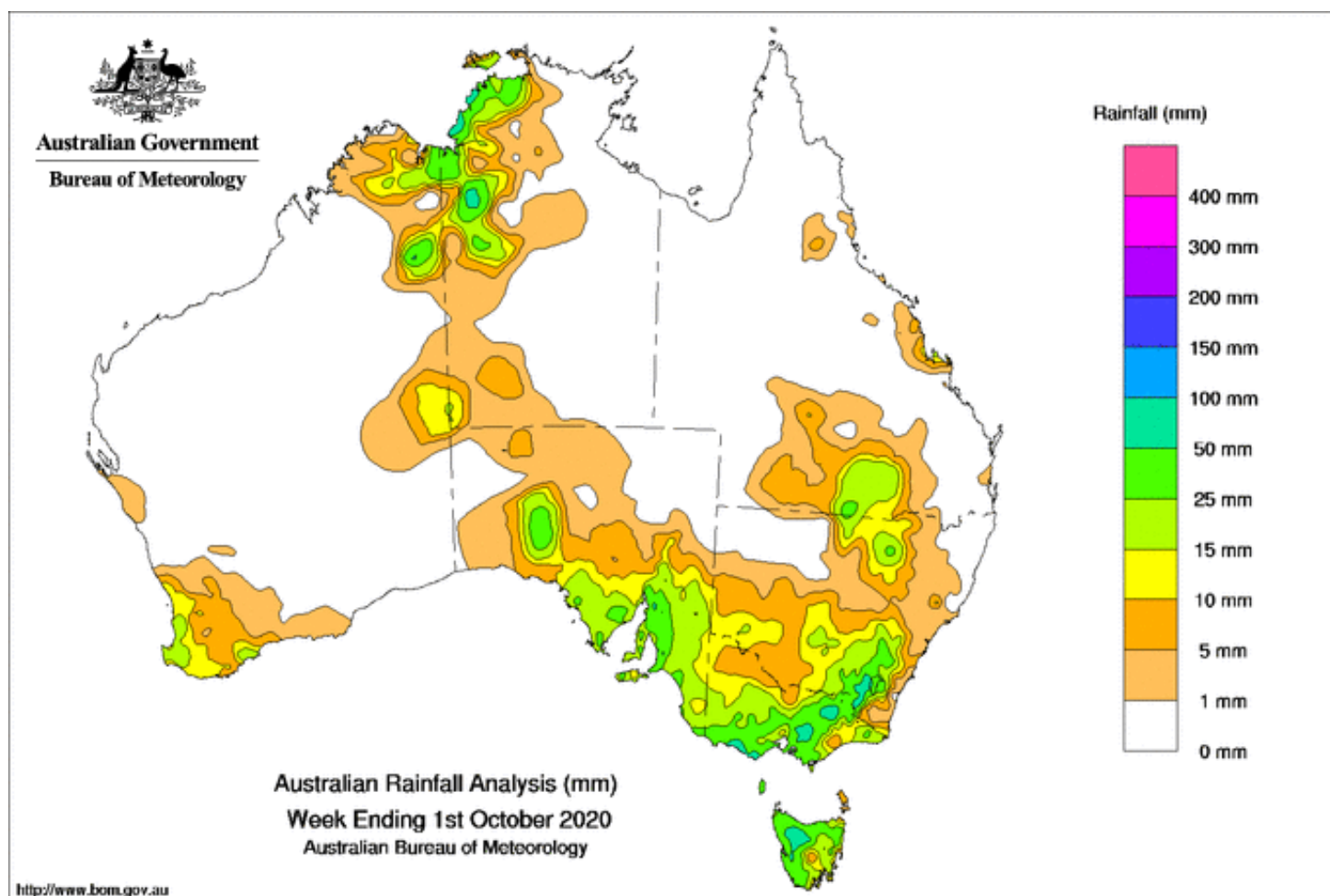


	This Report	Last Report	Change
AUD/USD (Spot)	\$0.7185	\$0.7036	\$0.0149
CBOT Wht USC/Bu (Spot)	576.5	543.25	33.25
CBOT Corn USC/Bu (Spot)	381.5	364.5	17.00
ASX Wht AUD/MT (Nov 20)	\$304.00	\$300.00	\$4.00
ASX Bar AUD/MT (Nov 20)	\$230.00	\$230.00	\$0.00



