

Executive Grain Market Summary

1-4 Jan 2019

Note - Comparisons below are against values quoted in the previous Exec Summary dated 14 Dec 2018

Currency / Oil:

LIFFE Wheat:

	Close	Change on week		Close	Change on week
£/\$	1.27	+0.01	May 19	£178.50	-£0.85
£/€	1.11	u/c	Nov 19	£162.00	-£0.40
Nymex Oil	\$47.09	-\$5.49	Nov 20	£161.00	+£1.05

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	-£28	-£4	+£9	+£13	-£58	-£38
Change on week	-£6	-£4	u/c	u/c	-£1	u/c

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:

- Defra final 2018 UK production figures include: wheat 14.0m (vs 14.8m in 2017); barley 6.6m (vs 7.2m) including winter barley 2.7m (vs 2.9m) and spring barley 3.9m (vs 4.3m), oats 0.86m (vs 0.88m), osr 2.1m (vs 2.2m).
- Final AHDB early bird planting survey puts 2019 UK wheat area at 1871k ha (vs 1797k in 2018); winter barley 449k ha (vs 394k); spring barley 737k ha (vs 763k), oats 190k ha (vs 173k), osr 585k ha (vs 601k), pulses 183k ha (vs 198k).

EU Update:

- Weekly EU soft wheat exports of 113k took the ytd total to 8m (vs 10.9m last ytd); weekly barley exports 92k, ytd 2.6m (vs 2.6m); weekly maize imports 480k, ytd 11.3m (vs 7.6m)

Global Update:

- IKAR report Jul-27 Dec Russian grain exports at 27.1m (vs 28.4m last ytd) including wheat 23.6m (vs 21.7m) with full 2018/9 season grain exports forecast at 41.3m (vs 54.4m) including wheat 34.5m (vs 41.3m)...end 2018/9 Russian grain stocks are forecast at 12.8m (vs 17.1m end 2017/8) including wheat 10.1m (vs 13.7m).
- Ukrainian Ag-Min report Jul-Dec grain exports at 23.1m (vs 20.7m last ytd) including wheat 10.5m (vs 11.2m), barley 3.2m (vs 3.8m), maize 9.1m (vs 5.6m) with full 2018/9 grain exports forecast at a 47.2m (vs 39.4m) following the record 70.1m 2018 crop (vs 61.3m)
- Turkish Stats Office puts 2018 grain crop at 34.4m (vs 36.1m in 2017) including wheat 20.0m (vs 21.5m).
- Morocco announced the extended suspension of the 30% soft wheat import tariff until 30 April 2019 (this was due to be re-introduced from 1 Jan 2019).
- Heavy rain across Argentina is delaying the harvest of the final 10% of the 2018/9 wheat crop...the current 19m crop forecasts could be reduced.
- Dry conditions prompted FC Stone to cut forecast 2018/9 Brazilian soyabean crop to 116.3m (vs 120.3m previous forecast; 119.3m in 2017/8)...one to follow.
- Kansas (No1 US wheat State) 2019 wheat area looks set to fall close to a 100-year low, dropping below 8m ac for the first time since the 1950's following the cold, wet autumn.
- Indonesian Flour Millers Association forecasts 2019 imports at 9.0m (vs 8.4m in 2018) on strong domestic demand.
- US/China trade talks scheduled for next week in Beijing...keep checking your twitter account!

Comment:

2019 is kicking off with domestic old crop wheat prices £35/tonne higher than 12 months ago...given forecasts for expanded wheat areas in the UK, EU, Black Sea and US the market will need the intervention of the weather if current levels are to be maintained into next season. **MS**