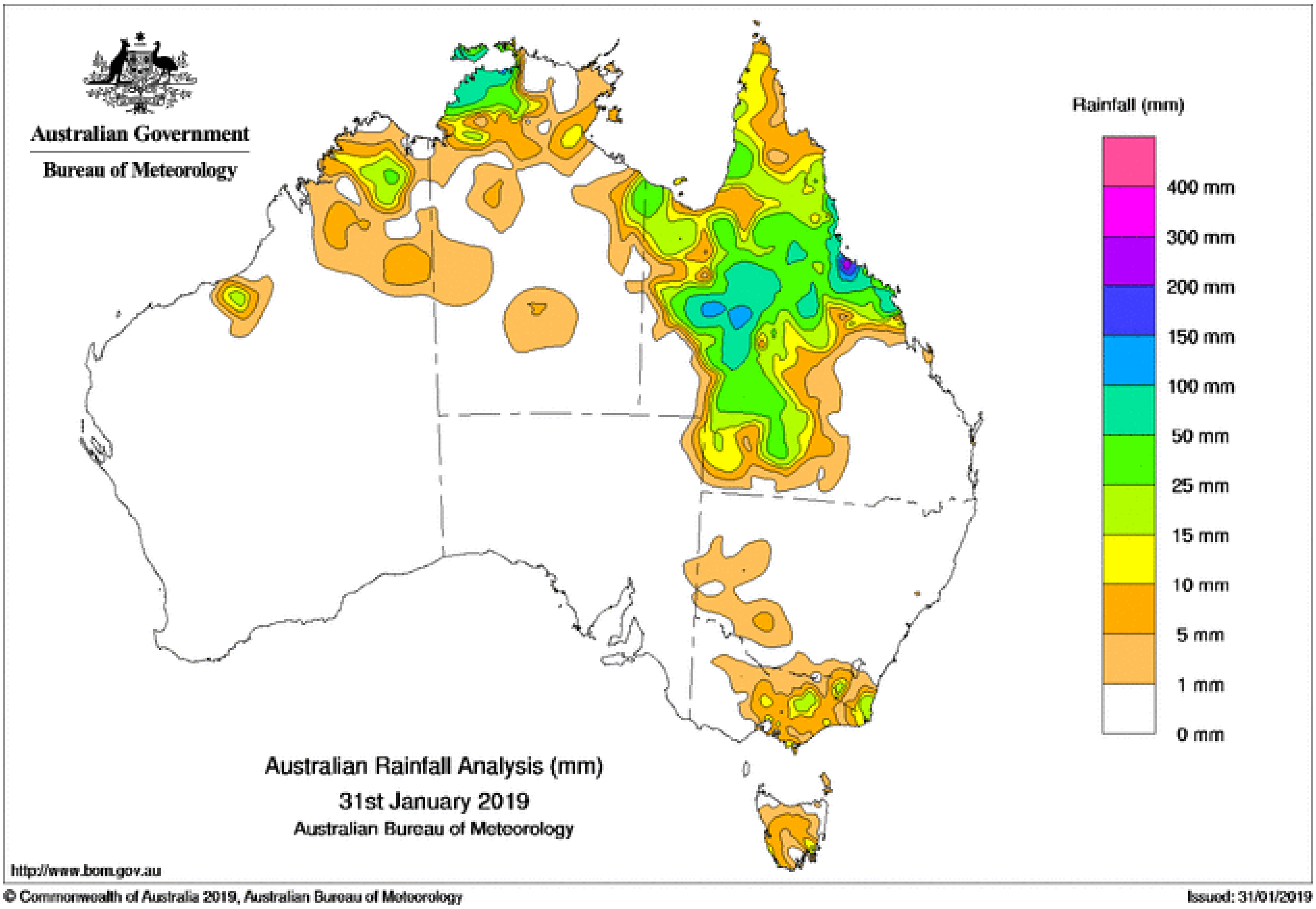
GrainCorp Weekly Market Wrap

31 January 2019

	This Report	Last Report	Change
AUD/USD (Spot)	$0.7269	$0.7164	$0.0105
CBOT Wht USC/Bu (Spot)	517.5	527.75	-10.25
CBOT Corn USC/Bu (Spot)	381	378.75	2.25
ASX Wht AUD/MT (Jan 20)	$342.50	$348.00	-$5.50
ASX Bar AUD/MT (Jan 20)	$286.00	$296.00	-$10.00



Weather & Crop Conditions

Rainfall totals for December and January have totalled less than 50% of what is considered average in almost all sorghum growing regions with the exception being some central Queensland crops that received average rainfall off the back of some summer cyclone activity. Daily maximum temperatures were mostly above 40 degrees last week in east coast cropping regions and sorghum crops have continued to suffer. Rainfall forecasts for the coming week are dry yet again right across the country while temperatures are expected to ease slightly with max temperatures largely below 35 degrees Celsius.

