



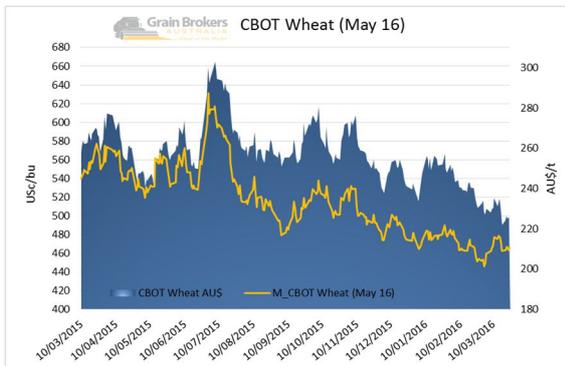
WEEKLY REPORT

24 March 2016

WHEAT

Wheat futures closed slightly higher for the week as wheat found support from increased export sales and reduced air temperatures in the grain growing regions of the US which could damage wheat.

CBOT March 16 futures finished the week at 463US¢/bu up 1 US¢/bu from the previous week.



Weather concerns in the US, short covering of funds and the pending release of the US planting intentions survey results have all contributed to the upward movement of international futures prices over the last week.

Fears of frost damage in most of the winter wheat growing states, as temperatures across eastern Kansas and Nebraska dropped below forecasts to -14C, combined with dry conditions across the southern Plains, could potentially have a negative impact on production. According to MDA Weather

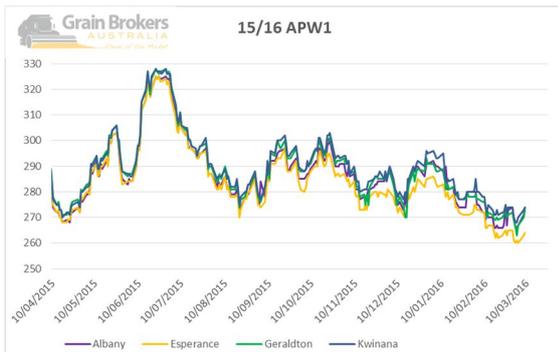
Services, dryer than normal conditions are expected to persist over the next 15 days across the southern plains,

In Kansas, 20% of the winter wheat crop is jointed vs the 7% average & 3% at this time last year, while Oklahoma sits at 38% jointed vs 33% average. From this we can see the crops have developed ahead of schedule this spring. With a few overnight frosts in the books and possibly more to come this week, as much as 10% of the U.S. wheat belt could see some damage, with as much as 2% already written off.

Crops in Europe continue to look relatively decent as forecasts for both the short-term and long-term weather do not suggest below-freezing temperatures that could adversely affect crops. 92% of French wheat crops were rated in good or very good condition and the crop is about 2 weeks ahead of normal pace, suggesting an early harvest.

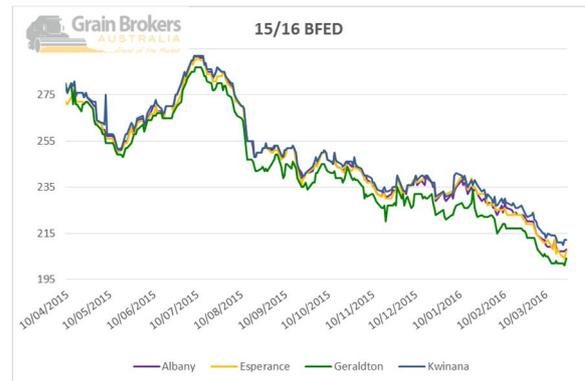
The worst looks to be seen in Eastern Europe as 10% of the wheat crop was lost to a January freeze, 30-40% of crops in some areas of Ukraine will be lost to dryness, and Romanian producers are expecting slightly lower yields than last year. Overall, MARS is expecting wheat yields across the EU-28 to fall by 5% in 2016. Despite a decrease from last year's high levels, if realised, the yields would still be higher than the five year average. Total wheat yield in 2016 is predicted at 5.7t/ha.

The world's second largest wheat producer, India, has extended a 25% import tax on wheat by a further three months. The import tax was increased from 10% to 25% in October 2015 to help protect domestic producers from cheaper imports. Concerns over the size of the current harvest arose after dry conditions affected planting/early growth of this year's crop. Furthermore, wet weather earlier this month is feared to have damaged some of this season's crop. Harvest is expected to start at the end of March/early April.



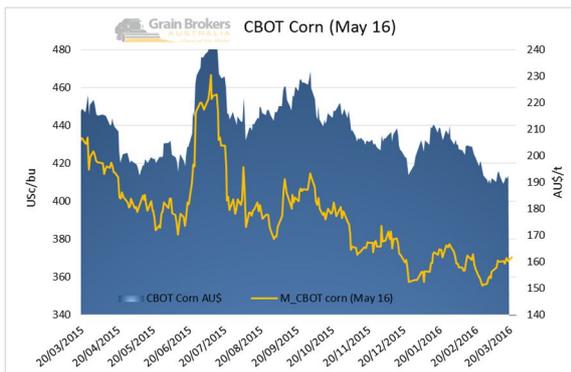
more than the Buenos Aires Grain Exchange's estimate of 25 million mt. The government have put the step change in maize production expectations down to a surge in late maize planting

China, which has been a key market for barley over the past two years, continues to display a trend of ever decreasing grain imports. China imported 261,000 mt of barley in February, the lowest monthly barley imports in 15 months.