Weather & Crop Conditions

Weather over the last week has remained positive with significant falls occurring in South Australia, Victoria and parts of NSW/QLD. The rain received in South Australia and Victoria continues the trend of improved conditions with the Victorian crop most likely to benefit the most from continued substantial rain as has been seen over the last few weeks. South Australia and Victoria are also tipped to get another round of significant falls starting early next week and continuing throughout the week. The rain is expected to bring upwards of 80mm to most South Australian and Victorian growing regions providing ample finishing rain and further improving soil moisture gains of the last few weeks. NSW and QLD were relatively quiet with isolated storms bringing good rainfall mostly to the Northern boarder region and Southern NSW. Crop conditions in NSW remain excellent with more moisture further adding to ample supplies. Western Australia once again remains dry with rain failing to make its way into the interior. Western Australia's weather forecast isn't great although a system arriving late next week is expected to bring an important 15mm to a large portion of the growing region.

Wheat – Global

International wheat markets have been thrown a curve ball by the USDA this week with lower than expected US stocks sending funds to the buy side and pushing wheat near the limit up at one state last night. According to the USDA, a lower production and increased exports will push quarterly stock numbers in the US down 8% from last year, leading to what will be the lowest stocks seen in the US since 2015 and a rallying futures market. Although to a lesser extent, other markets soon followed the US with the Black Sea and European markets trading higher with Russian and Ukraine dryness ahead of winter dormancy also adding to the rally. The result of these concerns was a €5.50 grain in Matif futures, the largest 1-day price rise for two years. Closer to home, Aussie wheat has been removed from the “cheapest” wheat label into South East Asia by Argentinian after needed rainfall arrived and relaxed Argy prices. With all this news over the last week, importers have become quiet in the short term as they begin to digest the new pricing levels and dynamics.

Coarse Grain – Global

Global barley markets have been stagnant this week with better moisture through Europe and Ukraine seeing German offers come into the market with more aggression, forcing Black Sea longs to at least indicate a sell level. That being said, markets in the Black Sea today are nominally unchanged off yesterday’s offers as markets are once again remarkably ill-defined with very little trading. Similarly, to wheat, planting conditions in the Black Sea are less than ideal and Ukraine’s Agriculture Ministry is projecting an 11% reduction in winter barley acres for next year with only 6% planted so far. Aussie barley remains the cheapest pathway into Saudi and Japan, and still looks competitive into Thailand against global feed wheat values. The lack of nearby demand, better European conditions and impending Australian harvest should keep values in check for the time being.

