



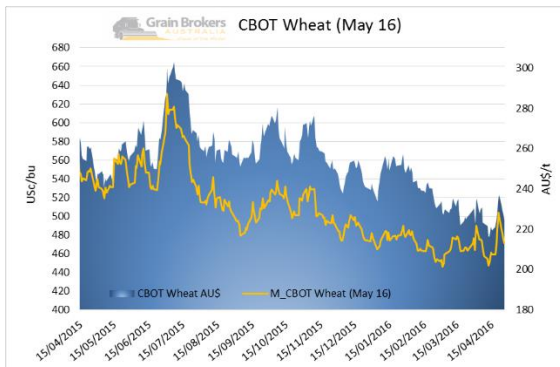
WEEKLY REPORT

26 April 2016

WHEAT

Wheat futures rallied last week, as funds extended technical short-covering and reports of firmer export demand helped futures to climb.

CBOT March 16 futures finished the week at 457 US¢/bu down 16.2 US¢/bu from the previous week.



After a period of dryness which provided support to US wheat futures, rains over the weekend and with more on the near horizon, has put pressure on prices.

The USDA released the first weekly crop progress report for 2016 – the report was bearish for wheat with 59% of US winter wheat crops were rated as in a good or excellent condition, well above last year’s 44% rating. The rating is the highest for this stage in the season since 2010, when 65% of crops

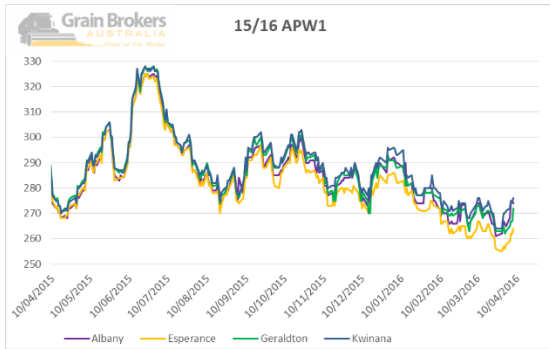
were classed as being in a good/excellent condition. US spring wheat is now at 13% planted.

Early forecasts for the 2016 Russian and Ukrainian wheat crops have been released restating concerns for Black Sea production next season. However, these concerns alone do not appear to be large enough to be to have any real effect on pricing.

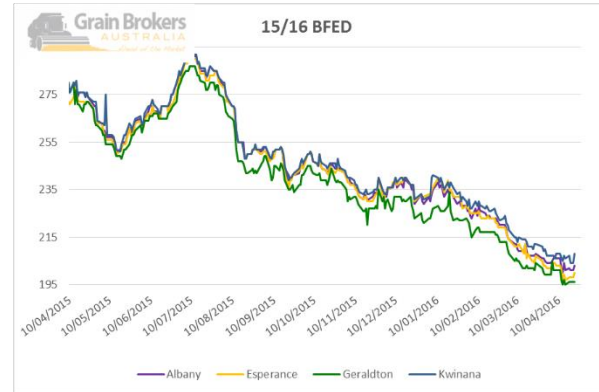
The Ukrainian state weather centre has reduced the crop forecast by 35% from 2015/16 at 17 million mt. This forecast is based on losing approx. 1 million ha of the winter wheat planted area due to insufficient snow cover over. UkrAgroConsult however are forecasting slightly higher production at 18.5 million mt due to favourable spring weather, this is still far below this season’s crop of 26.5 million mt

Russia has forecast their crop at 57 million mt from 62 million mt this season, a cold weather forecast is expected for April/May, and as a result some growers are expected to reduce the spring wheat area they sow.

US wheat was the cheapest in the latest Iraq tender at US\$238/mt CNF (Aussie wheat offered at US\$249.75/mt CNF and Canadian at higher levels still!).



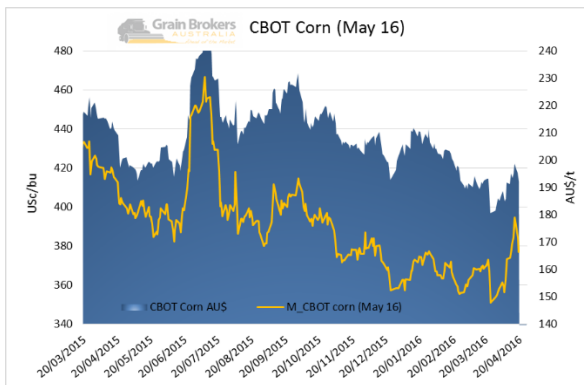
Following on from last month's announcement of China scrapping its 9 year corn stockpiling scheme, China's ministry of agriculture is planning on reducing the area planted to corn by 3.3 million ha in favour of increased soybean plantings.



BARLEY/CORN

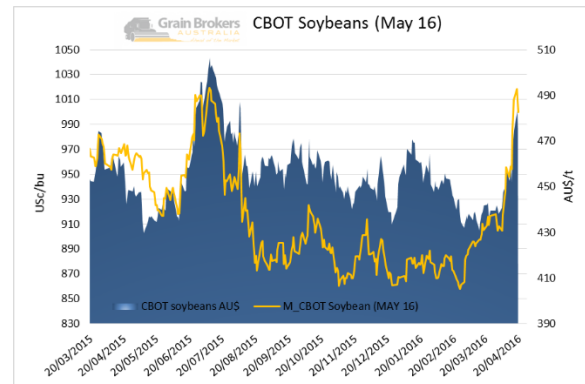
Unlike Wheat, Chicago May-16 corn futures closed up on the week. The increase is thought to be prices recovering from the previous week's losses due to the USDA report release and poor US planting conditions.

