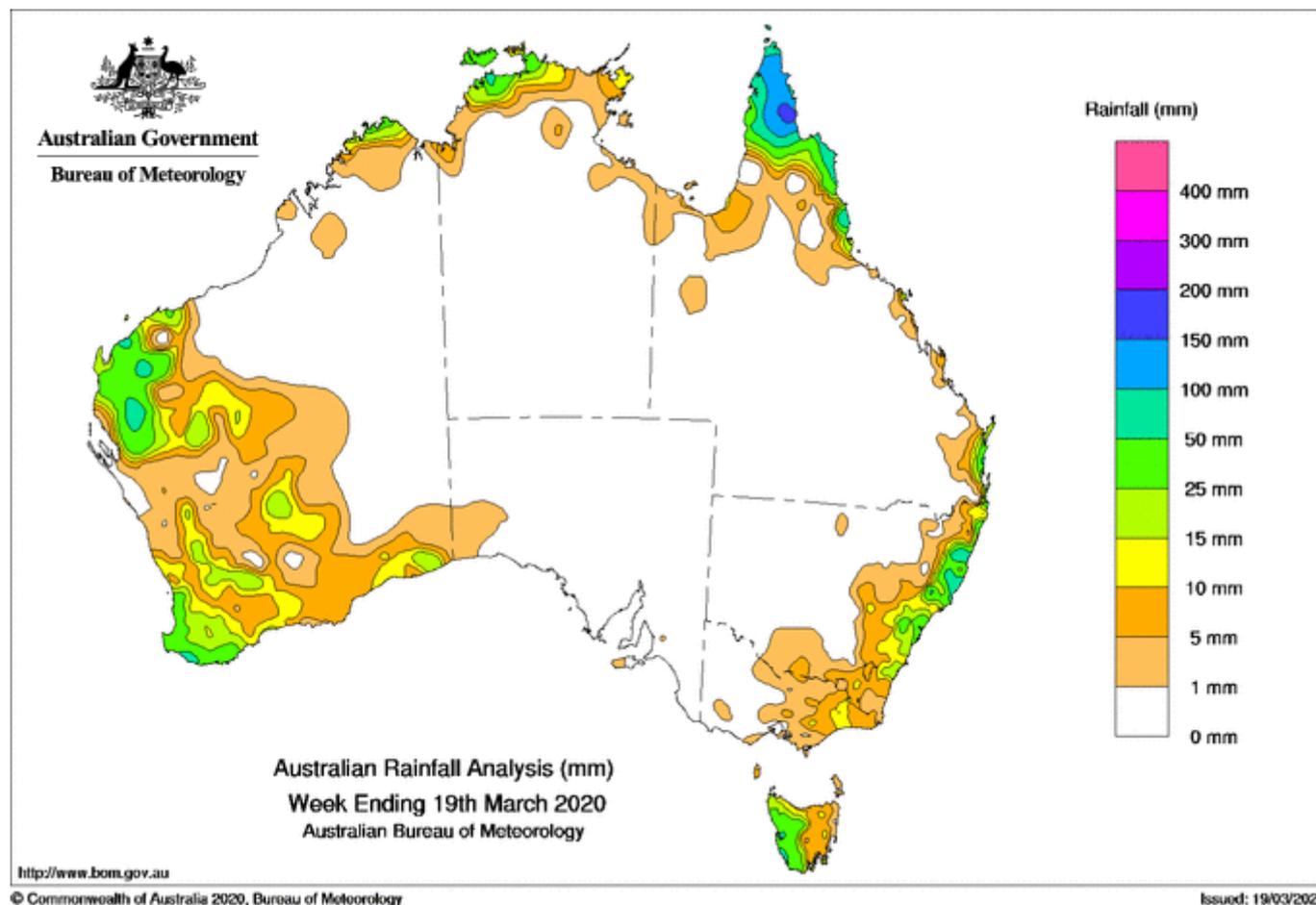


	This Report	Last Report	Change
AUD/USD (Spot)	\$0.5778	\$0.6458	-\$0.0680
CBOT Wht USC/Bu (Spot)	508.25	517.25	-9.00
CBOT Corn USC/Bu (Spot)	337.25	376	-38.75
ASX Wht AUD/MT (Jan 20)	\$358.00	\$350.00	\$8.00
ASX Bar AUD/MT (Jan 20)	\$290.00	\$278.00	\$12.00



