

**Executive Grain Market Summary**

7-11 Jan 2019

**Currency / Oil:**

**LIFFE Wheat:**

	Close	Change on week			Close	Change on week
£/\$	1.28	+0.01		May 19	£177.75	-£0.75
£/€	1.11	u/c		Nov 19	£160.40	-£1.60
Nymex Oil	\$52.59	+\$5.50		Nov 20	£159.60	-£1.40

**Wheat Futures Market Comparisons:**

	Cbot/Liffe		Matif/Liffe		Cbot/Liffe (Corn/Wheat)	
	May 19	Nov 19*	May 19	Nov 19*	May 19	Nov 19*
Closing differential	<b>-£29</b>	<b>-£5</b>	<b>+£8</b>	<b>+£14</b>	<b>-£59</b>	<b>-£38</b>
Change on week	<b>-£1</b>	<b>-£1</b>	<b>-£1</b>	<b>+£1</b>	<b>-£1</b>	<b>u/c</b>

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 Thursday pm market closes. Nymex oil = front month position.**
4. All figures are approximate and intended solely to illustrate trends

**UK Update:**

- Updated NIAB wheat seed certifications for England/Wales put the split for crop 2019 as: Group-1 26% (vs 23% last year); Group-2 9% (vs 13%); Group-3 9% (vs 7%); Group-4 56% (vs 57%)
- Early (very early) NIAB spring barley seed certifications for England/Wales has the split for 2019 crop as: Planet 56% (vs 30% last year); Laureate 16% (vs 13%); Propino 15% (vs 26%); Diablo 3% (vs zero); concerto 2% (vs 4%) others 11% (vs 27%).
- Fengrain have announced immediate negotiations to sub-contract their grain marketing activities to Frontier (with the aim of commencing from April 2019).
- AHDB report Jul-Nov 18 cereal use in GB animal feed production at 2.70m (vs 2.62m last ytd) including wheat 2.02m (vs 1.96m), barley 0.45m (vs 0.50m) and maize at a record 0.21m (vs 0.07m)

**EU Update:**

- Weekly EU soft wheat exports of 35k took the ytd total to 8.4m (vs 11.3m last ytd); weekly barley exports zero, ytd 2.7m (vs 2.7m); weekly maize imports 396k, ytd 11.7m (vs 7.9m).
- Agri-Mer report French Jul-Nov 18 third country wheat exports at 6.3m (vs 6.1m last ytd) with full 2018/9 season exports forecast at 8.7m (vs 8.8m last month; 8.4m in 2017/8).
- The entire 1.175m tonnes of 2019 calendar year EU duty free import licences for Ukrainian origin maize were taken up by traders this week.

**Global Update:**

- Ukr-Agro estimate Jul-9 Jan Ukrainian cereal exports at 24.1m (vs 21.2m last ytd) including wheat 10.6m (vs 11.3m), maize 10.0m (vs 6.0m)
- Egypt bought 415k Russian origin milling wheat for 20 Feb-10 Mar shipment at average \$265 cif (vs \$264 previous purchase)...since Jul 18 Egypt has bought 5.1m wheat (vs 5.2m last ytd).
- Algeria bought 550k optional origin wheat (likely French/Argentinean origin) for Feb/Mar shipment at \$261.50-262 cif.
- Informa estimate 2019 US winter wheat area at 31.5m ac (vs 32.3m last month; 32.5m in 2018) and forecast a 2019 crop of 34.6m (vs 35.6m; 32.2m).
- Aussie Met Bureau reports an easing of El-Nino conditions with a slight cooling of tropical Pacific waters...alert level still in place but the chances of a strong 2019 event look low.
- Conab revised 2018/9 Brazilian crop forecasts: soyabeans 118.8m (vs 120.1m last month; 119.3m in 2017/8), maize 91.2m (vs 91.1m; 80.8m).
- US/China trade talks concluded in Beijing this week with China agreeing to 'buy a substantial amount of US agricultural products' and approving the import of 5 new GM products...but crucially no date was fixed for the next round of talks!

**Comment:**

Markets remain trapped in a very narrow trading range with a lack of fundamental developments and apparent Brexit deadlock ahead of next week's vote discouraging buyers and sellers.

**MS**