

Executive Grain Market Summary

3-7 June 2019

Currency / Oil:			LIFFE Wheat:		
	Close	Change on week		Close	Change on week
£/\$	1.27	+0.01	Nov 19	£152.60	-£3.40
£/€	1.13	u/c	May 20	£158.05	-£3.90
Nymex Oil	\$52.49	-\$4.10	Nov 20	£151.10	-£5.40

Wheat Futures Market Comparisons:

	Cbot/Liffe		Matif/Liffe		Cbot/Liffe (Corn/Wheat)	
	Nov 19*	Nov 20*	Nov 19*	Nov 20*	Nov 19*	Nov 20*
Closing differential	-£2	+£10	+£11	+£16	-£18	-£24
Change on week	u/c	+£4	-£1	+£2	-£3	+£3

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 revised 2018 crop production estimates: wheat 13.6m (vs 13.9m previous estimate; 14.8m in 2017), barley 6.5m (vs 6.6m; 7.2m); osr 2.0m (vs 2.1m; 2.2m)...these estimates tighten the UK 2018/9 balance sheets.

EU Update:

- Weekly EU soft wheat exports of 143k took the ytd total to 19.1m (vs 19.3m last ytd); weekly barley exports 61k, ytd 4.2m (vs 5.3m); weekly maize imports 400k, ytd 22.3m (vs 16.2m).
- German co-ops association, DRV increased their 2019 wheat crop forecast to 24.7m (vs 24.3m previous forecast; 20.3m in 2018), barley 12.1m (vs 11.9m; 9.6m), osr 3.1m (vs 3.0m; 3.7m).
- Strategie Grains forecast 2019 EU-28 osr crop at 17.8m (vs 18.9m previous forecast; 20m in 2018) with 2019/20 imports forecast at 5.4m (vs 5.1m; 4.1m).

Global Update:

- A dry May prompted SovEcon to trim 2019 Russian wheat crop forecast to 82.6m (vs 83.4m previous forecast; 72m in 2018) with a hot/dry June also in the forecast for southern Russia...one to follow very closely.
- Rabobank forecasts 2019 Australian wheat crop at 18-20m (vs 17.3 m in 2018; 21.3m in 2017; 31.8m in 2016) as drought conditions persist in many regions.
- Agro-consult forecast 2018/9 Brazilian maize crop at 100.4m (vs 98.5m previous forecast; 80.7m in 2017/8).
- At 28 May the large investment Funds had sharply cut short positions on Chicago maize to 2.5m tonnes (vs 14.9m last week), wheat 5.3m (vs 6.5m), soybeans 17.8m (21m)...with a staggering 200m tonnes of maize futures/options trading on 29 May last week!
- US EPA announced the immediate introduction of all-year sales of E-15 petrol (15% ethanol inclusion)...previously E-15 sales were not allowed during summer months.
- China has sold 2.8m from domestic maize stocks this week follow the 3.3m sold last week.
- Chinese news agency forecasts 2019 maize crop at 254m (vs 257m in 2018) with 2019/20 use put at 283m (vs 284m).
- Dry conditions persisting in Western Canada with only 22% of Saskatchewan reported to have adequate soil moisture, as forecast rains fail to materialise.
- IEG Vantage forecast 2019 US maize area at 84.9m acres (vs 90.7m last month; 92.8m latest USDA forecast; 89.1m 2018), soybeans 85.0m (vs 86.4m; 84.6m; 89.1m)
- At 2 June US maize plantings were 67% complete (vs 58% last week; 96% last ytd; 96% 5-year average), soybeans 39% (vs 29%; 86%; 79%)...both record lows.
- At 2 June the 2019 US winter wheat crop was rated 64% good/excellent (vs 61% last week; 37% last ytd).
- USDA has announced that acres enrolled in prevent plant programs will not qualify for MFP payments...this will likely encourage late planting of crops in the saturated Mid-West.

Comment:

Market volatility continues to build with prices swinging violently as more money flows in and out of global exchanges...expect more bright green and red days to follow.

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