

Executive Grain Market Summary

Currency / Oil:

	Close	Change on week			Close	Change on week
£/\$	1.40	-0.02		May 18	£139.90	+£1.90
£/€	1.13	-0.01		Nov 18	£143.45	+£2.20
Nymex Oil	\$61.79	-\$4.06		Nov 19	£145.60	+£2.15

LIFFE Wheat:

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	-£15	-£8	+£4	+£10	-£34	-£32
Change on week	+£4	+£3	+£2	+£2	+£2	+£1

Note:

1. Cbot/Liffe Nov* and Matif/Liffe Nov * compares Cbot and Matif Dec with Liffe Nov
2. Relevant forward exchange rates are used to convert to Sterling equivalents
3. **Prices are based on Wednesday pm market closes. Nymex oil = front month position.**
4. All figures are approximate and intended solely to illustrate trends

UK Update:

- Strutt and Parker report UK arable land prices increased by 12.5% over 2017 to average £9,900/ha.....but forecast that prices could fall by 5% over the next 3 years.
- With English winter wheat certifications largely compete the splits for crop 2018 sowing are: Group 1 24% (vs 23% in 2017); Group 2 13% (vs 16%); Group 3 8% (vs 5%); Group 4 55% (vs 56%).
- Sterling firmed back over €1.14 on Thursday on BoE comments that interest rates may need to rise sooner than expected to keep inflation under control with the economy now forecast to grow by 1.8% in 2018 and 2019.
- The 10,000t of English spring barley seed certified to date (approx. 15% of the forecast total) shows the following split by variety: Propino 35% (vs 32% final last year); Planet 27% (vs 25%); Laureate 17% (vs 7%); concerto 7% (vs 7%); others 14% (vs 29%).

EU Update:

- Weekly EU soft wheat exports of 157k took the ytd total to 12.6m (vs 15.3m last ytd); barley exports 243k, ytd 3.4m (vs 2.9m); maize imports 365k, ytd 10.2m (vs 6.6m)
- French Dec 17 third country soft wheat exports set a season high at 792k taking the Jul-Dec total to 3.6m (vs 2.4m last ytd) with intra-EU exports put at 4.0m (vs 2.4m)
- Long (very!) running EU-Mercosur trade talks are nearing a deal which looks set to open up the EU market to more Argentinean/Brazilian agricultural products...one to follow.
- Strategie Grains increased the 2018 EU-28 osr crop forecast to 22.8m (vs 22.6m previous forecast; 22.0m in 2017).

Global Update:

- Russian Ag-Min forecasts 2018 total 2018 spring cereal/pulses area at 31m ha (vs 31.2m in 2017) spring barley area 7.6m ha (vs 7.5m ha in 2017), pulses 2.4m ha (vs 2.3m).
- CNGOIC forecast 2017/8 season maize use at 244m (vs 230m in 2016/7) with the 2017/8 crop put at 216m (vs 220m) and they report full 2017 sales from State stocks of 57.4m.
- Stats Can report end Dec 17 Canadian osr stocks at a record 14.1m (vs 13.4m end Dec 16), all wheat 23.6m (vs 24.1m), barley 6.1m (vs 6.5m), oats 2.9m (vs 2.5m), linseed 0.52m (vs 0.59m)
- Informa forecast 2018 US wheat crop at 50.1m (vs 51.7m previous forecast; 47.4m in '17)
- Informa forecast the 2018 global wheat crop at 750m (vs 757m in 2017).
- Conab cut 2017/8 Brazilian maize crop forecast to 88.0m (vs 92.3m previous forecast; 97.8m in 2016/7) on reduced safrinha planting prospects....one to follow.
- USDA report cut ending 2017/8 global cereal stocks to 637m (vs 643m last month; 653m end 2016/7) including wheat 226m (268m; 253m), maize 203m (vs 205m; 230m)

Comment:

Ongoing dry weather concerns across the US Plains and in Argentina continues to worry the bears...with a 6m tightening of global stocks by the USDA this afternoon also supportive.