

Executive Grain Market Summary

18-22 December 2017

Currency / Oil:

LIFFE Wheat:

	Close	Change on week		Close	Change on week
£/\$	1.34	u/c	May 18	£142.65	+£1.05
£/€	1.13	-0.01	Nov 18	£142.35	+£1.30
Nymex Oil	\$58.36	+\$1.32	Nov 19	£144.20	+£0.55

Wheat Futures Market Comparisons:

	Cbot/Liffe		Matif/Liffe		Cbot/Liffe (Corn/Wheat)	
	May 18	Nov 18*	May 18	Nov 18*	May 18	Nov 18*
Closing differential	-£23	-£12	+£3	+£11	-£37	-£30
Change on week	+£1	+£1	u/c	+£1	u/c	u/c

Note:u/c

u/cCbot/Liffe Nov* and Matif/Liffe Nov * compares Cbot and Matif Dec with Liffe Nov

1. Relevant forward exchange rates are used to convert to Sterling equivalents
2. Prices are based on Thursday pm market closes. Nymex oil = front month position.
3. All figures are approximate and intended solely to illustrate trends

UK Update:

- Defra revised down the 2017 UK wheat crop estimate to 14.8m (vs 15.2m previous estimate; 14.4m in 2016); barley 7.2m (vs 7.4m; 6.6m) including winter 3.0m (vs 3.1m; 2.8m) and spring 4.2m (vs 4.3m; 3.8m); oats 0.88m (vs 0.93m; 0.82m); osr 2.2m (vs 2.2m; 1.8m).
- UK Oct 17 wheat exports of 47k took the Jul-Oct 17 total to 194k (vs 807k last ytd); wheat imports 141k, ytd 560k (vs 520k); barley exports 73k, ytd 415k (vs 429k); maize imports 285k, ytd 701k (vs 514k).

EU Update:

- German stats office estimate the domestic 2018 winter wheat area at 2.98m ha (vs 3.13m in 2017) as wet weather curtailed the planting season; winter barley 1.25m ha (vs 1.22m); osr 1.26m (vs 1.29m).
- EU Commission forecasts an expansion of the EU soft wheat area to 24.8m ha by 2030 (vs current 23.6m ha) with global demand growth allowing EU wheat exports to increase to 37m (vs 27m).

Global Update:

- Russian Ag-Min reported that Nov 17 cereal exports set a new record for any month at 5.4m tonnes with the Jul-13 Dec total put at 24.5m (vs 18.4m last ytd) and mild conditions allowing exports to continue at a rapid pace.
- Ag-Rural forecast the 2017/8 Brazilian maize crop at 84.1m (vs 97.6m in 2016/7), soyabeans 112.9m (vs 114.1m)
- Despite some recent rainfall, dry conditions remain a concern across parts of Argentina, South Brazil and the Southern US Plains with the recently established La Nina weather system normally associated with ongoing below normal rainfall in these regions....one to follow.
- Informa forecast 2018 US wheat area at a record low of 44.7m ac (vs 46.0m in 2017), maize 89.7m ac (vs 91.4m), soyabeans 91.4m ac (vs 90.2m)....this wheat area would be a staggering 43.5m ac (49%) lower than the record 88.2m ac planted in 1981.

Comment:

Markets are drifting quietly towards the end of the year with May 18 Liffe wheat closing today at just £2 higher than it started the year...let's hope that 2018 is more exciting!

This is the last Executive Summary of 2017 and the Saxon team wish you a very Merry Christmas and a prosperous New Year.