/EUR		0.6673	0.6711	-0.004

2015/16 FIS Prices				Basis Usc/bu		
Wheat APW1						
12/03/2016	This Week	Last Week	Change	This Week	Last Week	Change
Albany	275	267	8	61	54	7
Esperance	265	264	1	41	49	-8
Kwinana	275	273	2	61	66	-5
Geraldton	273	270	3	57	60	-3

Canola ISCC 15/16			
Albany	508	505	3
Esperance	508	505	3
Kwinana	508	505	3
Geraldton	495	484	11

Feed Barley 15/16			
Albany	209	214	-5
Esperance	212	214	-2
Kwinana	215	218	-3
Geraldton	205	208	-3

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