Weather & Crop Conditions

The east coast of Australia got a rest from seemingly constant rainfall this week leaving Western Australia to receive most of the nation's rainfall in growing regions. Queensland growing regions were notably dry providing plenty of sun for the drenched summer cropping regions and hopefully encouraging yields on the below average planted area. Most weather models are predicting more dry weather on the east coast in the coming two weeks, although the ECMWF model does show a large storm in QLD and NSW early next week. In WA, decent scattered rainfall was received throughout last weekend with the south west of the state receiving the most consistent rainfall. Forecasts for WA show that further scattered rainfall is likely throughout the state next week, especially in the interior north, central and south coastal growing regions. South Australia once again remained dry throughout the week and seems likely to stay dry in the near future due to the WA storms being predicted to only move as far east as the Nullarbor region.

Wheat – Global

Wheat markets have been tossed around over the last week as world currencies change value at a rapid rate. All the major exporter currencies have fallen against the USD, creating excellent interior values for farmers to price against. Demand has continued to be solid despite the corona virus, with flour and pasta in strong demand, causing mills to reach forward for nearby supply to replenish supermarket shelves. Aussie wheat supplies are becoming tighter on the solid export program shipped and to be shipped, while new crop looks very competitive into large consumptive homes in South East Asia against even Black Sea wheat.

Coarse Grain – Global

Movements in currency this week have thrown a spanner in the works making global relativities for coarse grains hard to judge. On paper, Australian new crop barley looks competitive globally however with the crop not in the ground yet, who knows where we will be by December when combines are rolling. Global growing conditions for barley remains benign with much of the worlds production risk remaining with the Black Sea and European crops that aren't in the bin and the Australian and Canadian crops which aren't in the ground. It is anyone's guess how the Corona Virus might impact feed grain demand but what is known is that nations will want to secure supply line for human consumption.