CORN/BARLEY

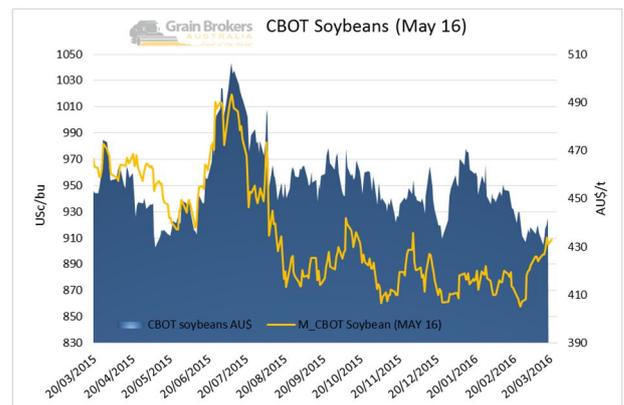
Corn prices have traded above the crucial support of US\$3.60. March 16 CBOT corn futures settled the week at US\$3.684 per bushel.



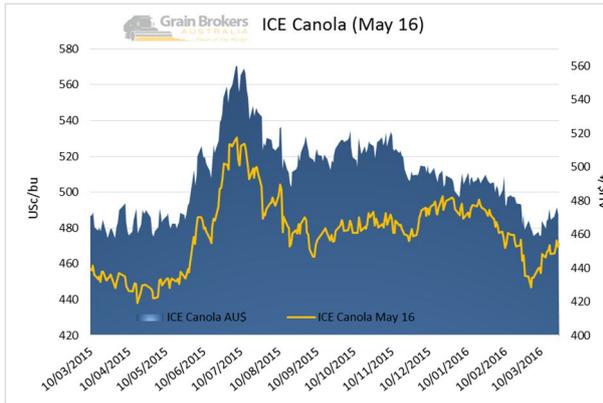
Argentine maize production is forecast to hit record highs this season, according to the latest estimates from the Argentine government on Wednesday. At 37 million mt, the latest estimate is well above the current USDA forecast of 27million mt and much

BEANS/CANOLA

Chicago May-16 soybean rallied and settled at 905.2 US\$/bu on Thursday, the sharp rise owing to stronger trade data.



Canola followed the oilseed market and ICE Canola March 16 finishing at CA\$470 up CA\$4.52/t for the week.



prices may have been a factor for the dollar, as crude oil and iron ore futures were sold off.

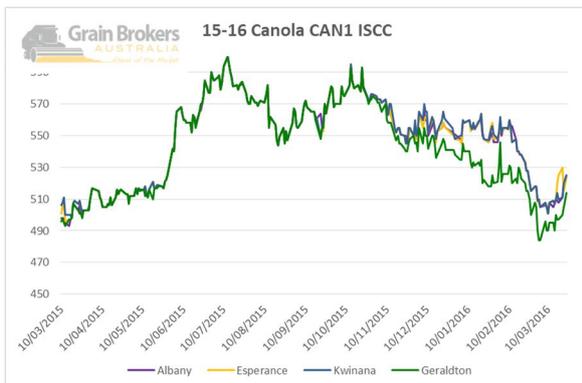


Argentine soyabean output was pegged at 60.9 million mt by its government in the first official estimates of the season. This is above both the latest estimates from the Buenos Aries Grain Exchange at 58 million mt and USDA at 58.5 million mt. Harvesting has just begun in the country, with 1% cut by 23 March.

Chinese imports of soyabeans are running ahead of current forecasts this season, with further growth predicted for 2016/17. So far this season (Oct-Feb), China has imported 32.2 million mt, up 8% on the same period last season and ahead of the 5% growth rate the USDA expects in 2015/16 as a whole. Imports are predicted to grow by a further 3Mt in 2016/17 by US attachés – read more here. Higher Chinese demand could help soak up some of the global record crops expected this season.

MARKET OVERVIEW

	24/03/2016	This Week	Last Week	Change
CBOT Wheat May 16		463	462.4	0.6
CBOT Wheat Dec 16		495.2	493.4	1.8
Kansas Wheat May15		473	470.25	2.75
MGEX Wheat May 15		512	509.75	2.25
Paris Wheat Spot		155	153.5	1.5
CBOT Corn May 16		368.4	368.4	0
CBOT Corn Nov 16		386	387.2	-1.2
MATIF Corn Spot		154	153.5	0.5
MATIF Malt Barley Spot		214	214	0
ICE Canola May 16		469.5	465.5	4
ICE Canola Nov 16		475.5	476.7	-1.2
MATIF Rapeseed Spot		362.75	356.5	6.25
CBOT S-Beans May 16		905.2	897.6	7.6
CBOT S-Beans Nov 16		917.2	909.2	8
AUD/USD		0.7531	0.7653	-0.012
AUD/CAD		0.9952	0.9934	0.002
AUD/EUR		0.6735	0.6763	-0.003



	2015/16 FIS Prices			Basis Usc/bu		
	Wheat APW1					
24/03/2016	This Week	Last Week	Change	This Week	Last Week	Change
Albany	271	266	5	70	70	0
Esperance	264	258	6	56	53	3
Kwinana	275	268	7	79	74	5
Geraldton	273	266	7	74	70	4

Canola ISCC 15/16			
Albany	527	508	19
Esperance	524	525	-1
Kwinana	527	510	17
Geraldton	514	497	17

Feed Barley 15/16			
Albany	208	207	1
Esperance	207	205	2
Kwinana	212	211	1
Geraldton	204	202	2

AUSTRALIAN DOLLAR

The Australian dollar is trading lower this week, at the 75.3¢ mark. Falling commodity

Mike Saunders.
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