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Wheat – Global

International wheat futures and physical markets have been subdued this week. US futures have retraced from the top of the range, while most physical markets are stable to slightly softer following the recent move higher from the Black Sea region. This week provided a resolution to the US government shut down, with activities resuming and confidence that a permanent solution can be achieved between the US congress and the US President in 3 weeks-time. The missing data including the commitment of traders reports, US Export data and WASDE reports will be released over the next 3 weeks.

Coarse Grain – Global

Feed barley markets continue to slide globally with no sign of a tender from the World's biggest barley importer Saudi Arabia. Tender business from Jordan continues to guide the market in the new crop with another 60kmt of feed barley booked for July at sub USD220 in the past week. No major flags exist for northern hemisphere winter barley at this stage however spring barley planting is still some months away. US corn futures continue to trade in a tight range with markets awaiting the issue of the US export sales data which will be released incrementally to cover the missing weeks starting this evening.

Wheat – Australia

East coast wheat values have drifted lower this week with demand quiet and consumers largely covered. The likely damage in the north to new crop sorghum supplies has seen a small pick-up in enquires for feed wheat with more now expected to enter the feed ration. In Southern New South Wales and Victoria cheaper barley has weighed on wheat demand with the spread to feed barley widening across the week.

Coarse Grains – Australia

Brisbane track values for new crop sorghum have softened slightly through the week despite continued heat impacting potential sorghum yields. Weaker barley markets along with some harvest pressure have been enough to outweigh any sorghum supply concerns with finding demand in the feed ration the overarching driver of Brisbane track and Delivered Downs new crop values. Meanwhile, barley values on the east coast have continued to soften with potential oversupply concerns developing in the west off the back of global uncertainty.

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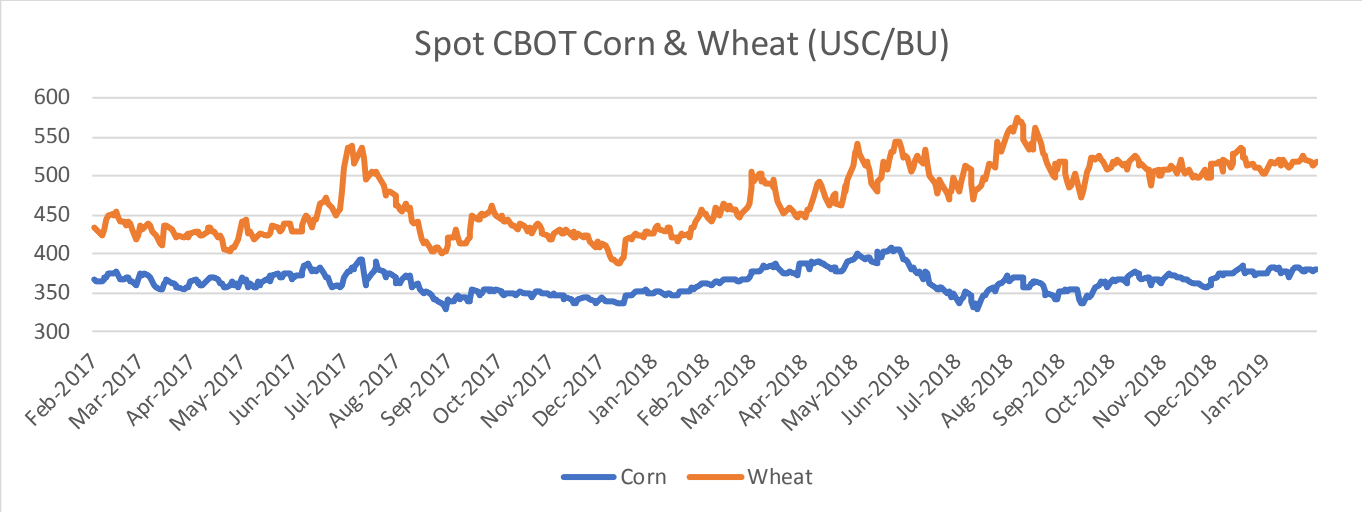

