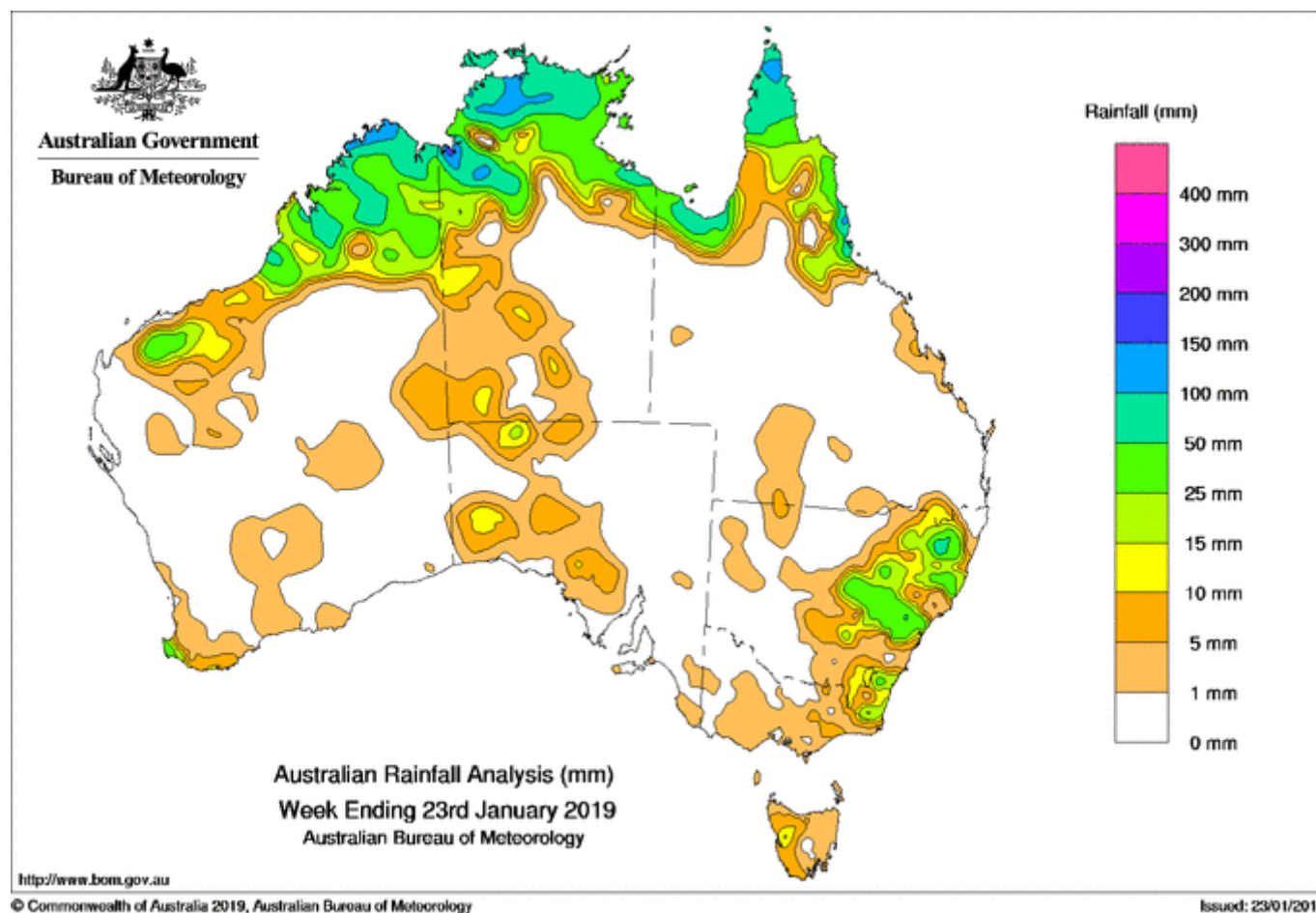


	This Report	Last Report	Change
AUD/USD (Spot)	\$0.7164	\$0.7172	-\$0.0008
CBOT Wht USC/Bu (Spot)	527.75	512.25	15.50
CBOT Corn USC/Bu (Spot)	378.75	374	4.75
ASX Wht AUD/MT (Jan 19)	\$428.00	\$426.00	\$2.00
ASX Bar AUD/MT (Jan 19)	\$375.00	\$375.00	\$0.00



Weather & Crop Conditions

Hot weather has persisted for another week throughout Australia with temperatures above 40 degrees experienced consistently across West Australian growing regions and the eastern cropping belt. Moisture deficits are becoming an issue for planted sorghum crops with very few dry days left before yield penalties will apply. Current forecasts indicate no nearby relief from the hot and dry conditions. If forecasts are correct, January rainfall is expected to total less than 25% of what is considered normal in Queensland, Victoria and much of Western Australia.

Wheat – Global

International wheat futures continued to move higher in an orderly manner this week and current pricing is around the top end of the recent futures range. Physical markets also have a firmer bias, with higher prices in the Black Sea catalysing a demand switch into other origins including US, Europe and Canada. Australia continues to see solid price inquiry and is maintaining its strong export pace for the first six months of 2019. This week did not provide a resolution for the US government shut down, so the market moves forward without key data sources such as the commitment of trader's reports, US Export data or WASDE reports.

Coarse Grain – Global

With no feed barley tender from SAGO for 2019 to date and Australia not seeing their usual barley demand from China global 18/19 feed barley markets have begun to buckle. Tender business for the week was limited to Tunisia, who booked 50kmt at CFR USD246 for Feb/March, and Jordan who booked 60kmt at CFR USD223.2 for second half June. No major flags exist for northern hemisphere new crop barley production at this stage, however a significant amount of rainfall will be required for East Coast Australia in the coming months to build moisture profiles for winter crop 2019.

Wheat – Australia

Wheat values were softer across the east coast this week with Brisbane and Newcastle track values dipping below replacement. With many consumers now covered in the nearby, carry's have flattened through to Q2 and buying liquidity remains limited in the short term. Transshipment pace to the east coast has remained strong throughout January and is not expected to ease until new crop sorghum is able to replace some feed ration demand.

Coarse Grains – Australia

Despite worsening growing conditions sorghum values have remained relatively unchanged for the week with softer barley and wheat markets countering any sorghum supply concerns. West Australian barley values were weaker off the back of international market uncertainty which translated to softer import parity levels on the east coast. Delivered Melbourne barley markets found even more weakness with values pulling away from West Australian replacement as consumers appear covered in the short term.

