

**Executive Grain Market Summary**

**29 Oct – 2 Nov 2018**

**Currency / Oil:**

**LIFFE Wheat:**

	Close	Change on week		Close	Change on week
£/\$	1.30	+0.01	Nov 18	£171.05	-£0.20
£/€	1.14	+0.01	May 19	£174.50	-£0.50
Nymex Oil	\$65.69	-\$1.13	Nov 19	£156.00	-£3.90

**Wheat Futures Market Comparisons:**

	Cbot/Liffe		Matif/Liffe		Cbot/Liffe (Corn/Wheat)	
	Nov 18*	Nov 19*	Nov 18	Nov 19*	Nov 18*	Nov 19*
Closing differential	<b>-£28</b>	<b>+£1</b>	<b>+£5</b>	<b>+£14</b>	<b>-£59</b>	<b>-£37</b>
Change on week	<b>+£1</b>	<b>+£3</b>	<b>-£1</b>	<b>+£3</b>	<b>-£1</b>	<b>+£2</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:**

- UK Jul-Sep 18 animal feed production reported at 3.5m (vs 3.3m last ytd) with wheat use over the period at 1.22m (vs 1.19m), barley 0.28m (vs 0.30m), maize 103k (vs 82k).
- UK Jul-Sep 18 wheat used for milling (including bio-fuel) totalled 1.74m (vs 1.82m last ytd) of which home grown was down 22% at 1.30m (vs 1.58m) and imported wheat up 83% at 0.44m (vs 0.24m)
- UK Jul-Sep 18 barley use for malting reported at 0.99m (vs 0.91m last ytd).
- Sterling rallied over the second half of this week on comments from Raab suggesting that the UK and EU were close to an agreement on the contentious Irish border issue.

**EU Update:**

- Weekly soft wheat exports of 107k took the ytd total to 5.2m (vs 6.8m last ytd); weekly barley exports 122k, ytd 1.8m (vs 1.8m); weekly maize imports 498k, ytd 5.6m (vs 4.9m)
- EU Commission trimmed 2018 EU-28 soft wheat crop estimate to 127.4m (vs 128.7m previous estimate; 142m in 2017).

**Global Update:**

- Egypt bought at total of 470k wheat at \$252.50-253.25 cif for 11-20 Dec including 60k of US origin (for the first time since the 2016/7 season), 350k Russian and 60k Ukrainian....so far this season GASC has bought 3.8m wheat (vs 3.8m last ytd).
- Russian Ag safety watchdog is seeking a suspension of loading from 5 points in the key wheat exporting region of Rostov...one to follow.
- Ukrainian Ag-Min reports Jul-Oct 18 wheat exports at 7.5m (vs 8.1m last ytd).
- Talk at the start of the week of the US threatening the introduction of tariffs on a further \$250bn of Chinese imports was followed yesterday by a Trump tweet indicating that a trade deal with China was possible at the forthcoming G20 meeting...take your pick!
- Saudi Arabia tendering for 1m feed barley for Jan-Feb 19 shipment.,
- Initial 2019 US winter wheat ratings put the crop at 53% good/excellent (vs 52% last ytd; 55% average) with the No1 wheat state, Kansas at only 42% (55%; 55%) following excessive wet weather which looks set to reduce the planned area of 8.5m acres back closer to the 7.7m acres planted in 2018.
- IGC increased 2018 global wheat crop to 729m (vs 717m previous forecast; 767m in 2017) following a 12m upgrade in China.
- ABARES cut 2018 Australian wheat crop forecast to 16.6m (vs 19.1m previous forecast; 21.2m in 2017), barley 6.9m (vs 8.3m; 8.9m), osr 2.2m (vs 2.8m; 3.7m).
- Sales of 1.6m this week took the total release of Chinese maize stocks, since auctions commenced on 12 April, to over 100m tonnes!

**Comment:**

A turbulent week on currency and commodity markets as traders look to interpret/second guess on-going comments about possible Brexit and US/China trade deals...expect more of the same to follow.

**MS**