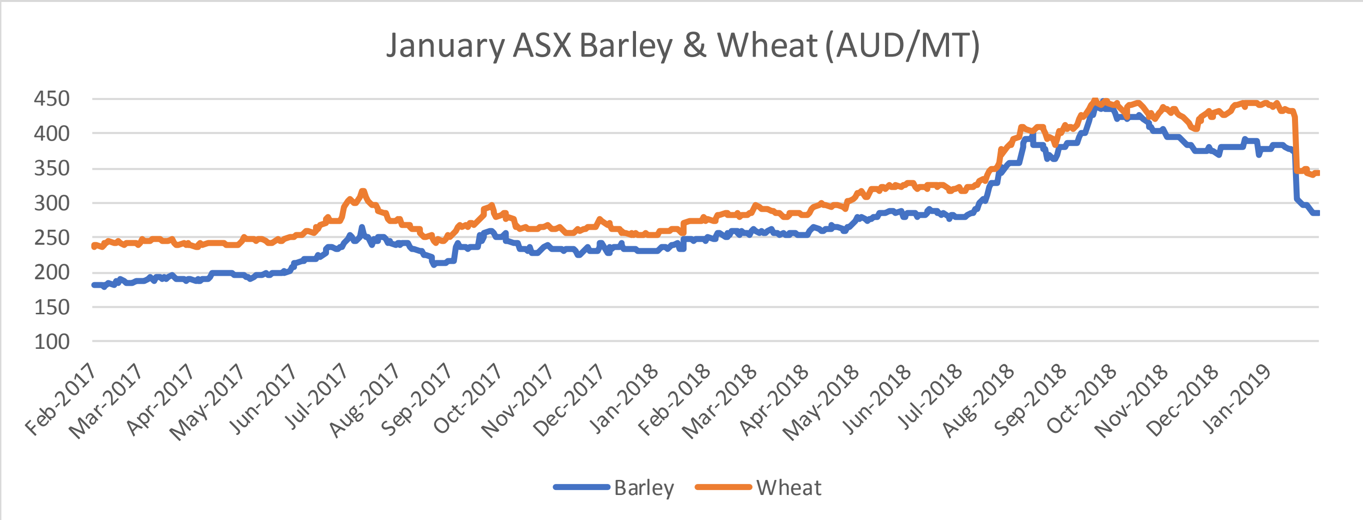

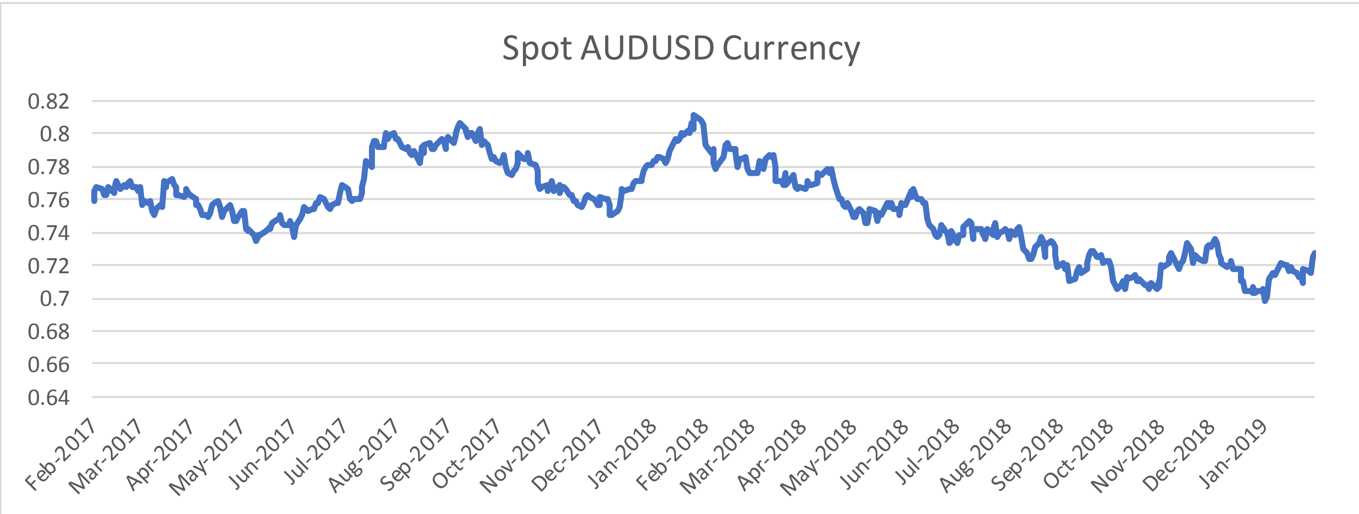

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