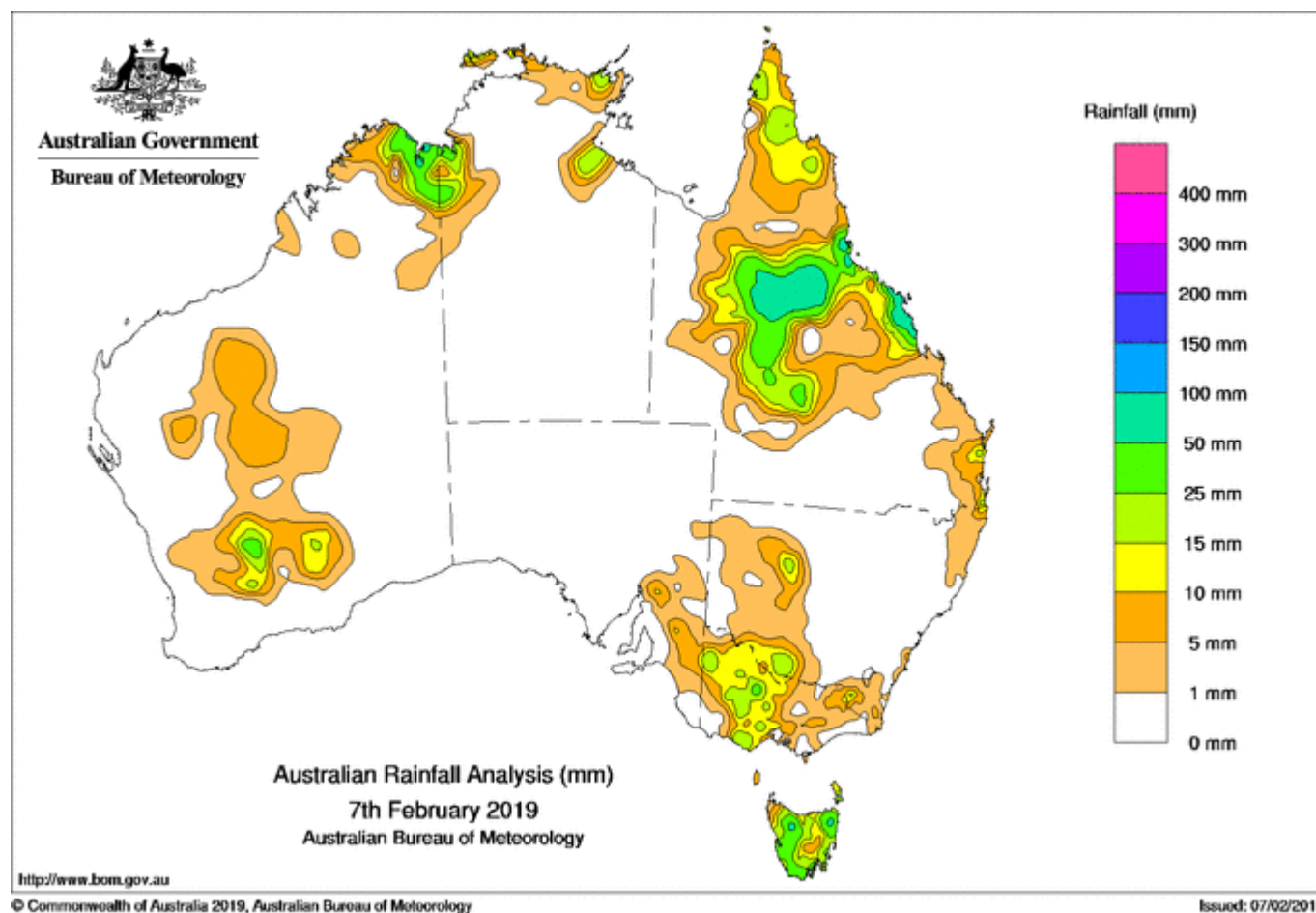


	This Report	Last Report	Change
AUD/USD (Spot)	\$0.7094	\$0.7269	-\$0.0175
CBOT Wht USC/Bu (Spot)	523.5	517.5	6.00
CBOT Corn USC/Bu (Spot)	379.25	381	-1.75
ASX Wht AUD/MT (Jan 20)	\$347.00	\$342.50	\$4.50
ASX Bar AUD/MT (Jan 20)	\$280.50	\$286.00	-\$5.50



Weather & Crop Conditions

Dry weather has persisted for another week over sorghum crops and current forecasts fail to indicate any relief from the dry conditions in the next 7-days. Substantial rainfall in Northern Queensland did not manage to push further south to cropping regions in Central Queensland and planted area is expected to suffer. Temperatures remained hot last week in Southern Queensland but didn't reach levels near the extremes experienced throughout January. Victoria again reached temperatures over 40 degrees last weekend however a cool change can be expected for the coming week. Whilst the winter crop planting window is not yet open, soil moisture deficit's and disappointing rainfall forecasts have not generated a great deal of confidence.

Wheat – Global

International wheat futures and physical markets were fairly quiet this week with many on holidays for Chinese New Year. US futures were slightly firmer continuing to maintain the recent price range, while the Australian domestic market had a softer bias perhaps taking the lead from the international barley market. Friday will see the markets attention focused on global fundamentals with the USDA WASDE report, while catchup market data releases continue following the US Government shutdown in January.

Coarse Grain – Global

Global barley markets continue to slide with lacklustre demand dragging old crop markets lower and crop conditions in Europe and the Black Sea weighing on new crop markets. New crop tender business continues to get booked at lower and lower values by the week and there is little fundamental news to feed the bulls at this stage. New crop Argentinian corn conditions are reportedly excellent and rainfall in the past week (with more forecast) has eased concerns of dry conditions in Brazil as we move through second corn planting. WASDE is out tonight, albeit a month late, with the trade focusing on US ending stocks and Argentinian and Brazilian production and exports.

Wheat – Australia

Old crop wheat has dragged lower for another week across the east coast with barley's contest into the feed ration leading the way. The spread between the two commodities has widened further with feedlot interest for wheat slowing. Delivered Downs values have dipped below levels that would encourage further wheat imports with consumers appearing covered in the short term. Even with a reduced share in the feed ration it is expected that a large inbound wheat program is still required, and values below import parity are not sustainable in the longer term.

Coarse Grains – Australia

Barley weakness continues to dominate east coast grain markets with values again softening in all Australian port-zones. Despite the poor condition's sorghum values have edged lower again with markets unable to detach from barley's declining feed values whilst export demand remains largely absent. In addition, some selling and harvest pressure has limited the potential for a sorghum weather rally.

