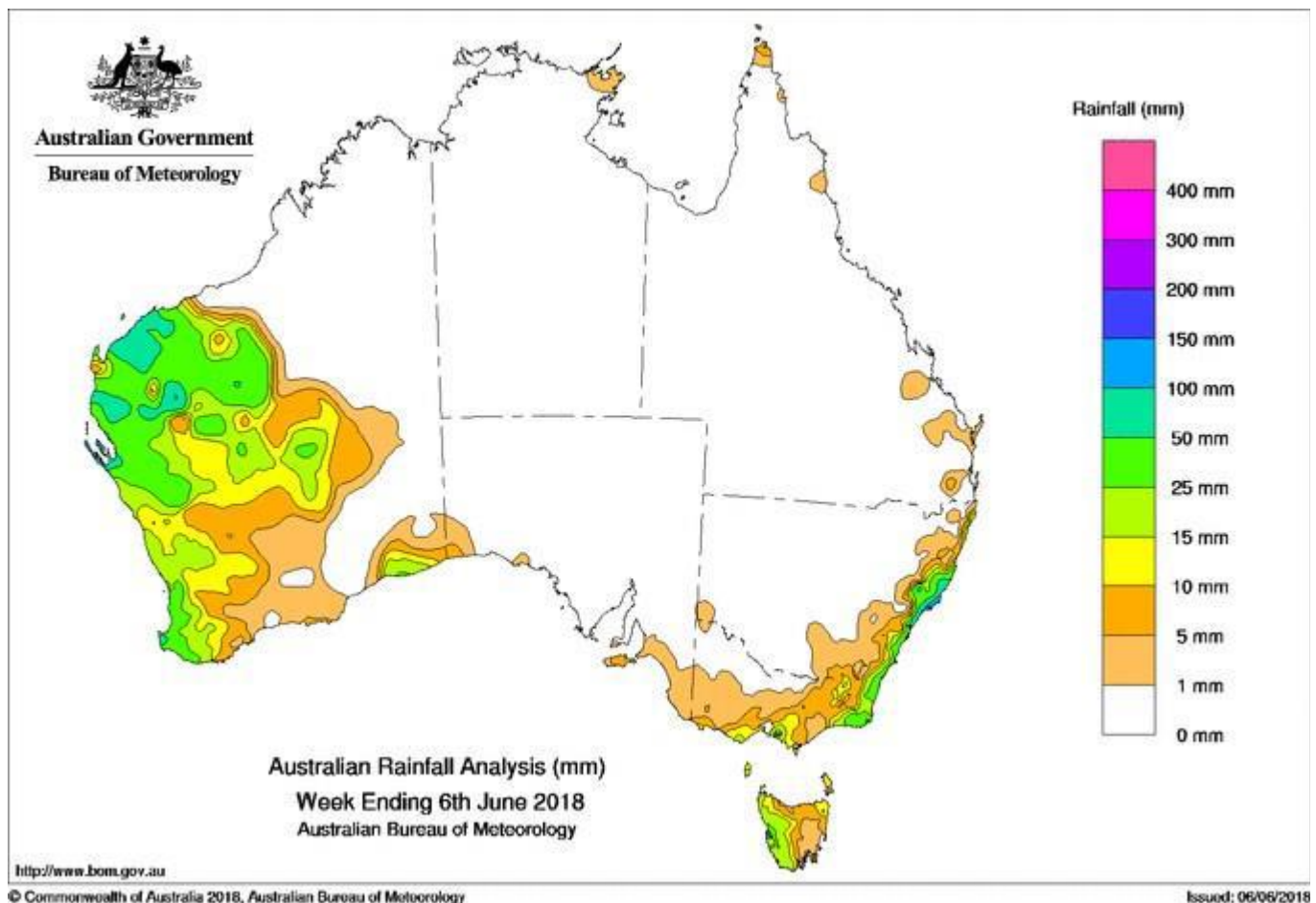


	This Report	Last Report	Change
AUD/USD (Spot)	\$0.7649	\$0.7568	\$0.0081
CBOT Wht USC/Bu (Jul 18)	528.5	519	9.50
CBOT Corn USC/Bu (Jul 18)	380.5	394	-13.50
ASX Wht AUD/MT (Jul 18)	\$323.00	\$328.00	-\$5.00
ASX Bar AUD/MT (Jul 18)	\$305.00	\$296.50	\$8.50



Weather & Crop Conditions

Northern NSW and Queensland have kept dry throughout the week and current forecasts present little relief for the drought conditions that have persisted throughout the winter cereal planting window. In Victoria, rainfall totals have almost reached average levels for this time of year and the new crop is well planted with further rainfall expected throughout next week. Southern parts of NSW are also expected to receive some decent rainfall next week which should ease some concerns over new crop production levels. The large rain event received throughout WA this week was positive for crop development and has promoted further confidence in new season production levels.

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Wheat – Global

Wheat markets were firmer this week with CBOT futures running higher again. Ongoing concerns around dry conditions in the southern areas of Russia and the slow planting pace in the North Eastern spring regions were the main focus of the market. Harvest results in HRW are mixed on both the yield and protein front. Spring wheat conditions in both the US and Canada are good with MGEX futures continuing to lose ground against Chicago and Kansas. Conditions in Australia are starting to improve with Western Australia continuing to get rain and some good falls forecasted for the Southern areas of the East Coast.

Coarse Grain – Global

Conditions of the 18/19 barley crop are varied among the major origins. After a hot and dry May very good rainfall has been received right across the Canadian prairies in the past week, with the large majority of the crop in the ground this rain could not have been more timely and as such conditions are very good. Dry conditions persist in the Baltics, Southern Russia, Ukraine and parts of Germany. Following a dry April and May for Ukraine and Southern Russia the first cuts of winter barley will be made shortly. Crop conditions are excellent for France and Spain with more than adequate moisture received over the past few months. Jordan purchased 120kmt for Sep/Oct at CFR USD222, besides Jordan activity on export markets has been subdued over the past week.

Wheat – Australia

Some confidence in new crop production levels developed this week off the back of an improved rainfall outlook in both Victoria and Southern New South Wales. This confidence allowed track values to soften slightly in both the old and new crop markets and saw the spread to delivered Darling downs widen. In both QLD and Northern NSW liquidity has remained tight and old crop values firm in the face of persistent dry weather and growing concerns over new season production levels. With the end of the planting window approaching, the spread to new crop tightened week on week as it becomes more likely that the intended area will not be planted in time.

Coarse Grains – Australia

New crop markets have remained steady throughout the week reflecting the net effect of improved crop conditions on the West coast and Victoria and deteriorating conditions for northern NSW and QLD. The rainfall forecast for Victoria next week has encouraged some release of old crop from growers however liquidity in the north remains stagnant.

Sorghum markets stabilised this week with old crop values beginning to firm following the dramatic declines that resulted from the China Sorghum announcement in mid-May. Export demand from China has remained non-existent with the spread to wheat providing the primary support at these values. This Chinese demand is not expected to return soon with a seasonal period of low buying predicted throughout June.

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