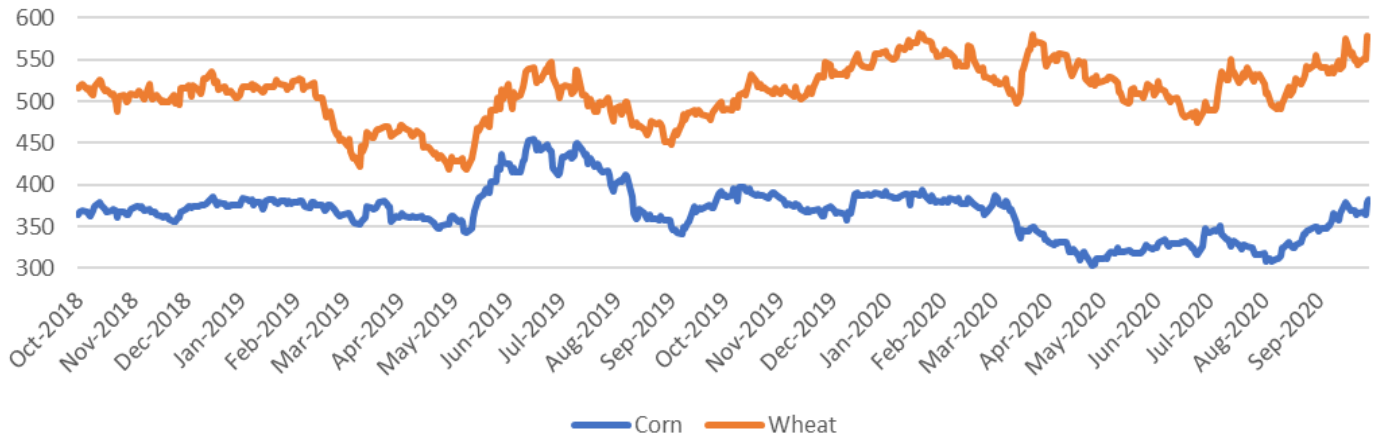
Wheat – Australia

Domestic wheat prices have rallied this week, influenced by US and European futures markets rallying off planting problems and stock revisions. This rally sees flat price further run away from domestic consumer’s buying targets and with a favourable weather forecast for South Australia and Victoria, many are happy to wait out the rally for harvest pressure. There remains plenty of export inquiry for Aussie wheat not only in the fast filling Nov/Dec shipment period but now pushing further into the first half of 2021. With consumers sitting on the sidelines, the overseas demand is welcomed considering the increase in flat price has plenty of farmers happy to market their wheat as we fast approach harvest.

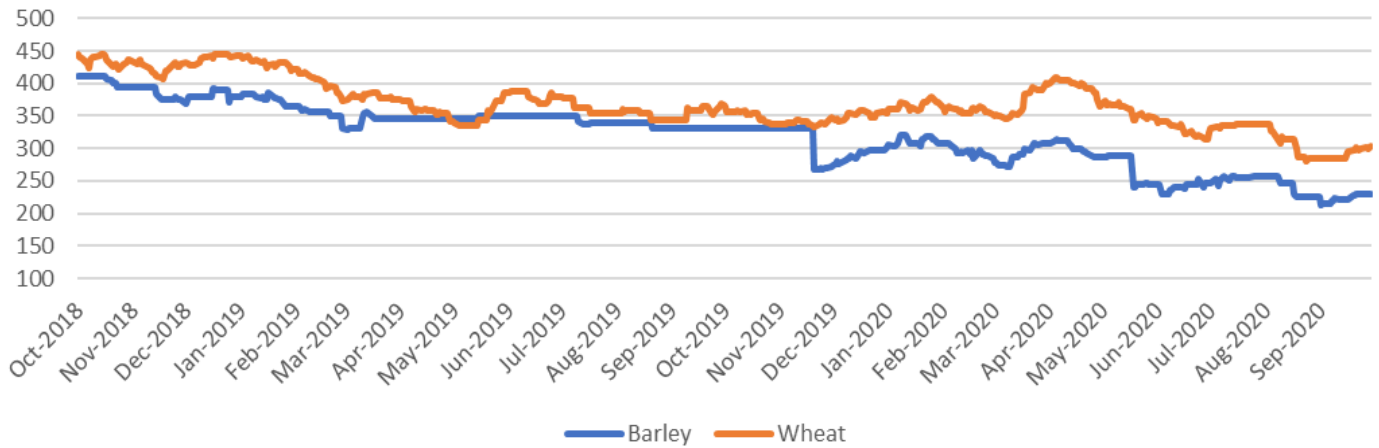
Coarse Grains – Australia

Aussie sorghum markets have been firm over the last week with tightness in the old crop keeping values firm and good international relativities to export destinations keeping new crop supported. Old crop sorghum tightness is no surprise considering the size of the crop this year although good container demand for the small crop has seen stocks tighten and trading slow. New crop export relativities, mostly compared to US sorghum, are positive and supporting new crop prices. These international relativities and fluctuating currency should drive sorghum markets for the next few weeks. Barley markets have been largely benign this week with grower, consumptive and trade interest lacking while overseas markets push domestic prices higher. Favourable rains are providing more confidence in production forecasts meaning consumers are happy not to readjust their buying targets whilst international demand pushes domestic barley prices higher. Despite prices rallying, barley in Victoria is still \$70/t under wheat meaning growers are marketing their wheat and canola before their barley, slowing liquidity access.

Spot CBOT Corn & Wheat (USC/BU)



ASX Barley & Wheat (AUD/MT)



Spot AUDUSD Currency