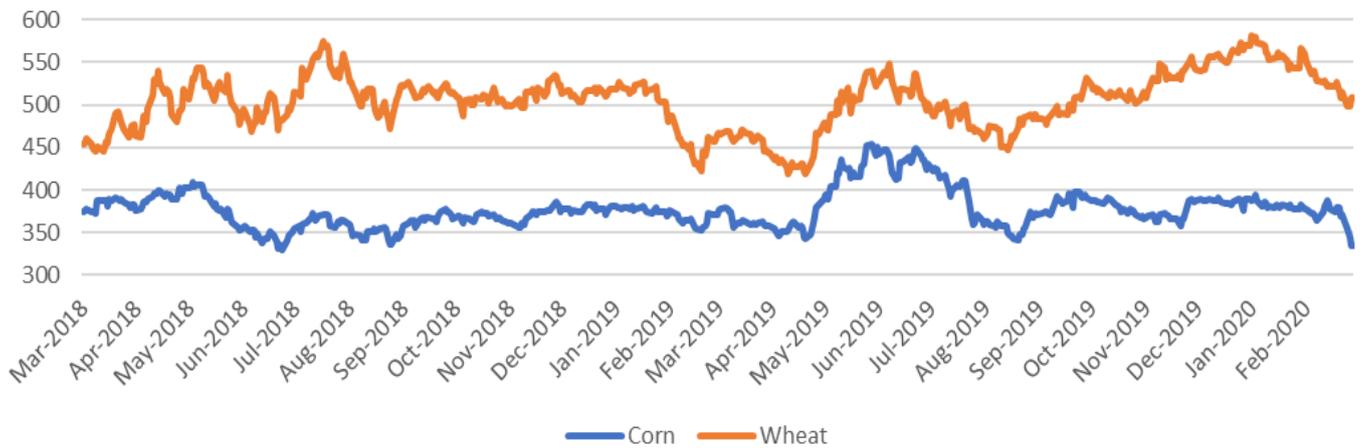
Wheat – Australia

Australian wheat markets are being affected by the significant swing in currency over the last few days. Domestic demand is still absent in most parts of Eastern Australia however there is still solid export demand for old crop underscoring the very fast national export pace and further commitments existing in deferred periods. With export markets being denominated in USD, domestic prices for Aussie wheat have surged almost \$20 over the last few days and bids to the grower are becoming increasingly competitive. New crop domestic prices have also firmed considerably based on FX swings with the east coast export prices moving further toward export parity into traditional South East Asian countries. COVID-19 and its affect are still yet to be fully realised however judging by consumer behaviour in Australia, milling wheat may be able to see significant increases in nearby demand compared to other goods.

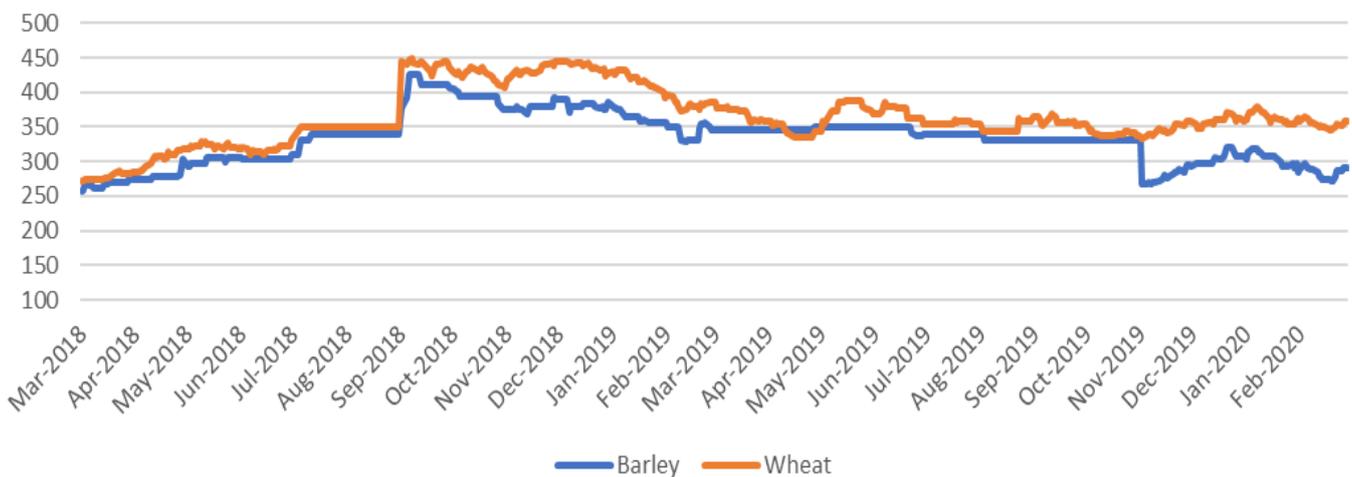
Coarse Grains – Australia

As the Aussie dollar takes a tumble, new crop values for sorghum have increased significantly over this week. March/April values have remained stagnant, still in a track squeeze causing highly elevated prices, however June/July prices have rallied \$50 over the last week off the back of currency depreciation and whispers of Chinese export interest at current USD values. With the rally, sorghum has moved away from domestic relativities that would've seen some northern feed ration demand meaning export markets could be sorghums destination if the Australian dollar stays depreciated. The Aussie dollar change has also had drastic effects for Australian barley markets as volatility and uncertainty becomes the new norm. Domestic barley prices have rallied significantly with the Aussie dollar move and with barley's main consumer being the domestic feed market, the weaker AUD could potentially help a beef export market currently under pressure from resurgent domestic cattle prices. Question marks continue to plague barley markets in deferred periods, as various supply chains ability to remain unaffected by the COVID-19 pandemic is unclear. The currency move also has Australian barley pricing competitively in the new crop for international destinations however without the crop in the ground and plenty of time until harvest, there has been little grower engagement.

Spot CBOT Corn & Wheat (USC/BU)



January ASX Barley & Wheat (AUD/MT)



Spot AUDUSD Currency