Corn settled at 361.4 US¢/bu, up 10 US¢/bu for the week.



BEANS/CANOLA

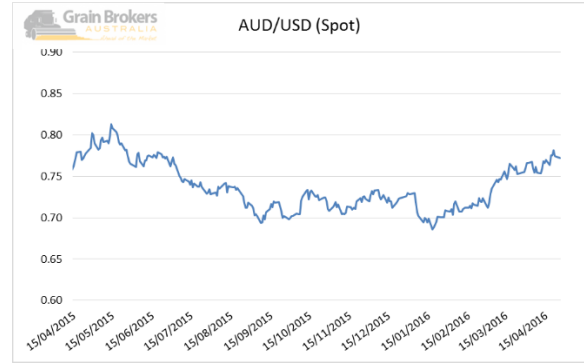
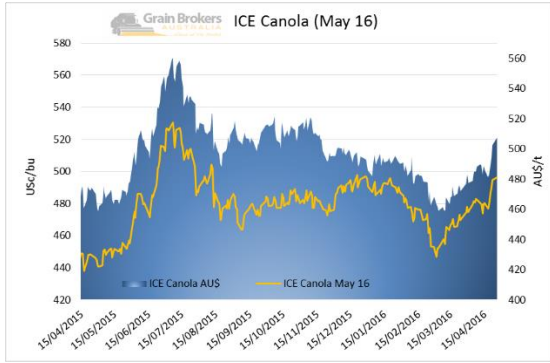
May-16 Chicago soybean futures prices recorded a slight decrease on the week of 4.8 US¢/bu, settling at 904.4 US¢/bu.



Argentina's corn sowings for 2016/17 is forecast to increase to 4.2Mha in light of policy changes. The corn area is expected to have a year-on-year increase of 24%.

The change is due to farmers being more incentivised to plant corn, because of new policies and better returns. The changes in policy include the elimination of export taxes and limitations for corn and wheat. Also with better crop practices, i.e. Crop rotations after years of back to back plantings of soybeans and improved seed technology, yields are expected to be high.

Canola futures recorded a marginal increase closing CA\$482.2/t for the week.



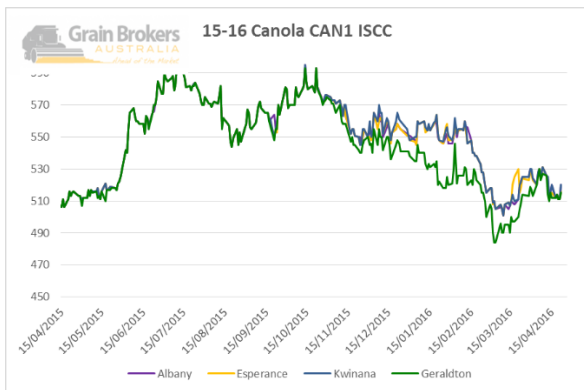
China aims to boost soybean plantings in order to stabilise production of the oilseed, to try and meet human domestic demand. China the largest importer of soybeans in the world, is forecast to import 82Mt In 2015/16 an increase of 5% year on year. So far this marketing year (Oct-Feb) China has imported 32.2Mt of soybeans, 8% ahead of the pace a year earlier.

Wet weather in Argentina is slowing harvest progress there and will also likely to cause some crop losses. Informa has lowered the Brazilian bean production to 100.5 million mt vs last estimate of 101.3 million

Canola remains well supported and firmer for the week with a smaller EU crop providing support.

MARKET OVERVIEW

	22/04/2016	This Week	Last Week	Change
CBOT Wheat May 16	495.6		459.6	36
CBOT Wheat Dec 16	527.4		492.6	34.8
Kansas Wheat May15	488.5		455.3	33.2
MGEX Wheat May 15	543.5		522.5	21
Paris Wheat Spot	153.3		153.75	-0.45
CBOT Corn May 16	384.4		374	10.4
CBOT Corn Nov 16	393.4		385.4	8
MATIF Corn Spot	163		156.25	6.75
MATIF Malt Barley Spot	214		214	0
ICE Canola May 16	494.7		480.1	14.6
ICE Canola Nov 16	493		483	10
MATIF Rapeseed Spot	380.25		371.75	8.5
CBOT S-Beans May 16	1018.6		948	70.6
CBOT S-Beans Nov 16	998.4		959.2	39.2
AUD/USD	0.7746		0.7697	0.005
AUD/CAD	0.9854		0.9889	-0.003
AUD/EUR	0.686		0.6832	0.003



2015/16 FIS Prices				Basis USc/bu			
Wheat APW1							
22/04/2016	This Week	Last Week	Change	This Week	Last Week	Change	
Albany	274	266	8	62	77	-15	
Esperance	264	256	8	41	56	-15	
Kwinana	274	270	4	66	86	-20	
Geraldton	272	262	10	57	69	-12	

Canola ISCC 15/16			
Albany	520	520	0
Esperance	516	515	1
Kwinana	520	520	0
Geraldton	515	512	3

Feed Barley 15/16			
Albany	203	201	2
Esperance	200	197	3
Kwinana	208	206	2
Geraldton	196	195	1

AUSTRALIAN DOLLAR

Poor Australian construction data released on Thursday was the main catalyst for the lower A\$. The Australian dollar at 0.7511 down 16 points from last week.

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