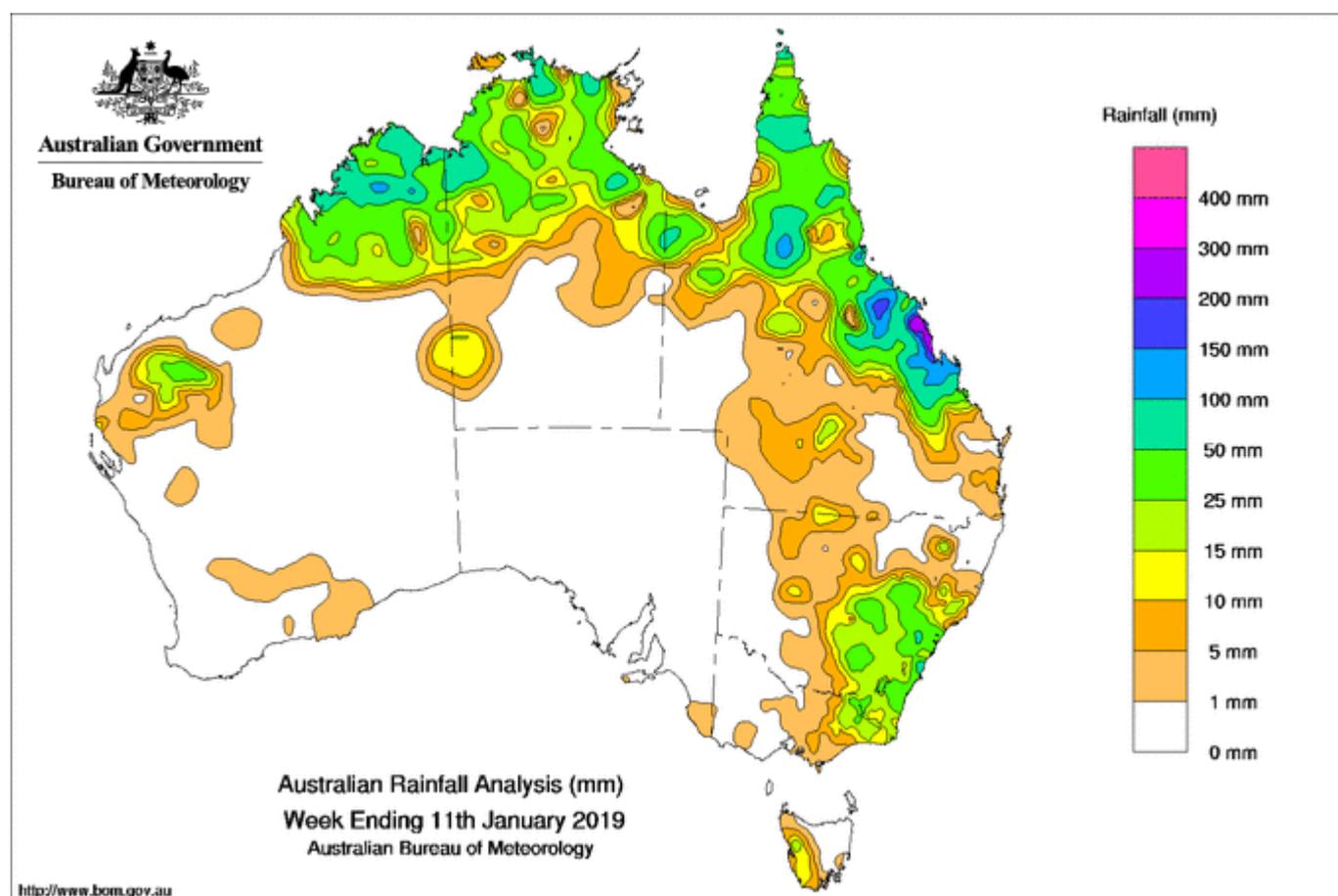


	This Report	Last Report	Change
AUD/USD (Spot)	\$0.7218	\$0.7117	\$0.0101
CBOT Wht USC/Bu (Spot)	517.5	523.25	-5.75
CBOT Corn USC/Bu (Spot)	378.5	376.5	2.00
ASX Wht AUD/MT (Jan 19)	\$434.00	\$444.00	-\$10.00
ASX Bar AUD/MT (Jan 19)	\$380.00	\$389.00	-\$9.00



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Weather & Crop Conditions

Australian sorghum growing regions have remained mostly dry this week with rainfall only reaching a small portion of Central Queensland off the back of recent cyclone activity. Temperatures in this region reached near 40 degrees each day last weekend with deviations from the average particularly significant just below the Queensland border. Total rainfall for the month of December was generally disappointing and concerns have developed for the later planted sorghum crops. Looking forward there is no relieving rainfall forecast across the next week in Queensland or New South Wales and the BOM continues to support a view of warmer than average temperatures for the remaining summer months across the country.

Wheat – Global

International wheat markets were slightly firmer this week and again traded both sides of the recent range. US Futures markets currently lack clarity with the US government shut down, and no commitment of trader's reports, US Export data or WASDE reports. The market has been left speculating whether positive developments between Chinese and US trade talks have translated into export business for grains and oilseeds. Locally, we have seen solid price inquiry for Australian wheat exports from Western Australia.

Coarse Grain – Global

Global barley markets have started 2019 in a lacklustre fashion with little activity reported over the Christmas and new year break. Overnight, Jordan has passed in their tender for 120kmt of feed barley and have issued another tender for 120kmt - a Saudi Grains Organisation tender in the coming weeks would certainly help to give some clarity to global feed barley markets. With Argentine barley harvest close to complete the focus now swings to 19/20 season winter barley crop conditions in Europe and the Black Sea region. US corn futures continue to be driven by China/US trade negotiations and reports of dry weather in Brazil's corn and soybean growing regions.

Wheat – Australia

Delivered Downs wheat values rallied last week in the nearby months with short covering seeing January invert over March values. Northern markets March forward had a softer tone this week in line with falling sorghum values however the spread to sorghum remains wider for the week. Wheat vessels were imported into all east coast Australian states in December and it is expected that demand for transhipments will continue across the year. Victorian harvest is now nearing completion with Wimmera and Western Districts crops displaying decent yields considering the significant frost events that occurred late in the growing season.

Coarse Grains – Australia

Sorghum markets have discarded gains from last week finding weakness in values off the back of small tonnages beginning to be harvested and the resulting increase in grower liquidity. Values have since plateaued finding a solid floor with unfavourable growing conditions persisting. Barley markets remained subdued over the Christmas and New Year period however shipping pace has been very brisk with approximately 2mmt on the line-up or exported since November 2018. Total Australian barley harvest is now more than 95% complete and is expected to wrap up over the next few weeks.

